The consolidated interim report on operations as at 30 September 2010

Gruppo Banco Desio

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

Board of Directors

Chairman	Agostino Gavazzi*
Deputy Chairmans	Stefano Lado* Guido Pozzoli*
Managing Director	Nereo Dacci*
Directors	Francesco Cesarini Pier Antonio Cutellé Egidio Gavazzi Luigi Gavazzi Paolo Gavazzi Luigi Guatri Gerolamo Pellicanò

* *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

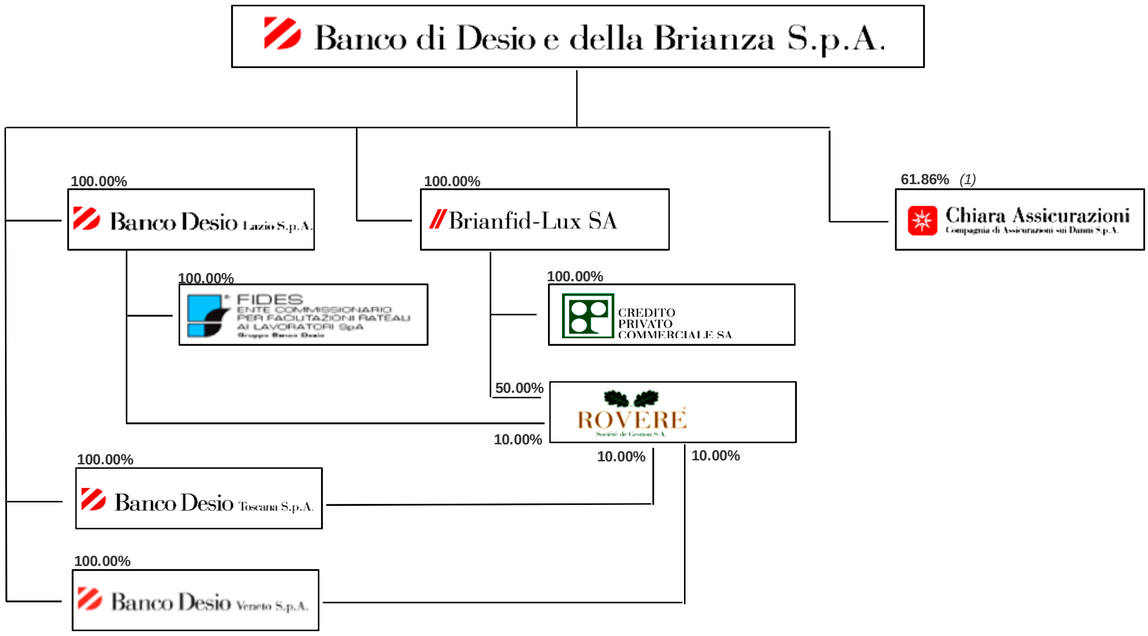
General Director	Claudio Broggi
Vice General Director	Marco Sala

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

Nominated Official in charge of drawing up Company Accounts	Piercamillo Secchi

The Banco Desio Group

This consolidated interim Report on operations as at 30 September 2010 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 30 September 2010 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 Financial Law), which implements Legislative Decree No. 195 of 6 November 2007, known as the "Transparency Directive", and in conformity to the applicable international accounting standards as adopted in the European Union under Regulation (EC) 1606 of 19 July 2002, and, in particular, to 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 and Consolidated Interim Financial Statements as at 30 September 2010, including a Balance Sheet, an Income Statement, a Consolidated Statement of Comprehensive Income for the period, a Consolidated Income Statement - Quarterly trend, a Statement of Changes in Equity and a Cash Flow Statement, which are not subject to inspection by the Auditors.

The data and rations 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 its turn been prepared on the basis of the Financial Statement schedule.

Finally, it should be noted that, following the update of Circular Letter no. 262, some reclassifications were made to the comparison figures as at the end of September 2009.

Financial highlights and ratios

Balance sheet data

In thousands of Euros	30.09.2010	30.09.2009	Change Amount	%
Total assets	8,068,643	7,659,028	409,615	5.3%
Financial assets	976,705	837,494	139,211	16.6%
Amounts due from banks	336,813	521,440	-184,627	-35.4%
Amounts due from customers	6,365,079	5,914,689	450,390	7.6%
Tangible assets	149,205	148,222	983	0.7%
Intangible assets	47,303	45,330	1,973	4.4%
Amounts due to banks	47,907	29,053	18,854	64.9%
Amounts due to customers	4,342,226	4,206,902	135,324	3.2%
Securities issued	1,970,818	1,798,709	172,109	9.6%
Financial liabilities at fair value through profit or loss	422,721	559,668	-136,947	-24.5%
Shareholders' equity (including net proft for the period) (1)	782,202	746,542	35,660	4.8%
Total indirect deposits (2)	11,520,922	11,021,990	498,932	4.5%

Income statement data (2)

In thousands of Euros	30.09.2010	30.09.2009	Change Amount	%
Operating income	252,559	254,905	-2,346	-0.9%
of which *Net interest income*	*137,357*	*146,469*	*-9,112*	*-6.2%*
Operating costs	170,357	166,663	3,694	2.2%
Profits/(losses) after taxes from continuing operations	29,709	19,380	10,329	53.3%
Profits/(losses) after taxes from non-recurring operations	15,158	24,625	-9,467	n.s.
Net profit/(loss) for the period (1)	44,285	44,028	257	0.6%

(1) *pertaining to the Parent Company*

(2) *following the decision by the Parent Company to cease the custodian service, the balances are already net of the related residual assets;*

(3) *from reclassified Income Statement.*

Financial ratios

	30.09.2010	30.09.2009	Change Amount
Shareholders' equity / Total assets	9.7%	9.7%	0.0%
Shareholders' equity / Amounts due from customers	12.3%	12.6%	-0.3%
Shareholders' equity / Amounts due to customers	18.0%	17.7%	0.3%
Shareholders' equity / Securities issued	39.7%	41.5%	-1.8%
(Tier 1 and Core Tier 1) Equity ratio	11.2%	10.6%	0.6%
(Tier 2) Solvency ratio	12.6%	11.8%	0.8%
Financial assets / Total assets	12.1%	10.9%	1.2%
Amounts due from banks / Total assets	4.2%	6.8%	-2.6%
Amounts due from customers / Total assets	78.9%	77.2%	1.7%
Amounts due from customers / Direct deposits from customers	94.5%	90.1%	4.4%
Amounts due to banks / Total assets	0.6%	0.4%	0.2%
Amounts due to customers / Total assets	53.8%	54.9%	-1.1%
Securities issued / Total assets	24.4%	23.5%	0.9%
Financial liabilities at fair value through profit or loss / Total assets	5.2%	7.3%	-2.1%
Direct deposits from customers / Total assets	83.5%	85.7%	-2.2%
Operating costs / Operating income (Cost/Income ratio)	67.5%	65.4%	2.1%
Net interest income / Operating income	54.4%	57.5%	-3.1%
Operating margin / Operating income	32.5%	34.6%	-2.1%
Operating profit net of taxes / Shareholders' equity - annualized	5.4%	3.7%	1.7%
Net profit/(loss) for the period/ R.O.E. - annualized	8.0%	8.4%	-0.4%

Structure and productivity data

	30.09.2010	30.09.2009	Change Amount	Change %
Number of employees	1,860	1,819	41	2.3%
Number of bank branches	173	167	6	3.6%
in thousands of Euros				
Amounts due from customers by employee (4)	3,471	3,292	179	5.4%
Direct deposits from ordinary customer by employee (4)	3,673	3,654	19	0.5%
Operating income by employee (4) - annualized	184	189	-5	-2.6%

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

Explanatory Notes

The baseline scenario

In the third quarter of 2010 the markets focused their attention on the risk of slowdown in the global economy: this trend was recorded above all in the mature economies (United States and Japan) and, partly, in the Emerging Countries; at present, Europe seems to be maintaining constant economic growth. The slowdown testifies to the lower increase in the GDP on a quarterly basis: in the United States, notwithstanding the good growth on an annual basis (+3%), the GDP grew, in the second quarter, by 0.4% (against 0.9% in the previous quarter); in Japan, the increase reported in the GDP from the beginning of the year (+1.2%) was less intense in the last quarter. The Emerging Countries' growth was, as a whole, more moderate but the fundamentals maintained solid and domestic demand was stronger than in the past. At present the Euro Zone maintains its growth rate: the GDP showed an increase of 1% on a quarterly basis (as in the previous observations) and of 1.9% on an annual basis. The slowdown in the economic recovery can also be noted from the difficulties encountered in the labour market: in August the unemployment rate rose again in the United States (+9.6%), while in the Euro Zone it remained constant (+10%); in Italy it remained at lower levels (8.4%). The crisis in the public accounts of Greece, Ireland, Portugal and Spain continues to represent the main "shadow" in the current macroeconomic situation: the premiums on the CDSs of government bonds continue, on average, to fluctuate around the record levels reached in the last months, as is also the case for Italy. In light of these considerations, the assumption of a strong slowdown in the economic recovery does not seem very probable: however, the uncertainty of the economic cycle will keep market volatility at high levels.

In August, international share prices showed positive annual trends: the Standard & Poor's 500 and the Dow Jones Euro Stoxx recorded a positive change of 7.7% and 9.4% respectively, on an annual basis. Likewise, the main European stock exchange indexes also showed positive average monthly changes: FTSE MIB (+1%), DAX30 (+1%), CAC40 (+2.2%) and FTSE100 (+2.3%). As regards the New Economy indexes, the Nasdaq grew by 0.2% on a monthly basis, while the index of French technology securities grew by 1.8%.

In September the European Central Bank maintained its policy rate at a historical minimum of 1%, in the same way as the Federal Reserve whose rate remained in the range of 0.25%. In consideration of the increase in energy costs (oil prices recorded an annual change of +6%), the ECB increased its inflation expectations for both 2010 (up to 1.7%) and 2011 (up to 2.2%). In August, the 3-month Euribor rate was equal to 0.90%, up by 4 bps compared to the same period in the previous year. The return on the ten-year issues of government bonds further reduced: in Germany it passed from 2.65% in July to 2.36% in August, while, in Italy, the rate came to 3.80% against 4.01% in the previous month.

With reference to Italy, its GDP showed the most moderate annual change of the Euro Zone countries (+1.3%), notwithstanding the positive performance of investments (+1%), of the trade balance (+2.4%) and of public expenditure (+0.3%). Private consumption remained unchanged, while the contribution from the inventory cycle was negative (-1.8%). In Italy inflation recorded annual growth of +1.6% in August, which was aligned with that in the Euro Zone.

As regards the banking sector, borrowing showed a tendential growth rate of +5.4% on an annual basis, thanks to the positive contributions from customer deposits (+9.3%), bond issues (+0.2%) and repo transactions with customers (+50%). Foreign deposits dropped on an annual basis (-6.4%). In August the average rate of bank deposits recorded a slight increase, coming to 1.42% (+0.02 bps compared to the previous month); however, these values are still far from those in the same period of the previous year (1.74%). As regards loans, on the other hand, loans to families and non-finance companies grew by 2.6% on an annual basis, thanks to the good performance of the medium/long-term segment (+5.1%) and notwithstanding the difficulties of short-term loans (-

3.8%). Loans to businesses recorded a drop of 1.5% on an annual basis. Loans for the purchase of properties recorded an annual growth of +9.1%, thus confirming the growing trend reported in the previous months. The rates applied to new transactions involving families and businesses remained at particularly moderate levels: in August 2010 the rate applied to loans denominated in euros to non-finance companies was 2.30% (-23 bps on an annual basis), while the rate applied to families for the purchase of homes was 2.60% (-64 bps on an annual basis). Gross non-performing loans increased (+38.5% on an annual basis), in the same way as non-performing loans net of write-downs (+43.8%): in July, the ratio between net non-performing loans and total loans was 2.19%, against 1.61% in the same period of the previous year.

Development of the distribution network

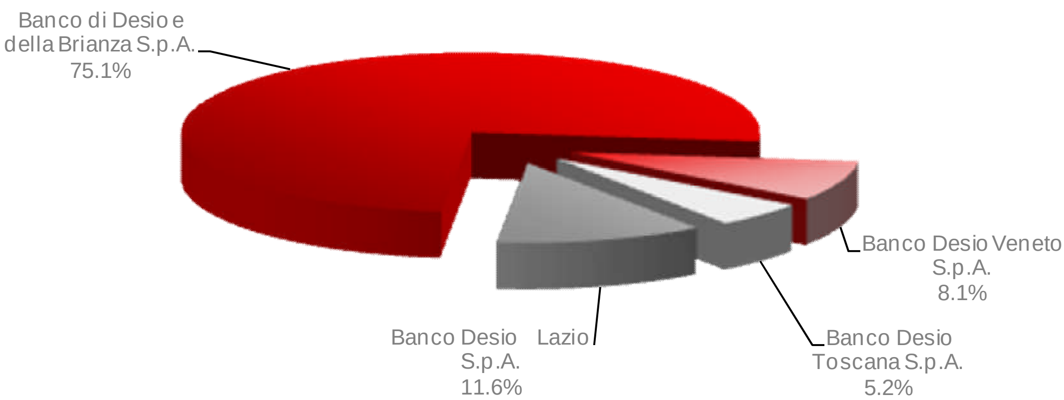
While maintaining continuity of local development, at the end of the third quarter of 2010 the Group's distribution network reached a total of 173 branches, 6 more than at the end of September last year.

The table below shows the breakdown of the overall distribution network by individual bank of the Group, also indicating the annual changes, while the following chart represents its percentage breakdown at the end of the relevant period, also by referring to the regions in which they operate.

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

No. of branches	30.09.2010	Percentage breakdown	30.09.2009	Percentage breakdown	Change Value	Change %
Banco di Desio e della Brianza S.p.A.	130	75.1%	125	74.8%	5	4.0%
Banco Desio Veneto S.p.A.	14	8.1%	14	8.4%	-	-
Banco Desio Toscana S.p.A.	9	5.2%	9	5.4%	-	-
Banco Desio Lazio S.p.A.	20	11.6%	19	11.4%	1	5.3%
Group distribution network	**173**	**100.0%**	**167**	**100.0%**	**6**	**3.6%**

Chart no. 1 - **THE GROUP DISTRIBUTION NETWORK: PERCENTAGE BREAKDOWN BY BANK AND BY REGION AS AT 30.09.2010**



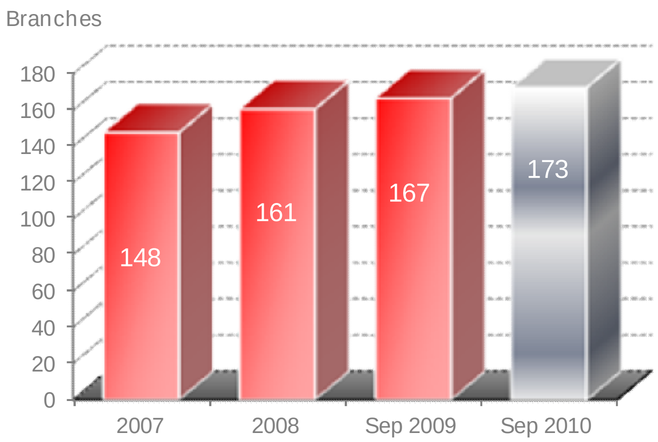
In detail, the Parent Company reached 130 units, opening two branches in Emilia, in Bologna and Correggio (Province of Reggio Emilia) (in the second half of 2009 and at the beginning of the current year), one branch in Piedmont, in Moncalieri (Province of Turin), at the end of 2009, one branch in Liguria, in Chiavari (Province of Genoa), in September and one branch in the regional capital of Lombardy, which was recently opened near Porta Venezia.

Following the opening of the Civitavecchia branch (Province of Rome) in March 2010, the distribution network of the subsidiary Banco Desio Lazio S.p.A. includes an overall number of twenty branches which are particularly concentrated in the Italian capital and its surroundings.

The subsidiaries Banco Desio Veneto S.p.A. and Banco Desio Toscana S.p.A. maintained the same structures as in the comparison period, the first subsidiary with fourteen branches and a local representation in the provinces of Vicenza, Verona, Padua and Treviso, and the second one with nine branches and a local presence distributed in the provinces of Pisa, Prato, Lucca and Leghorn, in addition to the branch located in the regional capital of Tuscany, respectively.

The chart below shows the increase in size achieved by the Group distribution network starting from 2008.

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



Major corporate events during the quarter

Rovere SICAV

On 25 January 2010, within the context of the partial reallocation of the indirect shareholding held by the Parent Company in Rovere Societé de Gestion SA, through Brianfid-Lux SA, each of the subsidiaries Banco Desio Lazio S.p.A., Banco Desio Toscana S.p.A. and Banco Desio Veneto S.p.A. acquired a stake equal to 10% of said company, for a counter-value of 0.05 million euro, in relation to the agreements in place for the commercial distribution of the related financial products. The company, which is a member of the Group, is also 50%-owned by Brianfid-Lux SA.

FIDES S.p.A.

On 18 February 2010 the subsidiary Banco Desio Lazio S.p.A. further increased its stake in the share capital of FIDES S.p.A. from 95% to 100%, with an outlay of about 0.6 million euro. This transaction anticipated the increase in the share capital of the finance company, consistently with the 2010-2011 Business Plan of the Group, for an overall amount of 5 million euro, to be fully implemented by the subsidiary bank, on the occasion of the Shareholders' meeting of the company held on 20 April 2010.

Furthermore, effective from 30 June, the finance company, which is currently operating pursuant to article 106 of the T.U.B. (Testo Unico Bancario, Consolidation Act on Banking Laws), exceeded the threshold beyond which an obligation arises for the registration in the Special List (Elenco Speciale) referred to in article 107 of the T.U.B.. Therefore, the related procedure has been started for the transformation in accordance with the supervision provisions in force.

Capital increase of subsidiary Chiara Assicurazioni S.p.A. serving the share ownership plan and reduction to 61.86% of the shareholding held by the Parent Company.

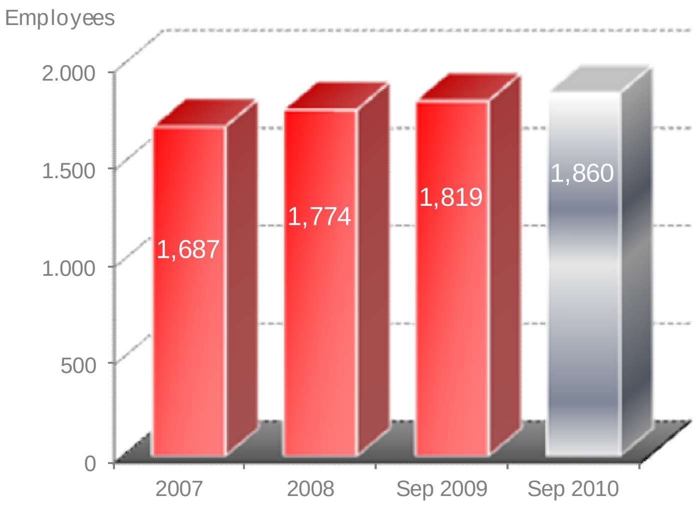
On 27 September 2010 the subsidiary Chiara Assicurazioni SpA carried out the second tranche of the capital increase for an overall amount of Euro 541,000.00 (from Euro 8,212,000.00 to Euro 8,753,000.00) to service the existing share ownership plan, issuing the related shares at a unit price of Euro 1.33. At the same time the Parent Company acquired from the beneficiaries no. 351,000 shares at a price of Euro 3.93 per share (the normal price determined in a special valuation drawn up by an actuary). Again in September, it transferred an overall number of 473,400 shares to some partner banks at an average unit price of Euro 2.63. As a result of these transactions, the controlling interest in the Company came to 61.86%.

Human resources

As at 30 September 2010, the Group counted 1,860 employees, with an increase of 41, corresponding to 2.3%, compared to the final figure of the third quarter of 2009.

From 2008 the average compound annual growth rate registered in the headcount was equal to 3.6%, lower than that registered in the distribution network, which was equal to 5.8%, 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 third quarter compared with the situation at the end of the same period last year.

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

No. of employees	**30.09.2010**	**Percentage breakdown**	**30.09.2009**	**Percentage breakdown**	**Change Value**	**Change %**
Executives	41	2.2%	38	2.1%	3	7.9%
3rd and 4th level managers	427	22.9%	422	23.2%	5	1.2%
1st and 2nd level managers	498	26.8%	482	26.5%	16	3.3%
Other personnel	894	48.1%	877	48.2%	17	1.9%
Group Staff	**1,860**	**100.0%**	**1,819**	**100.0%**	**41**	**2.3%**

Management performance

Savings deposits: administered customer assets

At the end of the third quarter, the total administered customer assets increased up to about 18.3 billion euro, with an increase of 0.7 billion euro with respect to the comparison period, i.e. equal to 3.8%, which is attributable to both direct and indirect deposits.

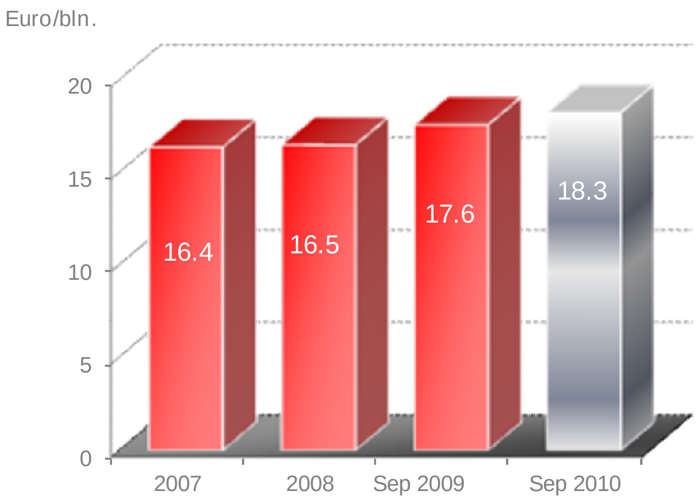
The changes in the balances of the items during the period under analysis are reported in the table below, while the subsequent chart shows the performance of the overall aggregate starting from 2008, which corresponds to an average compound annual growth rate of 4%.

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

Amounts in thousands of Euro	30.09.2010	Percentage breakdown	30.09.2009	Percentage breakdown	Change Value	Change %
Amounts due to customers	4,342,226	23.8%	4,206,902	23.9%	135,324	3.2%
Securities issued	1,970,818	10.8%	1,798,709	10.2%	172,109	9.6%
Financial liabilities at fair value through pr	422,721	2.3%	559,668	3.2%	-136,947	-24.5%
Direct deposits	**6,735,765**	**36.9%**	**6,565,279**	**37.3%**	**170,486**	**2.6%**
Deposits from ordinary customers	8,350,135	45.7%	8,495,716	48.3%	-145,581	-1.7%
Deposits from institutional customers [(1)]	3,170,787	17.4%	2,526,273	14.4%	644,514	25.5%
Indirect deposits [(1)]	**11,520,922**	**63.1%**	**11,021,990**	**62.7%**	**498,932**	**4.5%**
Total deposits from customers	**18,256,687**	**100.0%**	**17,587,269**	**100.0%**	**669,418**	**3.8%**

[(1)] following the transfer of the shareholding in ANIMA S.G.R.p.A. made to Banca Popolare di Milano in 2009, starting from 30 June 2010 the custodian services relating to ANIMA funds, which were previously provided by the Parent Company Banco Desio, on request of ANIMA S.G.R.p.A. itself, have been transferred to another company; accordingly, the Parent Company has decided to fully cease, by the end of the financial year, this activity also towards the other asset management companies (S.G.R.) which had appointed the same to carry out a similar activity. Following this decision, and in order to make the comparison data homogeneous, inventories have been netted of the related assets, equal to 214 million euro as at 30.09.2010 and 7,598 million euro as at 30.09.2009 (of which 7,229 million euro relating to ANIMA funds), respectively.

Chart no. 4 - **TOTAL DEPOSITS: THE TREND OVER THE LAST FEW YEARS**

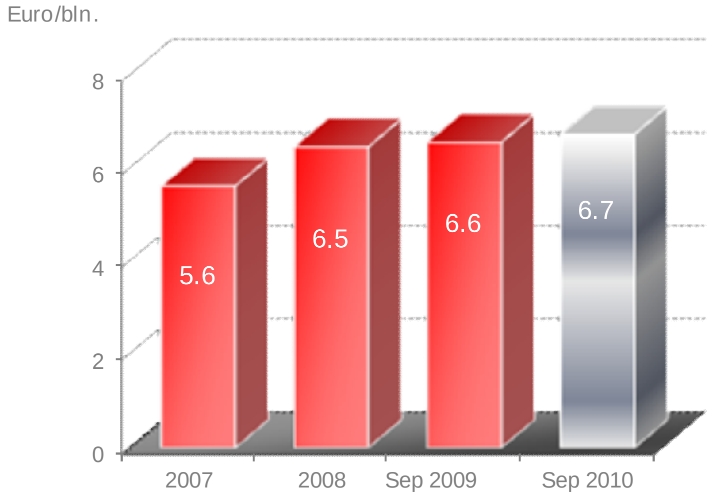


Direct deposits

Direct deposits as at 30 September 2010 reached 6.7 billion euro, up by 0.2 billion euro compared to the third quarter of the previous year, corresponding to 2.6%.

The growth trend recorded in the last few years is reported in the chart below.

Chart no. 5 - **DIRECT DEPOSITS: THE TREND OVER THE LAST FEW YEARS**



Indirect deposits

Indirect deposits recorded an overall increase of 0.5 billion euro in the period, equal to 4.5% of the balance at the end of September 2009, reaching 11.5 billion euro.

The growth is attributable to deposits from institutional customers, net of volumes related to custodian services. “Ordinary” customer indirect deposits recorded a drop of 0.1 billion euro, equal to 1.7%.

The table below gives the details of the items in question, showing the changes that occurred in the time span under consideration.

Table no. 4 - **INDIRECT DEPOSITS** *Amounts in thousands of Euro*	30.09.2010	Percentage breakdown	30.09.2009	Percentage breakdown	Change Value	Change %
Asset administration	**4,568,325**	**39.7%**	**4,775,442**	**43.3%**	**-207,117**	**-4.3%**
Asset management	**3,781,810**	**32.8%**	**3,720,275**	**33.8%**	**61,535**	**1.7%**
of which: Mut.Fund and Open-end Inv.	*1,169,935*	*10.2%*	*1,209,662*	*11.0%*	*-39,727*	*-3.3%*
Portfolio management	*650,983*	*5.7%*	*834,039*	*7.6%*	*-183,056*	*-21.9%*
Bank Insurance	*1,960,892*	*17.0%*	*1,676,574*	*15.2%*	*284,318*	*17.0%*
Deposits from ordinary customers	**8,350,135**	**72.5%**	**8,495,716**	**77.1%**	**-145,581**	**-1.7%**
Deposits from institutional customers (.	**3,170,787**	**27.5%**	**2,526,273**	**22.9%**	**644,514**	**25.5%**
Indirect deposits [(1)]	**11,520,922**	**100.0%**	**11,021,990**	**100.0%**	**498,932**	**4.5%**

(1) following the transfer of the shareholding in ANIMA S.G.R.p.A. made to Banca Popolare di Milano in 2009, starting from 30 June 2010 the custodian services relating to ANIMA funds, which were previously provided by the Parent Company Banco Desio, on request of ANIMA S.G.R.p.A. itself, have been transferred to another company; accordingly, the Parent Company has decided to fully cease, by the end of the financial year, this activity also towards the other asset management companies (S.G.R.) which had appointed the same to carry out a similar activity. Following this decision, and in order to make the comparison data homogeneous, inventories have been netted of the related assets, equal to 214 million euro as at 30.09.2010 and 7,598 million euro as at 30.09.2009 (of which 7,229 million euro relating to ANIMA funds), respectively.

The chart below reports the breakdown by segment of the indirect deposits from ordinary customers at 30 September 2010, while the subsequent chart focuses on the components of managed assets, showing that the life bank insurance segment accounts for the main share (51.9%).

Chart no. 6 - **INDIRECT DEPOSITS FROM ORDINARY CUSTOMERS BY SECTOR AS AT 30.09.2010: BREAKDOWN**

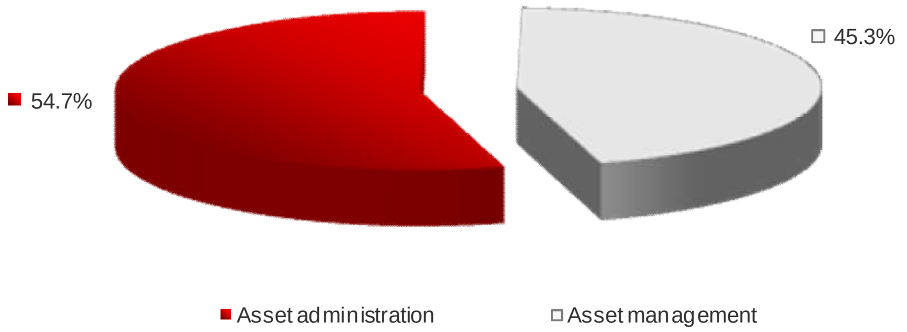
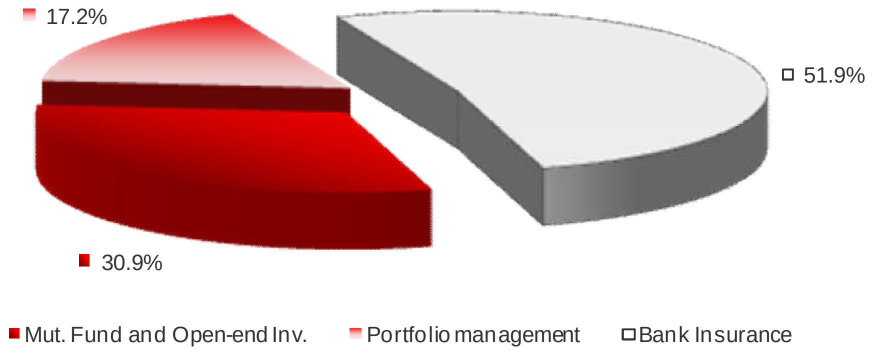


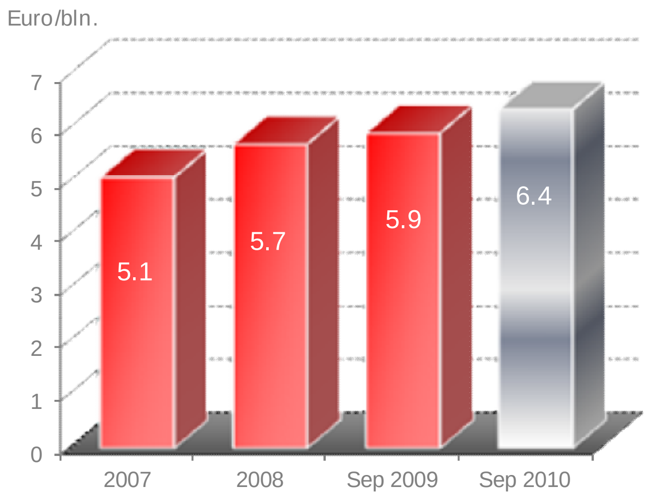
Chart no. 7 - **INDIRECT DEPOSITS FOR ASSET MANAGEMENT AT 30.09.2010: BREAKDOWN**



Loans to customers

Loans to customers continued its upward path, which bears witness to the Group's particular efforts made to concretely support households and SMEs at this difficult time for the worlds of finance and the economy. At 30 September 2010 the overall value of net lending thus reached the figure of 6.4 billion euro, a 7.6% increase over the same period the previous year and very close to the growth rate recorded in the last years, corresponding to an annual average compound rate equal to 8.5%, as represented by the trend in the chart below.

Chart no. 8 - **LOANS TO CUSTOMERS: THE TREND OVER THE LAST FEW YEARS**



Considering the balance of 88.1 million euro in net non-performing loans, at the end of the third quarter the credit risk index, calculated on the basis of the "net non-performing loans/net lending" ratio, increased to 1.38%, compared with 1.07% at the end of September 2009, as a natural result of the current negative economic cycle; however, it remained at a level decidedly less than that of the system.

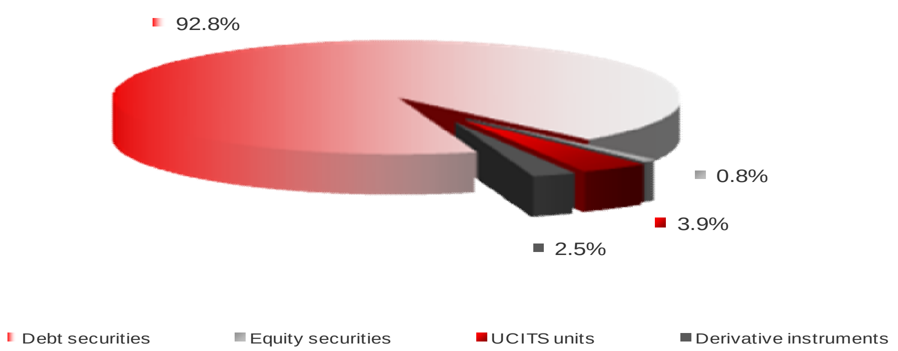
The securities portfolio and inter-bank activities

The securities portfolio

As at 30 September 2010 the Group's total financial assets stood at a value of almost Euro 1 billion, with a decrease of Euro 0.15 billion compared to the final figure of the same period of 2009.

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, including securities used in reverse repurchases agreements with customers and banks, accounts for 92.8% of total investments.

Chart no. 9 - **FINANCIAL ACTIVITIES BY SECURITIES' TIPOLOGIES AT 30.09.2010: BREAKDOWN**



Inter-bank activities

There was a positive inter-bank balance of about 0.3 billion euro as at 30 September 2010 compared with 0.5 billion euro at the end of September 2009.

In order to allocate liquidity, which was however maintained prudentially abundant and in the daily search for the best possible returns, the Parent Company continued its activity in the Collateralised Inter-bank Market (MIC) and in the REPO market.

Shareholders' equity and economic stability

Shareholders' equity as at 30 September 2010, including the profit of the period, amounted to a total of Euro 782.2 million, an increase of Euro 35.7 million with respect to the figure recorded in the third quarter 2009.

Shareholders' equity calculated in accordance with the supervisory regulations in force amounted to Euro 770.6 million (compared to Euro 728.9 million in September 2009). The figure is made up of Tier 1 capital of Euro 687.6 million and Tier 2 capital of Euro 97.1 million for valuation reserves and subordinated liabilities. The total of the items to be deducted from Tier 1 and Tier 2 amounted to Euro 14.1 million and these refer to equity investments in financial and insurance bodies.

The Tier 1 capital ratio, representing the ratio of primary capital to risk-weighted assets, reached 11.3% (compared to 10.6% in September 2009) and essentially coincides with the Tier 1 Core. The Tier 2 solvency ratio, representing the ratio between regulatory capital and risk-weighted assets, increased to 12.6% (compared to 11.8% in September 2009).

Reclassified income statement

A reclassified Income Statement has been prepared (as compared with the layout in the Consolidated Interim 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/uses of provisions for risks 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 amounts in “Overdraft limit fees” and “Recovery of applications expenses for credit facilities” as of 30 June 2009 are reclassified respectively, for the comparison period, from under Item 10, “Interest income and similar revenues” and 220, “Other operating (expenses)/income” to Item 40, “Fee and commission income”.

- 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 third quarter ended with Parent Bank net profit of 44.3 million euro, 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	**30.09.2010**	**30.09.2009**	**Value**	**%**
10+20	Net interest income	137,357	146,469	-9,112	-6.2%
70	Dividend and similar income	350	415	-65	-15.7%
	Profits (losses) on equity investments in associates	2,440	2,544	-104	-4.1%
40+50	Net fees and commissions	93,624	88,268	5,356	6.1%
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	7,560	8,795	-1,235	-14.0%
150+160	Net income from insurance activities	7,496	5,257	2,239	42.6%
220	Other operating income and expenses	3,732	3,157	575	18.2%
	Operating income	**252,559**	**254,905**	**-2,346**	**-0.9%**
180 a	Personnel expenses	-111,597	-108,907	-2,690	2.5%
180 b	Other administrative expenses	-50,775	-50,428	-346	0.7%
200+210	Net adjustments/write-backs to tangible/intangible assets	-7,986	-7,328	-658	9.0%
	Operating costs	**-170,357**	**-166,663**	**-3,694**	**2.2%**
	Operating margin	**82,202**	**88,242**	**-6,040**	**-6.8%**
	Net profits/(losses) on disposal/repurchase of receivables	0	-293	293	-100.0%
130 a	Net impairment losses on loans	-29,616	-48,402	18,786	-38.8%
130 d	Net impairment losses on other financial transactions	-22	-61	39	-63.9%
190	Net provisions for risks and charges	-347	-1,087	740	-68.1%
	Profits/(losses) before taxes from continuing operations	**52,217**	**38,399**	**13,818**	**36.0%**
290	Taxes for the period on income from continuing operations	-22,508	-19,019	-3,489	18.3%
	Profits/(losses) after taxes from continuing operations	**29,709**	**19,380**	**10,329**	**53.3%**
240+270	Profits (losses) on equity investments and on disposal of investments	529	21,871	-21,342	-97.6%
	Provisions for risks and charges on extraordinary transactions	14,636	0	14,636	
	Profits/(losses) before taxes from non-recurring operations	**15,165**	**21,871**	**-6,706**	**n.s.**
	Taxes for the period on income from non-recurring items	-7	2,754	-2,761	n.s.
	Profits/(losses) after taxes from non-recurring operations	**15,158**	**24,625**	**-9,467**	**n.s.**
320	**Net profit/(loss) for the period**	**44,867**	**44,005**	**862**	**2.0%**
330	(Profit)/loss for the period attributable to minority interests	-582	23	-605	-2630.4%
340	**Parent Bank net profit (loss)**	**44,285**	**44,028**	**257**	**0.6%**

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 30.09.2010**

Captions		**Statements**	**Reclassifications**						**Reclassified Statements**
Amounts in thousands of Euros		**30.09.2010**	Net income from insurance activities	Tax recoveries	Profits on equity investments in associates	Amortisation of leasehold improvements	Uses / provisions for risks and charges	Taxes on income	**30.09.2010**
10+20	Net interest income	137,992	-635						137,357
70	Dividend and similar income	350							350
	Profits (losses) on equity investments in associates				2,440				2,440
40+50	Net fees and commissions	93,624							93,624
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	7,644	-84						7,560
150+160	Net income from insurance activities	6,750	746						7,496
220	Other operating income and expenses	10,515	-27	-8,609		1,853			3,732
	Operating income	**256,875**	**0**	**-8,609**	**2,440**	**1,853**	**0**	**0**	**252,559**
180 a	Personnel expenses	-111,597							-111,597
180 b	Other administrative expenses	-59,383		8,609					-50,775
200+210	Net adjustments/w rite-backs to tangible/intangible assets	-6,133				-1,853			-7,986
	Operating costs	**-177,113**	**0**	**8,609**	**0**	**-1,853**	**0**	**0**	**-170,357**
	Operating margin	**79,762**	**0**	**0**	**2,440**	**0**	**0**	**0**	**82,202**
	Net profits/(losses) on disposal/repurchase of receivables								0
130 a	Net impairment losses on loans	-29,889					273		-29,616
130 d	Net impairment losses on other financial transactions	-22							-22
190	Net provisions for risks and charges	14,562					-14,909		-347
	Profits/(losses) before taxes from continuing operations	**64,413**	**0**	**0**	**2,440**	**0**	**-14,636**	**0**	**52,217**
290	Taxes for the period on income from continuing operations	-22,515						7	-22,508
	Profits/(losses) after taxes from continuing operations	**41,898**	**0**	**0**	**2,440**	**0**	**-14,636**	**7**	**29,709**
240+270	Profits (losses) on equity investments and on disposal of investments	2,969			-2,440				529
	Provisions for risks and charges on extraordinary transactions						14,636		14,636
	Profits/(losses) before taxes from non-recurring operations	**2,969**	**0**	**0**	**-2,440**	**0**	**14,636**	**0**	**15,165**
	Taxes for the period on income from non-recurring items							-7	-7
	Profits/(losses) after taxes from non-recurring operations	**2,969**	**0**	**0**	**-2,440**	**0**	**14,636**	**-7**	**15,158**
320	**Net profit/(loss) for the period**	**44,867**	**0**	**0**	**0**	**0**	**0**	**0**	**44,867**
330	(Profit)/loss for the period attributable to minority interests	-582							-582
340	**Parent Bank net profit (loss)**	**44,285**	**0**	**0**	**0**	**0**	**0**	**0**	**44,285**

Table no. 7 - **RECONCILIATION BETWEEN FINANCIAL STATEMENTS AND RECLASSIFIED INCOME STATEMENT AS AT 30.09.2009**

Captions		Statements	Reclassifications								Reclassified Statements
Amounts in thousands of Euros		**30.09.2009**	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	CMS / recovery of applications expenses for credit facilities	Taxes on income	**30.09.2009**
10+20	Net interest income	157,295	-445						-10,381		146,469
70	Dividend and similar income	415									415
	Profits (losses) on equity investments in associates				2,544						2,544
40+50	Net fees and commissions	74,310							13,958		88,268
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	8,443	59				293				8,795
150+160	Net income from insurance activities	4,870	387								5,257
220	Other operating income and expenses	14,153	-1	-8,585		1,167			-3,577		3,157
	Operating income	**259,486**	**0**	**-8,585**	**2,544**	**1,167**	**293**	**0**	**0**	**0**	**254,905**
180 a	Personnel expenses	-108,907									-108,907
180 b	Other administrative expenses	-59,013		8,585							-50,428
200+210	Net adjustments/write-backs to tangible/intangible assets	-6,161				-1,167					-7,328
	Operating costs	**-174,081**	**0**	**8,585**	**0**	**-1,167**	**0**	**0**	**0**	**0**	**-166,663**
	Operating margin	**85,405**	**0**	**0**	**2,544**	**0**	**293**	**0**	**0**	**0**	**88,242**
	Net profits/(losses) on disposal/repurchase of receivables						-293				-293
130 a	Net impairment losses on loans	-47,728						-674			-48,402
130 d	Net impairment losses on other financial transactions	-61									-61
190	Net provisions for risks and charges	-1,761						674			-1,087
	Profits/(losses) before taxes from continuing operations	**35,855**	**0**	**0**	**2,544**	**0**	**0**	**0**	**0**	**0**	**38,399**
290	Taxes for the period on income from continuing operations	-16,265								-2,754	-19,019
	Profits/(losses) after taxes from continuing operations	**19,590**	**0**	**0**	**2,544**	**0**	**0**	**0**	**0**	**-2,754**	**19,380**
240+270	Profits (losses) on equity investments and on disposal of investments	24,415			-2,544						21,871
	Provisions for risks and charges on extraordinary transactions										0
	Profits/(losses) before taxes from extraordinary operations	**24,415**	**0**	**0**	**-2,544**	**0**	**0**	**0**	**0**	**0**	**21,871**
	Taxes for the period on income from extraordinary items									2,754	2,754
	Profits/(losses) after taxes from extraordinary operations	**24,415**	**0**	**0**	**-2,544**	**0**	**0**	**0**	**0**	**2,754**	**24,625**
320	**Net profit/(loss) for the period**	**44,005**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**44,005**
330	(Profit)/loss for the period attributable to minority interests	23									23
340	**Parent Bank net profit (loss)**	**44,028**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**44,028**

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

Operating income

The revenue items related to operations show that performance was substantially in line with the period used for comparison (-0.9%), amounting to 252.6 million euro.

Note the increases in *net fees and commissions* for about 5.3 million euro (6.1%), *net income from insurance* activities for 2.2 million euro (42.6%) and *other operating income and expenses* for 0.6 million euro; vice versa, drops were recorded in the balance of the *net interest income* for 9.1 million euro (-6.1%), which is actually correlated to the strong fall in market rates, in the item that groups together the *net profits/(losses) on trading activities, hedging activities and disposal/repurchase and financial assets/liabilities at fair value* of 1.2 million euro, as well as in *profit from equity investments in associates* for 0.1 million euro.

Operating costs

Total *operating costs*, which include personnel expenses, other administrative expenses and net adjustments/write-backs to tangible/intangible assets, came to 170.4 million euro, an increase of 2.2%.

Profits/(losses) after taxes from continuing operations

The operating margin at the end of the period is consequently 82.2 million euro, a decrease of 6.8% corresponding to 6 million euro; *net impairment losses on loans*, equal to 29.6 million euro (compared to 48.7 million euro recorded in the previous period considered along with losses on disposal/purchase of receivables), *net provisions for risks and charges* of about 0.4 million euro and *taxes for the period on income from continuing operations* of 22.5 million euro lead to p*rofits/(losses) after taxes from continuing operations* equal to 29.7 million euro, up by 53.3%.

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

Profits/(losses) after taxes from non-recurring operations are mainly made up of the partial release of 14.6 million of the provision, totaling 37.8 million euro, 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 envisaged as epr contract at the end of the business plan of the Company (2012).

At the end of the previous period, the result was mainly attributable to the capital gain arising from the transfer by the Parent Company of 21.191% of the share capital of Anima S.G.R.p.A. which, net of taxes, was equal to 21.5 million euro. Profits/(losses) from non-recurring operations also benefitted from the effect arising from the tax redemption of surplus through off-balance sheet deduction, as well as from the realignment of the differences between statutory values and tax values arisen upon first-time application of international accounting standards, for a total amount of 3.2 million.

Parent Bank net profit

The sum of *profits/(losses) after taxes from continuing operations* and *profits/(losses) after taxes from non-recurring operations* then entails a *Parent Bank net profit* for the third quarter of 2010 equal to 44.3 million euro, net of the result attributable to minority interests of 0.6 million euro. The final result shows an increase of 0.3 million euro, i.e. 0.6% of that in the comparison period, which benefitted from a higher non-recurring profit after taxes for 9.5 million euro.

Significant events after the reporting date

Opening of branches

On 18 October 2010 the Parent Company opened the branch of Novi Ligure (Province of Alessandria), thus increasing the Group’s distribution network to an overall number of 174 branches.

Payment on account of capital by the Parent Company’s shareholders in favour of the subsidiary Banco Desio Veneto S.p.A.

With a view to the consolidation of the capital of the subsidiary Banco Desio Veneto S.p.A., on 2 November 2010 the Parent Company made a payment on behalf of shareholders on account of non-interest bearing capital (not repayable) of 15 million euro.

Other information

Rating

On 28 April 2010 the international rating agency, Fitch Ratings, confirmed the ratings previously awarded to the Parent Company, as they reflect the recovery capacity of the performance in an economic context which is experiencing difficulties and the adequate level of impaired loans if compared to the relevant sample, notwithstanding the deterioration in the quality of the assets in 2009. The ratings also depend on the good retail bank deposits and on the adequate capitalisation of the Parent Company.

Long-term	Short-term	Forecast
A	F1	Stable

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

The conditions are still fulfilled which are specified in Articles 36 and 37 of the Consob Market Regulations (Resolution 16191 of 29 October 2007); these conditions are referred, in the present case, to the “non-UE” 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 and made available on the website www.bancodesio.it, section Banco Desio – Corporate Governance.

Business outlook

The continued reinforcement of the local presence, the continued development of credit activities, as well as of the overall amounts of loans, the strategic lines accompanied by the careful attentive monitoring of operations, confirm, for the current year, the growth in the operating result and the maintenance of a final profit that is not too distant from that of the previous financial year, even if in the difficult context of real economy and of capital markets.

Desio, 11 November 2010

The Board of Directors
Banco di Desio e della Brianza S.p.A.

Consolidated interim financial statements as at 30 September 2010

Consolidated balance sheet

(Euro / 1,000)

	Assets	30.09.2010	30.09.2009	Change Amount	Change %	31.12.2009	Change Amount	Change %
10	Cash and cash equivalents	25,534	24,248	1,286	5.3	26,315	(781)	(3.0)
20	Financial assets held for trading	52,013	136,887	(84,874)	(62.0)	74,778	(22,765)	(30.4)
40	Available-for-sale financial assets	821,166	689,413	131,753	19.1	865,713	(44,547)	(5.1)
50	Held-to-maturity investments	103,526	11,194	92,332	824.8	3,089	100,437	3,251.4
60	Amounts due from banks	336,813	521,440	(184,627)	(35.4)	792,983	(456,170)	(57.5)
70	Amounts due from customers	6,365,079	5,914,689	450,390	7.6	6,160,151	204,928	3.3
80	Hedging derivatives	400		400		-	400	
100	Equity investments	17,555	20,172	(2,617)	(13.0)	20,964	(3,409)	(16.3)
110	Technical reserves arising from reinsurance	5,929	4,963	966	19.5	5,529	400	7.2
120	Tangible assets	149,205	148,222	983	0.7	148,210	995	0.7
130	Intangible assets	47,303	45,330	1,973	4.4	45,377	1,926	4.2
	of which:							
	- *goodwill*	*44,345*	*43,186*			*43,186*		
140	Tax assets	33,639	26,240	7,399	28.2	43,074	(9,435)	(21.9)
	a) *current*	*3,150*	*2,537*	*613*	*24.2*	*13,561*	*(10,411)*	*(95.5)*
	b) *deferred*	*30,489*	*23,703*	*6,786*	*28.6*	*29,513*	*976*	*(77.0)*
160	Other assets	110,481	116,230	(5,749)	(4.9)	122,597	(12,116)	(9.9)
	Total Assets	**8,068,643**	**7,659,028**	**409,615**	**5.3**	**8,308,780**	**(240,137)**	**(2.9)**

(Euro / 1,000)

	Total Liabilities and shareholders' equity	30.09.2010	30.09.2009	Change Amount	Change %	31.12.2009	Change Amount	Change %
10	Amounts due to banks	47,907	29,053	18,854	64.9	36,658	11,249	30.7
20	Amounts due to customers	4,342,226	4,206,902	135,324	3.2	4,868,276	(526,050)	(10.8)
30	Securities issued	1,970,818	1,798,709	172,109	9.6	1,808,570	162,248	9.0
40	Financial liabilities held for trading	3,762	11,588	(7,826)	(67.5)	2,519	1,243	49.3
50	Financial liabilities at fair value through profit or loss	422,721	559,668	(136,947)	(24.5)	557,152	(134,431)	(24.1)
60	Hedging derivatives	3,676	-	3,676		-	3,676	
80	Tax liabilities	19,305	15,341	3,964	25.8	13,571	5,734	42.3
	a) current	*8,841*	*2,877*	*5,964*	*207.3*	*1,808*	*7,033*	*229.9*
	b) deferred	*10,464*	*12,464*	*(2,000)*	*(16.0)*	*11,763*	*(1,299)*	*(117.0)*
100	Other liabilities	374,362	182,617	191,745	105.0	153,408	220,954	144.0
110	Reserve for employee termination indemnities	26,227	25,858	369	1.4	25,696	531	2.1
120	Reserves for risks and charges:	42,842	61,369	(18,527)	(30.2)	61,099	(18,257)	(29.9)
	a) *pension and similar commitments*	*164*	*110*	*54*	*49.1*	*164*	-	*(67.1)*
	b) *other reserves*	*42,678*	*61,259*	*(18,581)*	*(30.3)*	*60,935*	*(18,257)*	
130	Technical Reserves	27,531	17,609	9,922	56.3	20,512	7,019	34.2
140	Valuation reserves	25,229	25,615	(386)	(1.5)	28,987	(3,758)	(13.0)
170	Reserves	628,838	593,049	35,789	6.0	591,003	37,835	6.4
180	Share premium reserve	16,145	16,145	-	-	16,145	-	-
190	Share capital	67,705	67,705	-	-	67,705	-	-
210	Minority interests (+/-)	5,064	3,772	1,292	34.3	3,947	1,117	28.3
220	Net profit/(loss) for the period	44,285	44,028	257	0.6	53,532	(9,247)	(17.3)
	Total Liabilities and shareholders' equity	**8,068,643**	**7,659,028**	**409,615**	**5.3**	**8,308,780**	**(240,137)**	**(2.9)**

Consolidated income statement

(Euro / 1,000)

	Captions	30.09.2010	30.09.2009	Change Amount	Change %
10	Interest income and similar revenues	191,061	236,176	(45,115)	(19.1)
20	Interest expense and similar charges	(53,069)	(78,881)	25,812	(32.7)
30	**Net interest income**	**137,992**	**157,295**	**(19,303)**	**(12.3)**
40	Fee and commission income	107,113	83,238	23,875	28.7
50	Fee and commission expense	(13,489)	(8,928)	(4,561)	51.1
60	**Net fees and commissions**	**93,624**	**74,310**	**19,314**	**26.0**
70	Dividends and similar income	350	415	(65)	(15.7)
80	Net profits/(losses) on trading activities	1,315	4,077	(2,762)	(67.7)
90	Net profits/(losses) on hedging activities	1,851	(13)	1,864	(14,338.5)
100	Profit/(loss) on disposal or repurchase of:	7,317	2,601	4,716	181.3
	a) loans and receivables		*(293)*	*293*	*(100.0)*
	b) available-for-sale financial assets	*7,035*	*1,845*	*5,190*	*281.3*
	d) financial liabilities	*282*	*1,049*	*(767)*	
110	Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	(2,839)	1,778	(4,617)	(259.7)
120	**Net interest and other banking income (intermediation margin)**	**239,610**	**240,463**	**(853)**	**(0.4)**
130	Net impairments losses on/writebacks to:	(29,911)	(47,789)	17,878	(37.4)
	a) loans and receivables	*(29,889)*	*(47,728)*	*17,839*	*(37.4)*
	d) other financial assets	*(22)*	*(61)*	*39*	*(63.9)*
140	**Net income from banking activities**	**209,699**	**192,674**	**17,025**	**8.8**
150	Net insurance premiums	18,161	14,439	3,722	25.8
160	Balance of other income/charges arising on	(11,411)	(9,569)	(1,842)	19.2
170	**Net result of financial and insurance activities**	**216,449**	**197,544**	**18,905**	**9.6**
180	Administrative expenses:	(170,980)	(167,920)	(3,060)	1.8
	a) personnel expenses	*(111,597)*	*(108,907)*	*(2,690)*	*2.5*
	b) other administrative expenses	*(59,383)*	*(59,013)*	*(370)*	*0.6*
190	Net provisions for risks and charges	14,562	(1,761)	16,323	(926.9)
200	Net adjustments to the value of tangible assets	(5,331)	(5,555)	224	(4.0)
210	Net adjustments to the value of intangible assets	(802)	(606)	(196)	32.3
220	Other operating expenses/(income)	10,515	14,153	(3,638)	(25.7)
230	**Operating expenses**	**(152,036)**	**(161,689)**	**9,653**	**(6.0)**
240	Profits/(losses) on equity investments	2,969	24,415	(21,446)	(87.8)
280	**Profits/(losses) before taxes from continuing operations**	**67,382**	**60,270**	**7,112**	**11.8**
290	Taxes for the period on income from continuing operations	(22,515)	(16,265)	(6,250)	38.4
300	**Net profit/(loss) after tax from continuing operations**	**44,867**	**44,005**	**862**	**2.0**
320	**Net profit/(loss) for the period**	**44,867**	**44,005**	**862**	**2.0**
330	interests	(582)	23	(605)	(2,630.4)
340	**Parent Bank net profit/(loss)**	**44,285**	**44,028**	**257**	**0.6**

Consolidated statement of comprehensive income for the period

(Euro / 1,000)

	Captions	30.09.2010	30.09.2009	Change Amount	Change %
10.	**Net profit (Loss) for the period**	**44,867**	**44,005**	**862**	**2.0%**
	Other comprehensive income (net of tax)				
20.	Financial assets available for sale	(4,333)	16,465	(20,798)	126.3%
30.	Tangible assets				
40.	Intangible assets				
50.	Foreign investments hedges				
60.	Cash flow hedge:				
70.	Foreign exchange differences	2,258	(373)	2,631	
80.	Non-current assets being disposed of				
90.	Actuarial Profit (Loss) on defined-benefit plans	(1,189)	163	(1,352)	829.4%
100.	Share of revaluation reserves relating to equity investments recognised under equity:	(508)	1,224	(1,732)	141.5%
110.	**Total other comprehensive income (net of tax)**	**(3,772)**	**17,479**	**(21,251)**	121.6%
120.	**Comprehensive income (item 10 + 110)**	**41,095**	**61,484**	**(20,389)**	**-33.2%**
130.	Consolidated comprehensive income pertaining to minority interests	(568)	(126)	(442)	-350.8%
140.	**Consolidated comprehensive incomepertaining to the Parent Company**	**40,527**	**61,358**	**- 20,831**	**-33.9%**

Consolidated income statement – quarterly trend

(Euro / 1,000)

	Captions	3rd quarter 2010	2nd quarter 2010	1st quarter 2010	3rd quarter 2009	2nd quarter 2009	1st quarter 2009
10	Interest income and similar revenues	64,363	63,531	63,167	67,302	72,756	96,118
20	Interest expense and similar charges	(17,902)	(17,885)	(17,282)	(19,292)	(19,473)	(40,116)
30	**Net interest income**	**46,461**	**45,646**	**45,885**	**48,010**	**53,283**	**56,002**
40	Fee and commission income	36,455	36,961	33,697	34,815	26,770	21,653
50	Fee and commission expenses	(4,673)	(5,495)	(3,321)	(3,038)	(3,753)	(2,137)
60	**Net fees and commissions**	**31,782**	**31,466**	**30,376**	**31,777**	**23,017**	**19,516**
70	Dividends and similar income	4	346	-	11	402	2
80	Net profits/(losses) from trading activities	34	114	1,167	1,097	1,485	1,495
90	Net profits/(losses) from hedging activities	1,164	687	-	-	42	(55)
100	Profit/(loss) from disposal of:	1,129	3,523	2,665	219	497	1,885
	a) loans and receivables	-	-		-	(293)	
	b) available-for-sale financial assets	923	*3,477*	2,635	217	615	*1,013*
	c) held-to-maturity investments				-	-	
	d)financial liabilities	206	*46*	30	2	175	*872*
110	Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	(1,072)	(952)	(815)	2,405	695	(1,322)
120	**Net interest and other banking income (intermediation margin)**	**79,502**	**80,830**	**79,278**	**83,519**	**79,421**	**77,523**
130	Net value adjustments/write-backs for impairment of:	(12,991)	(10,546)	(6,374)	(14,503)	(16,435)	(16,851)
	a) loans and receivables	*(12,962)*	(10,324)	(6,603)	(14,495)	(16,306)	*(16,927)*
	b) available-for-sale financial assets	-	-		-	-	-
	d) other financial assets	*(29)*	(222)	229	(8)	(129)	*76*
140	**Net income from banking activities**	**66,511**	**70,284**	**72,904**	**69,016**	**62,986**	**60,672**
150	Net insurance premiums	5,317	6,111	6,733	4,597	4,629	5,213
160	Balance of other income/charges arising from insurance	(3,301)	(3,521)	(4,589)	(2,931)	(2,685)	(3,953)
170	**Net result of financial and insurance activities**	**68,527**	**72,874**	**75,048**	**70,682**	**64,930**	**61,932**
180	Administrative expenses:	(57,068)	(58,911)	(55,001)	(55,684)	(59,902)	(52,334)
	a) staff expenses	(37,587)	(38,129)	*(35,881)*	(36,606)	(37,175)	*(35,126)*
	b) other administrative expenses	(19,481)	(20,782)	*(19,120)*	(19,078)	(22,727)	*(17,208)*
190	Net provisions for risks and charges	47	(668)	15,183	(315)	(481)	(965)
200	Net value adjustments to/write-backs of tangible assets	(1,754)	(1,783)	(1,794)	(1,764)	(1,908)	(1,883)
210	Net value adjustments to/write-backs of intangible assets	(305)	(257)	(240)	(180)	(233)	(193)
220	Other operating income/(expenses)	3,160	3,264	4,091	3,158	5,184	5,811
230	**Operating expenses**	**(55,920)**	**(58,355)**	**(37,761)**	**(54,785)**	**(57,340)**	**(49,564)**
240	Profits/(Losses) from equity investments	1,200	978	791	875	981	22,559
220	immateriali					-	
230	Rettifiche di valore dell'avviamento					-	
270	Profits (Losses) from disposal of investments	-	-		-	-	
280	**Profits/(losses) before taxes from continuing operations**	**13,807**	**15,497**	**38,078**	**16,772**	**8,571**	**34,927**
290	Taxes for the period on income from continuing operations	(6,236)	(7,375)	(8,904)	(7,436)	(2,550)	(6,279)
300	**Net profit (Loss) after tax from continuing operations**	**7,571**	**8,122**	**29,174**	**9,336**	**6,021**	**28,648**
330	Profit (Loss) for the period attributable to minority interests	(235)	(160)	(187)	(41)	(39)	103
340	**Parent Bank net profit (loss)**	**7,336**	**7,962**	**28,987**	**9,295**	**5,982**	**28,751**

Statement of changes in consolidated shareholders' equity as at 30 September 2010

(Euro / 1,000)

	Equity at 31.12.2009	Change in opening balances	Equity at 1.01.2010	Allocation of result from previous period: Reserves	Allocation of result from previous period: Dividends and other allocations	Changes over the period: Changes in reserves	Changes over the period – 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 period as at 30.09.2010	Equity attributable to the group as at 30.09.2010	Minority interests as at 30.09.2010
Shareholders' equity:															
a) ordinary shares	63,702	-	63,702	-	-	-	576	-	-	-	-	-	-	60,840	3,438
b) other shares	6,865	-	6,865	-				-						6,865	
Share premium reserve	16,392	-	16,392	-	-	-	(89)	-	-	-	-	-	-	16,145	158
Reserves:															
a) retained earnings	582,485	-	582,485	39,733	-	(1,800)	-	-	-	-	-	-	-	619,605	813
b) others	9,119	-	9,119	-	-		-	-	-	-	-	114	-	9,233	
Revaluation reserves:	29,074	-	29,074				-						(3,772)	25,229	73
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Treasury shares	-	-	-	-	-	-	-	-	-	-		-	-	-	
Net Profit (loss) for the year	53,682	-	53,682	(39,733)	(13,949)	-	-	-	-	-	-	-	44,867	44,285	582
Equity attributable to the Group	**757,372**	**-**	**757,372**		**(13,949)**	**(1,862)**	**-**	**-**	**-**	**-**	**-**	**114**	**40,527**	**782,202**	
Minority interests	**3,947**	**-**	**3,947**			**62**	**487**	**-**					**568**		**5,064**

Statement of changes in consolidated shareholders' equity as at 30 September 2009

(Euro / 1,000)

	Equity at 31.12.2008	Change in opening balances	Equity at 1.01.2009	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 period as at 30.09.2009	Equity attributable to the Group as at 30.09.2009	Minority interests as at 30.09.2009
Shareholders' equity:															
a) ordinary shares	63,707	-	63,707	-	-	-	(5)	-	-	-	-	-	-	60,840	2,862
b) other shares	6,865	-	6,865	-				-						6,865	
Share premium reserve	16,145	-	16,145	-	-	247	-	-	-	-	-	-	-	16,145	247
Reserves:															
a) retained earnings	532,105	-	532,105	48,956	-	1,498	-	-	-	-	-	-	-	581,964	595
b) others	10,971	-	10,971	-	-		-	-	-	-	-	114	-	11,085	
Revaluation reserves:	8,624	-	8,624			(397)	-						17,479	25,615	91
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Treasury shares	-	-	-	-	-	-	-	-	-	-		-	-	-	
Net Profit (loss) for the year	62,904	-	62,904	(48,956)	(13,948)	-	-	-	-	-	-	-	44,005	44,028	(23)
Equity attributable to the Group	**697,600**	**-**	**697,600**		**(13,948)**	**1,418**	**-**	**-**	**-**	**-**	**-**	**114**	**61,358**	**746,542**	
Minority interests	**3,721**	**-**	**3,721**			**(70)**	**(5)**	**-**	**-**	**-**	**-**		**126**		**3,772**

Consolidated cash-flow statement

A. OPERATIONS	30.09.2010	30.09.2009
1. Management activities	**99,012**	**109,242**
- interest income earned (+)	190,941	235,725
- interest expenses paid (-)	(52,794)	(78,702)
- dividends and similar revenues (+)	350	415
- net commissions (+/-)	94,252	65,363
- personnel costs (-)	(106,052)	(103,026)
- net premiums earned (+)	18,161	14,439
- other insurance income/charges (+/-)	(11,411)	(9,569)
- other costs (-)	(51,328)	(53,195)
- other revenues (+)	39,408	54,057
- taxes and duties (-)	(22,515)	(16,265)
- costs/revenues relating to non current assets held for sale and discontinued operations, net of tax effect (+/-)	-	-
2. Liquid assets generated (absorbed) by financial assets	**312,507**	**(162,494)**
- financial assets held for trading	23,114	147,764
- financial assets at fair value through profit or loss	-	-
- available-for-sale financial assets	44,873	(159,447)
- amounts due from customers	(241,320)	(262,620)
- amounts due from banks: at sight	40,579	(58,735)
- amounts due from banks: others	415,591	123,657
- other assets	29,670	46,887
3. Liquid assets generated (absorbed) by financial liabilities	**(292,420)**	**76,202**
- amounts due to banks: at sight	(2,561)	(332)
- amounts due to banks: others	13,810	(8,251)
- amounts due to customers	(526,050)	145,220
- securities issued	164,557	(69,192)
- financial liabilities held for trading	(5,898)	2,314
- financial liabilities at fair value through profit or loss	(134,431)	18,180
- other liabilities	198,153	(11,737)
Net liquid assets generated (absorbed) by operations (A)	**119,099**	**22,950**
B. INVESTMENTS		
1. Liquid assets generated by	**28,569**	**-**
-sale of equity investments	3,409	-
- dividends received from equity investments	-	-
-sale/redemption of financial assets held to maturity	-	-
- sale of tangible assets	25,160	-
- sale of intangible assets	-	-
- sale of subsidiaries and business divisions	-	-
2. Liquid assets absorbed by	**(134,651)**	**(17,483)**
-purchase of equity investments	-	(3,614)
- purchase of financial assets held to maturity	(100,437)	(2,989)
-purchase of tangible assets	(31,486)	(6,232)
- purchase of intangible assets	(2,728)	(4,648)
- purchase of subsidiaries and business divisions	-	-
Net liquid assets generated (absorbed) by investments (B)	**(106,082)**	**(17,483)**
C. FUNDING ACTIVITIES		
- issues/purchases of treasury shares	-	-
- issues/purchases of equity instruments	-	-
- distribution of dividends and other purposes	(13,798)	(13,792)
Net liquid assets generated (absorbed) by funding activities (C)	**(13,798)**	**(13,792)**
NET LIQUID ASSETS GENERATED (ABSORBED) DURING THE YEAR (A+B+C)	**(781)**	**(8,325)**

Financial statements' items	2010	2009
Cash and cash equivalents at beginning of year	26,315	32,573
Total liquid assets generated/absorbed during the year	(781)	(8,325)
Cash and cash equivalents: effect of exchange rate changes		
Cash and cash equivalents at end of year	25,534	24,248

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 Legislative Decree 58/1998, the Consolidated Law on Finance, that the accounting disclosures contained in this "Consolidated Interim Report on Operations as at 30 September 2010" correspond to the contents of the relative documents, corporate books and accounting records.

Desio, 11 November 2010

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

Piercamillo Secchi