The consolidated interim report on operations as at 31 March 2011

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* Luigi Guatri Gerolamo Pellicanò Pier Antonio Cutellé Lorenzo Rigodanza

* *Members of Executive Committe*

Board of Statutory Auditors

Chairman	Eugenio Mascheroni
Acting Auditors	Rodolfo Anghileri Marco Piazza
Substitute Auditors	Giovanni Cucchiani Clemente Domenici Carlo Mascheroni

General Management

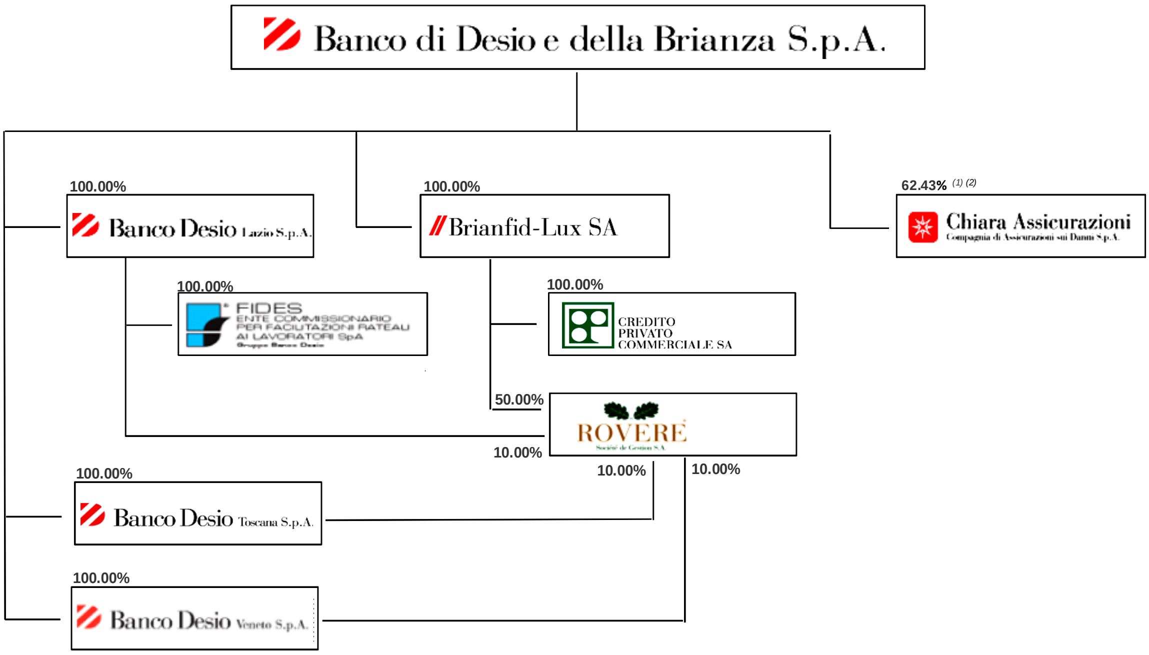
Chief Executive Officer	Claudio Broggi
Assistant Chief Executive Officer	Marco Sala

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

Manager responsible	Piercamillo Secchi

The Banco Desio Group

This consolidated interim Report on operations as at 31 March 2011 relates to the following corporate structure of the Banco Desio Group:



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

(2) Stake subsequently increased up to 66.66% in April

Foreword

This consolidated Interim Report on Operations as at 31 March 2011 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 pursuant to Regulation (EC) 1606 of 19 July 2002, and, in particular, with IAS 34, *Interim Financial Reporting.*

By virtue of the possibilities allowed under this standard, 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 2011*, including a Balance Sheet, an Income Statement, a Consolidated Statement of Comprehensive Income for the period, a Statement of Changes in Equity and a Cash Flow Statement, which are not subject to inspection by the Auditors.

The data and indexes reported in this Interim Report on Operations make reference, if applicable, to the Balance Sheet of the *Consolidated Interim Financial Statements*, as well as to the reclassified Income Statement, as per the appropriate paragraph, which has in turn been prepared based on the Financial Statements layout.

Financial highlights and ratios

Balance sheet data

in thousands of Euros	31.03.2011	31.03.2010	Change Amount	%
Total assets	8,248,661	8,104,310	144,351	1.8%
Financial assets	898,360	954,100	-55,740	-5.8%
Amounts due from banks	375,045	557,562	-182,517	-32.7%
Amounts due from customers	6,564,150	6,188,900	375,250	6.1%
Tangible assets	152,499	147,101	5,398	3.7%
Intangible assets	48,186	45,913	2,273	5.0%
Amounts due to banks	253,410	165,549	87,861	53.1%
Amounts due to customers	4,290,911	4,353,219	-62,308	-1.4%
Securities issued and Financial liabilities at fair value through profit or loss	2,458,270	2,454,184	4,086	0.2%
Shareholders' equity (including net proft for the period) (1)	810,430	785,797	24,633	3.1%
Indirect deposits (2)	11,759,653	11,494,683	264,970	2.3%

Income statement data (3)

in thousands of Euros	31.03.2011	31.03.2010	Change Amount	%
Operating income	82,781	84,014	-1,233	-1.5%
of which Net interest income	*47,068*	*45,700*	*1,368*	*3.0%*
Operating costs	53,658	54,745	-1,087	-2.0%
Operating margin	29,123	29,269	-146	-0.5%
Profits/(losses) after taxes from continuing operations	16,123	14,538	1,585	10.9%
Profits/(losses) after taxes from non-recurring operations	7,702	14,636	-6,934	-47.4%
Net profit/(loss) for the period (1)	23,580	28,987	-5,407	-18.7%

(1) *pertaining to the Parent Company;*
(2) *net of assets involved in the custodian bank service by the Parent Company (equal to about €6.9 billion as at 31.03.2010) discontinued during the year;*
(3) *from reclassified Income Statement*

Financial ratios

	31.03.2011	31.03.2010	Change Amount
Shareholders' equity / Total assets	9.8%	9.7%	0.1%
Shareholders' equity / Amounts due from customers	12.3%	12.7%	-0.4%
Shareholders' equity / Amounts due to customers	18.9%	18.1%	0.8%
Shareholders' equity / Securities issued and Financial liabilities at fair value through profit or loss	33.0%	32.0%	1.0%
(Tier 1 and Core Tier 1) Equity ratio	11.4%	11.0%	0.4%
(Tier 2) Solvency ratio	12.7%	12.5%	0.2%
Financial assets / Total assets	10.9%	11.8%	-0.9%
Amounts due from banks / Total assets	4.5%	6.9%	-2.4%
Amounts due from customers / Total assets	79.6%	76.4%	3.2%
Amounts due from customers / Direct deposits from customers	97.3%	90.9%	6.4%
Amounts due to banks / Total assets	3.1%	2.0%	1.1%
Amounts due to customers / Total assets	52.0%	53.7%	-1.7%
Securities issuede and Financial liabilities at fair value through profit or loss / Total assets	29.8%	30.3%	-0.5%
Direct deposits from customers / Total assets	81.8%	84.0%	-2.2%
Operating costs / Operating income (Cost/Income ratio)	64.8%	65.2%	-0.4%
Net interest income / Operating income	56.9%	54.4%	2.5%
Operating margin / Operating income	35.2%	34.8%	0.4%
Operating profit net of taxes / Shareholders' equity - annualized	8.1%	7.5%	0.6%
Net profit/(loss) for the period/ R.O.E. - annualized	12.0%	15.3%	-3.3%

Structure and productivity data

	31.03.2011	31.03.2010	Change Amount	Change %
Number of employees	1,862	1,841	21	1.1%
Number of bank branches	177	171	6	3.5%
in thousands of Euros				
Amounts due from customers by employee (4)	3,545	3,392	153	4.5%
Direct deposits from ordinary customer by employee (4)	3,645	3,731	-86	-2.3%
Operating income by employee (4) - annualized	179	184	-5	-2.7%

(4) on the basis of the number of employees determined as arithmetic mean between the period-end figure and that of the previous period-end

Explanatory Notes

The macroeconomic scenario

In the first months of 2011 the growth prospects of the global economy appeared to be sounder and more widespread than expected and the performance of the main cyclical indicators indicates prospects, at least in the short term, which are still positive, despite the adverse effects of the earthquake in Japan and the rise in the price of raw materials due to the crisis in North Africa and Middle East. However, these shocks will entail the higher volatility of the cycle and the strengthening of the expectation that the expansion could slow down in the second half of 2011.

The first months of the year confirmed the sound growth of emerging countries and the expansion of Germany among developed countries. Valuations of the trend in the US economy also improved.

The United States consolidated its growth and the expected increase in GDP up to 3% seems to be feasible. The business was mainly supported by private consumption and stockpiling; these elements will be the driving factors of recovery in the US economy. The US labour market still shows a large imbalance, with modest and weak recovery prospects. This weakness is also accompanied by the persistent standstill of the property market. Risk factors for this recovery could derive from international turbulence and from potential changes in the monetary policy, which should remain accommodating at least up to the fourth quarter of 2011. In order to support recovery, the US government launched, in December 2010, a new programme of tax incentives to be implemented in the two-year period 2011-2012. According to the valuations of some analysts the measures introduced should have a positive impact on the growth in GDP, equal to 0.5 percentage points in 2011; the major expansion effects should concern consumption expenditure, with positive effects on employment and inflation. Finally inflation experienced a turnaround, starting a trend which should allow businesses to recover the so-called pricing power. Upward trends in the price index should also arise from the increase in the prices of raw materials, above all in the central part of 2011.

In Japan the effects of the earthquake will dominate the scenario in 2011-2012. The growth could also be negative in the first two quarters after the catastrophe and then it could become positive in the second half of 2011 and throughout 2012. However, as a whole, the 2011 growth rate for Japan should remain positive, coming to 1%. Both tax and monetary policies remain expansive and a large part of the reconstruction will be financed by the authorities. In any case, the effects of the catastrophe should have a limited impact at an international level.

The most recent economic data show that the growth in emerging economies remains robust, even if showing signs of moderation, above all in Brazil. In China the cyclical indicators show that the economic activity remained robust in the fourth quarter of 2010, and was still supported mainly by internal demand for consumption and investments, despite the gradual exhaustion of the effects arising from tax incentives. For 2011 the growth prospects of GDP remain high, even if slowing down compared to 2010, with an increasingly considerable deceleration in investments compared to private consumption. Also in India expansion remained at high levels, at 8.9% in annualized terms. A high growth trend is expected in India throughout 2011, with support for private consumption and the foreign channel which will offset the slowdown in investments.

In the Euro zone the most recent cyclical investigations have confirmed an expansion of the cycle, even if showing significant gaps between the major economies in the Euro zone. 2010 closed with average growth of 1.7% in GDP. Of the main countries Germany recorded a more robust growth rate, +3.5%, while in France the cyclical growth was more modest, +1.5%. The leading indicators from OECD expect a bright expansion in the Euro zone, even if, as already pointed out, with rather differentiated situations; while prospects in Germany and France are expansion prospects, Italy reports a new fall, with a new drop in the economy. The confidence climate of business continued to grow in the Euro zone, as did retail sales (+0.7%). The unemployment rate continues to reach very high levels, coming to 9.9% at the beginning of 2011. The crisis in public accounts, which mainly involves Greece, Portugal, Ireland and Spain, continues to represent the main “shadow” of the current macroeconomic scenario. In any case, at present the interpretation of the effects of this crisis is not slowing down the recovery trend in progress very much which remains largely connected to export and investments. It is certain that the crisis in sovereign debts and the inflation risk represent the focus of the difficult exit strategy of the ECB, which appears to have chosen to maintain non-conventional measures to limit the impact of the crisis and vice versa to increase rates to contrast inflation risks.

Of the main European countries, Italy recorded the most limited performance of GDP (+1.3% on an annual basis), specifically if compared with Germany and France. The delay of Italy with respect to the other economies is affected by the lower expansion of exports (11.1% against 18.9% of Germany), against growth in imports which was not much less than in Germany. The contribution from public expenditure was also slightly negative (-0.2%). Positive contributions to the growth in GDP were given by investments (+0.7%), private consumption (+0.7%) and stocks (+2.1%). The unemployment percentage in Italy remained constant at around 8.5%. The January 2011 figures show inflation of 1.2%, slightly higher than Germany (+0.9%) and France (+0.9%).

In the credit sector, the Italian banks continued to ensure their support to households and businesses; specifically the support to households remained robust for the purchase of properties. Loans to private individuals increased by 6.2%. Compared to February 2010 the net flow of new loans was over Euro 95 billion. On the basis of the term of the loans, medium- and long-term loans recorded +5.6%, while the short-term segment recorded +5.5%. The beginning of 2011 saw an acceleration in the trend of loans to businesses: +4.3%, thus coming back to the 2009 levels. Rates on loans are settling down, but always at values close to historical lows.

In February the annual change in borrowing within Italian banks showed an increase equal to +3.6%. Customer loans recorded an annualized growth rate of +5.6%, while the change in bank bonds was equal to +0.6%. The performance of repo transactions with customers was always at high levels. The performance of foreign deposits was also positive.

Consistently with the performance of rates in the markets, the remuneration for borrowing showed a slight increase. The average rate of borrowing from customers (which includes the cost of deposits, bonds and repos) came to 1.56%, a figure which is expected to further increase; furthermore, the next months will see an increase in competition in the retail market just in relation to borrowing.

Development of the distribution network

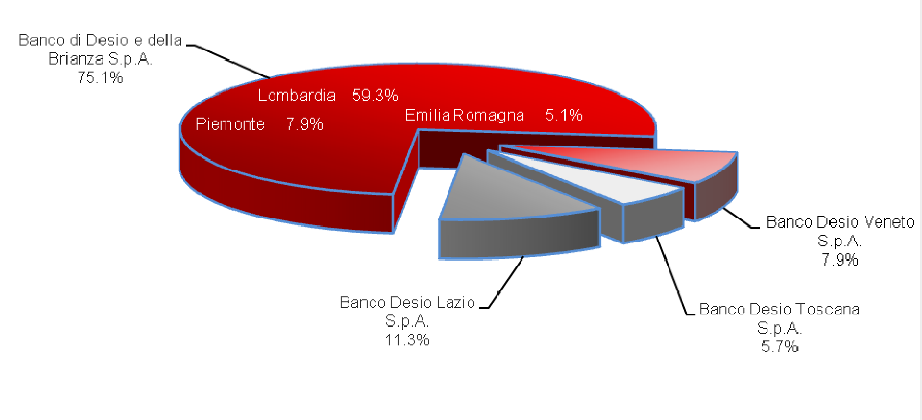
In first quarter of the year, the distribution network also continued to develop locally; at the end of the first quarter the Group included a total of 177 branches, 6 more than at the end of March last year.

The table below shows the breakdown of the overall distribution network by individual bank, also indicating the annual changes, while the following chart represents its percentage breakdown at the end of the first quarter of 2011.

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

					Change	
No. of branches	31.03.2011	Percentage breakdown	31.03.2010	Percentage breakdown	Value	%
Banco di Desio e della Brianza S.p.A.	133	75.1%	128	74.8%	5	3.9%
Banco Desio Veneto Sp.A.	14	7.9%	14	8.2%	0	0.0%
Banco Desio Toscana S.p.A.	10	5.7%	9	5.3%	1	11.1%
Banco Desio Lazio S.p.A.	20	11.3%	20	11.7%	0	0.0%
Group distribution network	**177**	**100.0%**	**171**	**100.0%**	**6**	**3.5%**

*Chart no. 1 - **THE GROUP DISTRIBUTION NETWORK: PERCENTAGE BREAKDOWN BY BANK AS AT 31.03.2011***

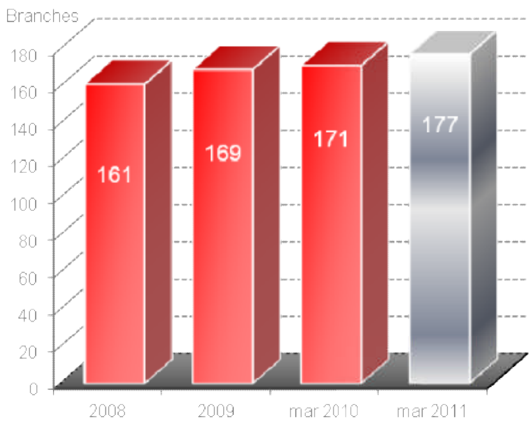


In particular, compared to the year under comparison, the Parent Company opened another branch in the capital city of the Lombardy region, in Porta Venezia, one branch in Treviglio (BG) (which initially operated at the branch of Cassano d'Adda - MI), one branch in the Emilia region, in Correggio (RE), one branch in the Piedmont region and one in the Liguria region, in Novi Ligure (AL) and Chiavari (GE), respectively.

With reference to subsidiary banks, the network structure of Banco Desio Toscana S.p.A., following the opening of an additional branch in Florence in November 2010, numbered a total of 10 branches at the end of the period, with a local presence which affects the capital city of the Tuscany region, as well as the provinces of Pisa, Prato, Lucca and Livorno. The other subsidiaries Banco Desio Veneto S.p.A. and Banco Desio Lazio S.p.A. maintained the same distribution network as that in the period under comparison; the first one with fourteen branches, which are spread across the local base which covers the districts of Vicenza, Verona, Padua and Treviso, the second on with twenty branches and a presence particularly concentrated in the capital and the surrounding areas..

The chart below shows the dimensional growth of the Group in the last few years, with a growth rate corresponding to a Compound Annual Growth Rate of 4.3% from 2009.

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



Major corporate events during the quarter

Reorganisation of the Group

In view of a more correct streamlining of the banking network in relation to its vocation of retail bank, the Parent Company has submitted a project for the reorganization of the Group. On 22 March 2011 the Board of Directors then approved the project for the merger of the subsidiaries Banco Desio Toscana and Banco Desio Veneto by incorporation into the Parent Company itself.

It is expected that the related statutory and supervision procedure may allow the abovementioned mergers to be completed within the current financial year.

Increase in the stake held by the Parent Company in the subsidiary Chiara Assicurazioni S.p.A.

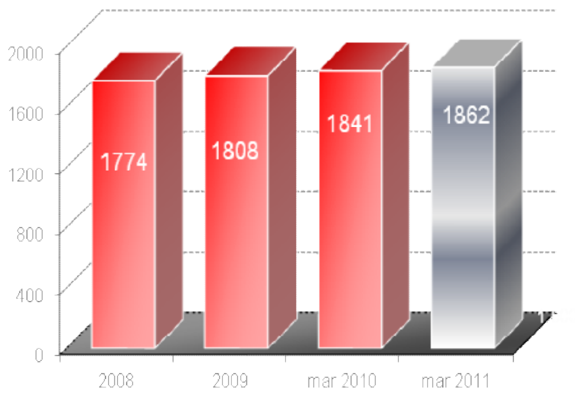
On 15 February 2011 the Parent Company acquired no. 50,000 shares of the subsidiary Chiara Assicurazioni S.p.A., thus increasing its stake held in the Company up to 62.43%.

Human resources

As at 31 March 2011, the Banco Desio Group counted 1,862 employees, with an increase of 21, corresponding to 1.1%, compared to the first quarter of 2010.

From 2009 the average compound annual growth rate registered in the headcount was equal to 2.2%, lower than that registered in the distribution network, (4.3%), as evidenced by the numeric data represented in the chart below.

*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	31.03.2011	Percentage breakdown	31.03.2010	Percentage breakdown	Change Value	Change %
Executives	41	2.2%	39	2.1%	2	5.1%
3rd and 4th level managers	424	22.8%	425	23.1%	-1	-0.2%
1st and 2nd level managers	498	26.7%	482	26.2%	16	3.3%
Other personnel	899	48.3%	895	48.6%	4	0.4%
Group Staff	**1,862**	**100.0%**	**1,841**	**100.0%**	**21**	**1.1%**

Management performance

Saving deposits: administered customer assets

At the end of the first quarter the total administered customer assets amounted to Euro 18.5 billion, up by Euro 0.2 billion compared to the previous year, i.e. equal to 1.1%.

The overall performance of this item is shown in the table below, which also gives a breakdown

.

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

Amounts in thousands of Euro	31.03.2011	Percentage breakdown	31.03.2010	Percentage breakdown	Change Value	Change %
Amounts due to customers	4,290,911	23.2%	4,353,219	23.8%	-62,308	-1.4%
Securities issued and Financial liabilities at fair value through profit or loss	2,458,270	13.3%	2,454,184	13.4%	4,086	0.2%
Direct deposits	**6,749,181**	**36.5%**	**6,807,403**	**37.2%**	**-58,222**	**-0.9%**
Deposits from ordinary customers	8,502,269	45.9%	8,363,856	45.7%	138,414	1.7%
Deposits from institutional customers (1)	3,257,384	17.6%	3,130,828	17.1%	126,556	4.0%
Indirect deposits (1)	**11,759,653**	**63.5%**	**11,494,683**	**62.8%**	**264,970**	**2.3%**
Total deposits from customers	**18,508,834**	**100.0%**	**18,302,086**	**100.0%**	**206,748**	**1.1%**

The balance of *direct deposits* as at 31 March 2011 came to about Euro 6.7 billion, with a drop of 0.9%, equal to about Euro 0.1 billion, compared to the comparative balance, attributable to the reduction in amounts due to customers mainly correlated to the position of ANIMA S.G.R.p.A. which was still in place at the end of March 2010.

In the period indirect deposits reported an overall increase of about Euro 0.3 billion, equal to 2.3% of the previous balance, totalling about Euro 11.8 billion. The growth is attributable both to deposits from “ordinary” customers, linked to the positive performance of the asset administration segment, and to those from institutional customers, net of the volumes affected by the custodian bank service.

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

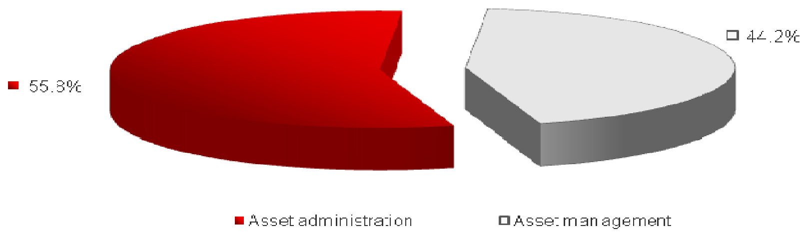
*Table no. 4 - **INDIRECT DEPOSITS***

Amounts in thousands of Euro	31.03.2011	Percentage breakdown	31.03.2010	Percentage breakdown	Change Value	Change %
Asset administration	**4,742,578**	**40.3%**	**4,575,136**	**39.8%**	**167,442**	**3.7%**
Asset management	**3,759,691**	**32.0%**	**3,788,720**	**33.0%**	**-29,028**	**-0.8%**
of which: Mut.Fund and Open-end Inv.	*1,106,667*	*9.4%*	*1,272,423*	*11.1%*	*-165,756*	*-13.0%*
Portfolio management	*646,694*	*5.5%*	*684,014*	*6.0%*	*-37,319*	*-5.5%*
Bank Insurance	*2,006,330*	*17.1%*	*1,832,283*	*15.9%*	*174,047*	*9.5%*
Deposits from ordinary customers	**8,502,269**	**72.3%**	**8,363,856**	**72.8%**	**138,414**	**1.7%**
Deposits from institutional customers	**3,257,384**	**27.7%**	**3,130,828**	**27.2%**	**126,556**	**4.0%**
Indirect deposits (1)	**11,759,653**	**100.0%**	**11,494,683**	**100.0%**	**264,970**	**2.3%**

(1) following the transfer of the stake held in ANIMA S.G.R.p.A. to Banca Popolare di Milano in 2009, the custodian bank service relating to the ANIMA funds, which was performed by the Parent Company, was transferred, at the request of ANIMA S.G.R.p.A. itself, to another company starting from 30 June 2010; accordingly, the Parent Company decided to fully cease this activity, which occurred at the end of the financial year, also towards the other SGRs (Asset Management Companies) that had conferred the same mandate. Following this decision, the related assets, totalling about Euro 6.9 billion, were deducted from inventories at 31 March 2010, in order to make the comparative data consistent.

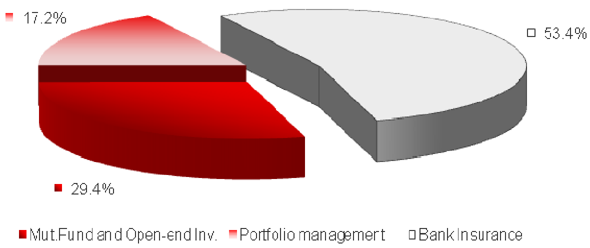
The percentage breakdown by segment of the indirect deposits from ordinary customers at 31 March 2011, represented in the chart below, shows that the portion attributable to administered assets is greater than that of managed assets.

*Chart no. 4 - **INDIRECT DEPOSITS FROM ORDINARY CUSTOMERS BY SECTOR AS 31.03.2011:***



The percentage composition of assets under management is shown in the graph below: specifically, the life bank insurance segment accounts for the most significant share.

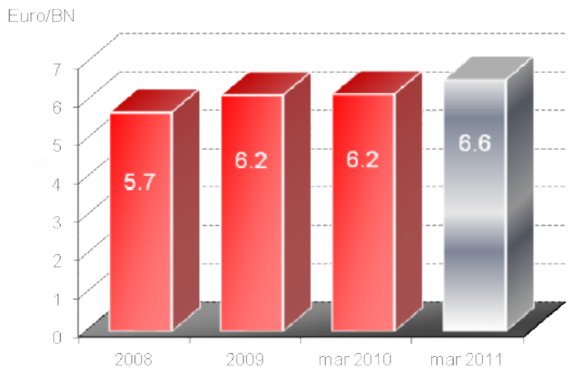
*Chart no. 5 - **INDIRECT DEPOSITS FOR ASSET MANAGEMENT AT 31.03.2011: BREAKDOWN***



Loans to customers

At 31 March 2011, the total amount of loans to customers came to about Euro 6.6 billion, a 6.1% increase over the same period the previous year, which contributed to determining an annual compound growth rate of 6.4% for the last three-year just ended, as shown in the graph below.

Chart no. 6 - Loans to customers: the trend over the last few years



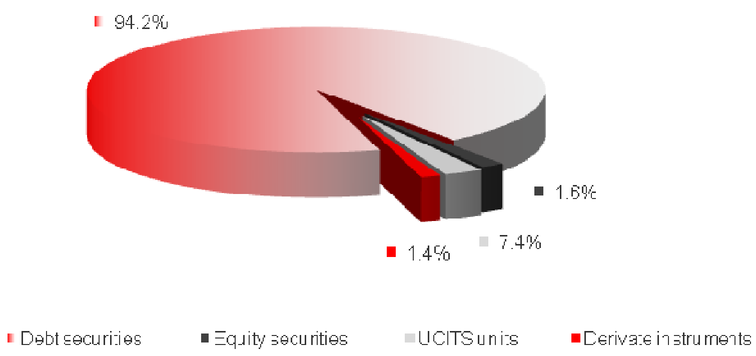
Considering the balance of Euro 93.6 million in net non-performing loans, at the end of the quarter under consideration, the credit risk index, calculated on the basis of the “net non-performing loans/net lending” ratio, increased to 1.43%, compared with 1.21% at the end of March 2010, as a natural consequence of the economic crisis, showing in any case a limited value.

The securities portfolio and the inter-bank position

At the end of the first quarter the Group's total financial assets stood at a value of about Euro 0.9 billion, with an increase of about Euro 0.1 billion compared to the final figure of the same period of the 2010.

The chart below presents the percentage breakdown of the portfolio based on the types of securities, showing that the largest proportion are debt securities which accounts for 94.2% of total investments.

*Chart no. 7 - **FINANCIAL ASSETS AT 31.03.2011: PERCENTAGE BREAK-DOWN BY TYPE OF SECURITY***



There was a positive inter-bank balance of about Euro 0.1 billion at 31 March 2011 compared with about Euro 0.4 billion at the end of the first quarter of 2010.

Shareholders' equity and economic stability

Shareholders' equity as at 31 March 2011, including the profit of the period, amounted to a total of Euro 810.4 million, an increase of Euro 24.6 million with respect to the figure recorded in the first quarter 2010.

Shareholders' equity calculated in accordance with the supervisory regulations in force, amounted to Euro 795.5 million (compared to Euro 788.8 million in the period under comparison) and is made up of Tier 1 capital of Euro 710.8 million and Tier 2 capital of Euro 98.2 million for valuation reserves and subordinated liabilities. The total items to be deducted amount to Euro 23.6 million (of which Euro 13.5 million are to be deducted from Tier 1 and Tier 2) and are referable to equity investments in financial and insurance bodies.

The Tier 1 capital ratio, representing the ratio of primary capital to risk-weighted assets, increased up to 11.4% and coincides with the Tier 1 Core. The Tier 2 solvency ratio, representing the ratio between regulatory capital and risk-weighted assets, came to 12.7%. As at 31 March 2010, these ratios were equal to 11.0% and 12.5%, respectively.

Reclassified income statement

A reclassified Income Statement has been prepared (as compared with the layout in the Financial Statements) in order to provide a view of the Bank's affairs that is more consistent with operational performance, and this is the basis on which the following comments are made.

The following is a summary of the criteria adopted in the preparation of this statement:

- 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/purchase of receivables" in "Operating income" was reclassified in special item "Profit/(loss) on disposal/purchase 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";
- any 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 ended with Parent Bank net profit of about Euro 23.6 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**

Items *in thousands of Euros*		31.03.2011	31.03.2010	Change Value	%
10+20	Net interest income	47,068	45,700	1,368	3.0%
70	Dividend and similar income	1	0	1	
	Profits (losses) on equity investments in associates	684	791	-107	-13.5%
40+50	Net fees and commissions	27,858	30,376	-2,518	-8.3%
80+90+100+110	Net profits/(losses) on trading activities, hedging activities and disposal/repurchase and financial assets/liabilities at fair value through profit or loss	1,363	2,971	-1,608	-54.1%
150+160	Net income from insurance activities	2,969	2,374	595	25.1%
220	Other operating income and expenses	2,838	1,802	1,036	57.5%
	Operating income	**82,781**	**84,014**	**-1,233**	**-1.5%**
180 a	Personnel expenses	-37,127	-35,881	-1,246	3.5%
180 b	Other administrative expenses	-13,832	-16,210	2,378	-14.7%
200+210	Net adjustments/w rite-backs to tangible/intangible assets	-2,700	-2,654	-46	1.7%
	Operating costs	**-53,658**	**-54,745**	**1,087**	**-2.0%**
	Operating margin	**29,123**	**29,269**	**-146**	**-0.5%**
	Net profits/(losses) on disposal/repurchase of receivables	0	0	0	
130 a	Net impairment losses on loans	-3,269	-6,372	3,103	-48.7%
130 d	Net impairment losses on other financial transactions	62	229	-167	-72.9%
190	Net provisions for risks and charges	-58	316	-374	-118.2%
	Profits/(losses) before taxes from continuing operations	**25,858**	**23,442**	**2,416**	**10.3%**
290	Taxes for the period on income from continuing operations	-9,735	-8,904	-831	9.3%
	Profits/(losses) after taxes from continuing operations	**16,123**	**14,538**	**1,585**	**10.9%**
240+270	Profits (losses) on equity investments and on disposal of investments	2	0	2	
	Net provisions for risks and charges on extraordinary transactions	7,700	14,636	-6,936	-47.4%
	Profits/(losses) before taxes from non-recurring operations	**7,702**	**14,636**	**-6,934**	**-47.4%**
	Taxes for the period on income from non-recurring operations	0	0	0	
	Profits/(losses) after taxes from non-recurring operations	**7,702**	**14,636**	**-6,934**	**-47.4%**
320	**Net profit/(loss) for the period**	**23,825**	**29,174**	**-5,349**	**-18.3%**
330	(Profit)/loss for the period attributable to minority interests	-245	-187	-58	31.0%
340	**Parent Bank net profit (loss)**	**23,580**	**28,987**	**-5,407**	**-18.7%**

In order to make it easier to compare the reclassified Income Statement with the items as shown in the Financial Statements layout, 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 STATEMENTS AND RECLASSIFIED INCOME STATEMENT AS AT 31.03.2011**

Captions		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/repurc	Uses / provisions for risks and charges	Taxes on income	31.03.2011
10+20	Net interest income	47,325	-257							47,068
70	Dividend 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 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
	Net 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 items								0	0
	Profits/(losses) after taxes from non-recurring operations	**686**	**0**	**0**	**-684**	**0**	**0**	**7,700**	**0**	**7,702**
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**

Table no. 7 - **RECONCILIATION BETWEEN FINANCIAL STATEMENTS AND RECLASSIFIED INCOME STATEMENT AS AT 31.03.2010**

Captions		Financial Statement	Reclassifications							Reclassified Statement
Amounts in thousands of Euros		31.03.2010	Net income from insurance activities	Tax recoveries	Profits on equity investments in associates	Amortisation of leasehold improvements	Net profits/(losses) on disposal/repurchase of	Uses / provisions for risks and charges	Taxes on income	31.03.2010
10+20	Net interest income	45,885	-185							45,700
70	Dividend and similar income	0								0
	Profits (losses) on equity investments in associates				791					791
40+50	Net fees and commissions	30,376								30,376
80+90+100+110	Net profits/(losses) on trading activities, hedging activities and disposal/repurchase and financial assets/liabilities at fair value through profit or loss	3,017	-46				0			2,971
150+160	Net income from insurance activities	2,144	230							2,374
220	Other operating income and expenses	4,091	1	-2,910		620				1,802
	Operating income	**85,513**	**0**	**-2,910**	**791**	**620**	**0**	**0**	**0**	**84,014**
180 a	Personnel expenses	-35,881								-35,881
180 b	Other administrative expenses	-19,120		2,910						-16,210
200+210	Net adjustments/write-backs to tangible/intangible assets	-2,034				-620				-2,654
	Operating costs	**-57,035**	**0**	**2,910**	**0**	**-620**	**0**	**0**	**0**	**-54,745**
	Operating margin	**28,478**	**0**	**0**	**791**	**0**	**0**	**0**	**0**	**29,269**
	Net profits/(losses) on disposal/repurchase of receivables						0			0
130 a	Net impairment losses on loans	-6,603						231		-6,372
130 d	Net impairment losses on other financial transactions	229								229
190	Net provisions for risks and charges	15,183						-14,867		316
	Profits/(losses) before taxes from continuing operations	**37,287**	**0**	**0**	**791**	**0**	**0**	**-14,636**	**0**	**23,442**
290	Taxes for the period on income from continuing operations	-8,904								-8,904
	Profits/(losses) after taxes from continuing operations	**28,383**	**0**	**0**	**791**	**0**	**0**	**-14,636**	**0**	**14,538**
240+270	Profits (losses) on equity investments and on disposal of investments	791			-791					0
	Net provisions for risks and charges on extraordinary transactions							14,636		14,636
	Profits/(losses) before taxes from non-recurring operations	**791**	**0**	**0**	**-791**	**0**	**0**	**14,636**	**0**	**14,636**
	Taxes for the period on income from non-recurring items									0
	Profits/(losses) after taxes from non-recurring operations	**791**	**0**	**0**	**-791**	**0**	**0**	**14,636**	**0**	**14,636**
320	**Net profit/(loss) for the period**	**29,174**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**29,174**
330	(Profit)/loss for the period attributable to minority interests	-187								-187
340	**Parent Bank net profit (loss)**	**28,987**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**28,987**

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

Operating income

Ordinary revenues under operating income show that performance was not very far from that of the period used for comparison (-1.5%), coming to Euro 82.8 million.

Note specifically the increase of Euro 1.4 million in the net interest income (+3.0%), Euro 1 million in other operating income/costs and Euro 0.6 million in the net income from insurance activities; vice versa, a decrease was recorded by the balances of the other items, specifically in net commissions for Euro 2.5 million (-8.3%, mainly following the fat that the Parent Company ceased its custodian bank activity), the item that groups together the net profits/(losses) on trading activities, hedging activities and disposal/repurchase and financial assets/liabilities at fair value through profit or loss of Euro 1.6 million (due to the profit(loss) on disposal/purchase of financial assets available for sale), as well as profits on equity investments in associates for Euro 0.1 million.

Operating costs

Total operating costs, which include personnel expenses, other administrative expenses and net adjustments/write-backs to tangible/intangible assets, came to Euro 53.7 million, a decrease of 2.0%.

Profits/(losses) from continuing operations

The operating margin at the end of the period is consequently Euro 29.1 million, compared to Euro 29.3 million in the period under comparison.

Profits/(losses) after taxes from continuing operations

The *net impairment losses on loans* for Euro 3.3 million (Euro 6.4 million in the first quarter of the previous year), the positive balance of *net impairment losses on other financial transactions* for Euro 0.1 million and *net provisions for risks and charges* for Euro 0.1 million, as well as the *taxes for the period on income from continuing operations* of Euro 9.7 million lead to p*rofits/(losses) after taxes from continuing operations* of Euro 16.1 million, up by 10.9%.

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

Profits/(losses) after taxes from non-recurring operations amounted to Euro 7.7 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 business plan of the Company (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 14.6 million.

Parent Bank net profit (loss)

Adding together *profit after taxes from continuing operations* and of the *profit after taxes from non-recurring operations*, the *Parent Bank net profit (loss)* for the period was about Euro 23.6 million net of the (profit)/loss for the period attributable to minority interests of Euro 0.2 million. The result shows a decrease of Euro 5.4 million compared to that in the previous year (+18.7%), which however benefitted from an additional amount of Euro 6.9 million referable to the non-recurring result, net of taxes.

Significant events after the reporting date

Rating

On 13 April 2011 the international agency Fitch Ratings confirmed the ratings levels previously assigned to the Parent Company, showing in particular strengths such as the good competitive positioning which determines the performance capacity, even if in a complex economic context such as the current one, the stability of deposits, the sound portfolio of loans with performance better than that of its own competitors and adequate capitalisation.

Long-term	Short-term	Forecast
A	F1	Stable

Capital increase of the subsidiaries Banco Desio Veneto S.p.A. and Chiara Assicurazioni S.p.A. and increase in the stake held by the Parent Company in the Company up to 66.66%

Within the residual Shareholding plan, on 27 April 2011 the subsidiary Banco Desio Veneto S.p.A. implemented the capital increase of Euro 5.6 million, up to Euro 40.7 million, and at the same time the Parent Company acquired the related shares subscribed by the beneficiaries, thus maintaining its 100% stake unchanged.

On the same date, the subsidiary Chiara Assicurazioni S.p.A. implemented the capital increase of Euro 6.6 million, serving the Shareholding plan, up to Euro 9.4 million, and at the same time the Parent Company increased its stake held in the Company up to 66.6%.

Other information

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

Conditions are still fulfilled which are laid down under articles 36 and 37 of the "Consob Market Regulations" (resolution no. 16191 of 29 October 2007) which relate, in the present case, to "non-EU" company CPC. S.A. indirectly owned by the Parent Company, and to Brianza Unione di Luigi Gavazzi & C. S.a.p.a., the company controlling the Parent Company itself, as reported in the "Annual report on Corporate Governance and Ownership Structure" of the Group as required by article 123-*bis* of the TUF and made available in the website at the address www.bancodesio.it, Banco Desio section – Corporate Governance.

Business outlook

Even if within the criticalities and the complex international situation, and uncertainties in financial markets, no significant changes are expected during the current year which could be referred to the results from operations compared to those of the previous financial year.

12 May 2011

The Board of Directors

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

Consolidated interim financial statements as at 31 March 2011

Consolidated balance sheet

(amount / 1,000)

	Assets	31.03.2011	31.03.2010	Change		31.12.2010	Change	
				amount	%		amount	%
10	Cash and cash equivalents	25,949	25,082	867	3.5	28,615	(2,666)	(9.3)
20	Financial assets held for trading	33,654	82,815	(49,161)	(59.4)	40,759	(7,105)	(17.4)
40	Available-for-sale financial assets	741,347	868,063	(126,716)	(14.6)	833,814	(92,467)	(11.1)
50	Held-to-maturity investments	123,359	3,222	120,137	3,728.6	124,480	(1,121)	(0.9)
60	Amounts due from banks	375,045	557,562	(182,517)	(32.7)	302,852	72,193	23.8
70	Amounts due from customers	6,564,150	6,188,900	375,250	6.1	6,476,720	87,430	1.3
100	Equity investments	18,278	20,089	(1,811)	(9.0)	16,720	1,558	9.3
110	Technical reserves arising from reinsurance	6,484	5,609	875	15.6	6,363	121	1.9
120	Tangible assets	152,499	147,101	5,398	3.7	150,821	1,678	1.1
130	Intangible assets	48,186	45,913	2,273	5.0	47,592	594	1.2
	of which:							
	- *goodwill*	*44,405*	*43,513*	*892*	*2.0*	*44,345*	*60*	*0.1*
140	Tax assets	41,755	43,298	(1,543)	(3.6)	42,822	(1,067)	(2.5)
	a) *current*	*8,040*	*13,977*	*(5,937)*	*(42.5)*	*7,289*	*751*	*10.3*
	b) *deferred*	*33,715*	*29,321*	*4,394*	*15.0*	*35,533*	*(1,818)*	*(5.1)*
160	Other assets	117,955	116,656	1,299	1.1	91,452	26,503	29.0
	Total Assets	**8,248,661**	**8,104,310**	**144,351**	**1.8**	**8,163,010**	**85,651**	**1.0**

(amount / 1,000)

	Total Liabilities and shareholders' equity	31.03.2011	31.03.2010	Change		31.12.2010	Change	
				amount	%		amount	%
10	Amounts due to banks	253,410	165,549	87,861	53.1	171,918	81,492	47.4
20	Amounts due to customers	4,290,911	4,353,219	(62,308)	(1.4)	4,459,599	(168,688)	(3.8)
30	Securities issued	2,149,631	1,934,416	215,215	11.1	2,114,408	35,223	1.7
40	Financial liabilities held for trading	10,993	11,770	(777)	(6.6)	6,657	4,336	65.1
50	Financial liabilities at fair value through profit or loss	308,639	519,768	(211,129)	(40.6)	334,326	(25,687)	(7.7)
60	Hedging derivatives	5,142	-	5,142	100.0	2,653	2,489	93.8
80	Tax liabilities	22,469	22,736	(267)	(1.2)	12,664	9,805	77.4
	a) current	*12,322*	*10,533*	1,789	17.0	*2,763*	*9,559*	*346.0*
	b) deferred	*10,147*	*12,203*	(2,056)	(16.8)	*9,901*	*246*	*2.5*
100	Other liabilities	301,157	212,048	89,109	42.0	174,893	126,264	72.2
110	Reserve for employee termination indemnities	23,242	25,505	(2,263)	(8.9)	*24,378*	(1,136)	(4.7)
120	Reserves for risks and charges:	35,024	46,388	(11,364)	(24.5)	43,517	(8,493)	(19.5)
	a) *pensions and similar commitments*	*177*	*161*	16	9.9	*186*	(9)	*(4.8)*
	b) *other reserves*	*34,847*	*46,227*	(11,380)	(24.6)	*43,331*	(8,484)	*(19.6)*
130	Technical Reserves	32,889	23,263	9,626	41.4	29,980	2,909	9.7
140	Valuation reserves	20,922	30,792	(9,870)	(32.1)	17,536	3,386	19.3
170	Reserves	682,078	642,168	39,910	6.2	629,025	53,053	8.4
180	Share premium reserve	16,145	16,145	-	-	16,145	-	-
190	Share capital	67,705	67,705	-	-	67,705	-	-
210	Minority interests (+/-)	4,724	3,851	873	22.7	4,995	(271)	(5.4)
220	Net profit / (loss) for the period	23,580	28,987	(5,407)	(18.7)	52,611	(29,031)	(55.2)
	Total Liabilities and shareholders' equity	**8,248,661**	**8,104,310**	**144,351**	**1.8**	**8,163,010**	**85,651**	**1.0**

Consolidated income statement

Amounts in thousands of Euros

	Items	31.03.2011	31.03.2010	Changes	
				amount	%
10	Interest income and similar revenues	68,010	63,167	4,843	7.7
20	Interest expense and similar charges	(20,685)	(17,282)	(3,403)	(19.7)
30	**Net interest income**	**47,325**	**45,885**	**1,440**	**3.1**
40	Fee and commission income	31,948	33,697	(1,749)	(5.2)
50	Fee and commission expense	(4,090)	(3,321)	(769)	(23.2)
60	**Net fees and commissions**	**27,858**	**30,376**	**(2,518)**	**(8.3)**
70	Dividends and similar income	1	-	1	100.0
80	Net profits/(losses) on trading activities	1,428	1,167	261	22.4
90	Net profits/(losses) on hedging activities	(96)	-	(96)	(100.0)
100	Profit/(loss) on disposal or repurchase of:	845	2,665	(1,820)	(68.3)
	b) available-for-sale financial assets	*699*	*2,635*	*(1,936)*	*(73.5)*
	d) financial liabilities	*146*	*30*	*116*	*386.7*
110	Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	(814)	(815)	1	0.1
120	**Net interest and other banking income (intermediation margin)**	**76,547**	**79,278**	**(2,731)**	**(3.4)**
130	Net impairment losses on/writebacks to:	(3,038)	(6,374)	3,336	(52.3)
	a) loans and receivables	*(3,100)*	*(6,603)*	*3,503*	*53.1*
	d) other financial assets	*62*	*229*	*(167)*	*(72.9)*
140	**Net income from banking activities**	**73,509**	**72,904**	**605**	**0.8**
150	Net insurance premiums	7,946	6,733	1,213	18.0
160	Balance of other income/charges arising on insurance management activities	(5,222)	(4,589)	(633)	(13.8)
170	**Net result of financial and insurance activities**	**76,233**	**75,048**	**1,185**	**1.6**
180	Administrative expenses:	(53,718)	(55,001)	1,283	(2.3)
	a) personnel expenses	*(37,127)*	*(35,881)*	*(1,246)*	*(3.5)*
	b) other administrative expenses	*(16,591)*	*(19,120)*	*2,529*	*13.2*
190	Net provisions for risks and charges	7,473	15,183	(7,710)	(50.8)
200	Net adjustments to the value of tangible assets	(1,732)	(1,794)	62	3.5
210	Net adjustments to the value of intangible assets	(333)	(240)	(93)	(38.8)
220	Other operating (expenses)/income	4,951	4,091	860	21.0
230	**Operating expenses**	**(43,359)**	**(37,761)**	**(5,598)**	**(14.8)**
240	Profits/(losses) on equity investments	684	791	(107)	(13.5)
270	Profits (Losses) from disposal of investments	2	-	2	
280	**Profits/(losses) before taxes from continuing operations**	**33,560**	**38,078**	**(4,518)**	**(11.9)**
290	Taxes for the period on income from continuing operations	(9,735)	(8,904)	(831)	(9.3)
300	**Net profits (loss) after tax from continuing operations**	**23,825**	**29,174**	**(5,349)**	**(18.3)**
320	**Net profit/(loss) for the period**	**23,825**	**29,174**	**(5,349)**	**(18.3)**
330	Profit (loss) for the period attributable to minority interests	(245)	(187)	(58)	(31.0)
340	**Profit (loss) for the period attributable to Parent Bank**	**23,580**	**28,987**	**(5,407)**	**(18.7)**

Consolidated statement of comprehensive income for the period

in thousands of Euros

	Items	31.03.2011	31.03.2010
10	**Net profit / (loss) for the period**	**23,825**	**29,174**
	Other comprehensive income (net of tax)		
20	Financial assets available for sale	4,315	1,430
30	Tangible assets	-	-
40	Intangible assets	-	-
50	Foreign investments hedges	-	-
60	Cash flow hedges	-	-
70	Foreign exchange differences	(856)	731
80	Non-current assets held for:	-	-
90	Actuarial Profit(Loss) on defined benefits plans	219	(591)
100	Share of revaluation reserves relating to equity investments recognised under equity	(275)	262
110	**Total other comprehensive income (net of tax)**	**3,403**	**1,832**
120	**Total comprehensive income for the period (item 10 + 110)**	**27,228**	**31,006**
130	Total Consolidated comprehensive income pertaining to minority interests	(228)	(214)
140	**Total Consolidated comprehensive income pertaining to the Parent Company**	**27,000**	**30,792**

Consolidated statement of changes in shareholders’ equity as at 31 March 2011

(amount / 1000)

	Equity as at 31.12.2010	Change in opening balances	Equity as at 1.01.2011	Allocation of result from previous period		Changes over the period								Equity attributable to the Group as at 31.03.2011	Equity attributable to the Group as at 31.03.2011
						Changes in reserves	Transactions in shareholders' equity						Comprehensive income for the year at 31.03.2011		
				Reserves	Dividends and other allocations		Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Change in equity instruments	Derivatives on treasury shares	Stock options			
Shareholders' equity:															
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	
Revaluation reserves:	17,389	-	17,389			-	-						3,403	20,922	(130)
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Treasury shares	-	-	-	-	-	-	-	-	-	-		-	-	-	
Net Profit (loss) for the year	53,460	-	53,460	(53,460)	-	-	-	-	-	-	-	-	23,825	23,580	245
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 statement of changes in shareholders’ equity as at 31 March 2010

(amount / 1000)

	Equity as at 31.12.2009	Change in opening balances	Equity as at 1.01.2010	Allocation of result from previous period		Changes over the period								Equity attributable to the Group as at 31.03.2010	Minority interests as at 31.03.2010
						Changes in reserves	Transactions in shareholders' equity						Comprehensive income for the year at 31.03.2010		
				Reserves	Dividends and other allocations		Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Change in equity instruments	Derivatives on treasury shares	Stock options			
Shareholders' equity:															
a) ordinary shares	63,702	-	63,702	-	-	-	-	(81)	-	-	-	-	-	60,840	2,781
b) other shares	6,865	-	6,865	-				-						6,865	
Share premium reserve	16,392	-	16,392	-	-	(170)	-	-	-	-	-	-	-	16,145	77
Reserves:															
a) retained earnings	582,485	-	582,485	53,682	-	(2,465)	-	-	-	-	-	-	-	633,010	692
b) others	9,119	-	9,119	-	-	-	-	-	-	-	-	39	-	9,158	
Revaluation reserves:	29,074	-	29,074			-	-						1,832	30,792	114
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Treasury shares	-	-	-	-	-	-	-	-	-	-		-	-	-	
Net Profit (loss) for the year	53,682	-	53,682	(53,682)	-	-	-	-	-	-	-	-	29,174	28,987	187
Equity attributable to the Group	**757,372**	**-**	**757,372**		**-**	**(2,406)**	**-**	**-**	**-**	**-**	**-**	**39**	**30,792**	**785,797**	
Minority interests	**3,947**	**-**	**3,947**			**(229)**	**-**	**(81)**					**214**		**3,851**

Consolidated cash flow statement

A. OPERATIONS	*Amounts in thousands of Euros*	
	31.03.2011	31.03.2010
1. Management activities	**28,120**	**30,501**
- interest income earned (+)	68,042	63,162
- interest expenses paid (-)	(20,502)	(17,291)
- dividends and similar revenues (+)	1	-
- net commissions (+/-)	28,598	31,042
- personnel costs (-)	(33,753)	(32,907)
- net premiums earned (+)	7,946	6,733
- other insurance income/charges (+/-)	(5,222)	(4,589)
- other costs (-)	(15,556)	(17,366)
- other revenues (+)	8,301	10,621
- taxes and duties (-)	(9,735)	(8,904)
- costs/revenues relating to non current assets held for sale and discontinued operations, net	-	-
2. Liquid assets generated (absorbed) by decrease/increase in financial assets	**(83,054)**	**198,971**
- financial assets held for trading	7,657	(7,702)
- financial assets at fair value through profit or loss	-	-
- available-for-sale financial assets	98,487	1,871
- amounts due from customers	(92,443)	(38,379)
- amounts due from banks: at sight	86,253	1,092
- amounts due from banks: others	(158,446)	234,329
- other assets	(24,562)	7,760
3. Liquid assets generated (absorbed) by increase/decrease in financial liabilities	**55,485**	**(229,986)**
- amounts due to banks: at sight	6,647	97,243
- amounts due to banks: others	74,845	31,648
- amounts due to customers	(168,688)	(515,057)
- securities issued	39,400	126,100
- financial liabilities held for trading	1,486	8,022
- financial liabilities at fair value through profit or loss	(25,687)	(37,384)
- other liabilities	127,482	59,442
Net liquid assets generated (absorbed) by operations (A)	**551**	**(514)**
B. INVESTMENTS		
1. Liquid assets generated by	**9,072**	**875**
- sale of equity investments	-	875
- dividends received from equity investments	-	-
- sale/redemption of financial assets held to maturity	1,120	-
- sale of tangible assets	7,952	
- sale of intangible assets	-	-
- sale of subsidiaries and business divisions	-	
2. Liquid assets absorbed by	**(12,289)**	**(1,594)**
- purchase of equity investments	-	-
- purchase of financial assets held to maturity	-	(133)
- purchase of tangible assets	(11,362)	(685)
- purchase of intangible assets	(927)	(776)
- purchase of subsidiaries and business divisions	-	-
Net liquid assets generated (absorbed) by investments (B)	**(3,217)**	**(719)**
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)	**(2,666)**	**(1,233)**

Financial statements' items	2011	2010
Cash and cash equivalents at beginning of year	28,615	26,315
Total liquid assets generated (absorbed) during the year	(2,666)	(1,233)
Cash and cash equivalents: effect of exchange rate changes		
Cash and cash equivalents at end of the year	25,949	25,082

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

The undersigned, Piercamillo Secchi, as Manager responsible for preparing the Banco di Desio e della Brianza S.p.A.'s financial reports, declares, pursuant to article 154-bis, paragraph 2, of the Consolidated Act on Finance, that the accounting disclosures contained in this "Consolidated Interim Report on Operations as at 31 March 2011" correspond to the contents of the relative documents, corporate books and accounting records.

Desio, 12 May 2011

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

Piercamillo Secchi