PRESS RELEASE

THE BOARD OF DIRECTORS OF BANCO DI DESIO E DELLA BRIANZA S.P.A.
HAS APPROVED

THE CONSOLIDATED QUARTERLY REPORT AS AT 31 MARCH 2017

- ✓ **CONSOLIDATED NET PROFIT (attributable to the Parent Company) Euro 8.6 million (comparative Euro 12.7 million), influenced by negative non-recurring items Euro 1.7 million (comparative Euro 4.9 million positive).The results of the comparative period included non-recurring revenue of Euro 5.2 million deriving from the deconsolidation of the former foreign subsidiary CPC in liquidation, as a result of the substantial completion of the liquidation process.**

- ✓ **RESULTS OF OPERATIONS: Euro 32.9 million, in line with the comparative period (Euro 32.8 million). This result reflects the reduction in net interest income due to continuation of the situation in money markets, as offset by a rise in net commissions of Euro 2.0 million (+5.5%) and reduction of administrative costs by Euro 1.3 million.**

- ✓ **PROFIT (LOSS) FROM OPERATIONS AFTER TAX INCREASE: Euro 10.7 million (comparative Euro 8.2 million) following a reduction in the cost of lending to Euro 14.7 million (comparative Euro 19.6 million), while maintaining high coverage of both impaired and performing loans:**
  Coverage of non-performing loans (1) gross of write-offs, 61.2% (comparative 60.9%)
  Total coverage of impaired loans (1) gross of write-offs, 50.4% (comparative 50.0%)
  Coverage of performing loans, 0.52% (comparative 0.54%)

- ✓ **HIGH AND STABLE CAPITAL ADEQUACY, WITH MARGIN OF 5.1% COMPARED WITH THE MINIMUM REQUIREMENTS**
  Capital ratios

	Reported as at 31.03.2017			SREP (2) at 31.12.2016	SREP (3) from instructions dated 4 April 2017 [B]	SREP Buffer [A] – [B]
	Banco Desio Brianza	Banca Popolare di Spoleto	Banco Desio Group [A]			
CET 1	16.7%	9.3%	11.1%	7.0%	6.0%	+ 5.1%
TIER 1	16.8%	9.3%	11.2%	8.5%	7.6%	+ 3.6%
Total Capital Ratio	20.2%	9.5%	13.6%	10.5%	9.7%	+ 3.9%

(1) including the impaired loans of Banca Popolare di Spoleto S.p.A., stated gross of the related write-downs;

(2) the SREP in force at 31 December 2016 included a capital conservation buffer of 2.5% that, due to the transitional arrangements, was reduced to 1.25% from 1 January 2017

(3) based on the instructions of the Bank of Italy, notified to the Parent Company on 4 April 2017, relating to the minimum capital requirements to be met at consolidated level following completion of the *Supervisory Review and Evaluation Process (SREP): CET 1* of - 6%, binding - pursuant to art. 67-ter TUB - for 4.8% (minimum regulatory requirement of 4.5% and additional requirements of 0.3%) with the difference represented by the capital conservation buffer, *Tier1 ratio* of 7.6%, binding - pursuant to art. 67-ter TUB - for 6.4% (minimum regulatory requirement of 6.0% and additional requirements of 0.4%) with the difference represented by the capital conservation buffer, and *Total Capital Ratio* of 9.75%, binding - pursuant to art. 67-ter TUB - for 8.5% (minimum regulatory requirement of 8% and additional requirements of 0.5%) with the difference represented by the capital conservation buffer;

***Shareholders' equity* of Euro 868.1 million (comparative Euro 868.1 million)**
***Own funds* of Euro 1,080.6 million [4] (CET 1 + AT1 Euro 894.0 million + T2 Euro 186.6 million) (comparative Euro 1,085.0 million)**

- ✓ **LOANS TO ORDINARY CUSTOMERS: Euro 9.6 billion, up since the end of the prior year (+0.9%).**
  "Gross non-performing loans/Gross loans" ratio of 10.57% (comparative 10.45%)
  "Net non-performing loans/Net loans" ratio of 4.97% (comparative 4.95%)

- ✓ **TOTAL CUSTOMER DEPOSITS HAVE INCREASED SINCE 31 December 2016: Euro 23.9 billion (+1.1%), of which DIRECT DEPOSITS Euro 10.0 billion (+1.0%), with a ratio of ordinary customer loans to Direct deposits of 94.7% (comparative 93.8%) and INDIRECT DEPOSITS Euro 13.8 billion (+2.7%)**

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The Board of Directors of Banco di Desio e della Brianza S.p.A., which met on 11 May 2017, approved the "Consolidated quarterly report on operations as at 31 March 2017 - Press release" (hereinafter "Report"), which has been prepared on a voluntary basis given that interim reports, additional to the annual and half-yearly reports, are not required by the new wording of art. 154*ter*, paragraph 5, of Decree no. 58/1998 ("Consolidated Finance Act" or "TUB") added by Decree no. 25/2017 implementing Directive 2013/50/EU.

Considering both the development of the regulatory framework and the needs of all stakeholders, Banco di Desio e della Brianza intends to continue the voluntary preparation of additional interim financial information at 31 March and 30 September each year, in accordance with the communications policy (the "*policy*") approved today by the Board of Directors.

This decision complies with the policy of providing regular, transparent information to the market and investors about the economic and financial performance of the Banco Desio Group; in view of this, the format of the information provided is consistent with the interim reports on operations published in the past.

As envisaged in the *policy*, after approval by the Board of Directors, the additional interim financial disclosure made in the form of a press release entitled "Consolidated quarterly report" is published on the institutional website (and the authorised storage platform) in accordance with the annual financial reporting calendar, within the deadline for submission of the FINREP and COREP supervisory reports and, in any case, within 45 days of the end of the quarter concerned.

If Banco di Desio e della Brianza intend to modify the information provided or stop the publication of additional interim reports, the decisions will be made public together with the related reasons.

The Report has also been prepared for the purpose of determining own funds and prudential capital ratios.

As regards the criteria for recognition and measurement, this Interim report has been prepared, by applying the IAS/IFRS in force at the reference date as follows.

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(4) after a pay out of 40%.

Results of the period

Key figures and ratios

Table 1 – Balance sheet

Amounts in thousands of Euro	31.03.2017	31.12.2016	Change amount	Change %
Total assets	13,307,085	12,365,903	941,182	7.6%
Financial assets	2,075,772	1,870,808	204,964	11.0%
Due from banks	860,269	112,838	747,431	662.4%
Loans to customers	9,704,304	9,720,108	-15,804	-0.2%
Property, plant and equipment	181,285	181,201	84	0.0%
Intangible assets	17,482	17,843	-361	-2.0%
Due to banks	1,789,659	962,245	827,414	86.0%
Due to customers	8,823,964	8,729,591	94,373	1.1%
Debt securities in issue and Financial liabilities designated at fair value through profit and loss	1,213,635	1,409,792	-196,157	-13.9%
Shareholders' equity (including Net profit/loss for the period) (1)	868,139	868,120	19	0.0%
Own Funds	1,080,551	1,084,987	-4,436	-0.4%
Total indirect deposits	13,843,200	13,474,129	369,071	2.7%
of which: Indirect deposits from ordinary customers	*8,756,103*	*8,415,302*	*340,801*	*4.0%*
of which: Indirect deposits from institutional customers	*5,087,097*	*5,058,827*	*28,270*	*0.6%*

Table 2 – Income statement (2)

Amounts in thousands of Euro	31.03.2017	31.03.2016	Change amount	Change %
Operating income	103,610	104,839	-1,229	-1.2%
of which: Net interest income	*57,367*	*60,244*	*-2,877*	*-4.8%*
Operating costs	70,671	72,021	-1,350	-1.9%
Result of operations	32,939	32,818	121	0.4%
Profit (loss) from operations after tax	10,668	8,187	2,481	30.3%
Non-recurring profit (loss) after tax	-1,724	4,940	-6,664	n.s.
Net profit for the period (1)	8,644	12,698	-4,054	-31.9%

(1) *pertaining to the Parent Company;*

(2) *from the reclassified income statement.*

Table 3 – Key figures and ratios

	31.03.2017	31.12.2016	Change amount
Capital/Total assets	6.5%	7.0%	-0.5%
Capital/Loans to customers	8.9%	8.9%	0.0%
Capital/Due to customers	9.8%	9.9%	-0.1%
Capital/Debt securities in issue and Financial liabilities designated at fair value through profit and loss	71.5%	61.6%	9.9%
Common Equity Tier 1 (CET 1)/Risk-weighted assets (Common Equity Tier 1 ratio)	11.1%	10.9%	0.2%
Core Tier 1 capital (T1)/Risk-weighted assets (Tier 1 ratio)	11.2%	11.0%	0.2%
Total Own Funds/Risk-weighted assets (Total capital ratio)	13.6%	13.5%	0.1%
Financial assets/Total assets	15.6%	15.1%	0.5%
Due from banks/Total assets	6.5%	0.9%	5.6%
Loans to customers/Total assets	72.9%	78.6%	-5.7%
Loans to customers/Direct customer deposits	96.7%	95.9%	0.8%
Due to banks/Total assets	13.4%	7.8%	5.6%
Due to customers/Total assets	66.3%	70.6%	-4.3%
Debt securities in issue and financial liabilities designated at fair value through profit and loss/Total assets	9.1%	11.4%	-2.3%
Direct customer deposits / Total assets	75.4%	82.0%	-6.6%
	31.03.2017	**31.03.2016**	**Change amount**
Cost/Income ratio	68.2%	68.7%	-0.5%
Net interest income/Operating income	55.4%	57.5%	-2.1%
Result of operations/Operating income	31.8%	31.3%	0.5%
Profit (loss) from operations after tax/Capital [(3)] - annualised [(4)]	5.1%	4.5%	0.6%
ROE [(3)] - *annualised* [(4) (5)]	4.9%	3.0%	1.9%
Profit (loss) from operations before tax/Total assets (ROA) - annualised [(4)]	0.5%	0.4%	0.1%
	31.03.2017	**31.12.2016**	**Change amount**
Net doubtful loans/Loans to customers	5.0%	4.9%	0.1%
Net non-performing loans/Loans to customers	9.4%	9.4%	0.0%
% Coverage of doubtful loans	56.8%	56.3%	0.4%
% Coverage of doubtful loans, gross of cancellations [(6)]	61.2%	60.9%	0.3%
% Total coverage of impaired loans [(6)]	46.7%	46.2%	0.4%
% Coverage of non-performing loans, gross of cancellations [(6)]	50.4%	50.0%	0.4%
% Coverage of performing loans	0.52%	0.54%	-0.02%

Table 4 – Structure and productivity ratios

	31.03.2017	31.12.2016	Change amount	%
Number of employees	2,351	2,356	-5	-0.2%
Number of branches	268	271	-3	-1.1%
Amounts in thousands of Euro				
Loans and advances to customers per employee [7]	4,123	4,113	10	0.2%
Direct deposits from customers per employee [7]	4,265	4,290	-25	-0.6%
	31.03.2017	**31.03.2016**	**Change amount**	**%**
Operating income per employee [7] - annualised [4]	176	179	-3	-1.7%
Result of operations per employee [7] - annualised [4]	56	62	-6	-9.7%

(3) *equity excluding net profit (loss) for the period;*

(4) *the amount reported at 31.03.2016 is the final figure at the end of 2016;*

(5) *the annualised ROE at 31.03.2017 does not take into consideration the annualisation of the Net non-recurring operating profit;*

(6) *also considering non-performing loans of the subsidiary Banca Popolare di Spoleto S.p.A., reported gross of write-downs;*

(7) *based on the number of employees calculated as a straight average between the end of the period and the end of the preceding period.*

Consolidated income statement

The *net profit attributable to the Parent Company* for the period ended 31 March 2017 was about 8.6 million euro (31.9% less than the 12.7 million euro reported for the comparative period, which benefited from non-recurring income of about Euro 4.9 million after tax effect); at the reference date, non-recurring expense amounted to Euro 1.7 million after tax effect and the additional tax charge on the result for the period was Euro 2.0 million, as partly offset by a reduction in the cost of lending to 14.7 million euro (comparative 19.6 million euro).

Table 5 – Reclassified consolidated income statement

Captions				Change	
Amounts in thousands of Euro		31.03.2017	31.03.2016	Amount	%
10+20	Net interest income	57,367	60,244	-2,877	-4.8%
70	Dividends and similar income	460	0	460	0.0%
	Profit (loss) from equity investments in associates	0	-33	33	-100.0%
40 + 50	Net commission income	38,684	36,680	2,004	5.5%
80 + 90 + 100 +110	Net income from trading, hedging and disposal/repurchase of financial assets and liabilities designated at fair value through profit and loss	3,807	3,807	0	0.0%
220	Other operating income/expense	3,292	4,141	-849	-20.5%
	Operating income	**103,610**	**104,839**	**-1,229**	**-1.2%**
180 a	Payroll costs	-44,397	-44,369	-27	0.1%
180 b	Other administrative costs	-23,235	-24,579	1,344	-5.5%
200 + 210	Net adjustments to property, plant and equipment and intangible assets	-3,039	-3,073	34	-1.1%
	Operating costs	**-70,671**	**-72,021**	**1,350**	**-1.9%**
	Result of operations	**32,939**	**32,818**	**121**	**0.4%**
130 a+100a	Cost of lending	-14,744	-19,553	4,809	-24.6%
130 b	Net impairment adjustments to financial assets available for sale	-928	-122	-806	660.3%
130 d	Net impairment adjustments to other financial assets	-82	81	-163	n.s.
190	Net provisions for risks and charges	-799	-1,367	568	n.s.
	Profit (loss) from operations before tax	**16,387**	**11,857**	**4,530**	**38.2%**
290	Income taxes on current operations	-5,719	-3,669	-2,049	55.8%
	Profit (loss) from operations after tax	**10,668**	**8,187**	**2,481**	**30.3%**
240 + 270	Profit (loss) from investments and disposal of investments	0	5,254	-5,254	-100.0%
	Non-recurring provisions for risks and charges, other provisions and expenses / special dividends from AFS securities	-1,832	-290	-1,542	531.9%
	Non-recurring profit (loss) before tax	**-1,832**	**4,964**	**-6,796**	**n.s.**
	Income taxes from non-recurring items	108	-25	132	-538.8%
	Non-recurring profit (loss) after tax	**-1,724**	**4,940**	**-6,664**	**n.s.**
320	**Net profit (loss) for the period**	**8,944**	**13,127**	**-4,183**	**-31.9%**
330	Minority interests	-300	-429	129	-30.1%
340	**Parent Company net profit (loss)**	**8,644**	**12,698**	**-4,054**	**-31.9%**

The main cost and revenue items in the reclassified income statement are analysed below.

Financial income

Core revenues decreased by approximately Euro 1.2 million with respect to the comparative period (-1.2%), amounting to Euro 103.6 million. This performance was mainly attributable to the level of *net interest income*, given the current economic-financial conditions marked by the extreme compression of interest income due to the expansionary monetary policy adopted. The reduction of about 2.9 million euro (-4.8%) was partly offset by a rise in *net commission income* of 2.0 million euro (+5.5%). The *net result from financial assets and liabilities* was consistent with the prior period (3.8 million euro), while dividends amounted to Euro 0.5 million. *Other operating income/expense* decreased by about 0.8 million euro.

The *net result from financial assets and liabilities* is stated net of the loss of 1.7 million euro recorded on the purchase in February of a minority interest in a banking investment, under a previous commitment made as part of a broader commercial agreement reached on the disposal of an investment held in the non-life insurance sector. This loss, which reflects the lower initial fair value with respect to the amount paid for the purchase, is compensated in the income statement for the period by the release of the provision recorded in prior years in relation to the above purchase commitment. In the reclassified income statement, the loss is therefore deducted from the release credited to the *impairment adjustments to other financial transactions* caption. The investment, classified among the financial assets available for sale, was subjected to a further impairment adjustment of 1.8 million euro during the past quarter (see the *Non-recurring profit after tax* caption).

Operating costs

Operating costs, which include *payroll costs*, *other administrative expenses* and *net adjustments to property, plant and equipment and intangible assets* amounted to around Euro 70.7 million and have decreased, with respect to the comparative period, by Euro 1.4 million (-1.9%).

In particular, *other administrative expenses* decreased by 1.3 million euro (-5.5%) despite the inclusion of about 4.1 million euro representing the estimated standard gross contribution to the SRM (*Single Resolution Mechanism*), compared with the gross contribution of Euro 3.8 million in the comparative period.

Payroll costs were in line with the comparative period (+0.1%) and *net adjustments to property, plant and equipment and intangible assets* totalled about Euro 3.0 million (-1.1%).

Results of operations

The *results of operations* at 31 March 2017 therefore amounted to Euro 32.9 million, up by Euro 0.1 million compared with the prior year (0.4%).

Net profit (loss) from operations after tax

The results of operations of Euro 32.9 million are reconciled with the *net profit (loss) from operations after tax* of Euro 10.7 million, up 30.3% from Euro 8.2 million in the comparative period, as follows:

- reduction in the cost of lending (*net impairment adjustments to loans and advances* plus *gains (losses) on disposal or repurchase of loans*) to about 14.7 million euro, being 4.8 million euro less than in the comparative period due to the slowdown in the deterioration of loans, despite maintaining one of the highest levels of coverage;
- impairment adjustments to financial assets available for sale of 0.9 million euro (comparative 0.1 million euro)
- *net provisions for risks and charges* of 0.8 million euro, with respect to 1.4 million euro in the comparative period;
- *net impairment adjustments to other financial transactions* of 0.1 million euro (positive effect of 0.1 million euro in the comparative period);
- income taxes on current operations of 5.7 million euro (comparative 3.7 million euro).

The *net impairment adjustments to financial assets available for sale* are stated net of an impairment adjusment of 1.8 million euro recorded at 31 March. This adjustment, relating to the minority banking investment acquired during the period in accordance with a previous commitment, was reclassified to the *Profit (loss) from non-recurring operations* caption.

The *net impairment adjustments to financial assets available for sale* are also stated net of impairment of Euro 0.6 million recorded in relation to the funds called in January by the Atlante fund, as offset by the release of the same amount from the related provision recorded for this payment in the prior year; for this reason, in the reclassified income statement, the adjustment is deducted directly from the utilisation recorded in the *impairment adjustments to other financial transactions* caption.

Non-recurring profit after tax

At 31 March 2017 there was a *non-recurring loss after tax* of 1.7 million euro. This mainly reflects the net impairment adjustments to financial assets available for sale of 1.8 million euro, on recognition of the impairment of the minority banking investment purchased during the period and the related tax effect (change of 0.1 million euro).

The non-recurring profit in the comparative period of 4.9 million euro included, by contrast, the net capital gain of 4.1 million euro on derecognition by the Parent Company of the investment in CPC in liquidation, with the simultaneous recognition of the amount due from the liquidators for the residual equity of that company, as well as the reversal of the provision for future costs recorded in the prior year of 1.1 million euro. The comparative balance also included the net impact of the IAS discounting of the Solidarity Fund and voluntary severance bonuses of Euro 0.1 million.

Parent Company net profit/(loss)

The total of the profit from operations after tax and the non-recurring profit after tax, as well as the result attributable to minority interests, leads to a net profit for the Parent Company at 31 March 2017 of Euro 8.6 million.

Consolidated financial position

Deposits

Customer funds under management at 31 March 2017 total about Euro 23.9 billion, representing an increase of approximately Euro 0.3 billion (+1.1%) since the end of 2016 that was mainly attributable to indirect deposits.

Direct deposits at 31 March 2017 amount to about Euro 10.0 billion, following a decrease of about Euro 0.1 billion due to the reductions in debt securities in issue and financial liabilities measured at fair value by around Euro 0.2 billion (-13.9%), as partly offset by an increase in amounts due to customers of about Euro 0.1 billion (+1.1%).

Overall, at 31 March 2017 *indirect deposits* are 2.7% higher than at the end of the previous year at Euro 13.8 billion. Ordinary customer deposits total about 8.7 billion euro, up by 4% compared with the end of the previous year; results in growth both the assets under administration (+2.4%) and assets under management (+5.1%) segments. Lastly, deposits from institutional customers amount to Euro 5.1 billion, up by 0.6% during the period.

The following tables show the trend in deposits during the reporting period and the breakdown of indirect deposits.

Table 6 - Customer deposits

Amounts in thousands of Euro	31.03.2017	%	31.12.2016	%	Change Amount	Change %
Due to customers	8,823,964	36.9%	8,729,591	36.9%	94,373	1.1%
Debt securities in issue and Financial liabilities designated at fair value through profit and loss	1,213,635	5.1%	1,409,792	6.0%	-196,157	-13.9%
Direct deposits	**10,037,599**	**42.0%**	**10,139,383**	**42.9%**	**-101,784**	**-1.0%**
Ordinary customer deposits	8,756,103	36.7%	8,415,302	35.7%	340,801	4.0%
Institutional customer deposits	5,087,097	21.3%	5,058,827	21.4%	28,270	0.6%
Indirect deposits	**13,843,200**	**58.0%**	**13,474,129**	**57.1%**	**369,070**	**2.7%**
Total customer deposits	**23,880,799**	**100.0%**	**23,613,512**	**100.0%**	**267,286**	**1.1%**

Table 7 – Indirect deposits from customers

Amounts in thousands of Euro	31.03.2017	%	31.12.2016	%	Change Amount	Change %
Assets under administration (1)	**3,484,306**	**25.2%**	**3,401,030**	**25.2%**	**83,276**	**2.4%**
Assets under management	**5,271,797**	**38.1%**	**5,014,272**	**37.3%**	**257,525**	**5.1%**
of which: Mutual funds and Sicavs	*2,055,229*	*14.9%*	*1,869,166*	*13.9%*	*186,063*	*10.0%*
Managed portfolios	*899,573*	*6.5%*	*857,950*	*6.4%*	*41,623*	*4.9%*
Bancassurance	*2,316,995*	*16.7%*	*2,287,156*	*17.0%*	*29,839*	*1.3%*
Ordinary customer deposits (1)	**8,756,103**	**63.3%**	**8,415,302**	**62.5%**	**340,801**	**4.0%**
Institutional customer deposits (2)	**5,087,097**	**36.7%**	**5,058,827**	**37.5%**	**28,270**	**0.6%**
Indirect deposits (1) (2)	**13,843,200**	**100.0%**	**13,474,129**	**100.0%**	**369,070**	**2.7%**

(1) the totals at 31.03.2017 are stated net of bonds issued by the Parent Company and placed with the customers of Banca Popolare di Spoleto S.p.A. totalling 53.9 million euro (66.4 million euro at 31.12.2016);

(2) institutional customer deposits at 31.03.2017 include securities of the Bancassurance segment of ordinary customers of the Parent Company and of Banca Popolare di Spoleto S.p.A. for Euro 2.2 billion (Euro 2.2 billion at 31.12.2016).

Loans and coverage

Loans to customers at 31 March 2017 total 9.7 billion euro (down by 0.2% compared to the end of 2016), including 9.6 billion in relation to ordinary customers (+0.9%).

The main indicators on the coverage of non-performing and performing loans are reported below. They substantially confirm the same level of coverage of impaired loans as at 31 December 2016.

Table 8 – Credit quality as at 31 March 2017

	31.03.2017					
Amounts in thousands of Euro	**Gross exposure**	**% of total loans and receivables**	**Write-downs**	**Coverage ratio**	**Net exposure**	**% of total loans and receivables**
Doubtful loans	1,114,859	10.6%	(632,798)	56.8%	482,061	5.0%
Unlikely to pay	570,422	5.4%	(159,513)	28.0%	410,908	4.2%
Past due impaired loans	16,559	0.2%	(2,104)	12.7%	14,454	0.1%
Total impaired loans	**1,701,840**	**16.1%**	**(794,416)**	**46.7%**	**907,424**	**9.4%**
Performing exposure	8,843,044	83.9%	(46,163)	0.52%	8,796,881	90.6%
Total loans to customers	**10,544,883**	**100.0%**	**(840,579)**	**8.0%**	**9,704,304**	**100.0%**

Table 8-bis – Credit quality as at 31 December 2016

	31.12.2016					
Amounts in thousands of Euro	**Gross exposure***	**% of total loans and receivables**	**Write-downs***	**Coverage ratio**	**Net exposure**	**% of total loans and receivables**
Doubtful loans	1,102,759	10.5%	(621,319)	56.3%	481,440	5.0%
Unlikely to pay	571,191	5.4%	(159,139)	27.9%	412,052	4.2%
Past due impaired loans	19,201	0.2%	(2,487)	13.0%	16,714	0.2%
Total impaired loans	**1,693,151**	**16.1%**	**(782,945)**	**46.2%**	**910,206**	**9.4%**
Performing exposure	8,857,489	83.9%	(47,587)	0.54%	8,809,902	90.6%
Total loans to customers	**10,550,640**	**100.0%**	**(830,532)**	**7.9%**	**9,720,108**	**100.0%**

* considering the gross value and the write-downs of impaired loans of Banca Popolare di Spoleto S.p.A. without taking into account the changes needed to represent the acquisition value of:
a) Non-performing loans: 164,382 thousand euro (comparative 164,389);
b) Unlikely to pay: 17,201 thousand euro (comparative 19,558);
c) Past due impaired loans: 3 thousand euro (comparative 4)

Securities portfolio and the net interbank position

At 31 March 2017, the Group's total financial assets amounted to Euro 2.1 billion, with an increase of some Euro 0.2 billion compared to the end of 2016 (+11%). With reference to the issuers of securities, the total portfolio at 31 March 2017 relates for 85.0% to government securities, 8.4% to securities issued by banks and the remainder to other issuers.

The following table gives information on sovereign risk, i.e. on the bonds issued by central and local governments and government agencies, as well as loans granted to them.

The *Portfolio Held to Maturity* was reinstated during the first quarter and, within the limits established by the Board of Directors, will comprise a diversified mix of government securities and bonds with an adequate rating, giving preference to those maturing in the medium term (by 2022).

Table 9 - Exposure in sovereign debt securities

Amounts in thousands of Euro		31.03.2017					
		Italy	Portugal	Romania	Total	Italy	Total
Financial assets available for trading	Nominal value	3,244	0	234	3,478	3,680	3,680
	Book value	2,263	0	246	2,509	2,798	2,798
Financial assets available for sale	Nominal value	1,717,226	0	0	1,717,226	1,636,226	1,636,226
	Book value	1,701,504	0	0	1,701,504	1,638,237	1,638,237
Financial assets held to maturity	Nominal value	45,000	15,000	0	60,000		
	Book value	45,569	15,116	0	60,685		
Sovereign debt	**Nominal value**	**1,765,470**	**15,000**	**234**	**1,780,704**	**1,639,906**	**1,639,906**
	Book value	**1,749,336**	**15,116**	**246**	**1,764,698**	**1,641,035**	**1,641,035**

The Group's *net interbank borrowing* amounted to Euro 0.9 billion compared to Euro 0.8 billion at the end of the previous year.

During the quarter, the Group participated in the recent "TLTRO II" operation, by which the Eurosystem made long-term liquidity available (4 years at a fixed rate equal to that for MRO operations at the date of each TLTRO II auction - today equal to zero - with the possibility of rate reductions linked to the volume of approved net lending), in order to facilitate private sector access to loans and stimulate the offer of loans to the real economy. The Banco Desio Group was assigned Euro 800 million in addition to the Euro 800 million obtained at the time of the first window in June 2016.

Capital and capital adequacy ratios

The *shareholders' equity attributable to the Parent Company* as at 31 March 2017, including the results for the period, totals 868.1 million euro, in line with the amount at 31 December 2016.

In application of the regulatory provisions, the amount of Own Funds, after a pay out of 40% amounted to 1,080.6 million (CET1 + AT1 of Euro 894.0 million + T2 of Euro 186.6 million) compared with the figure at the end of the previous year of Euro 1,085.0 million, mainly due to the reduction in the amount attributable to own funds of subordinated loans due to amortisation.

Table 10 – Own funds

	31.03.2017	**31.12.2016**
A. Common Equity Tier 1 (CET 1) prior to application of prudential filters	880,120	885,675
of which: CET 1 capital instruments subject to transitional provisions	-	-
B. CET 1 prudential filters (+/-)	-3	-18
C. CET 1 gross of amounts to be deducted and the effects of transitional provisions (A +/- B)	880,117	885,657
D. Items to be deducted from CET 1	17,777	18,594
E. Transitional provisions – Impact on CET 1 (+/-)	20,917	10,710
F. Total Common Equity Tier 1 (CET 1) (C – D +/-E)	883,257	877,773
G. Additional Tier 1 (AT1) gross of amounts to be deducted and the effects of transitional provisions	14,153	14,178
of which: AT1 capital instruments subject to transitional provisions	6,865	6,865
H. Items to be deducted from AT1	-	-
I. Transitional provisions – Impact on AT1 (+/-)	-3,433	-2,746
L. Total Additional Tier 1 (AT1) (G - H +/- I)	10,720	11,432
M. Tier 2 (T2) gross of amounts to be deducted and the effects of transitional provisions	186,231	195,407
of which: T2 capital instruments subject to transitional provisions	-	-
N. Items to be deducted from T2	-	-
O. Transitional provisions – Impact on T2 (+/-)	343	375
P. Total Tier 2 (T2) (M - N +/- O)	186,574	195,782
Q. Total Own Funds (F + L + P)	1,080,551	1,084,987

At 31 March 2017, the Common Equity Tier 1 ratio (CET1/Risk-weighted assets) was 11.1% (10.9% at 31 December 2016). The Tier 1 ratio (T1/Risk-weighted assets) was 11.2% (11% at 31 December 2016), while the Total capital ratio (total Own Funds/Risk-weighted assets) was 13.6% (13.5% at 31 December 2016).

On 4 April 2017, the Bank of Italy notified the Parent Company about the completion of the process to determine the additional capital requirements following the periodic prudential review (SREP 2016). These requirements will apply from the reporting of own funds at 30 June 2017. The capital decision taken by the Bank of Italy essentially confirms that already disclosed to the public on approval of the draft financial statements at 31 December 2016 and, therefore, the Group will be required to apply the following coefficients:

- **6% for the Common Equity Tier 1 ratio**, binding - pursuant to art. 67-ter TUB - to the extent of 4.8% (of which 4.5% for the minimum regulatory requirements and 0.3% for additional requirements) and for the remainder from the capital conservation buffer;
- **7.6% for the Tier 1 ratio**, binding - pursuant to art. 67-ter TUB - to the extent of 6.4% (of which 6.0% for the minimum regulatory requirements and 0.4% for additional requirements) and for the remainder from the capital conservation buffer;
- **9.75% for the Total Capital ratio**, binding - pursuant to art. 67-ter TUB - to the extent of 8.5% (of which 8% for the minimum regulatory requirements and 0.5% for additional requirements) and for the remainder from the capital conservation buffer.

As a result, at 31 March 2017 the Group again had capital ratios well above the established minimum requirements, confirming its high capital viability.

Table 11 – Capital adequacy ratios

Categories/Amounts	Unweighted amounts		Weighted amounts/Requirements	
	31.03.2017	**31.12.2016**	**31.03.2017**	**31.12.2016**
A. ASSETS AT RISK				
A.1 Credit and counterparty risk	**13,508,794**	**12,468,280**	**7,134,483**	**7,216,913**
1. Standardised methodology	13,508,333	12,467,808	7,134,022	7,216,442
2. Methodology based on internal ratings				
2.1 Basic				
2.2 Advanced				
3. Securitisations	461	471	461	471
B. CAPITAL ADEQUACY REQUIREMENTS				
B.1 Credit and counterparty risk			**570,759**	**577,353**
B.2 Risk of credit valuation adjustment			**1,327**	**1,446**
B.3 Regulatory risk				
B.4 Market risks			**760**	**1,045**
1. Standardised methodology			760	1,045
2. Internal models				
3. Concentration risk				
B.5 Operational risk			**64,447**	**64,447**
1. Basic approach			64,447	64,447
2. Standardised approach				
3. Advanced approach				
B.6 Other items			0	0
B.7 Total precautionary requirements			**637,292**	**644,291**
C. RISK ASSETS AND CAPITAL RATIOS				
C.1 Risk-weighted assets			**7,966,149**	**8,053,639**
C.2 Common Equity Tier 1 ratio/Risk-weighted assets (CET 1 capital ratio)			11.088%	10.899%
C.3 Core Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio)			11.222%	11.041%
C.4 Total Own Funds/Risk-weighted assets (Total capital ratio)			13.564%	13.472%

Performance of consolidated companies

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

Net profit at 31 March 2017 amounted to around 12.4 million euro, an increase of 35.3% from 9.2 million euro in the comparative period; the following aspects were significant: dividends from investments in subsidiaries already declared at 31 March 2017 amounted to 6.6 million euro (comparative 0.6 million euro), the *cost of lending* fell to 7.9 million euro (comparative 10.7 million euro) and the results of operations increased by 2.2 million euro, as partially offset by *Non-recurring losses net of taxation* amounting to 1.7 million euro (comparative profit of 3.9 million) and higher *taxes on current operations* of 2.0 million euro.
Loans to customers declined from 6,247.1 million euro at the end of 2016 to 6,188.5 million euro at the reference date, a decrease of 0.9% or 58.6 million euro.
Shareholders' equity increased from 865.6 million euro at 31 December 2016 to 870.9 million at the reporting date, while *Own funds* eased from 1,037.7 euro at the end of 2016 to 1,037.0 million euro.

Performance of Banca Popolare di Spoleto S.p.A.

At the reference date, the Parent Company Banco di Desio e della Brianza S.p.A. held an investment of 81.7%.
The profit at 31 March 2017 was about 3.5 million euro, a decrease of 3.2% on the figure of 3.7 million euro in the comparative period; in particular, net interest income fell by 1.7 million euro and the *net result from financial assets and liabilities* decreased by Euro 0.9 million, as offset by a reduction in the cost of lending by Euro 2.7 million.
Loans to customers increased from 3,409.9 million euro at the end of 2016 to 3,441.4 million euro at the reference date, up by 0.9% or 31.5 million euro.
Shareholders' equity eased from 256.9 million euro at 31 December 2016 to 256.1 million at the reporting date, while *Own funds* rose from 249.9 million euro at the end of 2016 to 251.2 million euro.

Performance of Fides S.p.A.

At the reference date, the Parent Company Banco di Desio e della Brianza S.p.A. held an investment of 100%.
Profit at 31 March 2017 amounted to 1.5 million euro, in line with the comparative period (+3%); *operating income* amounted to 4.1 million euro, up by 0.6 million euro compared with the period to 31 March 2016, while operating costs totalled 1.5 million euro (comparative 1.3 million euro), and the *results of operations* amounted to 2.6 million euro (comparative 2.2 million euro). *Net impairment adjustments to loans and advances* of 0.13 million euro (write-back of 0.02 million in the comparative period), net provisions for risks and charges of 0.3 million euro (comparative 0.2 million euro), and *taxation* of 0.7 million euro (comparative 0.6 million) contributed to the results for the period.
Loans to customers rose from 562.0 million euro at the end of 2016 to 580.0 million euro at the reference date.
Shareholders' equity increased from 37.8 million euro at 31 December 2016 to 44.5 million at the reference date (reflecting the capital increase of 10 million euro and the results for the period, as partially offset by the payment of dividends). *Own Funds* for supervisory purposes have risen from 32.3 million euro at the end of 2016 to 42.6 million euro.

Frame of reference

Renewal of the corporate bodies of the Parent Company

On 6 April 2017, the Ordinary Shareholders' Meeting of the Parent Company appointed the Board of Directors and the Board of Statutory Auditors for the years 2017-2019. These bodies - after appropriate resolutions adopted at the Board meeting held after the Shareholders' Meeting - are composed as follows:

BOARD OF DIRECTORS

Chairman	Stefano Lado
Deputy Chairman	Tommaso Cartone**
Directors	Graziella Bologna* Marina Brogi Nicolò Dubini Cristina Finocchi Mahne Agostino Gavazzi* Egidio Gavazzi* Paolo Gavazzi* Tito Gavazzi* Gerolamo Pellicanò Gigliola Zecchi Balsamo

** Members of the Executive Committee*
*** Director responsible for the Internal Control and Risk Management System*

BOARD OF STATUTORY AUDITORS

Chairman	Giulia Pusterla
Acting Auditors	Rodolfo Anghileri Franco Fumagalli Romario Elena Negonda
Substitute Auditors	Erminio Beretta Massimo Celli

Renewal of the corporate bodies of Banca Popolare di Spoleto S.p.A.

On 30 March 2017, the Ordinary Shareholders' Meeting of BPS appointed the Board of Directors and the Board of Statutory Auditors for the years 2017-2019.

Increase in capital and renewal of the corporate bodies of Fides S.p.A.

On 21 March 2017, the Extraordinary Shareholders' Meeting of Fides S.p.A. authorised an increase in share capital from Euro 25 million to Euro 35 million by the issue of 10,000,000 ordinary shares, par value Euro 1.00 each, that were subscribed for in full and paid for on that date by the Parent Company (sole shareholder).

On the same date, the Ordinary Shareholders' Meeting renewed the Board of Directors for a three-year period (the Board of Statutory Auditors was renewed for three years in the prior year).

Distribution network and employees of the *Banco* Desio Group

The Group's distribution network at 31 March 2017 consists of 268 branches, including 146 belonging to Banco di Desio e della Brianza and 122 to Banca Popolare di Spoleto. For the sake of efficiency and rationalisation of the distribution network, the Parent Company closed four branches on 20 March 2017, being Milan - via Mauri, Brembate, Cinisello - via Lincoln and Desio - via Volta. A new branch was opened in Como on 9 January 2017.

At 31 March 2017, the Group has 2,351 employees, a decrease of five since the end of the previous year. At the same date, Banco di Desio e della Brianza has 1,410 employees, which is unchanged since the end of the previous year.

Contributions to the Single Resolution Mechanism

Consistent with IFRIC 21 and following occurrence of the “binding event” during the first quarter, the Bank recorded the estimated standard contribution to the Single Resolution Mechanism for the current year of about Euro 4.1 million gross (Euro 2.9 million for Banco Desio and Euro 1.2 million for Banca Popolare di Spoleto).
The contribution will be paid in June.

Outlook

Macroeconomic scenario

By contrast with the other principal countries in the Euro area, the upturn of the Italy towards the end of the prior year was slightly slower: GDP grew by 0.7% on a quarterly basis (compared to +0.8% in September) and by 1.0% on an annual basis. Recent estimates for 2017 suggest that GDP will rise less than in 2016 (+0.9%) due to the weakness of domestic consumption (+0.4%, compared to 1.2% at the end of 2016) and investment (+2.5%, compared to +3.1% at the end of 2016), despite the positive contribution made by exports (+3.7%, compared to +3.1% at the end of 2016).

With regard to the banking market, deposits from resident customers during the first quarter rose at an annualised rate of 0.5% (compared to -0.5% in December). Analysing this, the principal components were in line with previously readings: deposits rose (+4.1%, compared to +4.9% in December) and bonds fell (-12.3%, compared to -17.9% in December). The rise in volumes was accompanied by a slight fall in the overall remuneration of funding (+0.99%, compared to +0.98% in December). In terms of lending, the latest available data confirms the recovery in loans to the private sector (+0.9%, compared to +0.4% at the end of 2016): this was led by loans to households (+2.2%, compared to +1.9% in December), while loans to businesses were essentially unchanged (+0.1%, zero in December). Lending to the productive sector continues to be influenced by the trend in investments and the economic cycle that, although recovering, remains muted. In March, rates on new loans to households and businesses reached their historical minimum (2.82%). Within this, the mortgage rate for home loans was 2.13%, while the rate for business loans was 1.56%.

Outlook for the current year

Based on the results reported as at 31 March 2017, it is reasonable to expect positive results for the full year, in line with those for the prior year.

As regards the principal risks and uncertainties, this consolidated quarterly report as at 31 March 2017 has been prepared on a going-concern basis, as there is no plausible reason to believe the opposite in the foreseeable future.

Basis of preparation

This "Consolidated quarterly report as at 31 March 2017 - Press release" has been prepared on a voluntary basis, in order to ensure continuity of information with the previous quarterly reports, given that only the annual and half-yearly reports are now compulsory based on the wording of art. 154*ter*, paragraph 5, of Decree no. 58/1998 ("Consolidated Finance Act" or "TUB") introduced by Decree no. 25/2016 implementing Directive 2013/50/EU.

As regards the recognition and measurement criteria, this Report has been prepared in accordance with the applicable IAS/IFRS issued by the International Accounting Standards Board (IASB) and the related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as explained in the "Accounting policies" section of the explanatory notes to the consolidated financial statements as at 31 December 2016.

In terms of financial disclosure, as the consolidated quarterly report has been prepared in accordance with art. 154-ter, paragraph 5 TUB and for the purposes of determining capital for supervisory purposes (Own Funds), it does not include the explanatory notes that would be required to present the Group's financial position and income statement for the period in accordance with IAS 34.

Declaration of the Financial Reporting Manager

The Financial Reporting Manager, Mauro Walter Colombo, declares pursuant to paragraph 2 of Article 154 bis of the Consolidated Finance Act that the accounting information contained in this press release agrees with the supporting documents, books of account and accounting records.

Desio, 11 May 2017

BANCO DI DESIO E DELLA BRIANZA S.p.A.

Financial Reporting Manager
Mauro Walter Colombo

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The attached consolidated financial statements as at 31 March 2017 are an integral part of the consolidated quarterly report at 31 March 2017. Deloitte & Touche S.p.A., the independent auditors, are completing their limited audit aimed at issuing the related report for the inclusion of the period's profit in the Bank's capital for supervisory purposes.

Desio, 11 May 2017

BANCO DI DESIO E DELLA BRIANZA S.p.A.

The Chairman
Stefano Lado

***

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ATTACHMENT TO THE CONSOLIDATED QUARTERLY REPORT AS AT 31 MARCH 2017

Table A 1 – Consolidated balance sheet

Assets	31.03.2017	31.12.2016	change amount	change %
10. Cash and cash equivalents	42,423	50,472	(8,049)	-15.9%
20. Financial assets held for trading	18,730	20,053	(1,323)	-6.6%
40. Financial assets available for sale	1,933,313	1,848,164	85,149	4.6%
50. Financial assets held to maturity	123,588	0	123,588	
60. Due from banks	860,269	112,838	747,431	662.4%
70. Loans to customers	9,704,304	9,720,108	(15,804)	-0.2%
80. Hedging derivatives	141	2,591	(2,450)	-94.6%
90. Adjustment to financial assets with generic hedge (+/-)	1,154	1,543	(389)	-25.2%
120. Property, plant and equipment	181,285	181,201	84	0.0%
130. Intangible assets	17,482	17,843	(361)	-2.0%
of which:				
- goodwill	*15,322*	*15,322*		
140. Tax assets	231,669	233,410	(1,741)	-0.7%
a) current	*34,387*	*36,408*	*(2,021)*	*-5.6%*
b) deferred	*197,282*	*197,002*	*280*	*0.1%*
of which Law 214/2011	*161,372*	*164,834*	*(3,462)*	*-2.1%*
160. Other assets	192,727	177,680	15,047	8.5%
Total assets	**13,307,085**	**12,365,903**	**941,182**	**7.6%**

Liabilities and shareholders' equity	31.03.2017	31.12.2016	change amount	change %
10. Due to banks	1,789,659	962,245	827,414	86.0%
20. Due to customers	8,823,964	8,729,591	94,373	1.1%
30. Debt securities in issue	1,213,635	1,393,884	(180,249)	-12.9%
40. Financial liabilities held for trading	6,768	6,230	538	8.6%
50. Financial liabilities designated at fair value through profit and loss	0	15,908	(15,908)	-100.0%
60. Hedging derivatives	5,705	6,637	(932)	-14.0%
80. Tax liabilities	26,645	27,367	(722)	-2.6%
a) current	*1,429*	*718*	*711*	99.0%
b) deferred	*25,216*	*26,649*	*(1,433)*	*-5.4%*
100. Other liabilities	436,855	220,054	216,801	98.5%
110. Provision for termination indemnities	29,935	30,204	(269)	-0.9%
120. Provisions for risks and charges:	55,826	55,282	544	1.0%
b) other provisions	*55,826*	*55,282*	*544*	*1.0%*
140. Valuation reserves	3,130	11,755	(8,625)	-73.4%
170. Reserves	772,515	746,964	25,551	3.4%
180. Share premium reserve	16,145	16,145		
190. Share capital	67,705	67,705		
210. Minority interests	49,954	50,381	(427)	-0.8%
220. Net profit (loss) for the period (+/-)	8,644	25,551	(16,907)	-66.2%
Total liabilities and shareholders' equity	**13,307,085**	**12,365,903**	**941,182**	**7.6%**

Table A 2 – Consolidated income statement

Captions	31.03.2017	31.03.2016	change amount	change %
10. Interest and similar income	70,616	80,773	(10,157)	-12.6%
20. Interest and similar expense	(13,249)	(20,529)	7,280	-35.5%
30. Net interest income	**57,367**	**60,244**	(2,877)	-4.8%
40. Commission income	42,263	41,583	680	1.6%
50. Commission expense	(3,579)	(4,903)	1,324	-27.0%
60. Net commission income	**38,684**	**36,680**	2,004	5.5%
70. Dividends and similar income	460		460	
80. Net trading income	1,571	422	1,149	272.3%
90. Net hedging gains (losses)	(209)	(617)	408	-66.1%
100. Gains (losses) on disposal or repurchase of:	770	5,219	(4,449)	-85.2%
a) loans		*1,111*	*(1,111)*	*-100.0%*
b) financial assets available for sale	*966*	*4,665*	*(3,699)*	*-79.3%*
d) financial liabilities	*(196)*	*(557)*	*361*	*-64.8%*
110. Net results on financial assets and liabilities designated at fair value	(8)	(106)	98	-92.5%
120. Net interest and other banking income	**98,635**	**101,842**	(3,207)	-3.1%
130. Net impairment adjustments to:	(15,776)	(20,729)	4,953	-23.9%
a) loans	*(14,638)*	*(20,513)*	*5,875*	*-28.6%*
b) financial assets available for sale	*(3,296)*	*(122)*	*(3,174)*	*n.s.*
d) other financial assets	*2,158*	*(94)*	*2,252*	*n.s.*
140. Net profit from financial activities	**82,859**	**81,113**	1,746	2.2%
170. Net profit from financial and insurance activities	**82,859**	**81,113**	1,746	2.2%
180. Administrative costs:	(76,132)	(78,211)	2,079	-2.7%
a) payroll costs	*(44,417)*	*(44,484)*	*67*	*-0.2%*
b) other administrative costs	*(31,715)*	*(33,727)*	*2,012*	*-6.0%*
190. Net provisions for risks and charges	(905)	(1,518)	613	-40.4%
200. Net adjustments to property, plant and equipment	(1,977)	(2,058)	81	-3.9%
210. Net adjustments to intangible assets	(499)	(465)	(34)	7.3%
220. Other operating charges/income	11,209	12,739	(1,530)	-12.0%
230. Operating costs	**(68,304)**	**(69,513)**	1,209	-1.7%
240. Profit (loss) from equity investments		5,221	(5,221)	-100.0%
280. Profit (loss) from current operations before tax	**14,555**	**16,821**	(2,266)	-13.5%
290. Income taxes on current operations	(5,611)	(3,694)	(1,917)	51.9%
300. Profit (loss) from current operations after tax	**8,944**	**13,127**	(4,183)	-31.9%
320. Net profit (loss) for the period	**8,944**	**13,127**	(4,183)	-31.9%
330. Net profit (loss) pertaining to minority interests	(300)	(429)	129	-30.1%
340. Parent Company net profit (loss)	**8,644**	**12,698**	(4,054)	-31.9%

	31.03.2017	31.03.2016
Basic earnings per share (Euro)	0.07	0.10
Diluted earnings per share (Euro)	0.07	0.10

Table A 3 – Statement of Consolidated Comprehensive Income

	Captions	31.03.2017	31.03.2016
10.	**Net profit (loss) for the period**	**8,944**	**13,127**
	Other elements of income, net of income taxes without reversal to income statement		
20.	Property, plant and equipment	-	-
30.	Intangible assets	-	-
40.	Defined-benefit pension plans	11	(893)
50.	Non-current assets and disposal groups held for sale	-	-
60.	Portion of the valuation reserves of the equity investments carried at equity	-	-
	Other elements of income, net of income taxes with reversal to income statement	-	-
70.	Foreign investment hedges	-	-
80.	Exchange differences	-	-
90.	Cash-flow hedges	482	(2,006)
100.	Financial assets available for sale	(9,449)	2,038
110.	Non-current assets and disposal groups held for sale	-	-
120.	Portion of the valuation reserves of the equity investments carried at equity	-	(103)
130.	**Total other elements of income (net of income taxes)**	**(8,956)**	**(964)**
140.	**Total comprehensive income (Captions 10+130)**	**(12)**	**12,163**
150.	Total comprehensive income pertaining to minority interests	31	(201)
160.	**Total consolidated comprehensive income pertaining to Parent Company**	**19**	**11,962**

Table 4 – Statement of changes in consolidated shareholders' equity for the period 1 January - 31 March 2017

	Balance at 31.12.2016	Changes in opening balances	Balance at 01.01.2017	Allocation of prior year results		Changes during the year										Group shareholders' equity at 31.03.2017	Minority interests at 31.03.2017
							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	Changes in equity investments	Comprehensive income at 31.03.2017			
Share capital:																	
a) ordinary shares	118,482		118,482													60,840	57,642
b) other shares	6,865		6,865													6,865	
Share premium reserve	31,570		31,570													16,145	15,425
Reserves:																	
a) from profits	707,638		707,638	25,141												758,719	(25,940)
b) other	17,612		17,612													13,796	3,816
Valuation reserves:	10,848		10,848												(8,956)	3,130	(1,238)
Equity instruments																	
Treasury shares	(51)		(51)														(51)
Net profit (loss) for the period	25,537		25,537	(25,141)	(396)										8,944	8,644	300
Group shareholders' equity	**868,120**		**868,120**												**19**	**868,139**	
Minority interests	**50,381**		**50,381**		**(396)**										**(31)**		**49,954**

Table 5 – Statement of changes in consolidated shareholders' equity for the period 1 January - 31 March 2016

	Balance at 31.12.2015	Changes in opening balances	Balance at 01.01.2016	Allocation of prior year results		Changes during the year									Group shareholders' equity at 31.03.2016	Minority interests at 31.03.2016
							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	Changes in equity investments	Comprehensive income at 31.03.2016		
Share capital:																
a) ordinary shares	118,578		118,578												60,840	57,738
b) other shares	6,865		6,865												6,865	
Share premium reserv e	31,569		31,569												16,145	15,424
Reserv es:																
a) from profits	683,485		683,485	37,598		(545)									745,688	(25,150)
b) other	22,611		22,611			(4,999)									13,814	3,798
Valuation reserv es:	21,400		21,400											(964)	21,031	(595)
Equity instruments																
Treasury shares	(51)		(51)													(51)
Net profit (loss) for the period	37,598		37,598	(37,598)										13,127	12,698	429
Group shareholders' equity	**870,449**		**870,449**			**(5,330)**								**11,962**	**877,081**	
Minority interests	**51,606**		**51,606**			**(214)**								**201**		**51,593**

Table A 6 – Reconciliation of the Parent Company's net profit and shareholders' equity with the Group's consolidated net profit and shareholders' equity

Amounts in thousands of Euro	**Shareholders' equity**	***of which: Net profit (loss) for the period***
Parent Company balances at 31 March 2017	***870,864***	***12,440***
Effect of consolidation of subsidiaries	-2,725	2,844
Dividends declared during the period	-	-6,640
Consolidated balances at 31 March 2017	**868,139**	**8,644**

Table A 7 - Reconciliation of the net profit and shareholders' equity reported in the consolidated income statement with the net profit based on the perimeter of the banking group for the purposes of calculating consolidated capital for supervisory purposes

Amounts in thousands of Euro	**Amount**
Profit of the Group	**8,644**
Elements deducted	4,976
- proposal of recognition of dividends to shareholders of the parent company (40% payout)	4,976
The Group's Common Equity Tier 1 is well above this new prudential requirement	**3,668**