Consolidated interim report on operations as at 31 March 2013

Gruppo Banco Desio

Contents

Directors and officers as at 31 March 2013
(Banco di Desio e della Brianza S.p.A.)

Board of directors

Chairman	Agostino Gavazzi*
Deputy Chairman	Stefano Lado*
Chief Executive Officer	Tommaso Cartone*
Board Members	Egidio Gavazzi* Luigi Gavazzi Paolo Gavazzi Guido Pozzoli* Marina Brogi Gerolamo Pellicanò Pier Antonio Cutellé Lorenzo Rigodanza

* *Members of the Executive Committee*

Board of Statutory Auditors

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

General Management

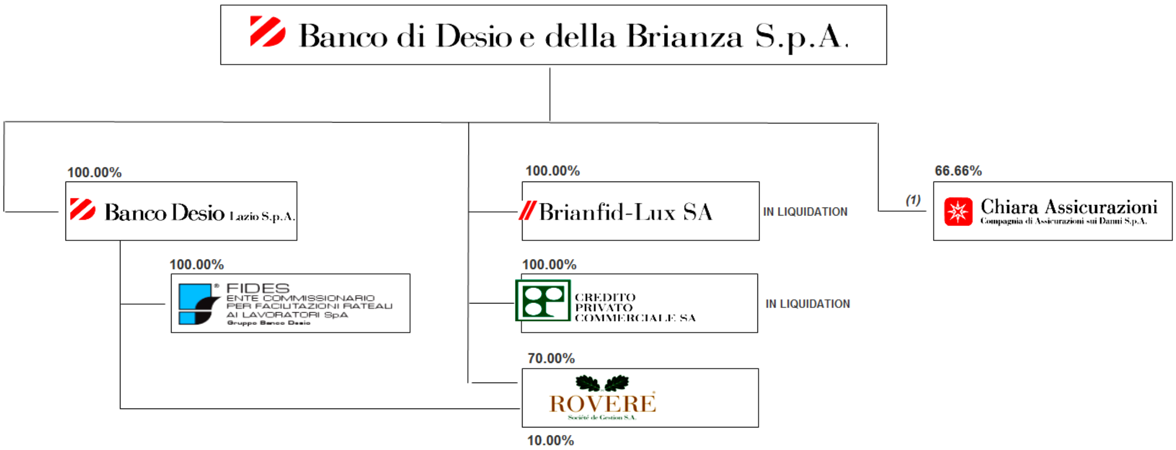
General Manager	Claudio Broggi
Deputy General Manager	Marco Sala

Financial Reporting Manager as per art. 154-bis CFA

Financial Reporting Manager	Piercamillo Secchi

Banco Desio Group

The corporate structure of Banco Desio Group as at 31 March 2013, to which this *consolidated interim Report* refers, is as follows:



(1) Company excluded from the Group's scope of consolidation; following the sale of the majority stake on 24 April 2013, effective 1 May 2013, the company is no longer controlled by the Parent Company, which now has a 32.7% stake.

Introduction

This consolidated interim report as at 31 March 2013 of Banco Desio Group has been prepared pursuant to art. 154-*ter* of Legislative Decree 58/1998 ("Consolidated Finance Act" or CFA), implementing Legislative Decree no.195 of 6 November 2007 (the so-called "Transparency Directive") and drawn up in accordance with International Accounting Standards as endorsed by the European Community under Regulation 1606 of 19 July 2002 and in particular IAS 34 - Interim Financial Statements.

Given the opportunity offered by this standard, the interim report of operations is presented in condensed form, which means that it does not include all of the disclosures required for annual financial statements. Preparation of this document also requires the use of estimates, which however does not affect the reliability.

The interim Report comprises the *explanatory Notes* on consolidated operations and the *Consolidated interim financial statements* as at 31 March 2013, including the Balance sheet, Income statement, Statement of comprehensive income, Statement of changes in shareholders' equity, Statement of cash flow, Regulatory capital and Consolidated capital adequacy ratios.

The figures and ratios shown in this interim Report refer to the Balance Sheet of the *Consolidated interim financial statements* and to the reclassified Income Statement, which is based on the Financial Statements.

Following the sale of its controlling interest in Chiara Assicurazioni S.p.A. by the Parent Company Banco di Desio e della Brianza S.p.A. on 24 April 2013, effective on 1 May 2013, the company is no longer controlled by the Parent Company, which has now a 32.7% stake in its share capital (as explained in the paragraph entitled "Significant events"); the book values relating to this company as at 31.03.2013 have therefore been classified in the Balance Sheet caption "Non-current assets and disposal groups held for sale" and "Liabilities associated with groups of assets held for sale" as well as in the income statement caption "Profit (loss) on non-current assets held for sale", while, in order to make comparisons of the individual items on a consistent basis, the income statement figures in question are reclassified to "Profit (loss) on non-current assets held for sale" also the same reclassification is made as at 30.09.2012 to ensure comparability between the periods.

Note that at the time of preparing the Interim report as at 31.03.2012, the subsidiary Credito Privato Commerciale S.A. (now Credito Privato Commerciale S.A. in liquidation) was expected to be sold, but this no longer took place. The figures that were grouped under caption 310 "Profit (loss) after tax on non-current assets held for sale" in the *Income Statement* were therefore reallocated in this interim Report on operations to the individual items as they were before in the prior period at 31.03.2012.

Lastly, as "rapid preliminary investigation fees" are now classified under "Other operating charges/income" and no longer under "Commission income" following the Bank of Italy's letter of 16.01.2013 - Protocol no. 0051159/13, the same reclassification is made as at 31.03.2012 to ensure comparability between the periods.

Key figures and ratios

Balance sheet

Amounts in thousands of euro	31.03.2013	31.12.2012	Changes Amount	Changes %
Total assets	9,188,885	8,862,993	325,892	3.7%
Financial assets	1,359,052	1,165,593	193,459	16.6%
Due from banks	358,289	250,480	107,809	43.0%
Loans to customers	6,960,017	6,949,145	10,872	0.2%
Property, plant and equipment	147,471	150,890	-3,419	-2.3%
Intangible assets	25,789	25,903	-114	-0.4%
Due to banks	439,012	441,677	-2,665	-0.6%
Due to customers	5,266,216	5,041,168	225,048	4.5%
Debt securities in issue and Financial liabilities measured at fair value through profit and loss	2,301,681	2,255,413	46,268	2.1%
Shareholders' equity (including Net profit/loss for the period) [(1)]	814,001	821,177	-7,176	-0.9%
Capital for supervisory purposes	823,434	827,661	-4,227	-0.5%
Indirect deposits	10,601,016	10,777,507	-176,491	-1.6%

Income statement [(2)]

Amounts in thousands of euro	31.03.2013	31.03.2012	Changes Amount	Changes %
Operating income	86,223	91,239	-5,016	-5.5%
of which: Net interest income	*45,221*	*51,970*	*-6,749*	*-13.0%*
Operating costs	53,748	55,236	-1,488	-2.7%
Result of operations	32,475	36,003	-3,528	-9.8%
Profit (Loss) from operations after tax	1,816	11,008	-9,192	-83.5%
Non-recurring Profit (Loss) after tax	0	5,654	-5,654	-100.0%
Profit for the period [(1)]	3,009	17,787	-14,778	-83.1%

[(1)] attributable to the Parent Company;
[(2)] from the reclassified Income Statement

Balance sheet and income statement ratios

	31.03.2013	31.12.2012	Changes %
Capital / Total assets	8.9%	9.3%	-0.4%
Capital / Loans to customers	11.7%	11.8%	-0.1%
Capital / Due to customers	15.5%	16.3%	-0.8%
Capital / Debt securities in issue and Financial liabilities measured at fair value through profit and loss	35.4%	36.4%	-1.0%
Core capital / Weighted assets *(Tier 1)*	11.9%	12.1%	-0.2%
Supplementary capital / Weighted assets *(Total capital ratio)*	13.2%	13.4%	-0.2%
Financial assets / Total assets	14.8%	13.2%	1.6%
Due from banks / Total assets	3.9%	2.8%	1.1%
Due from customers / Total assets	75.7%	78.4%	-2.7%
Loans to customers / direct deposits from customers	92.0%	95.2%	-3.2%
Due to banks / Total assets	4.8%	5.0%	-0.2%
Payables to customers / Total assets	57.3%	56.9%	0.4%
Debt securities in issue and Financial liabilities measured at fair value through profit and loss / Total assets	25.0%	25.4%	-0.4%
Direct borrowing from customers / Total assets	82.4%	82.3%	0.1%
	31.03.2013	**31.03.2012**	**Changes %**
Operating cost / Operating income (Cost/Income ratio)	62.3%	60.5%	1.8%
Net interest income / Operating income	52.4%	57.0%	-4.6%
Result of operations / Operating income	37.7%	39.5%	-1.8%
Profit from operations after tax / Capital(3) - *annualised*(4)	0.9%	1.9%	-1.0%
Profit for the period / Capital (R.O.E) (3) - *annualised* (4)	1.5%	2.5%	-1.0%

Structure and productivity ratios

	31.03.2013	31.12.2012	Change Amount	Change %
Number of employees	1,827	1,838	-11	-0.6%
Number of branches	185	185	-	-
Amounts in thousands of euro				
Loans to customers per employee(5)	3,798	3,743	55	1.5%
Direct deposits from customers per employee(5)	4,130	3,930	200	5.1%
	31.03.2013	**31.03.2012**	**Change Amount**	**Change %**
Operating income per employee(5) - *annualised*(4)	188	189	-1	-0.5%

(3) *net of the result of the period;*
(4) *for the annualised figure as at 31.03.2012 it is considered the closing balance as at 31.12.2012;*
(5) *based on the number of employees calculated as the arethmetic average between the end of the period and the end of the prior period*

Explanatory notes

The macroeconomic scenario

The world economy seems to be going down the path of moderate growth without inflationary pressures emerging. The strengthening of economic activity has been fostered by the positive orientation expressed by financial markets in the second semester of 2012, the benign evolution of economic policies and developments on the key fronts of the crisis, and an orderly trend in energy prices. The idea that the global economy has nevertheless hit a low point at the end of 2012 is confirmed by two indicators: the confidence index and the *Purchasing Managers Index* (PMI)[1]. These indicators have shown signs of a widespread improvement in economic activity, althoug differing from area to area. Monetary policy remained loose and the risk of excessive restriction on the part of U.S. fiscal policy did not materialise. The world industrial production continued to recover; on December 2012 ended the last quarter of the year with an increase of 1.6% compared to the end of September. During December global inflation increased by 3.4%, reflecting slightly more bright demand. The global equity index has continued to grow, although at declining rates. The forecasts for changes in GDP have been subject to very modest revisions compared to three months ago.

After the stall in the fourth quarter of 2012, the growth in the United States is now accelerating. GDP is expected to grow by +1.8% in 2013 and by +3.1% in 2014. Private sector demand continues to be positive and should continue to see a positive trend in all its components: consumption, capital investment by businesses and investment in residential property. The unemployment rate showed a slight reduction in February and consumer prices went up by 1.6% during January. The core component, on the other hand, remained more or less stable at 1.9%.

In Japan, the change of government last autumn had an immediate impact on financial variables, such as the weakening of the exchange rate and the rising of the inflation expectations. GDP is expected to grow by 0.8% during 2012, in order to pick up a higher speed in 2014.

The growth in China's GDP was 7.7% during 2012, much lower than 9.3% in 2011 and 10.4% in 2010. This slowdown in the Chinese economy reflects the weakness of the external demand, weighed down by the European crisis; however, future prospects remain uncertain. The growth in the Indian economy resulted at 4.1%, a figure much lower than in 2011 of 7.5%. Prospects for growth in Brazil and Russia are also uncertain.

For the Eurozone, 2013 will be another year of recession with a declining GDP. The lower point of the cycle could be in the first quarter of 2013; in any case, only until the second semester of the year it can be seen a gradual and modest recovery in economic activity. 2013 looks likely to be another year of recession, especially for the peripheral countries. In the fourth quarter of 2012, Eurozone's GDP did in fact decline by 2.4% on a quarterly annualised basis, contracting on average by 0.5% in 2012. Within the Eurozone, France and Germany also faced a decline in their GDP: by 1.1% and by 2.4% respectively. Industrial production in Eurozone declined by -2.1% during January on a trend basis. Retail sales decreased by 1.6%. The indicators of business confidence, while improving, continue to remain negative. Unemployment has risen and it is now at 11.9%. Inflation remains stable.

As for Italy, the year 2012 ended with the sixth consecutive decline in GDP; in annualised quarterly terms; the decrease of -3.8% was more than economists were expecting. The main aggregates of domestic demand showed significant declines, with domestic consumption decreased by 0.5% and gross capital investment decreased by 1.2%. Imports fell by 0.9%, while exports increased by 1.2%. Production, on the other hand, rebounded during January, starting, as such, the year of 2013 on a less negative note compared to 2012. The index of business confidence in February remained negative, while the mood of consumers has improved slightly. The labour market remains one of Italy's main weaknesses: unemployment in January 2013 reached 11.7%. The average rate of

[1] Purchasing Managers Index: index based on surveys of purchasing managers, which has proved reliable in tracing and predicting the state of the economy.

unemployment in 2012 came to 10.7%, compared to 8.4% in 2011. For the Italian economy, 2013 will be another year of recession, the longest for more than thirty years. The factors of recession in 2012 will remain active for a good part of the year and the recovery is only likely to arrive at the end of 2013. The risks in this scenario remain high, of which the most important one remains undoubtedly the uncertain political frame.

As regards monetary policy, the ECB's meeting on 7 March left unchanged the policy rate at 0.75% (later reduced on 2 May to 0.50%), the interest rate on marginal refinancing transactions at 1.50% and the rate on overnight deposits. The Federal Reserve's policy rate has also stayed the same within a range of 0-0.25%. A marginal decline in three-month Euribor has left it close to its all-time low; rates on interest rate swaps have also decreased slightly.

In the banking sector, bank loans have recovered somehow during February 2013, although the trend is still negative. Total loans to residents in Italy recorded an annual change of -1.2%. Loans to the private sector also showed a slightly negative change over the year, with loans to households and non-financial companies turning in an annual variance of -2.8%. The gravity of the recession is reflected yet again in the lending dynamics with the volume of loans affected by the sharp contraction in capital investment. Distinguishing loans by duration, the short-term segment has shrunk by -4.6%, whereas the medium-long segment has faced a smaller decline equal to -2.2%.

The annual change in funding from customers of Italian banks remains positive during February, supported in particular by deposits which have registered a growth of +7.3%. Bonds, on the other hand, have recorded a decline of -6%.

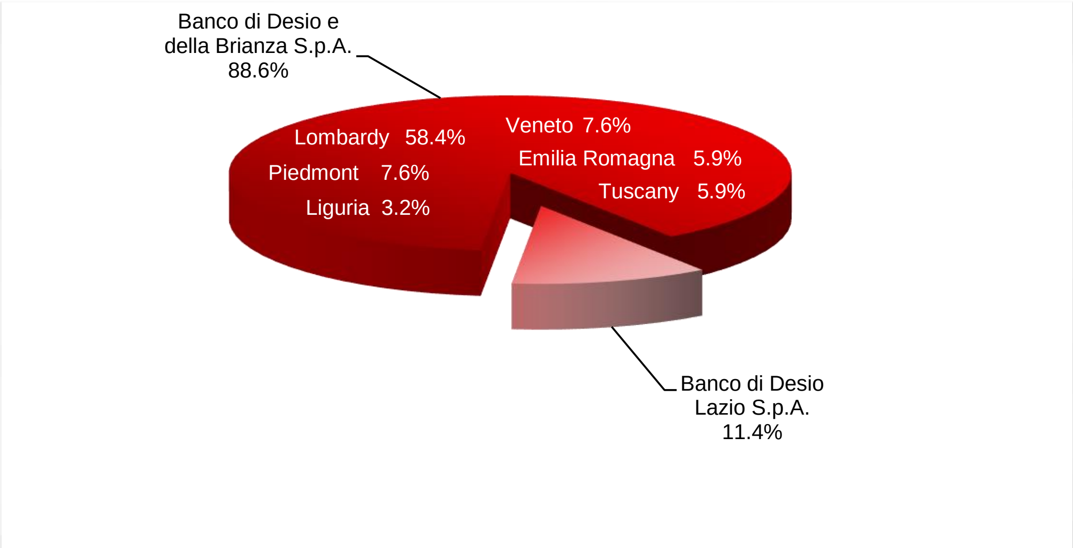
In line with the trend in market rates, the average return on deposits has tended to slip. The average rate on funding from customers (which includes the cost of deposits, bonds and repos) came to 2.04% in February 2013. The rates on loans have also been sliding and are very low both on total loans and on new ones: in February 2013, the rate on euro loans to households and non-financial companies amounts to 3.76% (42 basis points less than in February 2012), while the rate on home purchase loans in euro to households amounted to 3.73% (60 basis points less than in February 2012). In the last month, the proportion of fixed-rate loans has risen to 24.1% (22.8% in December 2012).

The Group's distribution network

The Group's distribution network, divided into between Lombardy, Emilia Romagna, Piedmont, Liguria, Tuscany, Veneto and Lazio, has a total of 185 branches at the end of the first quarter, of which 164 belong to the Parent Company Banco di Desio e della Brianza S.p.A. and 21 to the subsidiary Banco Desio Lazio S.p.A., maintaining the same size and territorial breakdown already reached at the end of 2012.

The following graph represents the percentual breakdown of the distribution network by bank and by region.

Graph no. 1 - **BREAKDOWN OF THE GROUP'S DISTRIBUTION NETWORK BY BANK AND REGION**



Significant events

Significant events that took place during the first quarter of the year were as follows.

Approval of the Group's three-year Business Plan 2013-2015

On 20 March 2013, the Board of Directors of the Parent Company approved the Group's three-year Business Plan 2013-2015, with the following key points:

- ✓ further focus on retail activity;
- ✓ revitalisation of the commercial base;
- ✓ territorial reorganization;
- ✓ careful management of credit risk;
- ✓ strong emphasis on cost control.

and the following targets are expected for 2015:

- ✓ customer loans and direct deposits by more than 5% (CAGR 2013-2015);
- ✓ indirect deposits by more than 3% (CAGR 2013-2015);

At the end of 2015 this level of growth is expected to result in:

- ✓ net interest and other banking income +5% (CAGR 2013-2015);
- ✓ net profit estimated around 40 million in 2015;
- ✓ cost/income ratio expected to be 58% at the end of 2015:
- ✓ core tier 1 ratio over 11% *and total capital ratio over 12.5% for all the years of the plan.*

In an extremely difficult economic and financial environment, Banco Desio has decided to undertake a process of commercial, organisational and structural development designed to bring together all of its activities in the service of the core business (economic support to families, individuals and small businesses in the territories in where the Group is present) in a competitive manner (i.e. giving priority to a reduction in all fixed costs).

For this reason, we have been identified four strategic objectives in the three-year period:

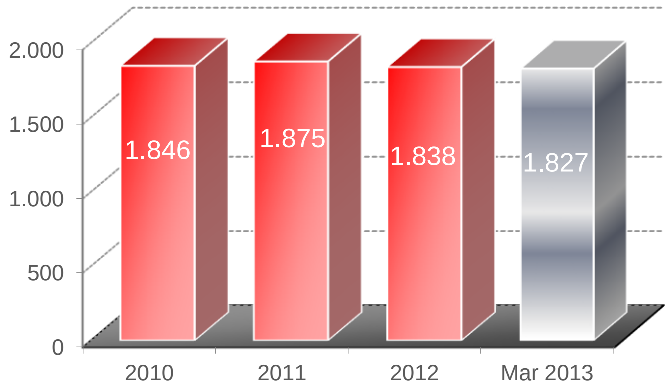
- *Commercial revitalisation* with significant investment in terms of renovation/upgrading of products and services, strong development of online services accompanied by an update of the Bank's local presence in terms of efficiency and effectiveness of customer relations; this target is expected to generate a significant increase in the customer base, volumes and in the number of transactions, with an equally significant increase in revenues, mainly from 2014 onwards;
- *Review of credit risk management* that will allows, on one hand, to continue and increase the provision with regard to the economy that is reacting to the crisis and, on the other hand, to anticipate and prevent situations of deterioration, with an important objective to lower the cost of credit and, therefore, to reduce loan adjustments;
- *Spending review* for all administrative costs, with systematic renegotiation of supply contracts and implementation of a cost excellence centre to oversee and review the entire cost structure;
- *Resources programme* intended to pursue, on one hand, a strong reduction in labour costs on the basis of a plan to be agreed as much as possible with the Trade Unions with the establishment of a Solidarity Fund, which in the three years should be able to absorb around 100 redundancies between Head Office and the Branches, and other specific measures to reduce costs; and, on the other hand, a process of generational change that brings over time the organization structure into line with that of the Italian banking system.

Human resources

As at 31 March 2013, the Group had 1,827 employees, 11 people (-0.6%) less compared to the end of the previous period.

The personnel trend in recent years is shown in the following graph.

Graph no. 2 - **TREND OF GROUP PERSONNEL IN RECENT YEARS**



The following table provides a breakdown of employees by level of qualification at the end of the first quarter of the year, compared to 2012.

Table no. 1 - **BREAKDOWN OF GROUP EMPLOYEES BY LEVEL OF QUALIFICATION**

					Change	
No. Employees	**31.03.2013**	**%**	**31.12.2012**	**%**	**Amount**	**%**
Directors	33	1.8%	34	1.8%	-1	-2.9%
Manager of the 3rd and 4th level	428	23.4%	430	23.4%	-2	-0.5%
Manager of the 1st and 2nd level	490	26.8%	493	26.8%	-3	-0.6%
Other staff	876	48.0%	881	48.0%	-5	-0.6%
Group employees	**1,827**	**100.0%**	**1,838**	**100.0%**	**-11**	**-0.6%**

Results of operations

Savings deposits: customer funds under management

Total customer funds under management increased by 18.2 billion euro at the end of the first quarter and show an overall increase of 0.1 billion euro compared to the end of 2012.

Changes in balances during the period are analysed with the help of the following table.

Table no. 2 - **TOTAL CUSTOMER DEPOSITS**

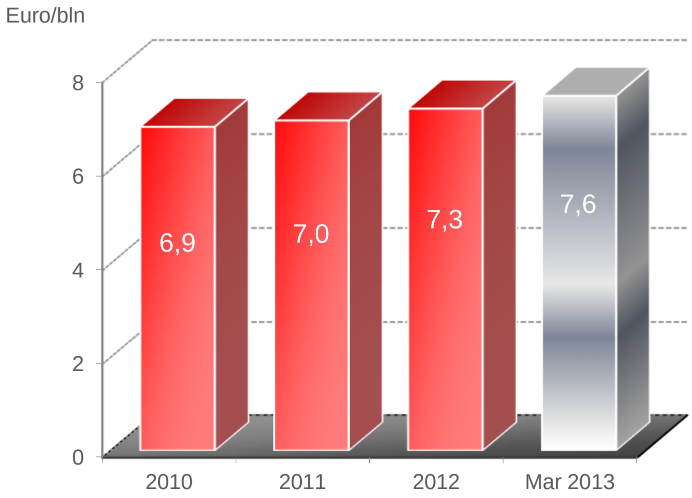
Amounts in thousands of euro	31.03.2013	%	31.12.2012	%	Change Amount	Change %
Due to customers	5,266,216	29.0%	5,041,168	27.9%	225,048	4.5%
Debt securities in issue and Financial liabilities measured at fair value through profit and loss.	2,301,681	12.7%	2,255,413	12.5%	46,268	2.1%
Direct deposits	**7,567,897**	**41.7%**	**7,296,581**	**40.4%**	**271,316**	**3.7%**
Ordinary customer deposits	7,243,585	39.9%	7,424,007	41.1%	-180,422	-2.4%
Institutional customer deposits	3,357,431	18.5%	3,353,500	18.5%	3,931	0.1%
Indirect deposits	**10,601,016**	**58.3%**	**10,777,507**	**59.6%**	**-176,491**	**-1.6%**
Total customer deposits	**18,168,913**	**100.0%**	**18,074,088**	**100.0%**	**94,825**	**0.5%**

Direct deposits

Direct deposits reached up to 7.6 billion euro as at 31 March 2013, an increase of 0.3 billion euro compared to the end of 2012, due to the growth in amounts "due to customers" and due to debt securities in issue and financial liabilities measured at fair value through profit and loss.

The trend in direct deposits in recent years can be seen in the following graph.

Graph no. 3 - **TREND OF DIRECT DEPOSITS IN RECENT YEARS**



Indirect deposits

Indirect deposits have recorded an overall decrease during the period of 0.2 billion euro, equal to 1.6% of the balance at the end of the previous year, amounting to 10.6 billion euro in total. This trend took place in a difficult macroeconomic environment and in a state of instability in financial markets.

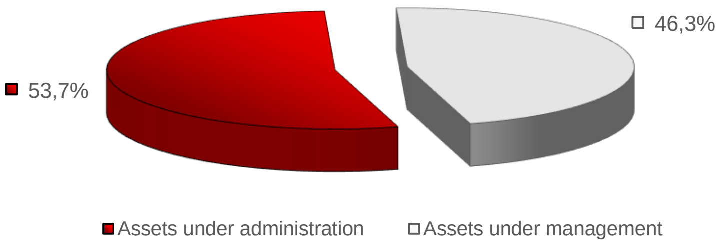
The following table provides details of the items under review, highlighting the changes that have taken place during the three-month period.

Table no. 3 - **INDIRECT DEPOSITS**

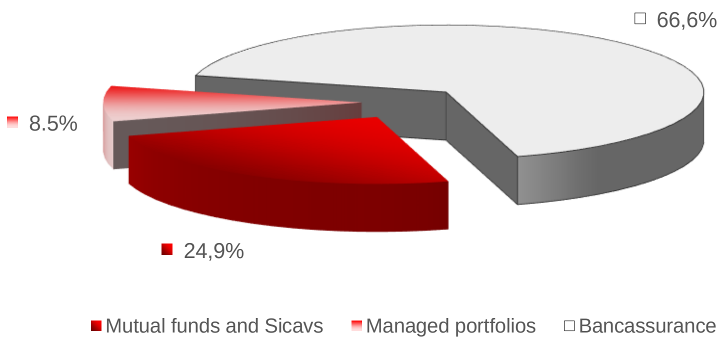
Amounts in thousands of euro	31.03.2013	%	31.12.2012	%	Change Amount	Change %
Assets under administration	**3,889,290**	**36.7%**	**4,082,638**	**37.9%**	**-193,348**	**-4.7%**
Assets under management	**3,354,295**	**31.6%**	**3,341,369**	**31.0%**	**12,926**	**0.4%**
of which: Mutual funds and Sicavs	*835,143*	*7.9%*	*772,911*	*7.2%*	*62,232*	*8.1%*
Managed portfolios	*285,585*	*2.7%*	*272,126*	*2.5%*	*13,459*	*4.9%*
Bancassurance	*2,233,567*	*21.0%*	*2,296,332*	*21.3%*	*-62,765*	*-2.7%*
Ordinary customer deposits	**7,243,585**	**68.3%**	**7,424,007**	**68.9%**	**-180,422**	**-2.4%**
Institutional customer deposits	**3,357,431**	**31.7%**	**3,353,500**	**31.1%**	**3,931**	**0.1%**
Indirect deposits	**10,601,016**	**100.0%**	**10,777,507**	**100.0%**	**-176,491**	**-1.6%**

The following graph shows the breakdown of indirect deposits from ordinary customers by sector as at 31 March 2013. The subsequent chart focuses on the composition of assets under management in the same period, highlighting how the "life" bancassurance component constitutes the largest share at two thirds of the total.

Graph no. 4 - **BREAKDOWN OF INDIRECT DEPOSITS FROM ORDINARY CUSTOMERS BY SECTOR AS AT 31.03.2013**



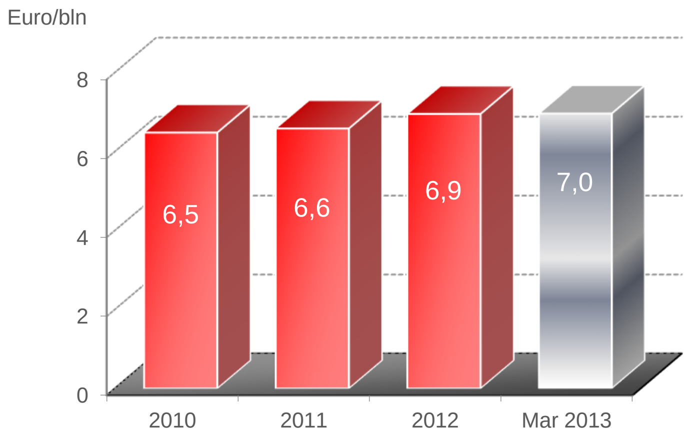
Graph no. 5 - **BREAKDOWN OF INDIRECT DEPOSITS BY ASSET MANAGEMENT COMPONENT AS AT 31.03.2013**



Loans to customers

The Group's loans to customers led to a total value of loans as at 31 March 2013 of 7 billion euro, which is more or less stable compared to the end of 2012 (+0.2%) and it still includes 0.3 billion euro of repurchase agreements with an institutional customer. The following graph shows the trend of net loans to customers in recent years, giving an average annual compound growth rate of 3.3% starting from 2011.

Graph no. 6 - **TREND IN ORDINARY CUSTOMER LOANS IN RECENT YEARS**



Within the distribution of gross loans, including endorsement credits, the percentage of drawdowns by the largest customers at the end of the first quarter continues to reflect a high degree of risk diversification, as shown in the following table.

Table no. 4 - **RATIOS OF CONCENTRATION OF CREDIT ON LARGEST CUSTOMERS**

Number of customers (1) (2)	**31.03.2013**	**31.12.2012**
First 10	1.5%	1.5%
First 20	2.4%	2.4%
First 30	3.1%	3.1%
First 50	4.4%	4.4%

(1) according to the figures of the Parent Company and the subsidiary Banco Desio Lazio S.p.A.;
(2) net of repurchase agreements with institutional counterparties of 299.2 million euro at 31.03.2013 and of 337.3 million euro as at 31.12.2012

The total amount of net non-performing loans at the end of the first quarter, made up of doubtful loans, watchlist loans, past due loans (i.e. persistent breaches with continuous overruns), as well as restructured loans, came to 420.7 million euro, net of adjustments of 182.6 million euro. In particular, net doubtful loans totalled 193.7 million euro, net watchlist loans of 162.8 million euro, past due loans of 59.8 million euro and restructured loans of 4.4 million euro.

The following table summarises the gross and net indicators relating to credit risk, showing figures that are generally high compared to the end of the previous year due to a direct correlation with the prolonged economic crisis.

Table no. 5 - **INDICATORS OF CREDIT RISK VERSUS CUSTOMERS**

% of gross loans	**31.03.2013**	**31.12.2012**
Gross non-performing loans to customers	8.40%	7.65%
of which:		
- gross doubtful loans	4.33%	3.80%
- gross watchlist loans	3.13%	3.08%
- gross past due loans	0.87%	0.69%
- gross restructured loans	0.07%	0.08%

% of net loans	**31.03.2013**	**31.12.2012**
Net non-performing loans to customers	6.05%	5.65%
of which:		
- net doubtful loans	2.78%	2.55%
- net watchlist loans	2.34%	2.35%
- net past due loans	0.86%	0.68%
- net restructured loans	0.06%	0.07%

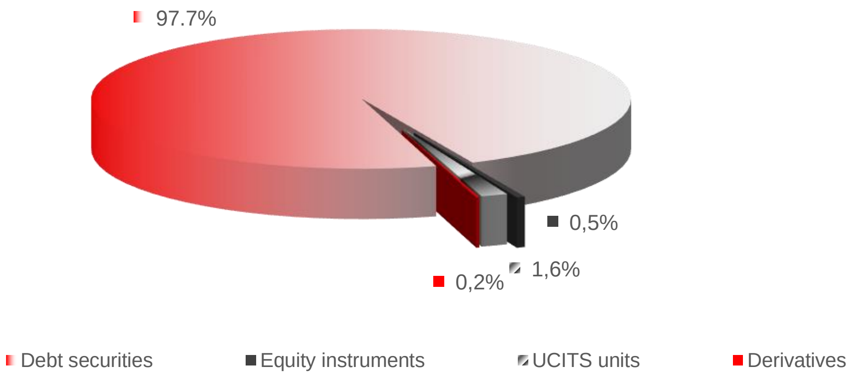
The securities portfolio and interbank position

Securities portfolio

At 31 March 2013, the total financial assets of the Group amounted approximately 1.4 billion euro, an increase ofapproximately 0.2 billion euro compared to the end of 2012.

The breakdown of the portfolio by type of security is shown in the following graph, which shows that 97.7% of the total investment relates to debt securities (almost all government bonds and bonds issued by leading banks).

Graph no. 7 - **BREAKDOWN OF FINANCIAL ASSETS AS AT 31.03.2013 BY TYPE OF SECURITIES**



Given that the absence of any improvement in the situation in the first few months of the year and Italy's political instability that has characterised the post-election period have exacerbated the volatility of Government Bonds, medium/long term positions have been appropriately lightened, consolidating capital gains well over budget; in the second part of the quarter we cautiously increased our positions on medium/long term BTPs (raising the proportion of fixed rate securities from 40.85% to 51.64%), bringing the average duration at the end of the quarter from 2.18, at the end of last year, to 2.73 years.

Sovereign debt exposures

With reference to Consob communication no. DEM/11070007 of 05/08/2011 *"Communication regarding the information to be provided in financial reports about the exposures to sovereign debt held by listed companies"*, a breakdown of the positions as at 31.03.2013 is given below.

Table no. 6 - **SOVEREIGN DEBT: BREAKDOWN BY PORTFOLIO AND ISSUER**

Amounts in thousands of euro		**Italy**	**Spain**	**31.03.2013**
Financial assets available for trading	Nominal value	2,582		2,582
	Book value	2,690		2,690
Financial assets available for sale	Nominal value	995,000	40,000	1,035,000
	Book value	987,435	40,752	1,028,187
Financial assets held to maturity	Nominal value	140,000		140,000
	Book value	139,831		139,831
Sovereign debt	**Nominal value**	**1,137,582**	**40,000**	**1,177,582**
	Book value	**1,129,956**	**40,752**	**1,170,708**

Table no. 7 - **SOVEREIGN DEBT: BREAKDOWN BY PORTFOLIO, ISSUER AND MATURITY**

Amounts in thousands of euro		Italy	Spain	31.03.2013 Nominal value	31.03.2013 Book value
Financial assets available for trading	up to 1 year	1,310		1,310	1,326
	1 to 3 years	41		41	40
	3 to 5 years	1,231		1,231	1,324
	over 5 years				
	Total	2,582		2,582	2,690
Financial assets available for sale	up to 1 year	340,000		340,000	337,451
	1 to 3 years	215,850	20,000	235,850	237,559
	3 to 5 years	234,150	20,000	254,150	254,949
	over 5 years	205,000		205,000	198,228
	Total	995,000	40,000	1,035,000	1,028,087
Financial assets held to maturity	up to 1 year				
	1 to 3 years				
	3 to 5 years				
	over 5 years	140,000		140,000	139,831
	Total	140,000		140,000	139,831
Sovereign debt	**up to 1 year**	**341,310**		**341,310**	**338,777**
	1 to 3 years	**215,891**	**20,000**	**235,891**	**237,599**
	3 to 5 years	**235,381**	**20,000**	**255,381**	**256,273**
	over 5 years	**345,000**		**345,000**	**338,059**
	Total	**1,137,582**	**40,000**	**1,177,582**	**1,170,708**

Net interbank position

The Group's net interbank position as at 31 March 2013 is negative of approximately 0.1 billion euro, compared to the negative one of 0.2 billion euro at the end of the previous year.

Shareholders' equity and capital adequacy

Shareholders' equity attributable to the Parent Company as at 31 March 2013, including net profit for the period, amounts to 814 million euro, compared to 821.2 million euro at the end of 2012.

Shareholders' equity calculated in accordance with current regulatory provisions amounts to 823.4 million euro (827.7 million euro in December 2012) and consists of core capital of 745.3 million euro (compared to 748.6 million euro at the end of 2012) and supplementary capital of 78.2 million euro (compared to 79.1 million euro at the end of 2012) for revaluation reserves and subordinated liabilities. The amounts to be deducted is equal to 15.3 million euro and are attributable to investments in financial and insurance institutions.

The coefficient capital *Tier 1* (Tier 1 capital/Risk-weighted assets) is equal to 11.9% compared to 12.1 at the end of 2012, and coincides with *Core Tier 1*, whereas the *Total capital ra*tio (Total capital/Risk-weighted assets) comes to 13.2% compared to13.4% of the comparison figure.

Reclassified income statement

To allow readers to see figures that better reflect the results of operations, we have prepared a reclassified version of the income statement with respect to the one in the *Consolidated interim financial statements,* which forms the basis of the following comments.

The presentation criteria are as follows:

- the "Result of operations" has been split into its two component parts, namely "Operating income" and "Operating costs";
- the "Profit (Loss) for the period" has been split between "Profit (Loss) from operations after taxes" and "Non-recurring Profit (Loss) after tax";
- "Operating income" also includes the balance of caption 220 "Other operating income/expense", net of recoveries of tax duties on current accounts and securities deposit accounts of customers and flat-rate tax on long-term loans, as well as amortisation of leasehold improvements, reclassified respectively as a reduction to caption 180b) "Other administrative expenses" and as an increase in caption 210 "Net adjustments to intangible assets" included in "Operating expenses";
- the share of profits for the period relating to investments in associated companies is reclassified from caption 240 "Profit (Loss) from equity investments" to "Profit from associates";
- the balance of caption 100a) "Gains (Losses) on disposal or repurchase of loans" of "Operating income" is reclassified to the appropriate caption "Gains (Losses) on disposal or repurchase of loans" after "Operating profit";
- provisions relating to claw-back suits on disputed receivables are reclassified from caption 190 "Net provisions for risks and charges" to caption 130a) "Net impairment adjustments to loans", both captions coming after the "Result of operations";
- the provisions on extraordinary transactions are reclassified from caption 190 "Net provisions for risks and charges" to "Extraordinary provisions for risks and charges on extraordinary transactions";
- the tax effect on "Non-recurring profit (Loss)" is reclassified from caption 290 "Income tax for the period on current operations" to "Income taxes on non-recurring items".

As shown in the following table, which illustrates the reclassified Income Statement with comparative figures from the previous period, the first quarter of the year closed with a net profit attributable to the Parent Company of 3 million euro.

Table no. 8 - **RECLASSIFIED INCOME STATEMENT**

Captions *Amounts in thousands of euro*		**31.03.2013**	**31.03.2012**	**Change Amount**	**%**
10+20	Net interest income	45,221	51,970	-6,749	-13.0%
70	Dividends and similar income	-	-	-	
	Profit from associates	-	-	-	
40+50	Net commission income	23,900	26,353	-2,453	-9.3%
80+90+100+110	Net income from trading, hedging and disposal/repurchase of financial assets and liabilities measured at fair value through profit and loss	12,847	9,384	3,463	36.9%
220	Other operating income/expense	4,255	3,532	724	20.5%
	Operating income	**86,223**	**91,239**	**-5,016**	**-5.5%**
180 a	Personnel costs	-34,435	-37,141	2,706	-7.3%
180 b	Other administrative costs	-16,939	-15,498	-1,441	9.3%
200+210	Net adjustments to property, plant and equipment and intangible assets	-2,374	-2,597	223	-8.6%
	Operating costs	**-53,748**	**-55,236**	**1,488**	**-2.7%**
	Result of operations	**32,475**	**36,003**	**-3,528**	**-9.8%**
	Gains (Losses) on disposal or repurchase of loans	-	-	-	
130 a	Net impairment adjustments to loans	-23,850	-15,949	-7,902	49.5%
130 d	Net impairment adjustments to other financial transactions:	-119	-11	-108	981.8%
190	Net provisions for risks and charges	-717	68	-784	-1158.7%
	Profit (Loss) from operations before tax	**7,789**	**20,111**	**-12,322**	**-61.3%**
290	Income taxes for the period on continuing operations	-5,973	-9,103	3,130	-34.4%
	Profit (Loss) from operations after tax	**1,816**	**11,008**	**-9,192**	**-83.5%**
240+270+ 260	Profit (Loss) from investments and disposal of investments/Write-downs of goodwill	-	754	-754	-100.0%
	Provision for risks and charges on extraordinary transactions	-	4,900	-4,900	-100.0%
	Non-recurring Profit (Loss) before tax	**-**	**5,654**	**-5,654**	**-100.0%**
	Income taxes from non-recurring items	-	-	-	
	Non-recurring Profit (Loss) after tax	**-**	**5,654**	**-5,654**	**-100.0%**
310	Profit (Loss) after tax on non-current assets held for sale	1,532	1,436	96	6.7%
320	**Profit (Loss) for the period**	**3,348**	**18,098**	**-14,750**	**-81.5%**
330	Profit (Loss) for the period attributable to minority interests	-339	-311	-28	9.0%
340	**Profit (Loss) for the period attributable to Parent Company**	**3,009**	**17,787**	**-14,778**	**-83.1%**

In order to facilitate the reconciliation of the reclassified income statement with the financial statements, a reconciliation that shows the numbers corresponding to the aggregated captions and reclassified balances is shown below for each period.

Table no. 9 - **RECONCILIATION BETWEEN THE FINANCIAL STATEMENTS AND THE RECLASSIFIED INCOME**

Captions		As per financial statements	Reclassifications						Reclassified income statement
Amounts in thousands of euro		**31.03.2013**	Recovery of taxes	Profit from associates	Amortisation of leasehold improvements	Gains (Losses) on disposal or repurchase of loans	Uses of/accruals to provisions for risks and charges	Income taxes	**31.03.2013**
10+20	Net interest income	45,221							45,221
70	Dividends and similar income	0							0
	Profit from associates			0					0
40+50	Net commission income	23,900							23,900
80+90+100+110	Net income from trading, hedging and disposal/repurchase of financial assets and liabilities measured at fair value through profit and loss	12,847				0			12,847
220	Other operating income/expense	7,457	-3,842		640				4,255
	Operating income	**89,425**	**-3,842**	**0**	**640**	**0**	**0**	**0**	**86,223**
180 a	Personnel costs	-34,435							-34,435
180 b	Other administrative costs	-20,781	3,842						-16,939
200+210	Net adjustments to property, plant and equipment and intangible assets	-1,734			-640				-2,374
	Operating costs	**-56,950**	**3,842**	**0**	**-640**	**0**	**0**	**0**	**-53,748**
	Result of operations	**32,475**	**0**	**0**	**0**	**0**	**0**	**0**	**32,475**
	Gains (Losses) on disposal or repurchase of loans					0			0
130 a	Net impairment adjustments to loans	-23,922					72		-23,850
130 d	Net impairment adjustments to other financial transactions:	-119							-119
190	Net provisions for risks and charges	-645					-72		-717
	Profit (Loss) from operations before tax	**7,789**	**0**	**0**	**0**	**0**	**0**	**0**	**7,789**
290	Income taxes for the period on continuing operations	-5,973						0	-5,973
	Net profit (loss) from operations after tax	**1,816**	**0**	**0**	**0**	**0**	**0**	**0**	**1,816**
240+270+260	Profit (Loss) from investments and disposal of investments/ Write-downs of goodwill	0		0					0
	Provision for risks and charges on extraordinary transactions						0		0
	Non-recurring Profit (Loss) before tax	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Income taxes from non-recurring items							0	0
	Non-recurring Profit (Loss) after tax	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
310	Profit (Loss) after tax on non-current assets held for sale	1,532							1,532
320	**Profit (Loss) for the period**	**3,348**	**0**	**0**	**0**	**0**	**0**	**0**	**3,348**
330	Profit (Loss) for the period attributable to minority interests	-339							-339
340	**Profit (Loss) for the period attributable to Parent Company**	**3,009**	**0**	**0**	**0**	**0**	**0**	**0**	**3,009**

Table no. 10 - **RECONCILIATION BETWEEN THE FINANCIAL STATEMENTS AND THE RECLASSIFIED INCOME STATEMENT AT**

Captions		As per financial statements	Reclassifications						Reclassified income statement
	Amounts in thousands of euro	**31.03.2012**	Recovery of taxes	Profit from associates	Amortisation of leasehold improvements	Gains (Losses) on disposal or repurchase of loans	Uses of/accruals to provisions for risks and charges	Income taxes	**31.03.2012**
10+20	Net interest income	51,970							51,970
70	Dividends and similar income	0							0
	Profit from associates			0					0
40+50	Net commission income	26,353							26,353
80+90+100+110	Net income from trading, hedging and disposal/repurchase of financial assets and liabilities measured at fair value through profit and loss	9,384				0			9,384
220	Other operating income/expense	5,813	-2,939		658				3,532
	Operating income	**93,520**	**-2,939**	**0**	**658**	**0**	**0**	**0**	**91,239**
180 a	Personnel costs	-37,141							-37,141
180 b	Other administrative costs	-18,437	2,939						-15,498
200+210	Net adjustments to property, plant and equipment and intangible assets	-1,939			-658				-2,597
	Operating costs	**-57,517**	**2,939**	**0**	**-658**	**0**	**0**	**0**	**-55,236**
	Result of operations	**36,003**	**0**	**0**	**0**	**0**	**0**	**0**	**36,003**
	Gains (Losses) on disposal or repurchase of loans					0			0
130 a	Net impairment adjustments to loans	-15,910					-39		-15,949
130 d	Net impairment adjustments to other financial transactions:	-11							-11
190	Net provisions for risks and charges	4,929					-4,861		68
	Profit (Loss) from operations before tax	**25,011**	**0**	**0**	**0**	**0**	**-4,900**	**0**	**20,111**
290	Income taxes for the period on continuing operations	-9,103							-9,103
	Profit (Loss) from operations after tax	**15,908**	**0**	**0**	**0**	**0**	**-4,900**	**0**	**11,008**
240+270+260	Profit (Loss) from investments and disposal of investments/Write-downs of goodwill	754		0					754
	Provision for risks and charges on extraordinary transactions						4,900		4,900
	Non-recurring Profit (Loss) before tax	**754**	**0**	**0**	**0**	**0**	**4,900**	**0**	**5,654**
	Income taxes from non-recurring items								0
	Non-recurring Profit (Loss) after tax	**754**	**0**	**0**	**0**	**0**	**4,900**	**0**	**5,654**
310	Profit (Loss) after tax on non-current assets held for sale	1,436							1,436
320	**Profit (Loss) for the period**	**18,098**	**0**	**0**	**0**	**0**	**0**	**0**	**18,098**
330	Profit (Loss) for the period attributable to minority interests	-311							-311
340	**Profit (Loss) for the period attributable to Parent Company**	**17,787**	**0**	**0**	**0**	**0**	**0**	**0**	**17,787**

Based on the above, the breakdown and changes in the main reclassified Income Statement captions are summarised below.

Operating income

Revenue items characteristic to operational management equal to 86.2 million euro have recorded a decrease of 5 million euro on the first quarter of the previous year (-5.5%). This trend is attributable to *net interest income* which amounts to 45.2 million euro, with a decrease of 6.7 million euro (-13%), and to *net commission income*, which has fallen by 2.5 million euro (-9.3%); on the other hand, *net income from trading, hedging and disposal/repurchase of* *loans, financial assets and liabilities measured at fair value* increased by 3.5 million euro (+36.9%) and *other operating income/expense* by 0.7 million euro.

Operating costs

Operating costs, which include personnel costs, other administrative expenses and net adjustments to property, plant and equipment and intangible assets, show an overall balance of 53.7 million euro, a decrease of 2.7%; the decrease is attributable to *personnel costs* for 2.7 million euro (-7.3%) and to *net adjustments to property, plant and equipment and intangible assets* for 0.2 million euro, partially offset by growth in *other administrative costs* of 1.4 million euro (+9.3%), mainly related to the costs involved in the C.P.C. liquidation.

Result of operations

The result of operations at the end of the first quarter therefore equals to 32.5 million euro, a decrease of 9.8% on the same period of last year, i.e. approximately 3.5 million euro.

Profit from operations after tax

Net impairment adjustments to loans amount to 23.8 million euro, with higher adjustments of 7.9 million euro with respect to the comparative period, *net impairment adjustments to other financial assets* of 0.1 million euro, *net provisions for risks and charges* of 0.7 million euro and *income taxes for the year on current operations* of 6 million euro, leading to a *profit from operations after tax* of 1.8 million euro, which is 83.5% less than the first quarter of 2012.

Non-recurring profit (loss) after tax

Non-recurring profit (loss) after tax made no contribution to the first quarter of the year, whereas at the end of the first quarter of 2012 it amounted to 5.7 million euro, 4.9 million euro of which attributable to the partial release of the provision for 37.8 million euro (formed in late 2008 to cover the risk of a partial revision of the price received for the sale of 70% of Chiara Vita S.p.A. by the Parent Company, as foreseen on conclusion of the Company's business plan at the end of 2012) and for 0.8 million euro to the share of profit for the period of the former associate Chiara Vita S.p.A.

Profit for the period attributable to Parent Company

The total of profit from operations after tax and net profit from groups af assets available for sale, net of tax of 1.5 million euro related to Chiara Vita S.p.A., and considering the result attributable to minority interests of 0.3 million euro, the *net profit for the period pertaining to the Parent Company* equals to 3 million euro. The result shows 14.8 million euro less than in the first quarter of 2012 (-83.1%), of which 5.7 million euro derive from the negative change in non-recurring profit after tax.

Significant subsequent events

Chiara Assicurazioni S.p.A.

Following authorisation by the Supervisory Authority (IVASS), the sale of 51% of the Parent Company's interest in Chiara Assicurazioni S.p.A. was completed on 24 April 2013, effective on 1 May 2013.

As a result of this sale, the Parent Company's residual interest in Chiara Assicurazioni S.p.A. is now around 32.7% (having been 66.66%) and the resulting gain amounts to 4.8 million euro, against a price of 12.5 million euro. In this way, the Parent Company is continuing its steps to refocus on retail banking.

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

With reference to Criminal Proceedings no. 22698/08 at the Office of the Public Prosecutor of Rome - regarding the subsidiaries Banco Desio Lazio S.p.A. and Credito Privato Commerciale S.A. in liquidation, pursuant to Legislative Decree 231/2001, which regulates the administrative liability of legal persons for offences charged against their officers and/or employees - on 19 April 2013, the judge of the preliminary hearing postponed it to 28 June 2013.

The legal conditions for a settlement apply to both subsidiaries (including compensation for the harm done to the victim, which was paid on 18 April 2013). This would permit payment of a penalty, which has already been provided. A request for a settlement will therefore be presented at the next hearing.

Completion of the Bank of Italy's inspection

Regarding the Bank of Italy's inspection, details of which were provided in the report on operations in the 2012 financial statements, on 23 April 2013, in addition to the Bank, which is involved out of forced solidarity, the members of the Board of Directors, Board of Statutory Auditors and General Management were charged with fines for a total of Euro 360,000.

Outstanding tax audits

The tax audit by the Guardia di Finanza (Italian Tax Police), already detailed in the explanatory notes of the 2012 financial statements, on 11 April 2013 was extended for the purposes of income tax, also to the foreign subsidiaries Brianfid-Lux S.A. in liquidation, Credito privato Commerciale S.A. in liquidation and Rovere Société de Gestion S.A.

Industrial relations

On 4 April 2013, the Group's discussions with the Trade Unions, in accordance with Arts. 20 and 21 of the National Labour Contract for the Banking Industry, started to identify the most appropriate measures to introduce the Resources Programme foreseen in the Business Plan 2013-2015.

Director's resignation

Prior to the approval of this report, the Board of Directors took note that Marina Brogi had resigned as a Director due to new commitments that are incompatible with the position held in the Bank under the so-called "ban on interlocking directorships" (art. 36 of the "Save Italy" Decree 201 of 6 December 2011), having been appointed as a member of the Supervisory Board of UBI Banca Scpa.

The Board has reserved the right to co-opt a new member at a future meeting.

Other information

Rating

On 28 August 2012, as part of a rating survey involving several banks, Fitch Ratings decreased the ratings of Banco di Desio e della Brianza S.p.A. as follows:

- Long Term Issuer Default Rating: “A-” to “BBB+”
- Short Term Issuer Default Rating: confirmed at "F2"
- Viability rating: “a-” to “bbb+”
- Support Rating: confirmed at "4"
- Support Rating Floor: confirmed at "B+"

The outlook remains negative due to the continuing weak expectations of the banking sector.

Despite this downgrade, the Agency continues to consider Banco Desio to be healthy, with a strong capitalisation, satisfactory funding and a good asset quality.

Outlook for operations

Given the complexity of Italy's socio-economic life, the expectation for the current year is that the results will still be quite severely affected on one hand by the persistence of the crisis and on the other hand by the start-up of all the initiatives linked to the objectives of the Business Plan 2013-2015; the results achieved in the first quarter confirm the forecasts made in the Plan.

Regarding the principal risks and uncertainties, it is noted that this Consolidated Interim Report as at 31 March 2013 has been prepared on a going-concern basis, as there is no plausible reason to believe the opposite in the foreseeable future.

The paragraph on the macroeconomic scenario explains the trend of the world economy and financial markets with the principal risks that they involve, while the controls over the Bank's operations and the various types of risk are contained in the Annual Report on Corporate Governance, which is available on the Group's website pursuant to art. 123-bis of the CFA.

Desio, 9 May 2013

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

Consolidated interim financial statements as at 31 March 2013

Consolidated balance sheet

	Assets *Amounts in thousands of euro*	31.03.2013	31.12.2012	Change absolute	%
10	Cash and cash equivalents	27,783	81,248	-53,465	-65.8%
20	Financial assets available for trading	5,128	4,320	808	18.7%
40	Financial assets available for sale	1,203,062	1,009,410	193,652	19.2%
50	Financial assets held to maturity	150,862	151,863	-1,001	-0.7%
60	Due from banks	358,289	250,480	107,809	43.0%
70	Loans to customers	6,960,017	6,949,145	10,872	0.2%
80	Hedging derivatives	8,051	9,005	-954	-10.6%
100	Equity investments	1,232	1,227	5	0.4%
120	Property, plant and equipment	147,471	150,890	-3,419	-2.3%
130	Intangible assets	25,789	25,903	-114	-0.4%
	of which: goodwill	*23,533*	*23,533*		
140	Tax assets	51,595	51,715	-120	-0.2%
	a) current		*1,684*	*-1,684*	*-100.0%*
	b) deferred	*51,595*	*50,031*	*1,564*	*3.1%*
	- other than Law 214/2011	*10,340*	*8,796*	*1,544*	*17.6%*
	- of which according to Law 214/2011	*41,255*	*41,235*	*20*	
150	Non-current assets and disposal groups held for sale	78,667	72,420	6,247	
160	Other assets	170,939	105,367	65,572	62.2%
	Total assets	**9,188,885**	**8,862,993**	**325,892**	**3.7%**

	Liabilities *Amounts in thousands of euro*	31.03.2013	31.12.2012	Change absolute	Change %
10	Due to banks	439,012	441,677	-2,665	-0.6%
20	Due to customers	5,266,216	5,041,168	225,048	4.5%
30	Debt securities in issue	2,265,067	2,217,881	47,186	2.1%
40	Financial liabilities held for trading	965	517	448	86.7%
50	Financial liabilities measured at fair value through profit and loss	36,614	37,532	-918	-2.4%
60	Hedging derivatives	3,690	6,696	-3,006	-44.9%
80	Tax liabilities	16,119	14,320	1,799	12.6%
	a) current	*5,197*	*772*	*4,425*	*573.2%*
	b) deferred	*10,922*	*13,548*	*-2,626*	*-19.4%*
90	Liabilities associated with groups of assets held for sale	54,943	51,399	3,544	6.9%
100	Other liabilities	239,363	178,269	61,094	34.3%
110	Provision for termination indemnities	24,208	24,392	-184	-0.8%
120	Provisions for risks and charges	21,457	20,951	506	2.4%
	a) pensions and similar commitments	*108*	*170*	*-62*	*-36.5%*
	b) other provisions	*21,349*	*20,781*	*568*	*2.7%*
140	Valuation reserves	19,411	28,173	-8,762	-31.1%
170	Reserves	707,731	688,953	18,778	2.7%
180	Share premium reserve	16,145	16,145		
190	Share capital	67,705	67,705		
210	Capital attributable to minority interests (+/-)	7,230	7,014	216	3.1%
220	Profit (Loss) for the period (+/-)	3,009	20,201	-17,192	-85.1%
	Total liabilities and shareholders' equity	**9,188,885**	**8,862,993**	**325,892**	**3.7%**

Consolidated income statement

	Income Statement *Amounts in thousands of euro*	31.03.2013	31.03.2012	Change absolute	 %
10	Interest and similar income	77,673	83,296	-5,623	-6.8%
20	Interest and similar expense	-32,452	-31,326	-1,126	3.6%
30	**Net interest income**	**45,221**	**51,970**	**-6,749**	**-13.0%**
40	Commission income	28,018	29,418	-1,400	-4.8%
50	Commission expense	-4,118	-3,065	-1,053	34.4%
60	**Net commission income**	**23,900**	**26,353**	**-2,453**	**-9.3%**
80	Net trading income	405	1,388	-983	-70.8%
90	Net hedging gains	343	-173	516	-298.3%
100	Gains on disposal or repurchase of:	11,867	10,742	1,125	10.5%
	b) financial assets available for sale	*11,922*	*10,425*	*1,497*	*14.4%*
	d) financial liabilities	*-55*	*317*	*-372*	*-117.4%*
110	Net results on financial assets and liabilities measured at fair value	232	-2,573	2,805	-109.0%
120	**Net interest and other banking income**	**81,968**	**87,707**	**-5,739**	**-6.5%**
130	Net impairment adjustments to:	-24,041	-15,921	-8,120	51.0%
	a) loans	*-23,922*	*-15,910*	*-8,012*	*50.4%*
	d) other financial assets	*-119*	*-11*	*-108*	*981.8%*
140	**Net profit from financial activities**	**57,927**	**71,786**	**-13,859**	**-19.3%**
170	**Net profit from financial and insurance activities**	**57,927**	**71,786**	**-13,859**	**-19.3%**
180	Administrative costs	-55,216	-55,578	362	-0.7%
	a) personnel costs	*-34,435*	*-37,141*	*2,706*	*-7.3%*
	b) other administrative costs	*-20,781*	*-18,437*	*-2,344*	*12.7%*
190	Net provisions for risks and charges	-645	4,929	-5,574	-113.1%
200	Net adjustments to property, plant and equipment	-1,510	-1,693	183	-10.8%
210	Net adjustments to intangible assets	-224	-246	22	-8.9%
220	Other operating charges/income	7,457	5,813	1,644	28.3%
230	**Operating costs**	**-50,138**	**-46,775**	**-3,363**	**7.2%**
240	Profit (Loss) from equity investments		754	-754	-100.0%
280	**Profit (Loss) from current operations before tax**	**7,789**	**25,765**	**-17,976**	**-69.8%**
290	Income taxes for the period on continuing operations	-5,973	-9,103	3,130	-34.4%
300	**Profit (Loss) from current operations after tax**	**1,816**	**16,662**	**-14,846**	**-89.1%**
310	Profit (Loss) after tax on non-current assets held for sale	1,532	1,436	96	6.7%
320	**Profit (Loss) for the period**	**3,348**	**18,098**	**-14,750**	**-81.5%**
330	Profit (Loss) attributable to minority interests	-339	-311	-28	9.0%
340	Profit (Loss) attributable to **Parent Company**	**3,009**	**17,787**	**-14,778**	**-83.1%**

Consolidated statement of comprehensive income

	Captions *Amounts in thousands of euro*	31.03.2013	31.03.2012
	Profit (Loss) for the period	**3,348**	**18,098**
	Other elements of income, net of income taxes		
20.	Financial assets available for sale:	(8,459)	26,799
30.	Property, plant and equipment	-	-
40.	Intangible assets	-	-
50.	Foreign investment hedges	-	-
60.	Cash-flow hedges	-	-
70.	Exchange differences	(157)	222
80.	Non-current assets held for sale	-	-
90.	Actuarial gains (losses) on defined-benefit pension plans	(175)	(332)
100.	Portion of the valuation reserves of the equity investments carried at equity:	-	5,031
110.	**Total other elements of income net of income taxes**	**(8,791)**	**31,720**
120.	**Total comprehensive income (Captions 10+110)**	**(5,443)**	**49,818**
130.	Total comprehensive income attributable to minority interests	(310)	(954)
140.	**Total consolidated comprehensive income attributable to the Parent Company**	**(5,753)**	**48,864**

Consolidated statement of changes in shareholders' equity as at 31 March 2013

Amounts in thousands of euro

	Balance at 31.12.2012	Changes in opening balances	Balance at 1.01.2013	Allocation of prior year results		Changes during the year									Group shareholders' equity at 31.03.2013	Minority interests at 31.03.2013
							Transactions on shareholders' equity									
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options	Comprehensive income at 31.03.2013		
Share capital:															
a) ordinary shares	65,078	-	65,078	-	-	-	-		-	-	-	-	-	60,840	4,238
b) other shares	6,865	-	6,865	-				-						6,865	
Share premium reserve	16,355	-	16,355	-	-	-	-	-	-	-	-	-	-	16,145	210
Reserves:	-														
a) from profits	680,926	-	680,926	21,056	-	(1,647)	-	-	-	-	-	-	-	697,961	2,374
b) other	9,640	-	9,640	-	-	-	-	-	-	-	-	130	-	9,770	
Valuation reserves:	28,271	-	28,271			-	-						(8,791)	19,411	69
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Treasury shares	-	-	-	-	-	-	-	-	-	-		-	-	-	
Net profit (loss) for the period	21,056	-	21,056	(21,056)	-	-	-	-	-	-	-	-	3,348	3,009	339
Group shareholders' equity	**821,177**	**-**	**821,177**		**-**	**(1,553)**	**-**	**-**	**-**	**-**	**-**	**130**	**(5,753)**	**814,001**	
Minority interests	**7,014**	**-**	**7,014**		**-**	**(94)**	**-**	**-**					**310**		**7,230**

Consolidated statement of changes in shareholders' equity as at 31 December 2012

Amounts in thousands of euro

	Balance at 31.12.2011	Changes in opening balances	Balance at 1.01.2012	Allocation of prior year results		Changes during the year								Group shareholders' equity at 31.12.2012	Minority interests at 31.12.2012
							Transactions on shareholders' equity						Comprehensive income at 31.12.2012		
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options			
Share capital:															
a) ordinary shares	64,077	-	64,077	-	-	-	1,001		-	-	-	-	-	60,840	4,238
b) other shares	6,865	-	6,865	-				-						6,865	
Share premium reserve	16,355	-	16,355	-	-	-	-	-	-	-	-	-	-	16,145	210
Reserves:	-														
a) from profits	648,361	-	648,361	31,654	-	911	-	-	-	-	-	-	-	679,313	1,613
b) other	9,292	-	9,292	-	-	-	-	-	-	-	-	348	-	9,640	
Valuation reserves:	(15,475)	-	(15,475)			-	-						43,746	28,173	98
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Treasury shares	-	-	-	-	-	-	-	-	-	-		-	-	-	
Net profit (loss) for the period	45,891	-	45,891	(31,654)	(14,237)	-	-	-	-	-	-	-	21,056	20,201	855
Group shareholders' equity	**770,926**	**-**	**770,926**		**(13,949)**	**(11)**	**913**	**-**	**-**	**-**	**-**	**348**	**62,950**	**821,177**	
Minority interests	**4,440**	**-**	**4,440**		**(288)**	**922**	**88**	**-**					**1,852**		**7,014**

Consolidated statement of cash flow

Amounts in thousands of euro

A. OPERATING ACTIVITIES	31.03.2013	31.03.2012
1. Cash generated from operations	**37,026**	**36,316**
- interest received (+)	77,234	82,612
- interest paid (-)	(32,353)	(31,042)
- dividends and similar income (+)	-	-
- net commissions (+/-)	24,669	28,513
- personnel costs (-)	(31,805)	(34,523)
- net premiums received (+)	-	-
- other insurance income/expense (+/-)	-	-
- other costs (-)	(18,862)	(20,977)
- other revenues (+)	22,584	19,400
- taxation (-)	(5,973)	(9,103)
- costs/revenues for disposal groups, net of tax effect (+/-)	1,532	1,436
2. Cash generated (absorbed) by financial assets	**(410,019)**	**(568,931)**
- financial assets held for trading	(646)	(28,326)
- financial assets measured at fair value through profit and loss	-	-
- financial assets available for sale	(198,542)	(88,221)
- loans to customers	(37,601)	(387,689)
- due from banks: on demand	441	107,140
- due from banks: other receivables	(111,379)	(55,127)
- other assets	(62,292)	(116,708)
3. Cash generated (absorbed) by financial liabilities	**241,483**	**234,460**
- due to banks: on demand	7,699	(2,442)
- due to banks: other debts	174,492	48,630
- due to customers	580,285	(130,640)
- debt securities in issue	(479,774)	331,379
- financial liabilities held for trading	(2,714)	6,010
- financial liabilities measured at fair value through profit and loss	(54,460)	(172,147)
- other liabilities	15,955	153,670
Net cash flow generated/absorbed by operating activities (A)	**(131,510)**	**(298,155)**
B. INVESTING ACTIVITIES		
1. Cash generated by	**1,003**	**5,175**
- sale of equity investments	-	-
- dividends collected on equity investments	-	-
- sale/redemption of financial assets held to maturity	1,001	5,166
- sale of property, plant and equipment	2	9
- sale of intangible assets	-	-
- sale of lines of business	-	-
2. Cash absorbed by	**(261)**	**(233)**
- purchase of equity investments	-	-
- purchase of financial assets held to maturity	-	-
- purchase of property, plant and equipment	(191)	(182)
- purchase of intangible assets	(70)	(51)
- purchase of lines of business	-	-
Net cash flow generated/absorbed by investing activities (B)	**742**	**4,942**
C. FINANCING ACTIVITIES		
- issue/purchase of treasury shares	-	-
- issue/purchase of equity instruments	-	-
- dividends distributed and other allocations	-	
Net cash flow generated/absorbed by financing activities (C)	**-**	**-**
NET CASH GENERATED (ABSORBED) IN THE PERIOD (A+B+C)	**(130,768)**	**(293,213)**

Captions	2013	2012
Cash and cash equivalents at beginning of period	81,248	31,983
Net increase (decrease) in cash and cash equivalents	(130,768)	(293,213)
Cash and cash equivalents: effect of change in exchange rates		
Cash and cash equivalents at end of period	**(49,520)**	**(261,230)**

Capital for supervisory purposes and consolidated capital adequacy ratios

Amounts in thousands of euro

	31/03/2013	31/12/2012
A. Core capital before the application of prudential filters	**763,755**	**758,643**
B. Prudential filters of core capital:	- 10,825	- 2,871
B1 - positive IAS/IFRS prudential filters (+)	-	-
B2 - negative IAS/IFRS prudential filters (-)	10,825	2,871
C. Tier 1 capital gross of items to be deducted (A+B)	752,930	755,772
D. Items to be deducted from Tier 1 capital	7,647	7,190
E. Total Tier 1 capital (C-D)	**745,283**	**748,582**
F. Supplementary capital before the application of prudential filters	**86,355**	**87,139**
G. Prudential filters for supplementary capital:	- 557	- 870
G1- positive IAS/IFRS prudential filters (+)	-	-
G2- negative IAS/IFRS prudential filters (-)	557	870
H. Tier 2 capital gross of items to be deducted (F+G)	**85,798**	**86,269**
I. Items to be deducted from Tier 2 capital	7,647	7,190
L. Total supplementary capital (H-I) (TIER2)	**78,151**	**79,079**
M. Items to be deducted from Tier 1 and Tier 2 capital	-	-
N. Capital for supervisory purposes (E+L-M)	**823,434**	**827,661**
O. Third level capital	**-**	**-**
P. Capital for supervisory purposes including Tier 3 (N+O)	**823,434**	**827,661**

Amounts in thousands of euro

Description/Amounts	Unweighted amounts	Weighted amounts/ Requirements	Unweighted amounts	Weighted amounts/ Requirements
	31/03/2013	**31/03/2013**	**31/12/2012**	**31/12/2012**
A. ASSETS AT RISK				
A.1 CREDIT AND COUNTERPARTY RISK	**8,932,233**	**5,603,594**	**8,673,677**	**5,535,372**
1. STANDARDISED METHODOLOGY	8,931,683	5,603,044	8,673,125	5,534,820
2. METHODOLOGY BASED ON INTERNAL RATINGS				
2.1 Basic				
2.2 Advanced				
3. SECURITISATIONS	550	550	552	552
B. CAPITAL ADEQUACY REQUIREMENTS				
B.1 CREDIT AND COUNTERPARTY RISK		**448,288**		**442,830**
B.2 MARKET RISKS		**1,591**		**1,872**
1. STANDARDISED METHODOLOGY		1,591		1,872
2. INTERNAL MODELS				
3. CONCENTRATION RISK				
B.3 OPERATIONAL RISK		**49,841**		**49,841**
1. BASIC METHODOLOGY		49,841		49,841
2. STANDARDISED METHODOLOGY				
3. ADVANCED METHODOLOGIES				
B.4 OTHER REQUIREMENTS		0		0
B.5 TOTAL PRECAUTIONARY REQUIREMENTS		**499,720**		**494,543**
C. RISK ASSETS AND CAPITAL RATIOS				
C.1 Risk-weighted assets		**6,246,494**		**6,181,785**
C.2 Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio)		11.93%		12.11%
C.3 Capital for supervisory purposes including Tier 3/ Risk-weighted assets (Total capital ratio)		13.18%		13.39%

Certification of the Financial Reporting Manager

The undersigned, Piercamillo Secchi, the Financial Reporting Manager in charge of preparing the corporate accounting documents of Banco di Desio e della Brianza S.p.A., declares pursuant to paragraph 2 of Article 154 bis of the Consolidated Finance Act that the accounting information contained in this " Consolidated Interim Report on operations as at 31 March 2013" agrees with the supporting documents, books of account and accounting records.

Desio, 9 May 2013

Financial Reporting Manager
Piercamillo Secchi