The consolidated interim report on operations as at 31 March 2012

Gruppo Banco Desio

Table of contents

Corporate offices
(Banco di Desio e della Brianza S.p.A.)

Board of Directors

Chairman	Agostino Gavazzi*
Deputy Chairman	Stefano Lado*
Managing Director	Nereo Dacci*
Directors	Egidio Gavazzi* Luigi Gavazzi Paolo Gavazzi Guido Pozzoli* Marina Brogi Gerolamo Pellicanò Pier Antonio Cutellé Lorenzo Rigodanza

** Members of the Executive Committee*

Board of Statutory Auditors

Chairman	Eugenio Mascheroni
Statutory Auditors	Rodolfo Anghileri Marco Piazza
Alternate Auditors	Giovanni Cucchiani Clemente Domenici Carlo Mascheroni

General Management

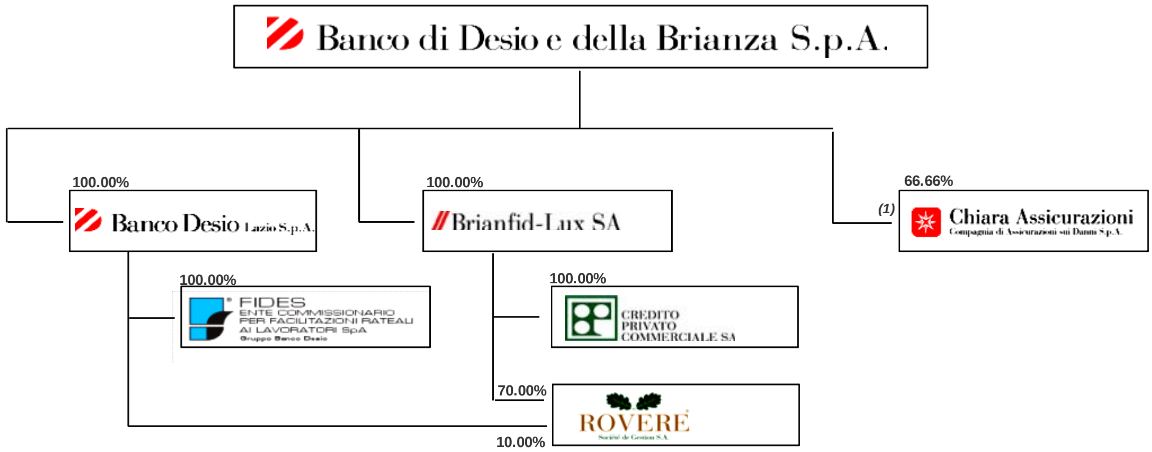
General Director	Claudio Broggi
Vice General Director	Marco Sala

Manager responsible for preparing the company's financial reports pursuant to article 154-bis of Consolidated Law on Finance "TUF"

Manager responsible for preparing the Company's financial reports	Piercamillo Secchi

The Banco Desio Group

This Consolidated Interim Report on Operations as at 31 March 2012 relates to the following corporate structure of the Banco Desio Group:



(1) Company excluded from the perimeter of the Banking Group

Foreword

This Consolidated Interim Report on Operations as at 31 March 2012 of the Banco Desio Group has been prepared in accordance with Article 154 ter of Legislative Decree 58/1998 *(TUF, "Testo Unico della Finanza",* the Italian Consolidated Law on Finance), which implements Legislative Decree No. 195 of 6 November 2007, known as the "Transparency Directive", and in compliance with the applicable international accounting standards as adopted in the European Union under Regulation (EC) 1606 of 19 July 2002, and, in particular, with IAS 34, *Interim Financial Reporting*.

By virtue of the possibilities allowed under this principle, this Interim Report on Operations is presented in a condensed form, and therefore does not present the complete disclosures envisaged for annual financial statements. The drafting of the document implies the adoption of estimating procedures which, however, do not affect its reliability.

The Interim Report on Operations consists of *Explanatory Notes* on consolidated operating performance, as well as of *Consolidated Interim Financial Statements as at 31 March 2012*, including a Balance Sheet, an Income Statement, a Consolidated Statement of Comprehensive Income for the period, a Statement of Changes in Shareholders' Equity and a Cash Flow Statement, which are not subject to inspection by the Auditors.

The data and ratios reported in this Interim Report on Operations make reference, insofar as they are attributable, to the Balance Sheet of the *Consolidated Interim Financial Statements* and to the reclassified Income Statement, as per the appropriate paragraph, which has in turn been prepared on the basis of the Financial Statement schedule.

It should be noted that, given that the Parent Company has begun the process of exploring the market for a potential transfer of Swiss subsidiary Credito Privato Commerciale S.A. from Brianfid-Lux S.A., which is expected to take place before the end of the current year (as indicated in the paragraph "major corporate events"), in application of IAS 34, the equity balances subject to transfer have been grouped together under the item 150 "Non-current assets held for sale and discontinued operations" and under item 90 "Liabilities associated to assets held for sale and discontinued operations" in the Balance Sheet, while the economic figures were placed in item 310 "Profit (loss) from non-current assets held for sale and discontinued operations net of taxes" in the Income Statement of the *Consolidated Interim Financial Statements as at 31 March 2012*. In consideration of the limited contribution to the consolidated financial statements of the subsidiary subject to disposal, it was not deemed necessary to reclassify the period used for comparison.

Financial highlights and ratios

Balance sheet data

Amounts in thousands of Euros	31.03.2012	31.03.2011	Change Amount	%
Total assets	8.938.877	8.248.661	690.216	8,4%
Financial assets	1.212.798	898.360	314.438	35,0%
Amounts due from banks	236.512	375.045	-138.533	-36,9%
Amounts due from customers	6.951.471	6.564.150	387.321	5,9%
Tangible assets	152.970	152.499	471	0,3%
Intangible assets	46.154	48.186	-2.032	-4,2%
Amounts due to banks	455.327	253.410	201.917	79,7%
Amounts due to customers	4.732.069	4.290.911	441.158	10,3%
Securities issued and Financial liabilities at fair value through profit or loss	2.511.121	2.458.270	52.851	2,1%
Shareholders' equity (including net profit for the period)) [(1)]	817.210	810.430	6.780	0,8%
Indirect deposits	10.995.714	11.759.653	-763.939	-6,5%

Income statement data [(2)]

Amounts in thousands of Euros	31.03.2012	31.03.2011	Change Amount	%
Operating income	94.142	82.781	11.361	13,7%
of which Net interest income	*51.863*	*47.068*	*4.795*	*10,2%*
Operating costs	55.157	53.658	1.499	2,8%
Operating margin	38.985	29.123	9.862	33,9%
Profits/(losses) after taxes from continuing operations	13.566	16.123	-2.557	-15,9%
Profits/(losses) after taxes from non-recurring operations	4.900	7.702	-2.802	-36,4%
Net profit/(loss) for the period [(1)]	17.787	23.580	-5.793	-24,6%

(1) *pertaining to the Parent Company*
(2) *from reclassified income statement*

Financial ratios

	31.03.2012	31.03.2011	Change Amount
Shareholders' equity / Total assets	9,1%	9,8%	-0,7%
Shareholders' equity / Amounts due from customers	11,8%	12,3%	-0,5%
Shareholders' equity / Amounts due to customers	17,3%	18,9%	-1,6%
Shareholders' equity / Securities issued and financial liabilities at fair value through profit or loss	32,5%	33,0%	-0,5%
Equity ratio (Tier1 and Core Tier1)	11,0%	11,4%	-0,4%
Solvency ratio (Tier2)	11,9%	12,7%	-0,8%
Financial assets / Total assets	13,6%	10,9%	2,7%
Amounts due from banks / Total assets	2,6%	4,5%	-1,9%
Amounts due from customers / Total assets	77,8%	79,6%	-1,8%
Amounts due from customers / Direct deposits from customers	96,0%	97,3%	-1,3%
Amounts due to banks / Total assets	5,1%	3,1%	2,0%
Amounts due to customers / Total assets	52,9%	52,0%	0,9%
Securities issued and financial liabilities at fair value through profit or loss / Total assets	28,1%	29,8%	-1,7%
Direct deposits from customers / Total assets	81,0%	81,8%	-0,8%
Operating costs / Operating income (Cost/Income ratio)	58,6%	64,8%	-6,2%
Net interest income / Operating income	55,1%	56,9%	-1,8%
Operating margin / Operating income	41,4%	35,2%	6,2%
Operating profit net of taxes / Shareholders' equity - *annualised*	6,8%	8,1%	-1,3%
Net profit/(loss) for the period/ R.O.E. - *annualised*	8,9%	12,0%	-3,1%

Structure and productivity data

	31.03.2012	31.03.2011	Change	
			Amount	%
Number of employees	1.864	1.862	2	0,1%
Number of bank branches	185	177	8	4,5%
Amounts in thousands of Euros				
Amounts due from customers by employee [3]	3.718	3.541	177	5,0%
Direct deposits from customers by employee [3]	3.874	3.640	234	6,4%
Operating income by employee [3] - *annualised*	201	179	22	12,3%

[3] *on the basis of the number of employees determined as the arithmetic mean between the period-end figure and that of the previous period-end figure*

Explanatory Notes

The macroeconomic scenario

Global economic growth is continuing, however the Eurozone continues to be severely weakened. For Greece, Portugal and Spain, fresh worries arose in the first quarter of the year, especially on the political front, with adverse effects also on the economic and financial scenario. Immediately after the Greek bail-out, Portugal was identified as the next target of speculative international finance and the differential between its Government bonds and German bunds exceeded 1,100 basis points. Spain recorded a decidedly higher deficit than expected, worsening its position with respect to Italy. This wave of contagion also spread to Italy: during this period, many questions were raised concerning the actual achievement of electoral reform that can guarantee more cohesive political majorities than those in the past, targeted at guaranteeing the economic policy guidelines set thus far. All these aspects constitute, for the Eurozone, sources of uncertainty over future economic developments.

In fact, the final figures showed a decrease in manufacturing activities (with different rates recorded) in Germany, France, Italy and Spain; parallel to this trend, the manufacturing industry recorded significant expansion in Canada, China, Japan, Russia, the United States and the UK.

In the fourth quarter of 2011, Chinese GDP rose by 8.9% YoY. According to OECD's leading indicator, over the coming months, the Chinese economy should recover some vibrancy, even if the effect of the Euro crisis on exports represents, at the moment, a variable which cannot be deciphered. However, in China, the most imminent danger seems to be linked to inflationary pressures: price tensions could hinder the Central Bank's support for the economy. India recorded GDP growth of 6.3%, however, it is still difficult to establish whether the Indian economy has come through the phase of slowdown, given that inflationary tensions are still higher than those in China. In the fourth quarter of 2011, Brazilian GDP increased by 1.4% YoY, compared to +7.6% in 2010. Prices fell slightly, so much so that the Central Bank cut the policy rate by 75 basis points, bringing it to 9.75%. Russia continued to register a strong trend of expansion, with GDP up 4.8% compared to 4% in 2010. Prices are under control, to the extent the Central Bank decided to cut the policy rate by 0.25% to 8%.

The US economy showed signs of recovery. In the fourth quarter, GDP increased 2.9% YoY. The unemployment rate still remains high, even if it has fallen over the last few months. Despite the rise in oil prices, inflation fell slightly. These trends could allow the FED to continue with its programme of incentives targeted at the real economy.

The situation is the exact opposite in the Eurozone; GDP fell by 1.3% in the fourth quarter. GDP is also down in Germany, falling for the first time since 2009 (-0.7%). By contrast, GDP in France, despite slowing down, recorded growth of 0.9%. Industrial production in the Eurozone recorded a decrease of 1.7% in February 2012, also confirmed by the fall in the business confidence index with respect to previous months. Unemployment continued to rise: in February, the unemployment rate rose to 10.8%. In 2011, consumer prices increased from +2.3% in January to +2.7% in December and the core component also registered a significant increase on a yearly basis. Exchange rates with the main currencies remained essentially stable in February 2012.

GDP in Italy fell by 0.4% YoY in the fourth quarter of 2011. In January 2012, the industrial production index decreased by 1.5% compared to the same period in the previous year. New orders recorded a decrease of 5.6% YoY in January. With reference to the job market, the figures for February registered growth compared to the previous month (up from +8.4% to +9.3%). On average, in 2011, the increase in the consumer price index stood at +2.9%, accelerating over the last two months.

In relation to monetary policy, the Federal Reserve's policy rates remained unchanged, within the 0-0.25% range, with the discount rate remaining the same. As at April 2012, the European Central Bank left policy rates untouched. In March, the 3-month Euribor stood at 0.70% (-0.30% YoY), while the interest rate on 10-year interest rate swaps remained essentially unchanged.

In the credit sector, Italian Banks continued to pledge their support to households and businesses; bank loans settled down at the end of the first quarter of 2012 (+0.8% YoY). In March 2012, loans to households and non-financial businesses increased by 1.2% on a trend basis, with a net flow of new loans standing at Euro 14.5 billion. On the basis of the term of the loans, medium- and long-term loans recorded growth of +1.2%, while the short-term segment recorded an increase of +1%. At the end of February 2012, the trend in loans to companies decelerated (+0.2%): the annual growth in loans to households stood at +2.7%, while loans for the purchase of properties stood at +3.7%.

In March, trend-based growth in deposits at Italian banks stood at +0.5%. This included deposits from customers, which recorded a trend-based rate of growth of +1.6%, while bank bonds (net of repurchases) fell by 1.4%. The trend in deposits from abroad was negative for the eight consecutive year: in particular, those of Italian banks fell by 16.3% YoY, while the portion of deposits from abroad, as a percentage of total funding, fell by 2.9% compared to March 2011.

Consistent with the performance of interest rates in the markets, remuneration on deposits settled, on a trend basis. The average rate of bank borrowing from customers (which includes the cost of deposits, bonds and repos) came to 2.08% in March 2012, the same as the previous month. By contrast, interest rates on loans fell slightly, remaining at low levels: in March, the interest rate on loans in Euros to non-financial businesses stood at 3.70% (10 basis points less than February 2012), while the interest rate on loans in Euros to households for the purchase of homes stood at 4.32% (9 basis points less than February 2012). Fixed-rate loans accounted for 39.2% of total loans, up from 37.6% in December 2011.

Development of the distribution network

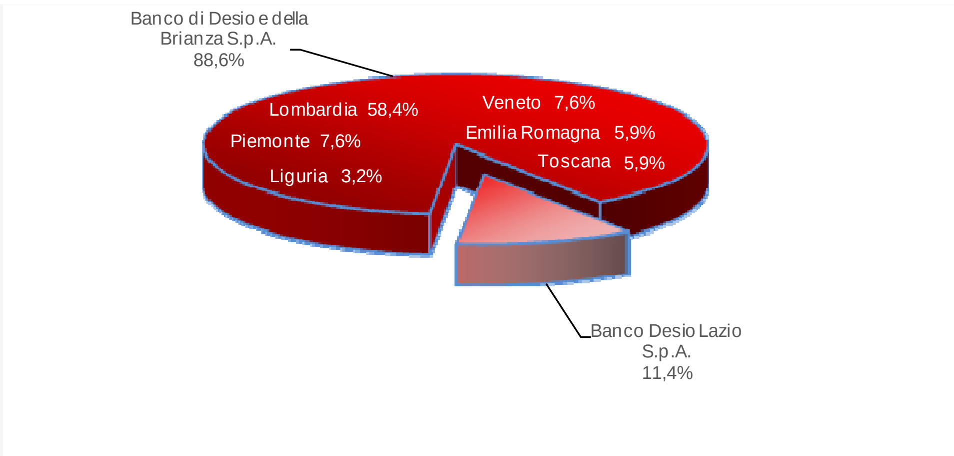
Despite a difficult macroeconomic scenario, the Group continued with its decision to expand its distribution network, with a presence concentrated in Lombardy, Emilia Romagna, Piedmont, Liguria, Tuscany, Veneto and Lazio, which, at the end of the first quarter of the year, included a total of 185 branches, an increase of 8 branches with respect to the comparison period.

The table below shows the breakdown of the distribution network by Group company along with the changes recorded, while the next chart also shows the percentage breakdown by region at the end of the first quarter of 2012.

Table no. 1 - **THE GROUP DISTRIBUTION NETWORK: BREAKDOWN BY BANK**

No. of branches	31.03.2012	Percentage breakdown	31.03.2011	Percentage breakdown	Change Value	Change %
Banco di Desio e della Brianza S.p.A.	164	88,6%	157	88,7%	7	4,5%
Banco Desio Lazio S.p.A.	21	11,4%	20	11,3%	1	5,0%
Group distribution network	**185**	**100,0%**	**177**	**100,0%**	**8**	**4,5%**

Chart no. 1 - **THE GROUP DISTRIBUTION NETWORK: PERCENTAGE BREAKDOWN BY BANK AS AT 31.03.2012**

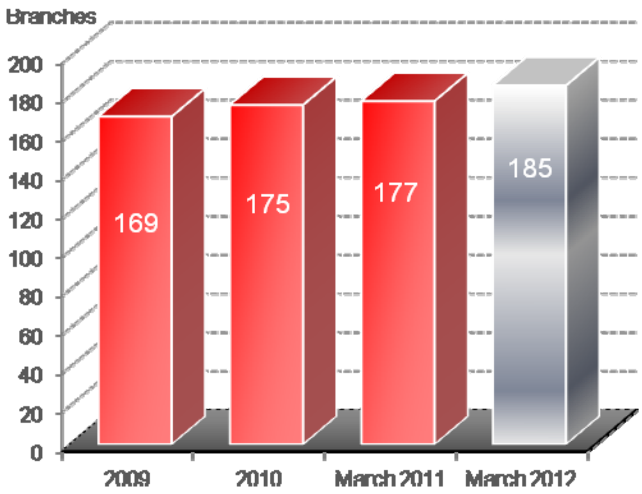


In particular, in the quarter closed, the Parent Company opened three branches in Lombardy, in the capital city of the Lombardy region close to piazzale Cadorna, in Vimercate (MB) and Brembate (BG), two branches in Emilia, in Imola (BO) and Casalecchio di Reno (BO), one branch in Piedmont in Leinì (TO), and another in the Tuscany region, in Sesto Fiorentino (FI).

The distribution structure of the subsidiary Banco Desio Lazio S.p.A., following the opening of the Albano Laziale (RM) branch last October, includes a total of twenty-one branches, with a presence concentrated in particular in the capital and in the surrounding areas.

The chart below shows the growth in the size of the Group from 2010, corresponding to a rate of development equal to the average annual composite rate of growth of 4.1%.

Chart no. 2 - **THE GROUP DISTRIBUTION NETWORK: INCREASE IN SIZE IN THE LAST FEW YEARS**



Major corporate events

Legal investigations - Banco Desio Lazio S.p.A. and Credito Privato Commerciale S.A.

On 3 January 2012, the Public Prosecutor's Office of the Court of Rome served notice of a committal for trial, as part of the criminal proceedings concerning, among others, certain parties who were, at the time of the disputed events, dating back to 2009, representatives of the subsidiaries Banco Desio Lazio S.p.A. and Credito Privato Commerciale S.A., as well as third parties with respect to said companies.

Given the disputed events incorporate offences-the assumption of administrative liability of legal entities pursuant to Legislative Decree 231/2001, Banco Desio Lazio S.p.A. is involved in the aforementioned proceedings, in relation to the disputed administrative crime set out in article 5 of Legislative Decree 231/2001 and article 10, paragraph 2 of Law 146/2006, for the cases set forth in articles 416 and 648-bis c.p. (Italian Criminal Code) contested before the then Managing Director of said company, as a result of the administrative relationship in place at the time; Credito Privato Commerciale S.A. is involved in relation to the disputed administrative crime set out in articles 5 and 25 octies of Legislative Decree 231/2001 and article 10, paragraph 2 of Law 146/2006, for the cases set forth in articles 416 and 648-bis c.p. (Italian Criminal Code) contested before the then General Manager of said company, as a result of the management relationship in place at the time.

In light of the above, the Board of Directors of each of the two subsidiaries approved the prudential allocation of a specific amount, of an average between the minimum and maximum of the expected penalty. On the basis of the activities carried out and the checks performed thus far in relation to the conditions for a plea bargain, the defence lawyer for the subsidiaries Banco Desio Lazio S.p.A. and Credito Privato Commerciale S.A. confirmed the exclusion of any risks of any other nature: in particular, it should be noted that the banks adopted and implemented a suitable organisational model, and, before the next hearing, will also meet the remaining conditions to which art. 17 of Legislative Decree 231/01 subjects exclusion of the application of criminal sanctions.

On 3 April 2012, the bank's Board of Directors acknowledged that, on 29 March, the Public Prosecutor's Office of the Court of Monza notified the Managing Director of a notice of extension of the preliminary investigations, with reference to articles 416 and 648 c.p. (Italian Criminal Code) also concerning the Chairman and former General Manager of the Parent Company. These investigations followed a complaint most likely filed by a former employee, and whose presentation the Bank only became aware of as a result of news which appeared in the press on 30 September 2011. In relation to said notices, the bank appointed a defence lawyer and filed a well-structured deposition before the competent Authorities in which it reaffirmed the propriety of the work performed by the institution and its representatives and executives with respect to the specific events linked to the former employee.

No previous notice or provision regarding the above has been communicated to representatives or executives of Banco di Desio e della Brianza SpA, nor has any deed been served to said Parent Company to date.

The Board of Directors acknowledged the extension of the ongoing investigations and confirmed its full confidence in its representatives.

On 23 April 2012, as communicated to the Ordinary Shareholders' Meeting the following 26 April, the above notice was also communicated to the Chairman.

Capital strengthening of the subsidiary Chiara Assicurazioni S.p.A.

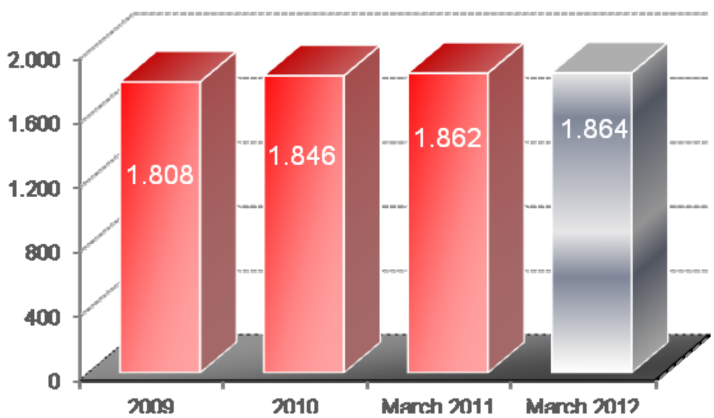
On 20 March 2012, the Parent Company's Board of Directors approved the proposed capital strengthening of subsidiary Chiara Assicurazioni S.p.A., targeted at grasping the market opportunities for developing the company, totalling Euro 3 million (increase from roughly Euro 13 million to Euro 16 million in shareholders' equity as at 31 December 2011), to be carried out via payments on account of capital, non-interest bearing and with no maturity, however without prejudice to the possibility of starting the authorisation and decision-making process for entering into the actual share capital increase. This share capital increase, given it is to be effected for each shareholder in proportion to the amount of share capital held, determined a disbursement of Euro 2 million for the Parent Company as at 30 March 2012.

Human resources

As at 31 March 2012, the number of Banco Desio Group personnel remained essentially stable with respect to the final figure in the first quarter of the previous year, standing at 1,864 employees, with the addition of two staff members (0.1%).

At the start of 2010, the average annual composite rate of growth in the workforce stood at 1.4%, below that of the distribution network (4.3%); the chart below shows the trend.

Chart no. 3 - **INCREASE IN THE GROUP STAFF NUMBERS IN THE LAST FEW YEARS**



The table below shows details of employees by grade at the end of the first quarter of the year compared with the situation at the end of the same period last year.

Table no. 2 - **GROUP STAFF: BREAKDOWN BY GRADE**

No. of employees	31.03.2012	Percentage breakdown	31.03.2011	Percentage breakdown	Change Value	Change %
Executives	38	2,0%	41	2,2%	-3	-7,3%
3rd and 4th level managers	440	23,6%	424	22,8%	16	3,8%
1st and 2nd level managers	503	27,0%	498	26,7%	5	1,0%
Other personnel	883	47,4%	899	48,3%	-16	-1,8%
Group Staff	**1.864**	**100,0%**	**1.862**	**100,0%**	**2**	**0,1%**

Management performance

Savings deposits: administered customer assets

Total administered customer assets at the end of the first quarter stood at Euro 18.2 billion, with growth in direct deposits of 7.3% and a fall in indirect deposits of 6.5%, affected in particular by the international economic-financial crisis, which hit share prices hard, which led to a 1.5% decrease in the value of total deposits.

The breakdown and balances of the items in the aggregate are shown in the table below:

Table no. 3 - **DEPOSITS FROM CUSTOMERS**

Amounts in thousands of Euros	31.03.2012	Percentage breakdown	31.03.2011	Percentage breakdown	Change Value	Change %
Amounts due to customers	4.732.069	25,9%	4.290.911	23,2%	441.158	10,3%
Securities issued and financial liabilities at fair value through profit or loss	2.511.121	13,8%	2.458.270	13,3%	52.851	2,1%
Direct deposits	**7.243.190**	**39,7%**	**6.749.181**	**36,5%**	**494.009**	**7,3%**
Deposits from ordinary customers	7.839.866	43,0%	8.502.269	45,9%	-662.403	-7,8%
Deposits from institutional customers	3.155.848	17,3%	3.257.384	17,6%	-101.536	-3,1%
Indirect deposits	**10.995.714**	**60,3%**	**11.759.653**	**63,5%**	**-763.939**	**-6,5%**
Total deposits from customers	**18.238.904**	**100,0%**	**18.508.834**	**100,0%**	**-269.930**	**-1,5%**

The balance of *direct deposits* as at 31 March 2012 exceeded Euro 7.2 billion (+7.3%), mainly due to the boost from amounts due to customers (+10.3%) which, accounting for 65.3%, continue to represent the largest item.

During the period, *indirect deposits* reported an overall decrease of about Euro 0.8 billion, equal to 6.5% of the previous balance, totalling Euro 11 billion.

Deposits from ordinary customers stood at roughly Euro 7.8 billion, marking a decrease of around Euro 0.7 billion, equal to 7.8%, which concerned both the administered and managed asset segments, although the latter registered an increase in “bank insurance” volumes.

Deposits from institutional customers saw roughly a Euro 0.1 billion decrease compared to the balance in the period of comparison (down 3.1%).

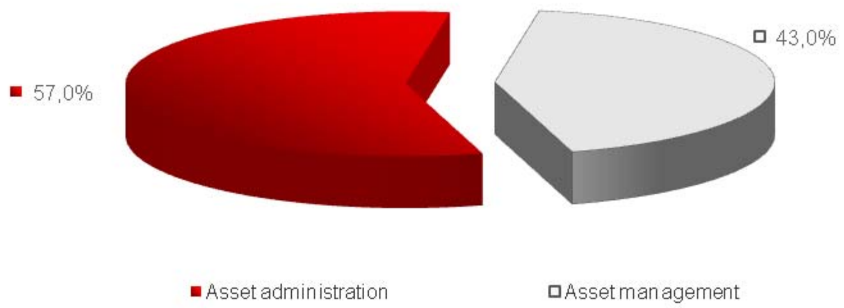
The table below gives the details of the items in question, showing the variations reported in the time period under examination.

Table no. 4 - **INDIRECT DEPOSITS**

Amounts in thousands of Euros	31.03.2012	Percentage breakdown	31.03.2011	Percentage breakdown	Change Value	Change %
Asset administration	**4.467.977**	**40,6%**	**4.742.578**	**40,3%**	**-274.601**	**-5,8%**
Asset management	**3.371.889**	**30,7%**	**3.759.691**	**32,0%**	**-387.802**	**-10,3%**
of which: Mut. Fund and Open-end Inv.	*808.908*	*7,4%*	*1.106.667*	*9,4%*	*-297.759*	*-26,9%*
Portfolio management	*464.641*	*4,2%*	*646.694*	*5,5%*	*-182.053*	*-28,2%*
Bank Insurance	*2.098.340*	*19,1%*	*2.006.330*	*17,1%*	*92.010*	*4,6%*
Deposits from ordinary customers	**7.839.866**	**71,3%**	**8.502.269**	**72,3%**	**-662.403**	**-7,8%**
Deposits from institutional customers	**3.155.848**	**28,7%**	**3.257.384**	**27,7%**	**-101.536**	**-3,1%**
Indirect deposits	**10.995.714**	**100,0%**	**11.759.653**	**100,0%**	**-763.939**	**-6,5%**

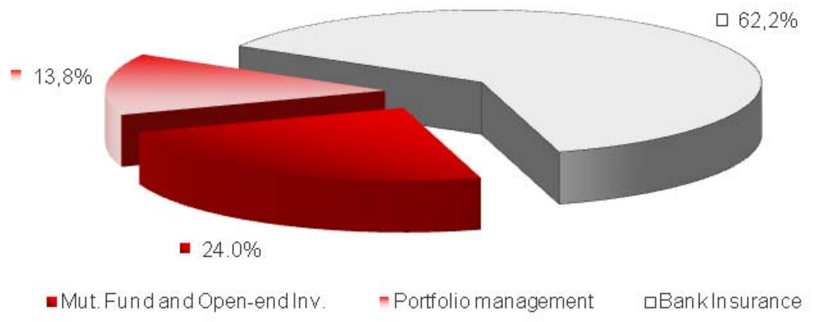
The percentage breakdown by sector of the indirect deposits from ordinary customers at 31 March 2012, represented in the chart below, shows that the portion attributable to administered assets is greater than that of managed assets.

Chart no. 4 - **INDIRECT DEPOSITS FROM ORDINARY CUSTOMERS BY SECTOR AS AT 31.03.2012: BREAKDOWN**



By contrast, the percentage composition of asset management is shown in the chart below: specifically, the life bank insurance segment accounts for the most significant share.

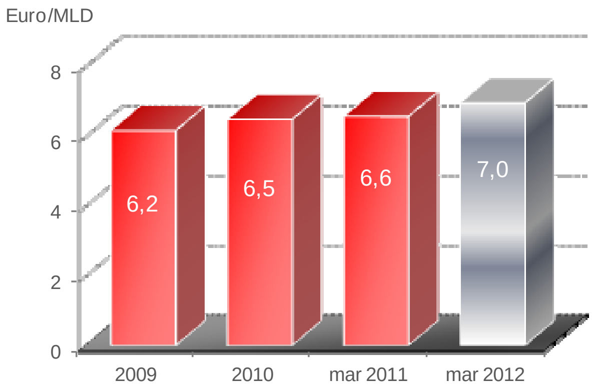
Chart no. 5 - **INDIRECT DEPOSITS FOR ASSET MANAGEMENT AS AT 31.03.2012: BREAKDOWN**



Loans to customers

Loans to customers continued their growth trend. As at 31 March 2012, the total value of loans to customers increased to around Euro 7 billion, marking an increase of roughly Euro 0.4 billion compared to the period of comparison (up 5.9%); the chart below shows the loan development trend from the start of 2010, which corresponds to an annual average composite rate of growth of 5.5%.

Chart no. 6 - **LOANS TO CUSTOMERS: THE TREND OVER THE LAST FEW YEARS**



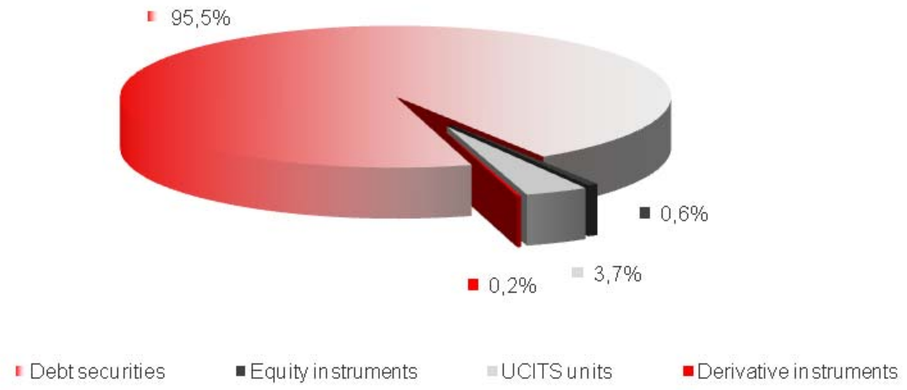
Considering the balance of Euro 138.8 million in net non-performing loans, at the end of the quarter under consideration, the credit risk index, calculated on the basis of the “net non-performing loans/net lending” ratio, increased to 2%, compared with 1.43% at the end of March 2011, as a natural consequence of the economic crisis.

The securities portfolio and interbank position

At the end of the first quarter the Group’s total financial assets stood at a value of about Euro 1.2 billion, with an increase of about Euro 0.3 billion compared to the final figure in the same period in the previous year.

The chart below presents the percentage breakdown of the portfolio based on the types of securities, showing that the largest portion relates to debt securities, which accounts for 95.5% of total investments.

Chart no. 7 - **FINANCIAL ASSETS AT 31.03.2012: PERCENTAGE BREAKDOWN BY TYPE OF SECURITY**



The net interbank position as at 31 March 2012 came to a negative Euro 0.2 billion, compared to a credit position of around Euro 0.1 billion at the end of the first quarter of the previous year.

Shareholders' equity and capital adequacy

Shareholders' equity as at 31 March 2012, including the profit of the period, amounted to a total of Euro 817.2 million, an increase of Euro 6.8 million with respect to the figure recorded in the first quarter of 2011.

Shareholders' equity calculated in accordance with the supervisory regulations in force, amounted to Euro 746.8 million (compared to Euro 795.5 million in the period under comparison) and is made up of Tier 1 capital of Euro 687 million and Tier 2 capital of Euro 74.1 million for valuation reserves and subordinated liabilities. The total items to be deducted amount to Euro 56.8 million (of which Euro 14.3 million are to be deducted from Tier 1 and Tier 2) and refer to equity investments in financial and insurance bodies.

The Tier 1 capital ratio, representing the ratio of primary capital to risk-weighted assets, stood at 11.0% and coincides with the Tier 1 Core ratio. The Tier 2 solvency ratio, representing the ratio between regulatory capital and risk-weighted assets, came to 11.9%. These ratios, which registered a decrease over those recorded at the end of March 2011 (11.4% and 12.7% respectively), are up when compared with the ratios at the end of December 2011 (10.7% and 11.8% respectively).

Reclassified income statement

A reclassified Income Statement has been drafted (as compared with the layout in the Financial Statements) in order to provide an overview of the Bank's affairs that is more consistent with the operational performance, and constitutes the basis of reference for the comments below.

The criteria for drafting the statement are summarised below.

- two accounting item totals were stated, defined as "Operating income" and "Operating costs", the algebraic balance of which constitutes the "Operating margin";
- "Net profit/(loss) for the period" was divided into "Profits/(losses) after taxes from continuing operations" and "Profits/(losses) after taxes from non-recurring operations";
- Net income from insurance activities includes the following income from Chiara Assicurazioni S.p.A.: net interest income (items 10 and 20), net insurance premiums (item 150), profits/(losses) on disposal/repurchase of financial assets available for sale (item 100), other operating income and expenses (item 220) and the balance of other income/charges from insurance activities management (item 160);
- "Operating income" also includes the balance of item 220, "Other operating income and expenses", also net of tax recoveries for stamp duty on customers' statements of account and securities deposit accounts and substitute tax on medium- and long-term financing, in addition to the amortisation of leasehold improvements, respectively reclassified as a reduction of item 180 (b), "Other administrative expenses" and as an increase of item 210, "Net adjustments to the value of/write-backs to intangible assets" in the "Operating costs" total";
- shares of profits in the period relating to equity investments in associates were reclassified from item 240 "Profits/(losses) on equity investments" to the item "Profits on equity investments in associates;
- the balance of item 100 (a), "Profit/(loss) on disposal/repurchase of receivables" in "Operating income" was reclassified in special item "Profit/(loss) on disposal/repurchase of receivables" after "Operating margin";
- provisions for clawback actions in debt litigation were reclassified from item 190, "Net provisions for risks and charges", to item 130 (a), "Net impairment losses on loans", both items following "Operating margin";
- provisions for extraordinary transactions are reclassified from item 190, "Net provisions for risks and charges", to item "Provisions for risks and charges on extraordinary transactions";
- the tax effect on Profits/(losses) from non-recurring operations is reclassified from item 290, "Taxes for the period on income from continuing operations" to the item "Taxes for the period on income from non-recurring operations".

The first quarter of the year closed with Parent Company net profit of Euro 17.8 million, as shown in the table below, which states the reclassified Income Statement in comparison with the Income Statement of the previous year.

Table no. 5 - **RECLASSIFIED INCOME STATEMENT**

Captions				Change	
Amounts in thousands of Euros		31.03.2012	31.03.2011	Value	%
10+20	Net interest income	51.863	47.068	4.795	10,2%
70	Dividends and similar income	1	1	0	
	Profits/(losses) on equity investments in associates	754	684	70	10,2%
40+50	Net fees and commissions	26.669	27.858	-1.189	-4,3%
80+90+100+ 110	Net profits/(losses) on trading activities, hedging activities and disposal/repurchase activities and financial assets/liabilities at fair value through profit or loss	9.202	1.363	7.839	575,1%
150+160	Net income from insurance activities	3.526	2.969	557	18,8%
220	Other operating income and expenses	2.127	2.838	-712	-25,1%
	Operating income	**94.142**	**82.781**	**11.360**	**13,7%**
180 a	Personnel expenses	-36.947	-37.127	180	-0,5%
180 b	Other administrative expenses	-15.475	-13.832	-1.643	11,9%
200+210	Net adjustments/write-backs to tangible/intangible assets	-2.735	-2.700	-35	1,3%
	Operating costs	**-55.157**	**-53.658**	**-1.498**	**2,8%**
	Operating margin	**38.985**	**29.123**	**9.862**	**33,9%**
	Net profits/(losses) on disposal/repurchase of receivables	0	0	0	
130 a	Net impairment losses on loans	-15.949	-3.269	-12.679	387,8%
130 d	Net impairment losses on other financial transactions	-11	62	-73	-117,7%
190	Net provisions for risks and charges	131	-58	188	-327,1%
	Profits/(losses) before taxes from continuing operations	**23.156**	**25.858**	**-2.702**	**-10,4%**
290	Taxes for the period on income from continuing operations	-9.590	-9.735	145	-1,5%
	Profits/(losses) after taxes from continuing operations	**13.566**	**16.123**	**-2.557**	**-15,9%**
240+270	Profits (losses) on equity investments and on disposal of investments	0	2	-2	-100,0%
	Provisions for risks and charges on extraordinary transactions	4.900	7.700	-2.800	-36,4%
	Profits/(losses) before taxes from non-recurring operations	**4.900**	**7.702**	**-2.802**	**-36,4%**
	Taxes for the period on income from non-recurring operations	0	0	0	
	Profits/(losses) after taxes from non-recurring operations	**4.900**	**7.702**	**-2.802**	**-36,4%**
310	Profits/(losses) after taxes from non-current assets held for sale and discontinued operations	-368	0	-368	
320	**Net Profit/(loss) for the period**	**18.098**	**23.825**	**-5.727**	**-24,0%**
330	Profit/(loss) for the period attributable to minority interests	-311	-245	-66	26,9%
340	**Parent Bank net profit/(loss)**	**17.787**	**23.580**	**-5.793**	**-24,6%**

In order to make it easier to compare the reclassified Income Statement with the items as shown in the Financial Statements, a reconciliation statement is given for each period, showing the figures corresponding to the total in the layouts and the reclassification balances.

Table no. 6 - **RECONCILIATION BETWEEN FINANCIAL STATEMENT AND RECLASSIFIED INCOME STATEMENT AS AT 31.03.2012**

Captions		From the financial statement	Reclassifications							Reclassified statement
Amounts in thousands of Euros		31.03.2012	Net income from insurance activities	Tax recoveries	Profits on equity investments in associates	Amortisation of leasehold improvements	Net profits/(losses) on disposal/repurchase of receivables	Uses/ provisions for risks and charges	Taxes on income	31.03.2012
10+20	Net interest income	52.242	-379							51.863
70	Dividends and similar income	1								1
	Profits/(losses) on equity investments in associates				754					754
40+50	Net fees and commissions	26.669								26.669
80+90+100+ 110	Net profits/(losses) on trading activities, hedging activities and disposal/repurchase activities and financial assets/liabilities at fair value through profit or loss	9.194	8				0			9.202
150+160	Net income from insurance activities	3.161	365							3.526
220	Other operating income and expenses	4.402	6	-2.939		658				2.127
	Operating income	**95.669**	**0**	**-2.939**	**754**	**658**	**0**	**0**	**0**	**94.142**
180 a	Personnel expenses	-36.947								-36.947
180 b	Other administrative expenses	-18.414		2.939						-15.475
200+210	Net adjustments/write-backs to tangible/intangible assets	-2.077				-658				-2.735
	Operating costs	**-57.438**	**0**	**2.939**	**0**	**-658**	**0**	**0**	**0**	**-55.157**
	Operating margin	**38.231**	**0**	**0**	**754**	**0**	**0**	**0**	**0**	**38.985**
	Net profits/(losses) on disposal/repurchase of receivables						0			0
130 a	Net impairment losses on loans	-15.910						-39		-15.949
130 d	Net impairment losses on other financial transactions	-11								-11
190	Net provisions for risks and charges	4.992						-4.861		131
	Profits/(losses) before taxes from continuing operations	**27.302**	**0**	**0**	**754**	**0**	**0**	**-4.900**	**0**	**23.156**
290	Taxes for the period on income from continuing operations	-9.590								-9.590
	Profits/(losses) after taxes from continuing operations	**17.712**	**0**	**0**	**754**	**0**	**0**	**-4.900**	**0**	**13.566**
240+270	Profits (losses) on equity investments and on disposal of investments	754			-754					0
	Provisions for risks and charges on extraordinary transactions							4.900		4.900
	Profits/(losses) before taxes from non-recurring operations	**754**	**0**	**0**	**-754**	**0**	**0**	**4.900**	**0**	**4.900**
	Taxes for the period on income from non-recurring operations									0
	Profits/(losses) after taxes from non-recurring operations	**754**	**0**	**0**	**-754**	**0**	**0**	**4.900**	**0**	**4.900**
310	Profits/(losses) after taxes from non-current assets held for sale and discontinued operations	-368								-368
320	**Net Profit/(loss) for the period**	**18.098**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**18.098**
330	Profit/(loss) for the period attributable to minority interests	-311								-311
340	**Parent Bank net profit/(loss)**	**17.787**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**17.787**

Table no. 7 - **RECONCILIATION BETWEEN FINANCIAL STATEMENT AND RECLASSIFIED INCOME STATEMENT AS AT 31.03.2011**

Captions		From the financial statement	Reclassifications							Reclassified statement
	Amounts in thousands of Euros	31.03.2011	Net income from insurance activities	Tax recoveries	Profits on equity investments in associates	Amortisation of leasehold improvements	Net profits/(losses) on disposal/repurchase of receivables	Uses/ provisions for risks and charges	Taxes on income	31.03.2011
10+20	Net interest income	47.325	-257							47.068
70	Dividends and similar income	1								1
	Profits/(losses) on equity investments in associates				684					684
40+50	Net fees and commissions	27.858								27.858
80+90+100+110	Net profits/(losses) on trading activities, hedging activities and disposal/repurchase activities and financial assets/liabilities at fair value through profit or loss	1.363	0				0			1.363
150+160	Net income from insurance activities	2.724	245							2.969
220	Other operating income and expenses	4.951	12	-2.759		635				2.838
	Operating income	**84.222**	**0**	**-2.759**	**684**	**635**	**0**	**0**	**0**	**82.781**
180 a	Personnel expenses	-37.127								-37.127
180 b	Other administrative expenses	-16.591		2.759						-13.832
200+210	Net adjustments/write-backs to tangible/intangible assets	-2.065				-635				-2.700
	Operating costs	**-55.783**	**0**	**2.759**	**0**	**-635**	**0**	**0**	**0**	**-53.658**
	Operating margin	**28.439**	**0**	**0**	**684**	**0**	**0**	**0**	**0**	**29.123**
	Net profits/(losses) on disposal/repurchase of receivables						0			0
130 a	Net impairment losses on loans	-3.100						-169		-3.269
130 d	Net impairment losses on other financial transactions	62								62
190	Net provisions for risks and charges	7.473						-7.531		-58
	Profits/(losses) before taxes from continuing operations	**32.874**	**0**	**0**	**684**	**0**	**0**	**-7.700**	**0**	**25.858**
290	Taxes for the period on income from continuing operations	-9.735							0	-9.735
	Profits/(losses) after taxes from continuing operations	**23.139**	**0**	**0**	**684**	**0**	**0**	**-7.700**	**0**	**16.123**
240+270	Profits (losses) on equity investments and on disposal of investments	686			-684					2
	Provisions for risks and charges on extraordinary transactions							7.700		7.700
	Profits/(losses) before taxes from non-recurring operations	**686**	**0**	**0**	**-684**	**0**	**0**	**7.700**	**0**	**7.702**
	Taxes for the period on income from non-recurring operations								0	0
	Profits/(losses) after taxes from non-recurring operations	**686**	**0**	**0**	**-684**	**0**	**0**	**7.700**	**0**	**7.702**
310	Profits/(losses) after taxes from non-current assets held for sale and discontinued operations	0								0
320	**Net Profit/(loss) for the period**	**23.825**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**23.825**
330	Profit/(loss) for the period attributable to minority interests	-245								-245
340	**Parent Bank net profit/(loss)**	**23.580**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**23.580**

The breakdown and performance of the main reclassified Income Statement items are summarised as follows, on the basis of the above tables.

Operating income

Ordinary operating revenues reached Euro 94.1 million, marking an increase of Euro 11.4 million (+13.7%) compared to the first quarter of the previous year.

In particular, an increase of Euro 4.8 million was recorded in *net interest income* (+10.2%), *net profits/(losses) on trading activities, hedging activities and disposal/repurchase activities and financial assets/liabilities at fair value through profit or loss* rose by Euro 7.8 million, *net income from insurance activities* was up Euro 0.6 million and profits from equity investments in associates increased by Euro 0.1 million; vice versa, *net fees and commissions* were down by Euro 1.2 million (down 4.3%) and the contribution of the item *other operating income/expenses* was down Euro 0.7 million.

Operating costs

Total operating costs, which include *personnel expenses*, *other administrative expenses and net adjustments/write-backs to tangible/intangible assets*, came to around Euro 55.1 million, an increase of 2.8%.

Profits/(losses) from continuing operations

The operating margin at the end of the period is consequently Euro 39 million, compared to Euro 29.1 million in the period under comparison (+33.9%).

Profits/(losses) after taxes from continuing operations

The weight of *net impairment losses on loans* of Euro 15.9 million (Euro 3.3 million in the first quarter of the previous year), the positive balance of *provisions for risks and charges* of Euro 0.1 million, as well as *taxes for the period on income from continuing operations* of Euro 9.6 million, generated after-tax profit from continuing operations of Euro 13.6 million, Euro 2.6 million less than in the period under comparison (down 15.9%).

Profits/(losses) after taxes from non-recurring operations

Profits/(losses) after taxes from non-recurring operations amounted to Euro 4.9 million and is made up of the partial release of the total provision of Euro 37.8 million set aside, at the end of 2008, against the risk of partial review of the price collected for the transfer of 70% of Chiara Vita S.p.A. on the part of the Parent Company, as contractually provided for at the end of the company's business plan (2012). On the contrary, at the end of the period under comparison, the balance, which is always made up of the partial release of the same provision, amounted to Euro 7.7 million.

Parent Bank net profit

The sum of profits/(losses) after taxes from continuing operations, profits/(losses) after taxes from non-recurring operations, profits/(losses) after taxes from non-current assets held for sale and discontinued operations and profits/(losses) for the year attributable to minority interests determines profit for the year attributable to the Parent Bank of Euro 17.8 million, net of the profit attributable to minority interests of Euro 0.3 million. The result shows a decrease of Euro 5.8 million compared to the previous year (-24.6%), which however benefitted from an additional amount of Euro 2.8 million relating to the non-recurring income, net of taxes.

Significant events after the reporting date

Appointment of a new member of the Parent Company's Board of Directors

The Ordinary Shareholders' Meeting of the Parent Company of 26 April 2012 appointed new bank director Marina Brogi, replacing the outgoing Luigi Guatri, who made a brief farewell speech to the Shareholders' Meeting, recalling his fruitful tenure in the bank's Board of Directors and stating that his resignation was due to advancing age and a desire to devote himself entirely to the Bocconi University.

Rating

As part of the process of analysis of the Annual Report, despite the downgrade of Italy's rating by the main ratings agencies at the end of 2011 and the growing difficulties for the Italian banking system, international ratings agency Fitch Ratings maintained the rating assigned to Banco di Desio e della Brianza S.p.A. on 29 November 2011 unchanged at "A-", with a negative outlook. The negative outlook is essentially attributable to the adverse conditions in the macroeconomic context in which the bank operates. The strengths which emerge from the annual report are linked to the following factors:

- good asset quality, ample, long-term customers, continuous profitability and solid capitalisation;
- better performance than the majority of other Italian banks with an ROAE above 9%;
- strong loan portfolio with better performances than its competitors;
- adequate capitalisation, characterised by a capacity to generate capital internally;

Long Term Issuer Default Rating: "A-"

Short Term Issuer Default Rating: "F2"

Viability rating: "a-"

Support Rating: "4"

Support Rating Floor: "B+"

Sale of subsidiary Credito Privato Commerciale S.A. an investee of Brianfid-Lux S.A.

In relation to the start of the process for the transfer of Swiss subsidiary Credito Privato Commerciale S.A. from Brianfid-Lux S.A., it should be noted that on 4 April 2012, Brianfid-Lux S.A. and the Swiss financial Group Heliting signed the contract for the transfer, to the latter, of all of the shares of Credito Privato Commerciale S.A., subject to the authorisation of FINMA (Swiss Financial Market Supervisory Authority). The transaction is expected to be completed by the end of this year.

Investment in the shares of Banca Carim S.p.A by subsidiary Chiara Assicurazioni S.p.A.

It should be pointed out that, as part of the share capital increase of Banca Carim S.p.A., on 24 April 2012, the subsidiary Chiara Assicurazioni S.p.A. invested in 934,573 shares issued by said bank, for a value of Euro 5 million.

Appointment of independent auditors

The Ordinary Shareholders' Meeting of the Parent Company of 26 April 2012 appointed the company Deloitte & Touche S.p.A. to carry out the audit of the accounts for the financial years 2012-2020.

Other information

Existence of the conditions specified in Articles 36 and 37 of the "Consob Market Regulations"

The conditions specified in Articles 36 and 37 of the Consob Market Regulations (Resolution 16191 of 29 October 2007) are still satisfied; these conditions are referred, in the present case, to the "non-EU" company CPC S.A., which is indirectly owned by the Parent Company, and to the company Brianza Unione di Luigi Gavazzi & C. S.a.p.a., which is the company controlling the Parent Company itself, as reported in the "Annual Report on Corporate Governance and Ownership Structures" of the Group as required by article 123-bis of the TUF (Consolidated Law on Finance) and made available on the website www.bancodesio.it, section Banco Desio - Corporate Governance.

Business outlook

Despite the persistence of high levels of criticalities and complexities in the international scenario and uncertainties in the economic-financial markets, the company is forecast to essentially meet its equity and economic objectives for the current year, set out in the two-yearly strategic plan.

10 May 2012

The Board of Directors

Banco di Desio e della Brianza S.p.A.

Consolidated interim financial statements as at 31 March 2012

Consolidated balance sheet

(Euro/thousand)

	Assets	31.03.2012	31.03.2011	Change		31.12.2011	Change	
				Value	%		Value	%
10	Cash and cash equivalents	24.125	25.949	(1824)	(7,0)	31983	(7.858)	(24,6)
20	Financial assets held for trading	46.935	33.654	13.281	39,5	17.585	29.350	166,9
40	Available-for-sale financial assets	1045.954	741347	304.607	41,1	924.383	121571	13,2
50	Held-to-maturity investments	119.909	123.359	(3.450)	(2,8)	124.626	(4.717)	(3,8)
60	Amounts due from banks	236.512	375.045	(138.533)	(36,9)	288.525	(52.013)	(18,0)
70	Amounts due from customers	6.951471	6.564.150	387.321	5,9	6.580.450	371021	5,6
80	Hedging derivatives	6.284	-	6.284		5.631	653	11,6
100	Equity investments	17.789	18.278	(489)	(2,7)	13.838	3.951	28,6
110	Technical reserves arising from reinsurance	7.356	6.484	872	13,4	6.931	425	6,1
120	Tangible assets	152.970	152.499	471	0,3	154.481	(1511)	(1,0)
130	Intangible assets	46.154	48.186	(2.032)	(4,2)	46.496	(342)	(0,7)
	of which:							
	- *goodwill*	*41345*	*44.405*	*(3.060)*	*(6,9)*	*41345*	-	-
140	Tax assets	45.711	41755	3.956	9,5	56.134	(10.423)	(18,6)
	a) *current*	*5.214*	*8.040*	*(2.826)*	*(35,1)*	*3.897*	*1317*	*33,8*
	b) *deferred*	*40.497*	*33.715*	*6.782*	*20,1*	*52.237*	*(11740)*	*(22,5)*
150	Non-current assets held for sale and discontinued operations	141769		141769		-	141769	
160	Other assets	95.938	117.955	(22.017)	(18,7)	108.732	(12.794)	(11,8)
	Total Assets	**8.938.877**	**8.248.661**	**690.216**	**8,4**	**8.359.795**	**579.082**	**6,9**

(Euro/thousand)

	Liabilities and shareholders' equity	31.03.2012	31.03.2011	Change		31.12.2011	Change	
				Value	%		Value	%
10	Amounts due to banks	455.327	253.410	201917	79,7	267.998	187.329	69,9
20	Amounts due to customers	4.732.069	4.290.911	441158	10,3	4.347.706	384.363	8,8
30	Securities issued	2.454.629	2.149.631	304.998	14,2	2.607.446	(152.817)	(5,9)
40	Financial liabilities held for trading	1420	10.993	(9.573)	(87,1)	4.342	(2.922)	(67,3)
50	loss	56.492	308.639	(252.147)	(81,7)	89.138	(32.646)	(36,6)
60	Hedging derivatives	2.816	5.142	(2.326)	(45,2)	2.684	132	4,9
80	Tax liabilities	30.043	22.469	7.574	33,7	17.358	12.685	73,1
	a) current	*18.084*	*12.322*	*5.762*	*46,8*	*6.854*	*11230*	*163,8*
	b) deferred	*11959*	*10.147*	*1812*	*17,9*	*10.504*	*1455*	*13,9*
90	Liabilities associated with discontinued operations	137.165	-	137.165		-	137.165	
100	Other liabilities	144.874	301157	(156.283)	(51,9)	143.516	1358	0,9
110	Reserve for employee termination indemnities	23.746	23.242	504	2,2	23.720	26	0,1
120	Reserves for risks and charges:	36.724	35.024	1700	4,9	41982	(5.258)	(12,5)
	a) *pension and similar commitments*		*177*	*(177)*	*(100,0)*	*185*	*(185)*	*(100,0)*
	b) *other reserves*	*36.724*	*34.847*	*1877*	*5,4*	*41797*	*(5.073)*	*(12,1)*
130	Technical reserves	40.493	32.889	7.604	23,1	38.539	1954	5,1
140	Valuation reserves:	16.501	20.922	(4.421)	(21,1)	(14.576)	31077	(213,2)
170	Reserves	699.072	682.078	16.994	2,5	656.710	42.362	6,5
180	Share premium reserve	16.145	16.145	-	-	16.145	-	-
190	Share capital	67.705	67.705	-	-	67.705	-	-
210	Minority interests (+/-)	5.869	4.724	1145	24,2	4.440	1429	32,2
220	Net profit/(loss) for the period	17.787	23.580	(5.793)	(24,6)	44.942	(27.155)	(60,4)
	Total liabilities and shareholders' equity	**8.938.877**	**8.248.661**	**690.216**	**8,4**	**8.359.795**	**579.082**	**6,9**

Consolidated income statement

(Euro/thousand)

	Captions	31.03.2012	31.03.2011	Change Value	Change %
10	Interest income and similar revenues	83.566	68.010	15.556	22,9
20	Interest expense and similar charges	(31324)	(20.685)	(10.639)	51,4
30	**Net interest income**	**52.242**	**47.325**	**4.917**	**10,4**
40	Fee and commission income	29.418	31948	(2.530)	(7,9)
50	Fee and commission expense	(2.749)	(4.090)	1341	(32,8)
60	**Net fees and commissions**	**26.669**	**27.858**	**(1.189)**	**(4,3)**
70	Dividends and similar income	1	1	-	-
80	Net profits/(losses) on trading activities	1206	1428	(222)	(15,5)
90	Net profits/(losses) on hedging activities	(173)	(96)	(77)	80,2
100	Profit/(loss) on disposal of:	10.734	845	9.889	1170,3
	a) loans and receivables				
	b) available-for-sale financial assets	*10.417*	*699*	*9.718*	*1390,3*
	c) held-to-maturity investments				
	d) financial liabilities	*317*	*146*	*171*	*117,1*
110	Net profit/(loss) on financial assets and liabilities at fair value through profit or loss	(2.573)	(814)	(1759)	216,1
120	**Net interest and other banking income (intermediation margin)**	**88.106**	**76.547**	**11.559**	**15,1**
130	Net impairment losses on/write-backs to:	(15.921)	(3.038)	(12.883)	424,1
	a) loans and receivables	*(15.910)*	*(3.100)*	*(12.810)*	*413,2*
	b) available-for-sale financial assets				
	c) held-to-maturity investments				
	d) other financial transactions	*(11)*	*62*	*(73)*	*(117,7)*
140	**Net income from banking activities**	**72.185**	**73.509**	**(1.324)**	**(1,8)**
150	Net insurance premiums	7.849	7.946	(97)	(1,2)
160	management activities	(4.688)	(5.222)	534	(10,2)
170	**Net result of financial and insurance activities**	**75.346**	**76.233**	**(887)**	**(1,2)**
180	Administrative expenses:	(55.361)	(53.718)	(1643)	3,1
	a) personnel expenses	*(36.947)*	*(37.127)*	*180*	*(0,5)*
	b) other administrative expenses	*(18.414)*	*(16.591)*	*(1823)*	*11,0*
190	Net provisions for risks and charges	4.992	7.473	(2.481)	(33,2)
200	Net adjustments to the value of tangible assets	(1684)	(1732)	48	(2,8)
210	Net adjustments to the value of intangible assets	(393)	(333)	(60)	18,0
220	Other operating expenses/(income)	4.402	4.951	(549)	(11,1)
230	**Operating expenses**	**(48.044)**	**(43.359)**	**(4.685)**	**10,8**
240	Profits/(losses) on equity investments	754	684	70	10,2
250	Net income from the valuation at fair value of tangible and intangible assets				
260	Value adjustments of goodwill				
270	Profits/(losses) from disposal of investments		2	(2)	(100,0)
280	**Profits/(losses) before taxes from continuing operations**	**28.056**	**33.560**	**(5.504)**	**(16,4)**
290	Taxes for the period on income from continuing operations	(9.590)	(9.735)	145	(1,5)
300	**Net profit/(loss) after tax from continuing operations**	**18.466**	**23.825**	**(5.359)**	**(22,5)**
310	Profits/(losses) after taxes from non-current assets held for sale and discontinued operations	(368)		(368)	100,0
320	**Net profit/(loss) for the period**	**18.098**	**23.825**	**(5.727)**	**(24,0)**
330	Profit/(loss) for the period attributable to minority interests	(311)	(245)	(66)	26,9
340	**Parent Bank net profit/(loss)**	**17.787**	**23.580**	**(5.793)**	**(24,6)**

Consolidated statement of comprehensive income

(Euro/thousand)

	Captions	31.03.2012	31.03.2011
10	**Net profit/(loss) for the period**	**18.098**	**23.825**
	Other comprehensive income (net of tax)		
20	Available-for-sale financial assets:	26.799	4.315
30	Tangible assets	-	-
40	Intangible assets	-	-
50	Foreign investments hedges:	-	-
60	Cash flow hedges:	-	-
70	Foreign exchange differences:	222	(856)
80	Non-current assets held for sale and discontinued operations:	-	-
90	Actuarial Profit/(loss) on defined benefits plans	(332)	219
100	Share of valuation reserves relating to equity investments recognised under equity:	5.031	(275)
110	**Total other comprehensive income (net of tax)**	**31.720**	**3.403**
120	**Total comprehensive income for the period (item 10 + 110)**	**49.818**	**27.228**
130	Total Consolidated comprehensive income pertaining to minority interests	(954)	(228)
140	**Total Consolidated comprehensive income pertaining to the Parent Bank**	**48.864**	**27.000**

Statement of changes in consolidated shareholders' equity as at 31 March 2012

(Euro/thousand)

	Equity as at 31.12.2011	Change in opening balances	Equity as at 01.01.2012	Allocation of result from previous period: Reserves	Allocation of result from previous period: Dividends and other allocations	Changes over the period: Changes in reserves	Transactions in shareholders' equity: Issue of new shares	Transactions in shareholders' equity: Purchase of treasury shares	Transactions in shareholders' equity: Extraordinary distribution of dividends	Transactions in shareholders' equity: Change in equity instruments	Transactions in shareholders' equity: Derivatives on treasury shares	Transactions in shareholders' equity: Stock options	Comprehensive income for the year at 31.03.2012	Shareholders' equity attributable to the Group as at 31.03.2012	Minority interests as at 31.03.2012
Share capital:															
a) ordinary shares	64.077	-	64.077	-	-	-	-		-	-	-	-	-	60.840	3.237
b) other shares	6.865	-	6.865	-				-						6.865	
Share premium reserve	16.355	-	16.355	-	-	-	-	-	-	-	-	-	-	16.145	210
Reserves:	-														
a) retained earnings	648.361	-	648.361	45.891	-	(2.226)	-	-	-	-	-	-	-	689.659	2.367
b) others	9.292	-	9.292	-	-	-	-	-	-	-	-	121	-	9.413	
Valuation reserves:	(15.475)	-	(15.475)			-	-						31.720	16.501	(256)
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Treasury shares	-	-	-	-	-	-	-	-	-	-		-	-	-	
Net profit/(loss) for the period	45.891	-	45.891	(45.891)	-	-	-	-	-	-	-	-	18.098	17.787	311
Shareholders' equity attributable to the Group	**770.926**	**-**	**770.926**		**-**	**(2.701)**	**-**	**-**	**-**	**-**	**-**	**121**	**48.864**	**817.210**	
Minority interests	**4.440**	**-**	**4.440**		**-**	**475**	**-**	**-**					**954**		**5.869**

Statement of changes in consolidated shareholders' equity as at 31 March 2011

(Euro/thousand)

	Equity as at 31.12.2010	Change in opening balances	Equity as at 01.01.2011	Allocation of result from previous period: Reserves	Allocation of result from previous period: Dividends and other allocations	Changes over the period: Changes in reserves	Transactions in shareholders' equity: Issue of new shares	Transactions in shareholders' equity: Purchase of treasury shares	Transactions in shareholders' equity: Extraordinary distribution of dividends	Transactions in shareholders' equity: Change in equity instruments	Transactions in shareholders' equity: Derivatives on treasury shares	Transactions in shareholders' equity: Stock options	Comprehensive income for the year at 31.03.2011	Shareholders' equity attributable to the Group as at 31.03.2011	Minority interests as at 31.03.2011
Share capital:															
a) ordinary shares	64.278	-	64.278	-	-	-	(49)	-	-	-	-	-	-	60.840	3.389
b) other shares	6.865	-	6.865	-				-						6.865	
Share premium reserve	16.303	-	16.303	-	-	-	(3)	-	-	-	-	-	-	16.145	155
Reserves:															
a) retained earnings	620.461	-	620.461	53.460	-	(75)	-	-	-	-	-	-	-	672.781	1.065
b) others	9.261	-	9.261	-	-	-	-	-	-	-	-	36	-	9.297	
Valuation reserves:	17.389	-	17.389			-	-						3.403	20.922	(130)
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Treasury shares	-	-	-	-	-	-	-	-	-	-		-	-	-	
Net profit/(loss) for the period	53.460	-	53.460	(53.460)	-	-	-	-	-	-	-	-	23.825	23.580	245
Shareholders' equity attributable to the Group	**783.022**	**-**	**783.022**		**-**	**372**	**-**	**-**	**-**	**-**	**-**	**36**	**27.000**	**810.430**	
Minority interests	**4.995**	**-**	**4.995**			**(447)**	**(52)**	**-**					**228**		**4.724**

Consolidated cash flow statement

(Euro/thousand)

A. OPERATIONS	31.03.2012	31.03.2011
1. Management activities	**36.316**	**28.120**
- interest income earned (+)	82.882	68.042
- interest expenses paid (-)	(31.040)	(20.502)
- dividends and similar revenues (+)	1	1
- net fees and commissions (+/-)	27.425	28.598
- personnel costs (-)	(34.329)	(33.753)
- net premiums earned (+)	7.849	7.946
- other insurance income/charges (+/-)	(4.688)	(5.222)
- other costs (-)	(21.092)	(15.556)
- other revenues (+)	19.266	8.301
- taxes and duties (-)	(9.590)	(9.735)
- costs/revenues relating to non-current assets held for sale and discontinued operations, net of tax effect	(368)	-
2. Liquid assets generated (absorbed) by financial assets	**(568.931)**	**(83.054)**
- financial assets held for trading	(28.326)	7.657
- financial assets at fair value through profit or loss	-	-
- available-for-sale financial assets	(88.221)	98.487
- amounts due from customers	(387.689)	(92.443)
- amounts due from banks: at sight	107.140	86.253
- amounts due from banks: other receivables	(55.127)	(158.446)
- other assets	(116.708)	(24.562)
3. Liquid assets generated (absorbed) by financial liabilities	**519.815**	**55.485**
- amounts due to banks: at sight	823	6.647
- amounts due to banks: other payables	186.506	74.845
- amounts due to customers	384.363	(168.688)
- securities issued	(156.366)	39.400
- financial liabilities held for trading	(2.988)	1.486
- financial liabilities at fair value through profit or loss	(32.646)	(25.687)
- other liabilities	140.123	127.482
Net liquid assets generated (absorbed) by operations (A)	**(12.800)**	**551**
B. INVESTMENTS		
1. Liquid assets generated by	**5.175**	**1.128**
- sale of equity investments	-	-
- dividends received from equity investments	-	-
- sale/redemption of held-to-maturity investments	5.166	1.120
- sale of tangible assets	9	8
- sale of intangible assets	-	-
- sale of subsidiaries and business divisions	-	-
2. Liquid assets absorbed by	**(233)**	**(4.345)**
- purchase of equity investments	-	-
- purchase of held-to-maturity investments	-	-
- purchase of tangible assets	(182)	(3.418)
- purchase of intangible assets	(51)	(927)
- purchase of subsidiaries and business divisions	-	-
Net liquid assets generated (absorbed) by investments (B)	**4.942**	**(3.217)**
C. FUNDING ACTIVITIES		
- issues/purchases of treasury shares	-	-
- issues/purchases of equity instruments	-	-
- distribution of dividends and other purposes		
Net liquid assets generated (absorbed) by funding activities (C)	**-**	**-**
NET LIQUID ASSETS GENERATED (ABSORBED) DURING THE YEAR (A+B+C)	**(7.858)**	**(2.666)**

Financial statement items	2012	2011
Cash and cash equivalents at beginning of period	31.983	28.615
Total liquid assets generated (absorbed) during the period	(7.858)	(2.666)
Cash and cash equivalents: effect of exchange rate changes		
Cash and cash equivalents at end of period	24.125	25.949

Declaration of the Manager responsible for preparing the company's financial reports

The undersigned, Piercamillo Secchi, as Manager responsible for preparing Banco di Desio e della Brianza S.p.A.'s financial reports, hereby declares, pursuant to article 154-bis, paragraph 2, of the Consolidated Law on Finance, that the accounting disclosures contained in this "Consolidated Interim Report on Operations as at 31 March 2012" correspond to the contents of the relative documents, corporate books and accounting records.

Desio, 10 May 2012

The Manager responsible for preparing
the company's financial reports

Piercamillo Secchi