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Societa' : BANCA MONTE DEI PASCHI DI SIENA

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Informazione
Regolamentata

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PRESS RELEASE

BANCA MPS: FY2016 DRAFT FINANCIAL STATEMENTS APPROVED

SHAREHOLDERS' MEETING CALLED FOR APRIL 12TH

- **The adjustment of certain income statement items, with respect to preliminary results published on February 9th, reduces net loss for the year from EUR -3,380 million to EUR -3,241 million**

Siena, 9 March 2017 – The Board of Directors of Banca Monte dei Paschi di Siena (“the Bank”) has approved the Bank's draft financial statements and Montepaschi Group's draft consolidated financial statements as at 31 December 2016. Results recorded in the draft financial statements differ from the preliminary results approved by the Board on 9 February 2017 due to:

- i. amendments to Law Decree no. 237/2016, introduced in the course of its conversion into Law no. 15 of 17 February 2017;
- ii. updates to the business plan projections underlying the Restructuring Plan preliminary proposal approved by the Board of Directors during today's meeting and sent to the Competent Authorities in order to begin talks aimed at finalising the Plan and obtaining its approval by the Authorities.

Specifically, the main innovations provided by Conversion Law no. 15 of 17 February 2017 and the related effects incorporated in the draft financial statements consist in:

- the change in the discount factor to be applied in determining the price of shares to be granted to holders of subordinated bonds and the introduction of an additional discount of 25% in determining the price of shares to be allocated to the Ministry of Economy and Finance. This change has led to a revision of the carrying value of subordinated bonds recognised at fair value at 31 December 2016, resulting in a positive impact on the income statement of approximately EUR 26 million in the item “Net profit (loss) from financial assets and liabilities designated at fair value” (which improves from EUR 73 million to EUR 99 million) and a consequent decrease in the value of securities for the same amount;
- the amendment to Art. 11 of Law Decree no. 59 of 3 May 2016, concerning the option to pay an annual fee granting the possibility to convert eligible DTAs into tax credits. In essence, the updated rules provide for the postponement of the period of validity of these DTA fees (from 2015-2029 before the amendment to 2016-2030), thus determining an impact on the income statement of a single annuity (2016), instead of the two previously booked, with a charge decreased by approximately EUR 72 million. The item “DTA fees” hence amounts to approximately EUR -70 million, compared to EUR -142 million of the preliminary results, resulting in a corresponding decrease in Other liabilities.

In light of the above, and following the evolution of the business plan projections, income taxes amount to EUR -21 million (EUR -62 million in preliminary results), inclusive of a partial write-down of DTAs related to past tax losses for EUR -252 million (EUR -276 million in preliminary results). Furthermore, it is noted that, on account of *probability test* results, DTAs for EUR 817 million (vs. EUR 861 million in preliminary results) on tax losses arising from the economic situation were not booked.

The above revisions lead to a net loss of EUR -3,241 million (vs. EUR -3,380 million indicated in preliminary results), with a resulting increase in total equity of about EUR 139 million. Furthermore, due to the above issues, provisions of Art. 2446 of the Italian Civil Code do not apply to the parent company.

CET1 is up by EUR 98 million compared to 9 February 2017, amounting to EUR 5,353 million; Transitional CET1 ratio equals 8.17% (+15 bps vs. the preliminary figure) and Total Capital ratio stands at 10.40% (+15 bps vs. the preliminary figure). Therefore, it is confirmed that the Group complies with the minimum regulatory requirements of Art. 92 of EU Regulation no. 575/2013, but falls short of the 10.75% SREP CET1 target ratio set for 31 December 2016.

The Board of Directors also resolved to call an Ordinary and Extraordinary Shareholders' Meeting in Siena, Viale Mazzini 23 on 12 April 2017 at 9:30 a.m. on a single call.

The Assembly is called

in the ordinary session:

- to approve the stand-alone and consolidated financial statements at 31 December 2016, including the reports of the Board of Directors, of the Independent Auditor and of the Board of Statutory Auditors;
- to resolve upon the Remuneration Report, pursuant to Article 123-ter of Legislative Decree No. 58 of 24 February 1998 ("Consolidated Finance Act"), approved by the Board of Directors today;
- to resolve upon the approval of the plan of "performance shares" in favour of the employees of the Montepaschi Group, pursuant to the provisions of Article 114-bis of the Consolidated Finance Act;
- to resolve upon the proposal to reduce the number of members of the Board of Directors;

and in the extraordinary session:

- to approve the proposed voluntary reduction of the share capital covering residual losses as of 31 December 2016 and the relevant amendments to the By-Laws;
- to resolve upon modifications to the By-Laws (articles 15 and 19), for legal and regulatory adjustments to corporate governance.

The notice of call of the Shareholders' Meeting, together with documentation relating to the approval of Financial Statements at 31 December 2016, including the Report on corporate governance, and all the reports on the other items on the agenda will be available to the public as required by law.

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

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

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Reclassified accounts

With respect to the approach used in the 2015 Financial Report and confirmed in the previous Interim Financial Reports, the reclassified income statement was modified, with the introduction of the new item "DTA Fee". This item shows the fee on DTAs (Deferred Tax Assets) which are convertible into tax credits, as per art. 11 of Law Decree no. 59 of 3 May 2016 converted into Law no. 119 of 30 June 2016. The offsetting entry is Income Statement item 180b, "Other administrative expenses".

Reclassified Income statement

- a) Item "**Interest income**" was spun off of the economic values of the Purchase Price Allocation (PPA) and returned in a specific item, amounting to approximately EUR 19 million;
- b) Item "**Net profit (loss) from trading/valuation of financial assets/liabilities**" includes Item 80 "Net profit (loss) from trading", Item 100 "Gains (losses) on disposal/repurchase of loans, financial assets available for sale or held to maturity and financial liabilities" and Item 110 "Net profit (loss) on financial assets and liabilities designated at fair value". This item incorporates dividends earned on securities other than investments (approximately EUR 3 million)
- c) Item "**Dividends, similar income and gains (losses) on investments**" incorporates item 70 "Dividends and similar income" and a portion of item 240 "Gains (losses) on investments" (approximately EUR 68 million, corresponding to the share of profit and loss for the period contributed by investments in the associate AXA, consolidated at equity). Dividends earned on securities (other than investments) held in the securities portfolio, as outlined under the item above, have also been eliminated from the aggregate.
- d) Income statement item "**Other operating income (expense)**" incorporates balance sheet item 220 "Other operating expenses/income", excluding stamp duty and customer expense recoveries, restated under "Other administrative expenses".
- e) The item of the income statement "**Personnel expenses**" has been reduced by restructuring charges amounting to EUR 117 million, related to the provisions for staff exits/fund provided for in the agreement with the trade unions of 23 December 2016. The amount was reclassified under "Restructuring costs/One-off charges".
- f) Item "**Other administrative expenses**" includes balance sheet item 180b "Other administrative expenses" minus the following cost components:
 - charges, about EUR 241 million, arising from BRRD and DGSD for the resolution of banking crises, reclassified under "Risks and charges related to SRF, DGS and similar schemes";
 - fees on DTAs which are convertible into tax credits, for approximately EUR 70 million (booked in "DTA fees" item).

The item incorporates stamp duty and client expense recoveries (EUR 344 million) accounted in the balance sheet under item 220 "Other operating expenses / income".

- g) Item "**Net value adjustments to tangible and intangible assets**" was spun off of the economic values of the Purchase Price Allocation (PPA) and returned in a specific item, amounting to about EUR 28 million;

- h) Item "**Net impairment losses on financial assets and other operations**" includes the balance sheet items 130b "Financial assets available for sale" and 130d "Other financial transactions".
- i) The item of the income statement "**Restructuring costs / One-off costs**" includes charges, amounting to about EUR 117 million, related to the provisions for staff exits/fund provided for in the agreement with the trade unions of 23 December 2016, unbundled from "Personnel expenses."
- j) Item "**Risks and charges related to the SRF, DGS and similar schemes**" includes the charges arising from EU directives DGSD for deposit guarantee and BRRD for the resolution of banking crises, accounted in the balance sheet item 180b "Other administrative expenses". As at 31 December 2016 SRF and NRF charges (respectively EUR 71 million and EUR 140 million) and DGS charges (approx. EUR 30 mln) have been booked.
- k) Item "**DTA fees**" contains costs relating to the fees on DTAs which are convertible into tax credits, provided for by art. 11 of Law Decree no. 59 of 3 May 2016 converted into law no. 119 of 30 June 2016, booked in item 180b "Other Administrative Expenses".
- l) Item "**Profit (loss) from equity investments**" incorporates the balance sheet item 240 "Gains (losses) on investments" reduced by the contribution to the income statement corresponding to the share of profit and loss for the period contributed by investments in the associate AXA, consolidated at equity and accounted in the reclassified item "Dividends and similar income and gains (losses) on investments."
- m) Item "**taxes**" was spun off of the theoretical tax component relating to the Purchase Price Allocation (PPA) and returned in a specific item, amounting to about EUR 15 million;
- n) The negative effects of Purchase Price Allocation (PPA) were reclassified to the specific item after separating them from the financial items concerned (in particular "**net interest income**" of approximately EUR 19 million and **amortization** of approximately EUR 28 million, net of a theoretical tax burden of approximately EUR -15 million which is included in the related item).

Reclassified Balance sheet

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

CONSOLIDATED REPORT ON OPERATIONS

Highlights at 31/12/2016

INCOME STATEMENT AND BALANCE SHEET FIGURES

MPS GROUP

INCOME STATEMENT FIGURES	31/12/16		31/12/15	Chg.
Net interest income	2,021.3	-	2,258.6	-10.5%
Net fee and commission income	1,839.4	-	1,809.9	1.6%
Other operating income	421.3	-	1,147.1	-63.3%
Total Revenues	4,282.0	-	5,215.5	-17.9%
Net impairment losses (reversals) on loans and financial assets	(4,500.9)	-	(1,993.1)	n.s.
Net operating income	(2,840.2)	-	593.8	n.s.
Net profit (loss) for the period	(3,241.1)	-	388.1	n.s.
EARNING PER SHARE (EUR)	31/12/16		31/12/15	Chg.
Basic earnings per share	-110.545		22.328	n.s.
Diluted earnings per share	-110.545		21.965	n.s.
BALANCE SHEET FIGURES AND INDICATORS	31/12/16		31/12/15	Chg.
Total assets	153,178.5		169,012.0	-9.4%
Loans to customers	106,692.7		111,366.4	-4.2%
Direct funding	104,573.5		119,274.7	-12.3%
Indirect funding	98,151.8		106,171.8	-7.6%
of which: assets under management	57,180.9		55,515.7	3.0%
of which: assets under custody	40,971.0		50,656.1	-19.1%
Group net equity	6,425.4		9,596.4	-33.0%
OPERATING STRUCTURE	31/12/16		31/12/15	Chg.
Total head count - end of period	25,566		25,731	-165
Number of branches in Italy	2,032		2,133	-101

CONSOLIDATED REPORT ON OPERATIONS

Highlights at 31/12/2016

ALTERNATIVE PERFORMANCE MEASURES

MPS GROUP

PROFITABILITY RATIOS (%)	31/12/16	31/12/15	Chg.
Cost/Income ratio	61.2	50.4	10.8
R.O.E.	-40.5	5.1	-45.5
Return on Assets (RoA) ratio	-2.1	0.2	-2.3
ROTE (Return on tangible equity)	-40.5	5.1	-45.6
KEY CREDIT QUALITY RATIOS (%)	42,735.0	42,369.0	Chg.
Net non-performing loans / Loans to Customers	19.0	21.7	-2.6
Coverage non-performing loans	55.6	48.5	7.2
Net doubtful loans / Loans to Customers	9.7	8.7	1.0
Coverage doubtful loans	64.8	63.4	1.3
Net impairment losses on loans / Loans to Customers (Provisioning)	4.2	1.8	2.4
Texas Ratio	145.0	146.8	-1.8

CONSOLIDATED REPORT ON OPERATIONS

Highlights at 31/12/2016

REGULATORY MEASURES

MPS GROUP

CAPITAL RATIOS (%)	31/12/16	31/12/15	Chg.
Common Equity Tier 1 (CET1) ratio	8.2	12.0	-3.8
Total Capital ratio	10.4	16.0	-5.5
FINANCIAL LEVERAGE INDEX (5)	31/12/16	31/12/15	Chg.
Leverage ratio - Transitional Phase	3.2	5.2	-2.1
LIQUIDITY RATIO (%)	31/12/16	31/12/15	Chg.
LCR	107.7	222.0	-114.3
NSFR	87.6	100.8	-13.3

Reclassified Consolidated Income Statement

Montepaschi Group	31/12/16	31/12/15	Change	
			Abs.	%
Net interest income	2,021.3	2,258.6	(237.3)	-10.5%
Net fee and commission income	1,839.4	1,809.9	29.5	1.6%
Income from banking activities	3,860.7	4,068.5	(207.8)	-5.1%
Dividends, similar income and gains (losses) on equity investments	77.8	99.9	(22.1)	-22.1%
Net profit (loss) from trading/ valuation of financial assets	441.2	1,037.8	(596.6)	-57.5%
Net profit (loss) from hedging	(82.0)	14.1	(96.1)	n.s.
Other operating income (expenses)	(15.7)	(4.7)	(11.0)	n.s.
Total Revenues	4,282.0	5,215.5	(933.5)	-17.9%
Administrative expenses:	(2,402.5)	(2,412.6)	10.1	-0.4%
a) personnel expenses	-	(1,652.8)	1,652.8	-100.0%
b) other administrative expenses	(792.0)	(759.9)	(32.1)	4.2%
Net adjustments to (recoveries on) property, plant and equipment / Net adjustments to (recoveries on) intangible assets	(218.8)	(216.0)	(2.8)	1.3%
Operating expenses	(2,621.3)	(2,628.6)	7.2	-0.3%
Pre Provision Profit	1,660.7	2,587.0	(926.3)	-35.8%
Net impairment losses (reversals) on:	(4,500.9)	(1,993.1)	(2,507.8)	n.s.
a) loans	(4,467.0)	(1,991.1)	(2,475.9)	n.s.
b) financial assets	(33.9)	(2.1)	(31.8)	n.s.
Net operating income	(2,840.2)	593.8	(3,434.1)	n.s.
Net provisions for risks and charges	44.4	(64.0)	108.4	n.s.
Gains (losses) on investments	11.8	119.6	(107.8)	-90.1%
Restructuring costs / One-off costs	(117.0)	(17.4)	(99.5)	n.s.
Risks and charges related to the SRF, DGS and similar schemes	(241.1)	(195.5)	(45.6)	23.3%
DTA Fee	(70.4)	-	(70.4)	n.s.
Gains (losses) on disposal of investments	33.2	2.9	30.3	n.s.
Profit (loss) before tax from continuing operations	(3,179.3)	439.3	(3,618.6)	n.s.
Tax expense (recovery) on income from continuing operations	(20.7)	(11.4)	(9.2)	80.8%
Profit (loss) after tax from continuing operations	(3,200.0)	427.9	(3,627.8)	n.s.
Net profit (loss) for the period including non-controlling interests	(3,200.0)	427.9	(3,627.8)	n.s.
Net profit (loss) attributable to non-controlling interests	9.7	1.8	7.9	n.s.
Profit (loss) for the period before PPA , impairment on goodwill and intangibles	(3,209.7)	426.1	(3,635.8)	n.s.
PPA (Purchase Price Allocation)	(31.4)	(38.0)	6.6	-17.3%
Net profit (loss) for the period	(3,241.1)	388.1	(3,629.2)	n.s.

Quarterly trend in reclassified consolidated income statement

Montepaschi Group	2016				2015			
	4°Q 2016	3°Q 2016	2°Q 2016	1°Q 2016	4°Q 2015	3°Q 2015	2°Q 2015	1°Q 2015
					(*)	(*)	(*)	(*)
Net interest income	502.6	483.5	486.9	548.3	541.0	556.8	553.9	606.8
Net fee and commission income	437.0	461.7	483.8	456.9	451.6	431.1	484.2	443.0
Income from banking activities	939.6	945.2	970.7	1,005.2	992.6	987.9	1,038.1	1,049.8
Dividends, similar income and gains (losses) on equity investments	11.3	23.3	23.9	19.3	4.8	28.7	42.1	24.3
Net profit (loss) from trading/ valuation of financial assets	21.5	102.7	151.3	165.7	133.6	458.9	163.6	281.7
Net profit (loss) from hedging	(80.3)	(0.4)	(1.4)	0.1	4.3	(6.3)	0.2	15.9
Other operating income (expenses)	(27.6)	2.2	14.7	(5.0)	(17.8)	0.5	11.3	1.3
Total Revenues	864.5	1,073.0	1,159.1	1,185.4	1,117.6	1,469.6	1,255.3	1,373.0
Administrative expenses:	(630.6)	(595.1)	(582.1)	(594.7)	(602.2)	(601.7)	(603.7)	(604.9)
a) personnel expenses	(371.1)	(418.4)	(403.4)	(417.6)	(396.3)	(422.7)	(414.5)	(419.4)
b) other administrative expenses	(259.5)	(176.7)	(178.7)	(177.1)	(206.0)	(179.1)	(189.3)	(185.5)
Net adjustments to (recoveries on) property, plant and equipment / Net adjustments to (recoveries on) intangible assets	(61.6)	(55.2)	(51.7)	(50.3)	(59.3)	(54.5)	(53.7)	(48.4)
Operating expenses	(692.2)	(650.3)	(633.8)	(645.0)	(661.6)	(656.2)	(657.4)	(653.3)
Pre Provision Profit	172.3	422.7	525.4	540.3	456.0	813.4	597.9	719.7
Net impairment losses (reversals) on:	(2,482.1)	(1,301.6)	(368.0)	(349.2)	(575.4)	(435.3)	(528.2)	(454.2)
a) loans	(2,445.4)	(1,303.3)	(372.4)	(345.9)	(577.2)	(429.9)	(515.8)	(468.2)
b) financial assets	(36.7)	1.7	4.4	(3.3)	1.7	(5.4)	(12.4)	14.0
Net operating income	(2,309.8)	(878.9)	157.4	191.1	(119.5)	378.1	69.7	265.5
Net provisions for risks and charges	48.0	(27.5)	29.2	(5.3)	(58.7)	43.3	(18.8)	(29.8)
Gains (losses) on investments	2.5	1.6	0.2	7.5	(7.1)	1.5	124.9	0.2
Restructuring costs / One-off costs	(117.0)	-	-	-	(14.6)	(2.2)	(0.3)	(0.2)
Risks and charges related to the SRF, DGS and similar schemes	(139.1)	(31.2)	0.3	(71.1)	(140.9)	(54.6)	-	-
DTA Fee	53.9	(15.5)	(108.8)	-	-	-	-	-
Gains (losses) on disposal of investments	20.4	12.8	-	-	1.0	0.9	0.6	0.4
Profit (loss) before tax from continuing operations	(2,441.1)	(938.7)	78.3	122.2	(339.8)	367.0	176.0	236.1
Tax expense (recovery) on income from continuing operations	64.7	(203.9)	139.2	(20.7)	152.1	(102.5)	18.1	(79.1)
Profit (loss) after tax from continuing operations	(2,376.4)	(1,142.6)	217.5	101.5	(187.8)	264.5	194.2	157.0
Net profit (loss) for the period including non-controlling interests	(2,376.4)	(1,142.6)	217.5	101.5	(187.8)	264.5	194.2	157.0
Net profit (loss) attributable to non-controlling interests	(8.3)	0.6	0.3	0.5	(0.5)	0.5	0.3	0.5
Profit (loss) for the period before PPA , impairment on goodwill and intangibles	(2,384.7)	(1,143.2)	217.2	101.0	(188.2)	264.0	193.9	156.5
PPA (Purchase Price Allocation)	(7.7)	(7.5)	(8.3)	(7.9)	(8.4)	(8.2)	(8.7)	(12.8)
Net profit (loss) for the period	(2,392.4)	(1,150.7)	208.9	93.1	(196.6)	255.8	185.2	143.7

(*) The figures of the first three quarters of 2015 were restated in order to reflect the changes described in the section "Restatement of previous period accounts and changes in estimates in compliance with IAS 8 (Accounting policies, changes in accounting estimates and errors)" of the 2015 financial statements, to which reference should be made.

Reclassified Consolidated Balance Sheet

ASSETS	31/12/16	31/12/15	Chg	
			abs.	%
Cash and cash equivalents	1,084.5	1,188.8	(104.3)	-8.8%
Receivables :				
a) Loans to customers	106,692.7	111,366.4	(4,673.7)	-4.2%
b) Loans to banks	8,936.2	8,242.1	694.1	8.4%
Marketable assets	25,929.3	35,208.6	(9,279.3)	-26.4%
Financial assets held to maturity	-	-	-	
Equity investments	1,031.7	908.4	123.3	13.6%
Property, plant and equipment / Intangible assets	2,942.9	3,141.8	(198.9)	-6.3%
<i>of which:</i>				
a) <i>goodwill</i>	7.9	7.9	-	
Other assets	6,561.2	8,956.0	(2,394.8)	-26.7%
Total assets	153,178.5	169,012.0	(15,833.5)	-9.4%
LIABILITIES	31/12/16	31/12/15	Chg	
			abs.	%
Payables				
a) Deposits from customers and securities issued	104,573.5	119,274.7	(14,701.2)	-12.3%
b) Deposits from banks	31,469.1	17,493.1	13,976.0	79.9%
Financial liabilities held for trading	4,971.8	15,921.7	(10,949.9)	-68.8%
Provisions for specific use				
a) Provisions for staff severance indemnities	252.9	246.2	6.7	2.7%
b) Pensions and other post retirement benefit obligations	53.6	49.4	4.2	8.6%
c) Other provisions	1,054.5	1,067.5	(13.0)	-1.2%
Other liabilities	4,342.7	5,336.7	(994.0)	-18.6%
Group net equity	6,425.4	9,596.4	(3,171.0)	-33.0%
a) Valuation reserves	47.3	(21.8)	69.1	n.s.
c) Equity instruments carried at equity	-	-	-	
d) Reserves	2,253.6	222.1	2,031.5	n.s.
e) Share premium	-	6.3	(6.3)	
f) Share capital	7,365.7	9,001.8	(1,636.1)	-18.2%
g) Treasury shares (-)	-	-	-	
h) Net profit (loss) for the year	(3,241.1)	388.1	(3,629.2)	n.s.
Non-controlling interests	34.9	26.3	8.6	32.9%
Total Liabilities and Shareholders' Equity	153,178.5	169,012.0	(15,833.5)	-9.4%

Reclassified Consolidated Balance Sheet - Quarterly Trend								
ASSETS	31/12/16	30/09/16	30/06/16	31/03/16	31/12/15	30/09/15	30/06/15	31/03/15
						(*)	(*)	(*)
Cash and cash equivalents	1,084.5	941.4	794.6	913.4	1,188.8	812.2	822.0	682.3
Receivables :								
a) Loans to customers	106,692.7	104,612.4	107,547.8	113,544.3	111,366.4	112,513.2	117,436.3	123,139.0
b) Loans to banks	8,936.2	7,669.4	7,953.1	6,856.1	8,242.1	6,432.2	8,327.2	7,855.7
Marketable assets	25,929.3	35,748.3	36,022.6	39,999.9	35,208.6	36,296.5	32,989.5	37,633.5
Financial assets held to maturity								
Equity investments	1,031.7	910.7	948.0	934.3	908.4	959.6	907.7	947.0
Property, plant and equipment / Intangible assets	2,942.9	3,016.9	3,059.8	3,112.4	3,141.8	3,090.1	3,122.4	3,139.0
<i>of which:</i>								
a) <i>goodwill</i>	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9
Other assets	6,561.2	7,230.0	8,059.6	8,285.2	8,956.0	10,022.4	10,596.4	10,453.1
Total assets	153,178.5	160,129.1	164,385.5	173,645.6	169,012.0	170,126.2	174,201.5	183,849.6
LIABILITIES	42,735.0	42,643.0	42,551.0	42,460.0	42,369.0	42,277.0	42,185.0	42,094.0
						(*)	(*)	(*)
Payables								
a) Deposits from customers and securities issued	104,573.5	105,461.4	112,045.2	119,507.9	119,274.7	122,717.4	122,890.5	128,160.9
b) Deposits from banks	31,469.1	25,282.4	19,465.8	17,524.7	17,493.1	17,804.9	18,830.9	22,519.3
Financial liabilities held for trading	4,971.8	13,802.7	15,854.7	20,051.0	15,921.7	11,475.8	14,533.8	18,268.5
Provisions for specific use								
a) Provisions for staff severance indemnities	252.9	251.3	249.9	247.7	246.2	245.2	246.4	268.2
b) Pensions and other post retirement benefit obligations	53.6	51.2	52.3	51.4	49.4	50.5	50.3	52.1
c) Other provisions	1,054.5	1,018.8	1,012.5	1,050.0	1,067.5	1,086.9	1,106.1	1,103.7
Other liabilities	4,342.7	5,489.2	5,750.4	5,511.9	5,336.7	6,989.6	7,285.0	7,291.0
Group net equity	6,425.4	8,745.6	9,928.7	9,675.3	9,596.4	9,730.4	9,234.2	6,161.8
a) Valuation reserves	47.3	-24.7	7.7	-36.5	-21.8	-84.7	-323.6	-13.9
c) Equity instruments carried at equity								3.0
d) Reserves	2,253.6	617.2	617.2	610.5	222.1	222.3	466.1	-6,457.6
e) Share premium				6.3	6.3	6.3	4.0	2.3
f) Share capital	7,365.7	9,001.8	9,001.8	9,001.8	9,001.8	9,001.8	8,758.7	12,484.2
g) Treasury shares (-)								
h) Net profit (loss) for the year	-3,241.1	-848.7	302.0	93.2	388.1	584.7	329.0	143.8
Non-controlling interests	34.9	26.5	26.0	25.7	26.3	25.5	24.3	24.1
Total Liabilities and Shareholders' Equity	153,178.5	160,129.1	164,385.5	173,645.6	169,012.0	170,126.2	174,201.5	183,849.6

(*) The figures of the first three quarters of 2015 were restated in order to reflect the changes described in the section "Restatement of previous period accounts and changes in estimates in compliance with IAS 8 (Accounting policies, changes in accounting estimates and errors)" of the 2015 financial statements, to which reference should be made.

Pro-forma statements for the accounting treatment of the so-called “Alexandria” deal

Pro-forma consolidated income statement

Assets	31 12 2016	31 12 2015	pro-forma adjustments for classification "Alexandria transaction" as LTR	31 12 2015 pro-forma
10 Cash and cash equivalents	1,084,510	1,188,761	-	1,188,761
20 Financial assets held for trading	9,266,150	18,017,359	-	18,017,359
40 Financial assets available for sale	16,663,117	17,191,196	-	17,191,196
60 Loans to banks	8,936,239	8,242,056	-	8,242,056
70 Loans to customers	106,692,711	111,366,383	-	111,366,383
80 Hedging derivatives	327,349	556,425	-	556,425
90 Change in value of macro-hedged financial assets (+/-)	113,300	139,582	-	139,582
100 Equity investments	1,031,678	908,365	-	908,365
120 Property, plant and equipment	2,597,434	2,741,723	-	2,741,723
130 Intangible assets	345,513	400,103	-	400,103
<i>of wich: goodwill</i>	<i>7,900</i>	<i>7,900</i>	-	<i>7,900</i>
140 Tax assets	4,147,512	5,542,518	76,162	5,618,680
150 Non-current assets and groups of assets held for sale and discontinued operations	60,684	29,267	-	29,267
160 Other assets	1,912,269	2,688,239	-	2,688,239
Total Assets	153,178,466	169,011,977	76,162	169,088,139

Liabilities and Shareholders' Equity		31 12 2016	31 12 2015	pro-forma adjustments for classification "Alexandria transaction" as LTR	31 12 2015 pro-forma
10	Deposits from banks	31,469,061	17,493,110	-	17,493,110
20	Deposits from customers	80,702,762	87,806,329	-	87,806,329
30	Debt securities issued	22,347,465	29,394,436	-	29,394,436
40	Financial liabilities held for trading	4,971,802	15,921,727	-	15,921,727
50	Financial liabilities designated at fair value	1,523,223	2,073,915	-	2,073,915
60	Hedging derivatives	1,018,291	1,205,267	-	1,205,267
80	Tax liabilities	75,342	91,456	(43,079)	48,377
90	Liabilities associated with non-current assets held for sale and discontinued operations	10,402	-	-	-
100	Other liabilities	3,238,931	4,039,948	-	4,039,948
110	Provision for employee severance pay	252,858	246,170	-	246,170
120	Provisions for risks and charges	1,108,054	1,116,913	-	1,116,913
140	Valuation reserves	47,251	(21,817)	-	(21,817)
160	Equity instruments carried at equity	-	-	-	-
170	Reserves	2,253,601	222,086	619,234	841,320
180	Share premium	-	6,325	-	6,325
190	Share Capital	7,365,674	9,001,757	-	9,001,757
200	Treasury shares (-)	-	-	-	-
210	Non-controlling interests (+/-)	34,859	26,259	-	26,259
220	Profit (loss) (+/-)	(3,241,110)	388,096	(499,993)	(111,897)
Total liabilities and Shareholders' Equity		153,178,466	169,011,977	76,162	169,088,139

Pro-forma consolidated balance sheet

Items	31 12 2016	pro-forma adjustments for		
		31 12 2015	classification "Alexandria transaction" as LTR	31 12 2015 pro-forma
10 Interest income and similar revenues	3,317,233	4,087,480	113,685	4,201,165
20 Interest expense and similar charges	(1,315,216)	(1,858,013)	(90,983)	(1,948,996)
30 Net interest income	2,002,017	2,229,467	22,702	2,252,169
40 Fee and commission income	2,132,321	2,153,837	-	2,153,837
50 Fee and commission expense	(292,965)	(343,940)	-	(343,940)
60 Net fee and commission income	1,839,356	1,809,897	-	1,809,897
70 Dividends and similar income	13,506	18,638	-	18,638
80 Net profit (loss) from trading	177,045	752,048	(608,602)	143,446
90 Net profit (loss) from hedging	(81,952)	14,099	4,116	18,215
100 Gains/losses on disposal/repurchase	161,501	225,834	-	225,834
110 Net profit (loss) from financial assets and liabilities designated at fair value	99,322	50,276	(131,977)	(81,701)
120 Net interest and other banking income	4,210,795	5,100,259	(713,761)	4,386,498
130 Net impairment losses (reversals)	(4,500,890)	(1,993,140)	-	(1,993,140)
140 Net income from banking activities	(290,095)	3,107,119	(713,761)	2,393,358
180 Administrative expenses	(3,175,247)	(2,975,333)	-	(2,975,333)
190 Net provisions for risks and charges	44,428	(64,038)	-	(64,038)
200 Net adjustments to (recoveries on) property, plant and equipment	(111,822)	(126,942)	-	(126,942)
210 Net adjustments to (recoveries on) intangible assets	(134,630)	(116,631)	-	(116,631)
220 Other operating expenses/income	328,533	345,121	-	345,121
230 Operating expenses	(3,048,738)	(2,937,823)	-	(2,937,823)
240 Gains (losses) on investments	79,453	210,440	-	210,440
260 Impairment on goodwill	-	-	-	-
270 Gains (losses) on disposal of investments	33,195	2,855	-	2,855
280 Profit (loss) before tax from continuing operations	(3,226,185)	382,591	(713,761)	(331,170)
290 Tax expense (recovery) on income from continuing operations	(5,187)	7,277	213,768	221,045
300 Profit (loss) after tax from continuing operations	(3,231,372)	389,868	(499,993)	(110,125)
310 Profit (loss) after tax from groups of assets held for sale and discontinued operations	-	-	-	-
320 Profit (loss)	(3,231,372)	389,868	(499,993)	(110,125)
330 Profit (loss) for the period attributable to non-controlling interests	9,738	1,772	-	1,772
340 Parent company's net profit (loss)	(3,241,110)	388,096	(499,993)	(111,897)

Pro-forma consolidated statement of comprehensive income

Items	31 12 2015	pro-forma adjustments for classification "Alexandria transaction" as LTR		31 12 2015 pro-forma
		31 12 2015		
10 Profit (loss)	(3,231,372)	389,868	(499,993)	(110,125)
Other comprehensive income after tax not recycled to profit and loss	(8,868)	16,758	-	16,758
40 Actuarial gains (losses) on defined benefit plans	(8,234)	16,681	-	16,681
50 Non-current assets held for sale	(83)	-	-	-
60 Share of valuation reserves of equity-accounted investments	(551)	77	-	77
Other comprehensive income after tax recycled to profit and loss	77,943	269,308	423,123	692,431
80 Exchange differences	1,364	5,649	-	5,649
90 Cash flow hedges	110,202	44,263	-	44,263
100 Financial assets available for sale	(137,075)	202,511	423,123	625,634
110 Non-current assets held for sale	(4,107)	17,877	-	17,877
120 Share of valuation reserves of equity-accounted investments	107,559	(992)	-	(992)
130 Total other comprehensive income after tax	69,075	286,066	423,123	709,189
140 Total comprehensive income (Item 10+130)	(3,162,297)	675,934	(76,870)	599,064
150 Consolidated comprehensive income attributable to non-controlling interests	9,745	1,767	-	1,767
160 Consolidated comprehensive income attributable to Parent Company	(3,172,042)	674,167	(76,870)	597,297

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