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Testo del comunicato

Vedi allegato.

PRESS RELEASE

BMPS: BOARD REVIEWED THE MAIN FIGURES OF PRELIMINARY RESULTS AS AT 31 DECEMBER 2015

Net profit for the year equal to c. EUR 390m including the effect of the restatement of the Alexandria transaction as a CDS derivative, at the request of Consob, of about EUR 500m

Positive operating performance with pre provision profit up by 27% (excluding the impact from the classification of Alexandria as a CDS derivative)

Improved asset quality with reduced stock of gross and net non-performing exposures in the fourth quarter 2015

Solid capital position with Common Equity Tier 1 at 12%

Strong liquidity position, at the highest level in 4 years, and adequate to absorb funding pressure related to recent market volatility

Preliminary results as at 31 December 2015 (Unaudited)

- Net profit for the year at c. EUR 390 million, including the effect of the restatement as a CDS derivative of the so-called Alexandria transaction, as requested by Consob, equal to c. EUR 500 million; excluding the restatement, net result would be negative of around EUR 110 million, also affected by some extraordinary items (the costs of the unwinding of the so-called Alexandria transaction and the extraordinary contribution to the Single Resolution Fund)

- Pre provision profit at c. EUR 2.59 billion including the restatement as a CDS derivative of the so-called Alexandria transaction. If not accounting for this impact, pre provision profit (c. EUR 1.87 billion) is up c.27% compared to December 2014, supported by the positive performance of the core banking business

- Solid Common Equity Tier 1 ratio transitional at 12% (fully loaded at 11.7%) substantially stable versus September 2015 and comfortably above the regulatory requirement

- Actions to manage non performing loans continue: reduction in gross deteriorated loans of c. EUR 0.6 billion in the fourth quarter, benefiting from the slowdown in gross inflows, a more effective recovery activity and the EUR 1 billion NPLs disposal completed in December 2015. Coverage ratios substantially stable versus September 2015, confirming BMPS's best-in-class positioning in the Italian banking system

- Strong liquidity position, with unencumbered counterbalancing capacity equal to c. EUR 24 billion at December 2015 (c. +EUR 8 billion versus December 2014), highest level in the last four years and adequate to absorb pressure in direct funding related to recent market volatility. However, this negative trend is stabilizing compared to the last weeks

MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

Siena, 28 January 2016 – The Board of Directors of Banca Monte dei Paschi di Siena S.p.A. reviewed the main figures of its preliminary results as at 31 December 2015 (unaudited)

Key preliminary economic and financial figures are reported below:

Data in EUR billion	Alexandria CDS Derivative (with restatament)			Alexandria long term repo (without restatament)			Alexandria long term repo (without restatament)		
	2014Y	2015Y	Change %	2014	2015	Change %	3Q 2015	4Q 2015	Change %
Profit and loss data									
Net interest income	2,14	2,26	5%	2,16	2,28	5%	0,57	0,54	-5%
Net fee and commission income	1,70	1,81	7%	1,70	1,81	7%	0,43	0,45	5%
Total revenues	4,15	5,22	26%	4,23	4,50	6%	0,96	1,12	17%
Operating expenses	-2,76	-2,63	-5%	-2,76	-2,63	-5%	-0,66	-0,66	1%
Pre provision profit	1,40	2,59	85%	1,48	1,87	27%	0,30	0,46	51%
Loan loss provisions	-7,82	-1,99	n.s.	-7,82	-1,99	*n.s.*	-0,43	-0,58	*n.s.*
Net profit (loss)	-5,40	0,39	*n.s.*	-5,34	-0,11	*n.s.*	-0,11	-0,20	*n.s.*
Balance sheet data									
Loans to customers	119,7	111,4	-7%	119,7	111,4	-7%	112,5	111,4	-1%
Direct funding	122,9	119,3	-3%	126,2	119,3	-6%	122,7	119,3	-3%
Total assets	179,9	169,0	-6%	183,4	169,0	-8%	170,2	169,0	-1%
Shareholders equity	**5,8**	**9,6**	**66%**	**6,0**	**9,7**	**63%**	**9,9**	**9,7**	**-1%**
Key ratios (%)									
CET1 phased-in	8,5%	12,0%		8,7%	12,2%		12,0%	12,2%	
CET1 fully loaded	N.D.	11,7%		N.D.	11,7%		11,7%	11,7%	

In accordance with IAS 8 (accounting policies, changes in accounting estimates and errors), figures prior to 31/12/15 were restated in order to account for the different classification of the so-called «Alexandria» transaction. Such different classification, as requested by Consob, is mainly referred to the accounting of the transaction as a CDS derivative instead of a long term repo, as it was represented in the previous financial accounts and until the unwinding of such transaction completed in September 2015.

Group main economic results

- Net interest income at c. EUR 2.26 billion, up 5.4% Y/Y, thanks to the lower average amount of New Financial Instruments (NFIs) and to the reduction in the cost of funding, which partially offset the decline in average interest-bearing assets and portfolio returns. Fourth quarter contribution amounts to c. EUR 0.54 billion
- Net fees and commissions at c. EUR 1.81 billion, up 6.6% Y/Y, with growth primarily driven by wealth management. Fourth quarter contribution equal to c. EUR 0.45 billion, +4.7% versus previous quarter
- Net profit from financial activity at c. EUR 1.15 billion, mainly impacted by the restatement of the Alexandria transaction (c. EUR 0.61 billion) as well as by the gains from the optimisation of the Govies portfolio (approximately EUR 0.28 billion)
- Positive result in terms of improved operational efficiency: further reduction in the operating expenses which amounted to c. EUR 2.63 billion, down 4.6% Y/Y. Over the last 4 years, savings totalled c. EUR 800 million (-23.2% compared to December 2011). In the fourth quarter, operating expenses were c. EUR 0.66 billion, slightly higher compared to the previous quarter due to usual seasonality in other administrative expenses

- Net impairment losses of c. EUR 2 billion, down 11% Y/Y net of non-recurring components for 2014 and 2015. Total impairment losses reported between 2012 and 2015 totalled c. EUR 15.7 billion

Group balance sheet main figures

- Loans to customers at c. EUR 111.4 billion, down by EUR 8.3 billion versus 2014, mainly impacted by the unwinding of the Alexandria transaction (c. EUR 4 billion) and by low demand of new loans
- Direct funding at approximately c. EUR 119.3 billion, down by c. EUR 3.6 billion Y/Y, mainly affected by the decline in terms of institutional funding for over EUR 7 billion (particularly in terms of repos) while commercial funding increased by c. EUR 2.6 billion; current accounts and time deposits, equal to c. EUR 68.9 billion, were up by 7% versus December 2014
- Indirect funding almost in line with December 2014, with funding mix progressively shifting towards asset management, whose weight on total indirect funding increased by c. 400 bps
- As at December 2015, gross non-performing exposures totalled c. EUR 46.9 billion, down c. EUR 0.6 billion versus September 2015, mainly due to the slowdown in gross deteriorated inflows, the improvement in the recovery and the disposals of NPLs portfolios. Net non-performing exposures reduced by EUR 0.2 billion. Excluding the c. EUR 1.0 billion disposal completed in December 2015, the quarterly change in the gross stock would be c. EUR 0.4 billion (compared to c. EUR 1.2 billion in the third quarter), the lowest value in the last eight quarters. Coverage of non-performing exposures stable versus previous quarter despite the disposal of a highly provisioned portfolio

BMPS management confirms that the main economic and financial figures are still preliminary as the financial statements for 2015 will be approved on 5 February 2016, while the annual report as of 31 December 2015 will be analysed on 25 February 2016. Hence, the information provided with this press release should be considered as preliminary and updated as of today and, as such, may be subject to variations. These figures have not been verified and certified by the auditors.

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

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

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