Consolidated Half-Year Financial Report at 30 June 2009

Gruppo Banco Desio

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Corporate offices

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

Board of Directors

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

* *Members of Executive Committe*

Board of Statutory Auditors

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

General Management

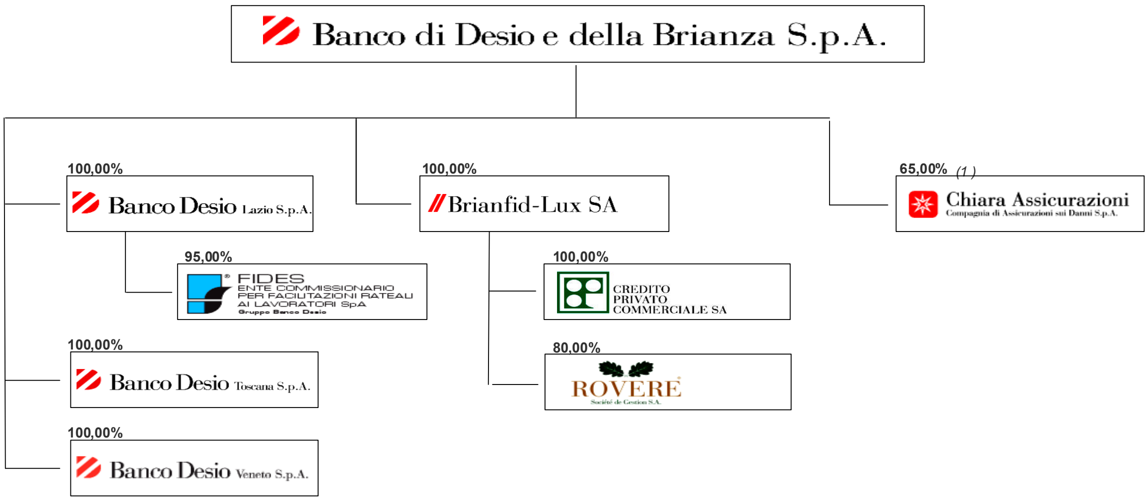
General Director	Alberto Mocchi
Deputy Vice General Director	Claudio Broggi
Vice General Director	Marco Sala

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

Nominated Official in charge of drawing up Company Accounts	Piercamillo Secchi

The Banco Desio Group

This half-year consolidated financial report as at 30 June 2009 relates to the following corporate structure of the Banco Desio Group.



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

Foreword

This Banco Desio Group Consolidated Half-Year Financial Report at 30 June 2009, consisting of the *Interim Report on Operations at 30 June 2009* and the *Condensed interim financial statements at 30 June 2009*, was prepared in accordance with Article 154 (iii) of Legislative Decree 58/1998, the Consolidated Financial Services Law, implementing Legislative Decree 195 of 6 November 2007 (the Transparency Directive) and in conformity to the applicable international accounting principles recognised by the European Union by virtue of Regulation (EC) 1606 of 19 July 2002, and, particularly in conformity to IAS 34, *Interim Reporting*.

The Half-Year Financial Report is in a condensed form and does not, therefore, include the complete disclosures required for annual financial statements. The preparation of the *Condensed interim financial statements* also entails recourse to estimation procedures, which, however, do not affect its reliability.

Following the Parent Company Banco di Desio e della Brianza S.p.A.'s sale of a 70% stake in the share capital of Chiara Vita S.p.A. on 1 October 2008, the latter company became an associated company in accordance with article 2359 of the Italian Civil Code due to the equity investment being reduced to 30% and the resulting change in the consolidation area; consequently, the Consolidated Half-Year Financial Report at 30 June 2009 shows significant accounting changes compared to those of the previous year.

In order to make the individual items more comparable between periods, the comments and details in the *Interim Report on Operations* refer to the restated data at 30 June 2008, as shown in the column in the Balance Sheet annexed hereto and the reclassified Income Statement, in compliance with the accounting principles used for drawing up the financial statements. In particular, the shareholding in Chiara Vita S.p.A., i.e. the 30% share remaining in ownership at the end of 2008, was consolidated using the equity method, whereas the same 70% stake sold during the course of the year was reclassified into the item "non current assets held for sale and discontinued operations" at the current book value in the Parent Company's financial statements; the profit shown in the Income Statement has been posted under item 240 "Profits (losses) on equity investments". The "restating", due to the elimination of the accounting entries that had cancelled transactions within the group, led to an increase in Net profit for the period of 0.3 million euro.

Interim Report on Operations
at 30 June 2009

1 - FINANCIAL HIGHLIGHTS AND RATIOS

BALANCE SHEET DATA

in thousands of Euros	30.06.2009	30.06.2008 Restated	Change Amount	%
Total assets	7,912,329	7,183,481	730,542	10.2%
Financial assets	881,965	983,899	-101,934	-10.4%
Amounts due from banks	855,510	425,713	429,797	101.0%
Amounts due from customers	5,773,980	5,348,579	425,401	8.0%
Tangible assets	145,019	144,945	74	0.1%
Intangible assets	43,872	41,246	2,626	6.4%
Amounts due to banks	57,152	32,817	24,335	74.2%
Amounts due to customers	4,200,359	4,099,951	100,408	2.4%
Securities issued	2,032,694	1,588,931	443,763	27.9%
Financial liabilities at fair value through profit or loss	569,496	464,066	105,430	22.7%
Shareholders' equity (including net proft for the period) [1]	730,222	669,019	61,203	9.1%
Total indirect deposits	16,744	19,040	-2,296	-12.1%
of which indirect deposits from institutional customers	*8,636*	*11,095*	*-2,459*	*-22.2%*

INCOME STATEMENT DATA [2]

in thousands of Euros	30.06.2009	30.06.2008 Restated	Change Amount	%
Operating income	168,614	169,862	-1,248	-0.7%
of which *Net interest income*	*108,993*	*110,637*	*-1,644*	*-1.5%*
Operating costs	111,962	107,712	4,250	3.9%
Operating margin	56,652	62,150	-5,498	-8.8%
Profits/(losses) after taxes from continuing operations	10,049	22,174	-12,125	-54.7%
Profits/(losses) after taxes from non-recurring operations	24,620	5,127	19,493	n.s.
Net profit/(loss) for the period [1]	34,733	27,209	7,524	27.7%

[1] *pertaining to the Parent Company;*

[2] *from reclassified Income Statement.*

FINANCIAL RATIOS

	30.06.2009	30.06.2008 Restated	Change Amount	%
Shareholders' equity / Total assets	9.2%	9.3%	-0.1%	
Shareholders' equity / Amounts due from customers	12.6%	12.5%	0.1%	
Shareholders' equity / Amounts due to customers	17.3%	16.3%	1.0%	
Shareholders' equity / Securities issued	35.8%	42.1%	-6.3%	
(Tier 1 and Core Tier 1) Equity ratio	10.4%	9.6%	0.8%	
(Tier 2) Solvency ratio	11.6%	10.0%	1.6%	
Financial assets / Total assets	11.1%	13.7%	-2.6%	
Amounts due from banks / Total assets	10.8%	5.9%	4.9%	
Amounts due from customers / Total assets	73.0%	74.5%	-1.5%	
Amounts due from customers / Direct deposits from customers	84.9%	86.9%	-2.0%	
Amounts due to banks / Total assets	0.7%	0.5%	0.2%	
Amounts due to customers / Total assets	53.1%	57.1%	-4.0%	
Securities issued / Total assets	25.7%	22.1%	3.6%	
Financial liabilities at fair value through profit or loss / Total assets	7.2%	6.5%	0.7%	
Direct deposits from customers / Total assets	86.0%	85.7%	0.3%	
Operating costs / Operating income (Cost/Income ratio)	66.4%	63.4%	3.0%	
Net interest income / Operating income	64.6%	65.1%	-0.5%	
Operating margin / Operating income	33.6%	36.6%	-3.0%	
Operating profit net of taxes / Shareholders' equity - annualized	2.9%	6.9%	-4.0%	
Net profit/(loss) for the period/ R.O.E. - annualized	10.0%	8.5%	1.5%	

STRUCTURE AND PRODUCTIVITY DATA

	30.06.2009	30.06.2008 Restated	Change Amount	%
Number of employees	1,813	1,741	72	4.1%
Number of bank branches	164	154	10	6.5%
in thousands of Euros				
Amounts due from customers by employee	3,185	3,072	113	3.7%
Direct deposits from ordinary customer by employee	3,752	3,534	218	6.2%
Operating income by employee - annualized	186	195	-9	-4.7%

2 - THE BASELINE SCENARIO

The global recession is still profound and widespread, with downward growth revisions for all the main economies. 2009, therefore, is seen as a year that it is difficult to forecast, marked by a fall in GDP that no one expected to be so pronounced. The data from the first quarter confirmed the gravity of the recession all over the world and the exceptional nature of the economic policy measures put in hand to counter the crisis. Although the economic background remains very unfavourable, some signals are emerging that could be the prelude to the beginning of an economic recovery, even if there is general uncertainty about when and how a recovery will take place and about how strong it may be. The most recent economic indicators, particularly those related to confidence and the prices of raw materials, seem to substantiate the argument that the global economy is moving towards a phase in which there is a gradual inversion of the cycle with respect to the low point at the beginning of 2009. The condition of the world economy, however, certainly do not allow a vigorous leap forward in economic activity to be foreseen, and as far as Italy is concerned, GDP at the end of 2009 is forecasted to decrease by 5.5% if the fall in production during the second half-year continues to be zero.

During the period from 2010 to 2012, the decisive factors that will influence recovery and its manner will be labour and the credit market. The labour market has developed differently according to the different economies: where there is high GDP elasticity (the typical example is the USA), a fall in GDP immediately turns into job losses; the less elastic is job demand to GDP, the longer it takes for unemployment to emerge (this is the typically European phenomenon). Unemployment in this case could result in a subsequent decline in economic activity after a first cycle of recovery. Belated structural unemployment, in fact, could lead to greater uncertainty among households and a reduction in employment income that would lead to weak consumption and thus weak demand. The credit market, in turn, is a feedback from the real economy and depends on demand for household and business lending and the quality of the credit itself, namely the increase in bad debts. In its last Financial Stability Report, the ECB estimated that the banking system will need to write down more than 210 billion euro if GDP shrinks by 4% at the end of 2009. In the USA as in Europe these trends encourage a reduction in bank lending, which only big companies with good ratings can obviate by direct recourse to the market.

In the United States this phenomenon is at present fully under way: consumption suffers, and will continue to suffer, the effect of this and the effects of the decrease in financial and property wealth in addition to the fall in employment that will continue to pull back an increase in incomes throughout 2010.

Consumption will be subjected to contrary pressures in the Eurozone too. The improvement in industrial quality indicators is counter-balanced by lower employment and a deceleration in individual employee income, leading one to foresee recovery only from the second half of 2010 onwards. The economic activity forecast indicator for the EMU area for the month of July 2009 points to a slowdown in the rate at which GDP is falling thanks to the positive contribution of monetary policy and a less negative contribution from industry and sales. As far as monetary policy is concerned, after the action that it took at the beginning of May the ECB left interest rate levels unchanged and, according to the ECB, this policy rate level is the right one; nevertheless, the ECB has not stated that it is the lowest possible rate, leaving room for further assessments and measures. ECB economists made another cut in their forecasts of inflation in the Eurozone, expecting a rate of between +0.1% and +0.5% by the end of 2009. The Euribor three-month rate continued to go down, settling on 1.27% at the end of the first ten days of June, the lowest level since the birth of the euro. As regards exchange rates, during the first ten days of June the mean euro/dollar quotation was 1.41%.

In the last quarter in Italy GDP fell by 2.6%, with a negative trend on an annual basis of between 5% and 6%. Except for public consumption, all other components were negative: private investment was -1%, private consumption -0.7%, the balance of trade -0.6% and stockpiles -0.4%; after eleven months of decline, industrial production was 1.1% up on March 2009, even if the drop remains very pronounced indeed on an annual basis (-24%). The climate of confidence in business and households, however, is improving in our country, as in the entire EMU area,. Primary market deposits grew, recording a rise of 19% on an annual basis in the first five months of the year, with a renewal of interest in corporate bonds. The trends of the main secondary market indicators were also recovering; similarly total equity market capitalisation and the capitalisation of the banking sector in particular. The first estimates regarding bank deposits point to trend growth of domestic funding stabilising at +10%, while funding from abroad is down. Remuneration from bank deposits decreased, going down to 1.95% on the average at the end of May 2009. Bank investment slowed down as a result of the recessive phase: on the basis of the first available estimates, lending to the private sector recorded a trend growth rate of 2.3% (the increase in lending to households and non-financial companies was +2.9%), while the mean interest rate on lending to households and non-financial companies went down, consistently with the Group's policy and developments on the inter-bank market, reaching a mean figure of 4.5%.

3 - DEVELOPMENT OF THE DISTRIBUTION NETWORK

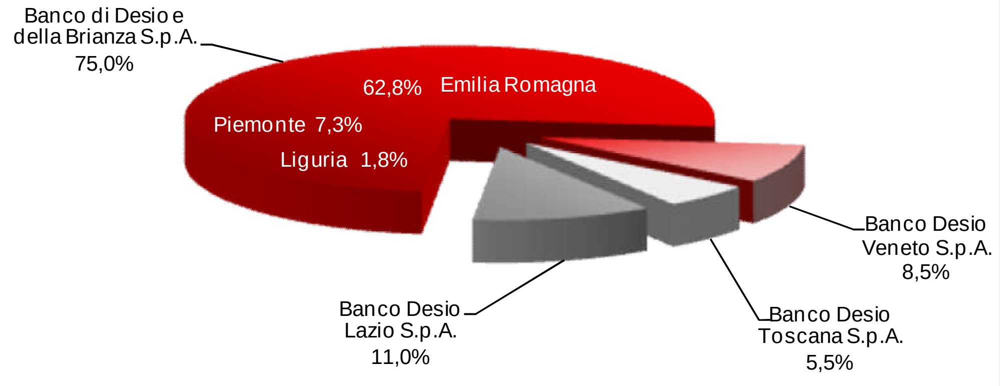
The continuity in the territorial growth of the Group's distribution network meant that there were 164 branches at the end of the first six months, 10 more than at the end of last June.

The table below shows the breakdown of the distribution network for each Group company, specifying the variations for the periods under comparison, while the diagram that follows shows the percentage proportion at the end of June 2009.

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

No. of branches	30.06.2009	Percentage breakdown	30.06.2008	Percentage breakdown	Change: Value	Change: %
Banco di Desio e della Brianza S.p.A.	123	75.0%	117	76.0%	6	5.1%
Banco Desio Veneto S.p.A.	14	8.5%	11	7.1%	3	27.3%
Banco Desio Toscana S.p.A.	9	5.5%	9	5.8%	-	-
Banco Desio Lazio S.p.A.	18	11.0%	17	11.0%	1	5.9%
Group distribution network	**164**	**100.0%**	**154**	**100.0%**	**10**	**6.5%**

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



In the period being considered, the Parent Company opened two new branches in Lombardy, one at Crema, in the Province of Cremona, in October 2008 and one in Milan, the regional capital, at the beginning of 2009; one in Piedmont, at Collegno, in the Province of Turin, in December; and the three first Liguria branches: one at Albenga, in the Province of Savona, at the beginning of September; in Genoa, the regional capital, in December; and the third at Savona at the beginning of February this year. Overall, the number of branches in the Parent Company's network rose to 123.

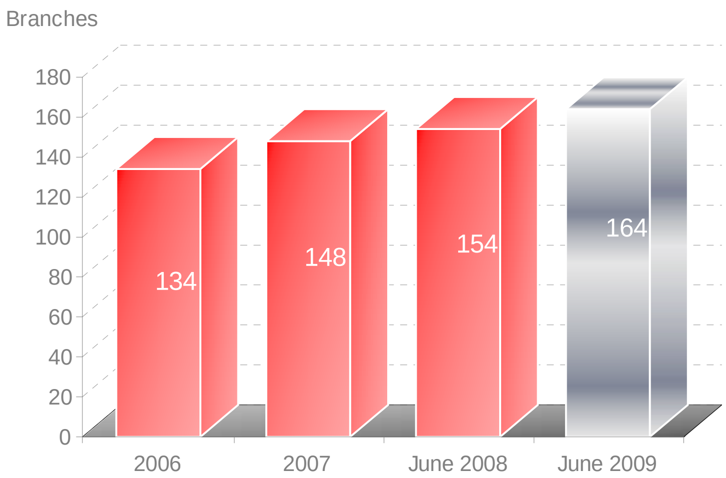
As for subsidiaries, Banco Desio Veneto S.p.A. attained the number of 14 branches, having opened new banks at Castelfranco Veneto and Conegliano, both in the Province of Treviso, in July and December 2008 and at Bussolengo, in the Province of Verona, in June 2009. This company is now represented in the Provinces of Vicenza, Verona, Padua and Treviso.

Banco Desio Lazio S.p.A. increased the number of its branches to 18, raising its representation in the areas surrounding the capital by opening a bank at Monterotondo, in the Province of Rome, in November 2008.

Finally, the Banco Desio Toscana S.p.A. structure is the same size as in the previous period, consisting of 9 branches, covering the Provinces of Pisa, Prato, Lucca and Leghorn in addition to Florence.

The chart below shows the increase in size achieved by the Group distribution network in the past years: the annual compound growth rate is 8.4% from 2007.

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



4 - MAJOR CORPORATE EVENTS DURING THE HALF YEAR

Acceptance of BPM's public offer to buy all the shares of Anima SGR p.A. and sale of the equity investment

On 30 January 2009 the Parent Company completed the sale of the remaining equity investment in Anima SGR.p.A., according to the Banco Popolare di Milano's voluntary public offer to buy all the Bank's shares of Anima, numbering 22.251,550, amounting to 21.191% of SGR's present share capital (namely 20.284% of the fully diluted share capital as defined in the Offer Document). The net capital gain obtained by the Parent Company from the sale of the equity investment was about 29.5 million euro (21.5 million euro at consolidated level).

Rovere SICAV

Rovere SICAV was incorporated on 26 February 2009 in the framework of a Parent Company project for the formation of a Luxembourg-registered open-end investment company, and Rovere Société de Gestion S.A. was formed, also in Luxembourg, with 500,000 euro company capital and the participation of two other Italian banks interested in the venture with a stake of 10% each. This asset management company, controlled by the Parent Company with a current holding of 80% through Brianfid-Lux SA, has belonged to the Group since it was formed. Consistently with the project's aims, a partial re-allocation of this shareholding is planned during the second half-year, by Brianfid-Lux selling 10% of the capital of the asset management company to each of the Group's three Italian subsidiaries; after this transaction Brianfid-Lux's interest in Rovere Société de Gestion SA will be 50%.

Capital increase of FIDES S.p.A. and 95% increase in the shareholding of Banco Desio Lazio S.p.A..

In the framework of the plan to expand the distribution network of subsidiary FIDES S.p.A., on 30 March 2009, Banco Desio Lazio S.p.A. completed the sale of a 3% interest in the share capital of this finance house for about 250,000 euro, causing the decrease of the equity investment in FIDES S.p.A. to 75%.

This subsidiary's capital base was strengthened in April, therefore: the FIDES S.p.A. Extraordinary Shareholders' Meeting resolved an increase in the company's share capital from 1,100,000.00 euro to 1,610,472.00 euro by issuing 510,472 shares under option to shareholders in proportion to their stakes, with a premium of 6.64 euro per

1.00 nominal value share, thus bringing in a total of 3.9 million euro. The transaction was carried out on 25 June 2009, and, after the shares not bought had also been subscribed, Banco Desio Lazio S.p.A.'s interest rose to about 81%.

Also in June, Banco Desio Lazio S.p.A. bought the residual 14% portion in the hands of the original seller after the latter exercised its option in advance, thus taking its shareholding in FIDES S.p.A. to 95% at the end of the half-year for a payment of about 1.5 million euro.

Corporate Governance project

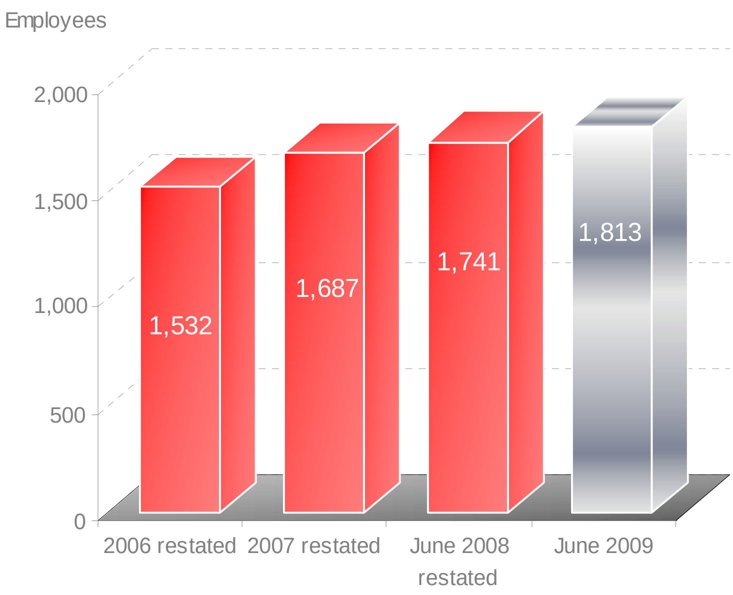
During the half-year, the formalities involved in complying with the regulatory provisions in the Bank of Italy's document regarding corporate governance of 4 March 2008 were concluded after appropriate Board of Directors' and Shareholders' Meeting resolutions on the part of the Parent Company and the three Italian banking subsidiaries. The details of these are to be found in the Annual Corporate Governance Report, available on the Group's website.

5 - HUMAN RESOURCES

As at 30 June 2009, the Group counted 1,813 employees, with an increase of 72, corresponding to 4.1%, compared to the final figure of the first half-year of 2008.

From 2007 the average compound annual growth rate registered in the headcount was equal to 7.0%, lower than that registered in the distribution network, which was equal to 8.4%, as evidenced by the numeric data represented in the chart below

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



The table below shows details of employees by grade at the end of the first half-year compared with the situation at the end of the previous year.

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

No. of employees	30.06.2009	Percentage breakdown	Restated 30.06.2008	Percentage breakdown	Change Value	%
Executives	38	2.1%	36	2.1%	2	5.6%
3rd and 4th level managers	424	23.4%	397	22.8%	27	6.8%
1st and 2nd level managers	479	26.4%	448	25.7%	31	6.9%
Other personnel	872	48.1%	860	49.4%	12	1.4%
Group Staff	**1,813**	**100.0%**	**1,741**	**100.0%**	**72**	**4.1%**

6 - MANAGEMENT PERFORMANCE

6.1 - SAVINGS DEPOSITS: ADMINISTERED CUSTOMER ASSETS

Compared to the final figure of the first half-year of 2008, the total administered customer assets showed an increase of about 0.6 billion euro in direct deposits, rising to 6.8 billion euro (+10.6%). Indirect deposits were on a downward trend, due to a fall in deposits relating to “institutional” customers, with a reduction of 2.5 billion euro (corresponding to 22.2%), and a fall relating to “ordinary” customers (reduction of 0.2 billion euro equal to 2%).

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

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

Amounts in thousands of Euro	30.06.2009	Percentage breakdown	Restated 30.06.2008	Percentage breakdown	Change Value	Change %
Amounts due to customers	4,200,359	17.8%	4,099,951	16.3%	100,408	2.4%
Securities issued	2,032,694	8.6%	1,588,931	6.3%	443,763	27.9%
Financial liabilities at fair value through profit or loss	569,496	2.4%	464,066	1.8%	105,430	22.7%
Direct deposits	**6,802,549**	**28.9%**	**6,152,948**	**24.4%**	**649,601**	**10.6%**
Deposits from ordinary customers	8,107,613	34.4%	7,945,461	31.5%	162,152	2.0%
Deposits from institutional customers	8,635,950	36.7%	11,094,923	44.0%	-2,458,973	-22.2%
Indirect deposits	**16,743,563**	**71.1%**	**19,040,384**	**75.6%**	**-2,296,821**	**-12.1%**
Total deposits from customers	**23,546,112**	**100.0%**	**25,193,332**	**100.0%**	**-1,647,220**	**-6.5%**

Direct deposits

The increase in direct deposits for the Group from 2007 is represented in the chart below, with annual growth rates corresponding to an average compound growth rate of 13.6%.

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

Indirect deposits

"Ordinary" customer indirect deposits increased in the period by about 0.2 billion euro, corresponding to 2%: this was attributable to performance in the administered asset sector and was partially counter-balanced by a fall in the managed asset sector, still under the effect of the financial crisis and the consequent sector difficulties at system level.

There was a decline of 2.5 billion euro in deposits from "institutional" customers; the decline was especially noticeable in the volumes related to custodian services, which caused a total net decline of 2.3 billion euro. The balance at the end of the half-year was 16.7 billion euro.

The table below gives the details of the balances in this item, showing the variations in the period under analysis.

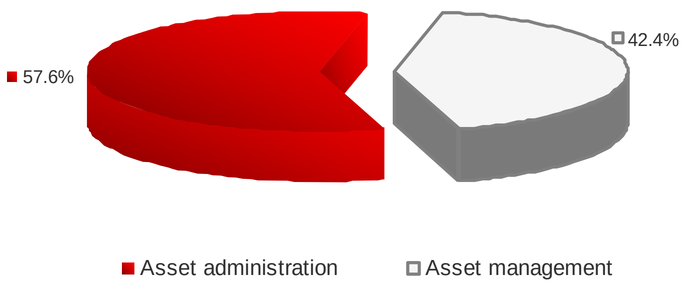
Table no. 4 - **INDIRECT DEPOSITS**

Amounts in thousands of Euro	30.06.2009	Percentage breakdown	Restated 30.06.2008	Percentage breakdown	Change Value	%
Asset administration	**4,673,411**	**27.9%**	**4,414,721**	**23.2%**	**258,690**	**5.9%**
Asset management	**3,434,201**	**20.5%**	**3,530,739**	**18.5%**	**-96,538**	**-2.7%**
of which: Mut.Fund and Open-end Inv. ([1])	*994,873*	*5.9%*	*1,126,861*	*5.9%*	*-131,988*	*-11.7%*
Portfolio management ([2])	*810,620*	*4.8%*	*864,774*	*4.5%*	*-54,154*	*-6.3%*
Bank Insurance	*1,628,708*	*9.7%*	*1,539,104*	*8.1%*	*89,604*	*5.8%*
Deposits from ordinary customers	**8,107,613**	**48.4%**	**7,945,461**	**41.7%**	**162,152**	**2.0%**
Deposits from institutional customers	**8,635,950**	**51.6%**	**11,094,923**	**58.3%**	**-2,458,973**	**-22.2%**
Indirect deposits	**16,743,563**	**100.0%**	**19,040,384**	**100.0%**	**-2,296,821**	**-12.1%**

(1) net of mutual fund and open-end investments units under portfolio management and fund-based portolio management
(2) net of liquidity in current accounts and of securities issued by the Group's banks

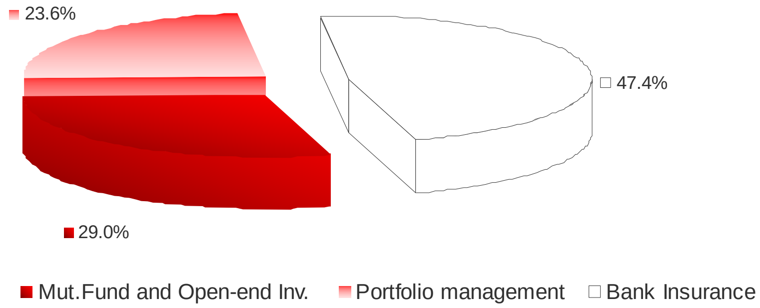
The percentage breakdown by segment of the indirect deposits from ordinary customers at 30 June 2009, represented in the chart below, shows that the portion attributable to administered assets is greater than that of managed assets.

Chart no. 5 - **INDIRECT DEPOSITS FROM ORDINARY CUSTOMERS BY SECTOR AT 30.06.2009: BREAKDOWN**



The percentage composition of assets under management is shown in the graph below: specifically, the life bank insurance element accounts for the main share (47.4%).

Chart no. 6 - **INDIRECT DEPOSITS FOR ASSET MANAGEMENT AT 30.06.2009: BREAKDOWN**



6.2 - LOANS TO CUSTOMERS

The total amount of lending to customers at 30 June 2009 reached 5.8 billion euro, an increase of 8% compared to the same period under review of 2008. From 2007, the average compound annual rate was equal to 14.2%, as shown in the graph below.

Chart no. 7 - **LOANS TO CUSTOMERS: THE TREND OVER THE LAST FEW YEARS**

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The differences in the balances of the items making up lending, as shown in the table below, indicate that the overall increase was attributable to the medium- and long-term forms of investment, particularly mortgages.

Table no. 5 - **AMOUNTS DUE FROM CUSTOMERS**

Amounts in thousands of Euros	30.06.2009	Percentage breakdown	Restated 30.06.2008	Percentage breakdown	Change Value	%
Current accounts	1,526,528	26.5%	1,580,472	29.5%	-53,944	-3.4%
Mortgages and other medium/long term loans	3,264,456	56.5%	2,749,868	51.4%	514,588	18.7%
Other	982,996	17.0%	1,018,239	19.0%	-35,243	-3.5%
Amounts due from customers	**5,773,980**	**100.0%**	**5,348,579**	**100.0%**	**425,401**	**8.0%**

The credit quality reflects the guidelines based on the principles of prudence, diversification and targeted development characterising the credit policies of the whole Banco Desio Group, constituting the essential element in the credit provision strategy and it permits a degree of concentration on smaller figures.

As regards the distribution of gross loans, including endorsement loans, the percentage of uptakes by the largest clients at the end of the half-year are substantially in line with those reported at the end of June 2008, as shown in the table below.

Table no. 6 – **AMOUNTS DUE FROM LARGEST CUSTOMERS: CONCENTRATION INDEX**

Number of customers	30.06.2009	30.06.2008
10 largest customers	2.2%	2.0%
20 largest customers	3.4%	3.3%
30 largest customers	4.4%	4.3%
50 largest customers	6.1%	6.2%

At the end of the half-year the total amount of impaired loans, represented by non performing loans, problem loans, restructured loans and expired loans, that is persistent breach in relation to continuing failure to comply with credit limits, amounted to Euro 147.9 million, net of value adjustments of Euro 92.1 million. Specifically, net non performing loans amounted to Euro 62 million, net problem loans to Euro 54.2 million, restructured loans to Euro 0.3 million and expired loans to Euro 31.4 million.

The table below summarises gross and net credit risk ratios: the amounts are still low, even though there was a generalised increase, compared with the first half-year of 2008, as a natural consequence of the economic crisis.

Table no. 7 - **AMOUNTS DUE FROM CUSTOMERS: RISK CREDIT INDICATORS**

% Indexes for gross loans	30.06.2009	30.06.2008
Gross impaired loans to customers	4.07%	2.82%
of which:		
- gross non performing loans	2.16%	1.40%
- gross problem loans	1.36%	0.97%
- gross expired loans	0.54%	0.45%

% Indexes for net loans	30.06.2009	30.06.2008
Net impaired loans to customers	2.56%	1.77%
of which:		
- net non performing loans	1.07%	0.67%
- net problem loans	0.94%	0.65%
- net expired loans	0.54%	0.44%

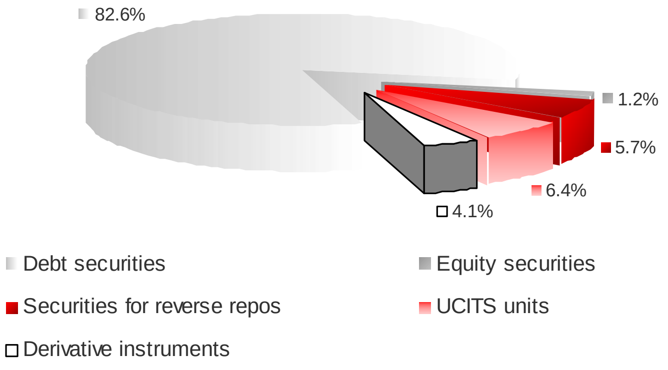
6.3 - THE SECURTIES PORTFOLIO AND INTER-BANK ACTIVITIES

The securities portfolio

As at 30 June 2009 the Group's total financial assets stood at a value of Euro 0.9 billion, with a decrease of Euro 0.1 billion compared to the figure of the same period of 2008.

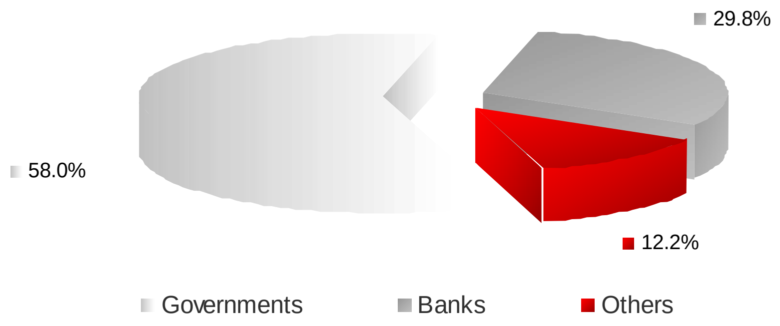
The chart below presents the percentage breakdown of the portfolio based on the types of securities, showing that the largest proportion are debt securities which, including securities used in reverse repurchases agreements with customers and banks, accounts for 88.3% of total investments.

Chart no. 8 - FINANCIAL ASSETS AT 30.06.2009: PERCENTAGE BREAK-DOWN BY TYPE OF SECURITY



With reference to the issuers of securities, the aggregate portfolio at the end of the half-year is comprised of "Government securities" (58%), "bank securities" (29.8%), and by "other issuers" for the remaining share, as evidenced in the chart below.

Chart no. 9 - **FINANCIAL ASSETS AT 30.06.2009: PERCENTAGE BREAKDOWN BY TYPE OF ISSUER**



At 30 June 2009, the securities portfolio did not have any toxic instruments; the position as regards exposure to the Lehman risk was as follows:

- a bond in the portfolio with a nominal value of 1 million euro and a book counter value of 0.1 million euro;
- no inter-bank deposit.

Inter-bank activities

There was a positive inter-bank balance of about 0.8 billion euro at 30 June 2009 compared with 0.4 billion euro at the end of the half-year of 2008.

6.4 - SHAREHOLDERS' EQUITY AND ECONOMIC STABILITY

Shareholders' equity as at 30 June 2009, including the profit of the period, amounted to a total of Euro 730.2 million, an increase of Euro 61.2 million with respect to the figure recorded in the first half-year of 2008.

Shareholders' equity calculated in accordance with the supervisory regulations in force, amounted to Euro 720.3 million with respect to Euro 600.6 million in June 2008. The figure is made up of Tier 1 capital of Euro 648 million and Tier 2 capital of Euro 87.4 million for valuation reserves, and subordinated liabilities. The total of the items to be deducted amounted to Euro 15.1 million and these refer to equity investments in financial and insurance bodies.

The Tier 1 capital ratio, representing the ratio of primary capital to risk-weighted assets, increased to 10.4% (compared to 9.6% in June 2008) and coincides with the Tier 1 Core. The Tier 2 solvency ratio, representing the ratio between regulatory capital and risk-weighted assets, reached 11.6% (compared to 10.0% in June 2008).

We would draw attention to the fact that the total net equity position at the end of June 2009, that is the part of equity which is "unrestricted" in that it is not affected by credit risk (solvency ratio) and market risks (risks on available for sale securities portfolio, exchange rate risks, concentration risks) amounted to Euro 224 million.

6.5 - RECLASSIFIED INCOME STATEMENT

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

The data in the Income Statement used for the preparation of the reclassified schedule at 30 June 2009 are the same as those reported in the *condensed interim Financial Statements* at 30 June 2009, while the restated data have been used for the previous period's statement, as shown in the Income Statement column annexed hereto.

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

-two accounting item totals were stated, defined as "Operating income" and "Operating costs", the algebraic balance of which constitutes the "Operating margin";

-"Net profit/(loss) for the period" was divided into "Profits/(losses) after taxes from continuing operations" and "Profits/(losses) after taxes from non-recurring operations";

-Net income from insurance activities includes the following income from Chiara Assicurazione S.p.A.: net interest income (items 10 and 20), net insurance premiums (item 150), profits/(losses) on disposal/repurchase of financial assets available for sale (item 100), Other operating income and expenses (item 220) and the balance of other income/charges from insurance activities management (item 160);

-"Operating income" also includes the balance of item 220, "Other operating income and expenses", also net of tax recoveries for stamp duty on customers' statements of account and securities deposit accounts and substitute tax on medium- and long-term financing, in addition to the amortisation of leasehold improvements, respectively reclassified as a reduction of item 180 (b), "Other administrative expenses" and as an increase of item 210, "Net adjustments to the value of /write-backs to intangible assets" in the "Operating costs" total;

-shares of profits in the period relating to equity investments in associates were reclassified from item 240 "Profits/(losses) on equity investments" to the item "Profits on equity investments in associates;

-the balance of item 100 (a), "Profit/(loss) on disposal/purchase of receivables" in "Operating income" was reclassified in special item "Profit/(loss) on disposal/purchase of receivables" after "Operating margin";

-provisions for clawback actions in debt litigation were reclassified from item 190, "Net provisions for risks and charges", to item 130 (a), "Net impairment losses on loans", both items following "Operating margin";

-any provisions for extraordinary transactions are reclassified from item 190, "Net provisions for risks and charges", to item "Provisions for risks and charges on extraordinary transactions";

-the tax effect on Profits/(losses) from non recurring operations is reclassified from item 290, "Taxes for the period on income from continuing operations" to the item "Taxes for the period on income from non recurring operations".

The first half-year ended with Parent Bank net profit of 34.7 million euro, as shown in the table below, which states the reclassified Income Statement in comparison with the Income Statement of the previous year.

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

Captions			Restated	Change	
	Amounts in thousands of Euros	30.06.2009	30.06.2008	Value	%
10+20	Net interest income	108,993	110,637	-1,644	-1.5%
70	Dividend and similar income	404	330	74	22.4%
	Profits (losses) on equity investments in associates	1,669	1,834	-165	-9.0%
40+50	Net fees and commissions	37,133	43,821	-6,688	-15.3%
80+90+100+ 110	Net profits/(losses) on trading activities, hedging activities and disposal/repurchase and financial assets/liabilities at fair value through profit or loss	5,079	-654	5,733	-876.6%
150+160	Net income from insurance activities	3,433	2,748	685	24.9%
220	Other operating income and expenses	11,903	11,146	757	6.8%
	Operating income	**168,614**	**169,862**	**-1,248**	**-0.7%**
180 a	Personnel expenses	-72,290	-67,370	-4,920	7.3%
180 b	Other administrative expenses	-34,289	-35,511	1,222	-3.4%
200+210	Net adjustments/write-backs to tangible/intangible assets	-5,384	-4,831	-553	11.4%
	Operating costs	**-111,963**	**-107,712**	**-4,251**	**3.9%**
	Operating margin	**56,651**	**62,150**	**-5,499**	**-8.8%**
	Net profits/(losses) on disposal/repurchase of receivables	-293	-387	94	-24.3%
130 a	Net impairment losses on loans	-33,738	-23,637	-10,101	42.7%
130 d	Net impairment losses on other financial transactions	-53	-381	328	-86.1%
190	Net provisions for risks and charges	-941	485	-1,426	-294.0%
	Profits/(losses) before taxes from continuing operations	**21,627**	**38,230**	**-16,603**	**-43.4%**
290	Taxes for the period on income from continuing operations	-11,578	-16,056	4,478	-27.9%
	Profits/(losses) after taxes from continuing operations	**10,049**	**22,174**	**-12,125**	**-54.7%**
240+270	Profits (losses) on equity investments and on disposal of investments	21,871	5,493	16,378	n.s.
	Profits/(losses) before taxes from non-recurring operations	**21,871**	**5,493**	**16,378**	**n.s.**
	Taxes for the period on income from non-recurring items	2,749	-366	3,115	n.s.
	Profits/(losses) after taxes from non-recurring operations	**24,620**	**5,127**	**19,493**	**n.s.**
320	**Net profit/(loss) for the period**	**34,669**	**27,301**	**7,368**	**27.0%**
330	(Profit)/loss for the period attributable to minority interests	64	-92	156	-169.6%
340	**Parent Bank net profit (loss)**	**34,733**	**27,209**	**7,524**	**27.7%**

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

Table no. 9 - **RECONCILIATION BEETWEN FINANCIAL STATEMENTS AND RECLASSIFIED INCOME STATEMENT AS AT 30.06.2009**

Captions		Financial Statements	Reclassifications								Reclassified Statements
Amounts in thousands of Euros		30.06.2009	Net income from insurance activities	Tax recoveries	Profits on equity investments in associates	Profit (loss) on disposal of equity investments	Amortisation of leasehold improvements	Net profits/(losses) on disposal/repurchase of receivables	Uses / provisions for risks and charges	Taxes on income	30.06.2009
10+20	Net interest income	109,285	-292								108,993
70	Dividend and similar income	404									404
	Profits (losses) on equity investments in associates				1,669						1,669
40+50	Net fees and commissions	37,133									37,133
80+90+100+110	Net profits/(losses) on trading activities, hedging activities and disposal/repurchase and financial assets/liabilities at fair value through profit or loss	4,722	64					293			5,079
150+160	Net income from insurance activities	3,204	229								3,433
220	Other operating income and expenses	16,395	-1	-5,657			1,167				11,903
	Operating income	**171,143**	**0**	**-5,657**	**1,669**	**0**	**1,167**	**293**	**0**	**0**	**168,614**
180 a	Personnel expenses	-72,290									-72,290
180 b	Other administrative expenses	-39,946		5,657							-34,289
200+210	Net adjustments/write-backs to tangible/intangible assets	-4,217					-1,167				-5,384
	Operating costs	**-116,453**	**0**	**5,657**	**0**	**0**	**-1,167**	**0**	**0**	**0**	**-111,962**
	Operating margin	**54,690**	**0**	**0**	**1,669**	**0**	**0**	**293**	**0**	**0**	**56,652**
	Net profits/(losses) on disposal/repurchase of receivables							-293			-293
130 a	Net impairment losses on loans	-33,233							-505		-33,738
130 c	Net impairment losses on financial assets held to maturity	0									0
130 d	Net impairment losses on other financial transactions	-53									-53
190	Net provisions for risks and charges	-1,446							505		-941
	Profits/(losses) before taxes from continuing operations	**19,958**	**0**	**0**	**1,669**	**0**	**0**	**0**	**0**	**0**	**21,627**
290	Taxes for the period on income from continuing operations	-8,829								-2,749	-11,578
	Profits/(losses) after taxes from continuing operations	**11,129**	**0**	**0**	**1,669**	**0**	**0**	**0**	**0**	**-2,749**	**10,049**
240+270	Profits (losses) on equity investments and on disposal of investments	23,540			-1,669						21,871
	Profits/(losses) before taxes from non-recurring operations	**23,540**	**0**	**0**	**-1,669**	**0**	**0**	**0**	**0**	**0**	**21,871**
	Taxes for the period on income from non-recurring items									2,749	2,749
	Profits/(losses) after taxes from non-recurring operations	**23,540**	**0**	**0**	**-1,669**	**0**	**0**	**0**	**0**	**2,749**	**24,620**
320	**Net profit/(loss) for the period**	**34,669**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**34,669**
330	(Profit)/loss for the period attributable to minority interests	64									64
340	**Parent Bank net profit (loss)**	**34,733**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**34,733**

Table no. 10 - **RECONCILIATION BEETWEN FINANCIAL STATEMENTS AND RECLASSIFIED INCOME STATEMENT AS AT 30.06.2008**

Captions		Financial Statements	Reclassifications								Reclassified Statements
Amounts in thousands of Euros		Restated 30.06.2008	Net income from insurance activities	Tax recoveries	Profits on equity investments in associates	Profit (loss) on disposal of equity investments	Amortisation of leasehold improvements	Net profits/(losses) on disposal/repurchase of receivables	Uses / provisions for risks and charges	Taxes on income	Restated 30.06.2008
10+20	Net interest income	110,879	-242								110,637
70	Dividend and similar income	330									330
	Profits (losses) on equity investments in associates				1,834						1,834
40+50	Net fees and commissions	43,821									43,821
80+90+100+110	Net profits/(losses) on trading activities, hedging activities and disposal/repurchase and financial assets/liabilities at fair value through profit or loss	462	0			-1,503		387			-654
150+160	Net income from insurance activities	2,552	196								2,748
220	Other operating income and expenses	15,484	46	-5,423			1,039				11,146
	Operating income	**173,528**	**0**	**-5,423**	**1,834**	**-1,503**	**1,039**	**387**	**0**	**0**	**169,862**
180 a	Personnel expenses	-67,370									-67,370
180 b	Other administrative expenses	-40,934		5,423							-35,511
200+210	Net adjustments/write-backs to tangible/intangible assets	-3,792					-1,039				-4,831
	Operating costs	**-112,096**	**0**	**5,423**	**0**	**0**	**-1,039**	**0**	**0**	**0**	**-107,712**
	Operating margin	**61,432**	**0**	**0**	**1,834**	**-1,503**	**0**	**387**	**0**	**0**	**62,150**
	Net profits/(losses) on disposal/repurchase of receivables							-387			-387
130 a	Net impairment losses on loans	-23,902							265		-23,637
130 c	Net impairment losses on financial assets held to maturity	0									0
130 d	Net impairment losses on other financial transactions	-381									-381
190	Net provisions for risks and charges	750							-265		485
	Profits/(losses) before taxes from continuing operations	**37,899**	**0**	**0**	**1,834**	**-1,503**	**0**	**0**	**0**	**0**	**38,230**
290	Taxes for the period on income from continuing operations	-16,422								366	-16,056
	Profits/(losses) after taxes from continuing operations	**21,477**	**0**	**0**	**1,834**	**-1,503**	**0**	**0**	**0**	**366**	**22,174**
240+270	Profits (losses) on equity investments and on disposal of investments	5,824			-1,834	1,503					5,493
	Profits/(losses) before taxes from extraordinary operations	**5,824**	**0**	**0**	**-1,834**	**1,503**	**0**	**0**	**0**	**0**	**5,493**
	Taxes for the period on income from extraordinary items									-366	-366
	Profits/(losses) after taxes from extraordinary operations	**5,824**	**0**	**0**	**-1,834**	**1,503**	**0**	**0**	**0**	**-366**	**5,127**
320	**Net profit/(loss) for the period**	**27,301**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**27,301**
330	(Profit)/loss for the period attributable to minority interests	-92									-92
340	**Parent Bank net profit (loss)**	**27,209**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**27,209**

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

Operating income

The postings related to operating income show that performance was substantially in line with the period used for comparison (-0.7%), amounting to 168.6 million euro. Specifically, there was the increase in the item that groups together the net profits/(losses) on trading activities, hedging activities and disposal/purchase of receivables, financial assets/liabilities and financial assets/liabilities at fair value through profit or loss of 5.7 million euro, mainly due to the result of trading, of other operating income and expenses of 0.8 million euro and the income from insurance activities of 0.7 million euro; on the contrary there was a fall in net fees and commissions of 6.7 million euro - which is in fact linked to the effects of the serious crisis on the financial market - and the fall in net interest income of 1.6 million euro

Operating costs

Total operating costs, which include personnel expenses, other administrative expenses and net adjustments to tangible/intangible assets, came to 112 million euro, an increase of 3.9%.

Profits/(losses) after taxes from continuing operations

The operating margin at the end of the half-year is consequently 56.6 million euro, a decrease of 8.8% corresponding to 5.5 million euro; there were 34 million euro in net impairment losses on loans and net profits/(losses) on disposal/purchase of receivables (compared to 24 million euro in the past period), net provisions for risks and charges of about 1 million euro and taxes for the period on income from continuing operations of 11.6 million euro lead to the after-tax profit from continuing operations equal to 10 million euro, 54.7% lower than the previous period.

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

The result is made up of profit on equity investments and on disposal of investments, which in turn consists of the gain from the sale of 21.191% of the share capital of Anima SGR.p.A., in acceptance of the voluntary offer to buy promoted by Banca Popolare di Milano, amounting to 21.9 million euro (at individual Parent Company level, 29.9 million euro), net of 8 million euro for consolidation adjustments, and the balance of taxes for the period on income from non-recurring items, about 2.7 million euro.

Specifically, the last-named item consists of the profit on the said sale of the shareholding in Anima SGR.p.A., amounting to about 0.5 million euro, and the positive effect of the result for the period, about 3.2 million euro, owing to the tax redemption of surplus through off-balance-sheet deduction in the EC box of the tax return by paying 12% substitute tax in three annual instalments as allowed under Article 1, paragraph 48, of Law 244/2007, and the realignment of the divergences between the amounts according to regulations governing statutory financial statements and the amounts according to tax law on first application of the international accounting principles (FTA), deriving from the cancellation of amortizations and provisions, paying the said substitute tax in a single sum as laid down in Article 15, paragraph 3 (b) of Decree Law 185/2008.

Parent Bank net profit (loss)

Profits/(losses) after taxes from continuing operations, about 10 million euro, and the profits/(losses) after taxes from non-recurring operations, about 24.6 million euro, make up the Parent Bank net profit for the period, 34.7 million euro, which was 27.7% higher than the first six months of the previous year.

The Parent Company's comprehensive income at 30 June 2009, on the basis of the concept introduced by IAS 1 Revised, Presentation of Financial Statements, and applying the model circulated by the Bank of Italy in the first draft update to Circular 262/2005, was 45.3 million euro, with respect to 28.7 million euro in the period under comparison. The appropriate table in the accounts statements section of the condensed interim Financial Statements should be referred to for further information.

7 - SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Opening of branches

The Parent Company opened a branch at Rubiera, in the Province of Reggio Emilia, on 20 July and one at Imperia on 27 July, while subsidiary BD Lazio S.p.A. opened its branch at Villanova di Guidonia, in the Province of Rome, on 6 July, thus bringing the total number of branches in the retail network up to 167.

Subsidiary Chiara Assicurazioni S.p.A. capital increase to service stock option plan

On 20 July 2009 subsidiary Chiara Assicurazioni S.p.A. carried out a 712,000 euro increase in its share capital, which thus rose from 7,500,000 to 8,212,000 euro, to service the existing incentive plan. Further details about the plan are to be found in the appropriate section of the condensed *interim Financial Statements*.

8 - OTHER INFORMATION

8.1 - RATING

On 29 June 2009 the international rating agency, Fitch Ratings, confirmed all the ratings previously awarded to the Parent Company Banco di Desio e della Brianza S.p.A., basing its decision on the bank's well diversified loans portfolio, the low level of non-performing loans, the high retail bank deposits and its sound capitalisation; the only exception was individual capitalisation, which went down from B to B/C. This variation is due to the deterioration in the quality of the assets, which remains satisfactory, however, also in the light of the performance of other banks and the unfavourable economic situation (the Italian economic recession particularly affects small and medium-sized firms).

Long-term	Short-term	Forecast
A	F 1	Stable

8.2 - TRANSACTIONS WITH RELATED PARTIES

The rules on transactions with related Parties is included in a specific "Internal Procedure for the management of transactions governed by Article 136 of the Consolidated Banking Law and with Related Parties in the context of the Group". The Parent Company's Board of Directors approved the regulations in 2007.

For a more detailed description of the procedures governing the transactions referred to above, we would refer to the annual Report on Corporate Governance of the Parent Company, available on the Group's web site.

More specific information regarding transactions with related parties outstanding as at the end of the half-year is given in the appropriate section of the *condensed interim Financial Statements*.

8.3 - INFORMATION ON STOCK OPTION PLANS

The stock option Plans in existence at the end of the half-year are those started during 2006, regarding shares of subsidiaries Banco Desio Veneto S.p.A. and Chiara Assicurazioni S.p.A. (shares to be issued in the future against capital increases resolved as per Article 2443 of the Civil Code) and the Plan started during 2008, regarding shares of indirect subsidiary FIDES S.p.A. (these are already in Banco Desio Lazio S.p.A.'s possession). The specific section in the *condensed interim Financial Statements* should be referred to for information regarding these Plans.

8.4 - FULFILMENT OF THE REQUIREMENTS LAID DOWN IN ARTICLES 36 AND 37 OF THE CONSOB MARKET REGULATIONS

In accordance with Article 2.6.2, paragraph 15, of the Italian Stock Exchange Regulations, in the manner prescribed in this market regulator's circular of 13 October 2008, specific information is provided as to the fulfilment of the requirements laid down in Articles 36 and 37 of the Consob Market Regulations (16191 of 29 October 2007).

It is certified that, in accordance with Article 36 of the Consob Market Regulations, the Parent Company, Banco di Desio e della Brianza S.p.A., as regards its subsidiary, Credito Privato Commerciale S.A. of Lugano, Switzerland:

- Has published the accounts, prepared with a view to the consolidated financial statements, by linking its website with that of its subsidiary, including at least the balance sheet and the income statement;

- Has obtained the articles of association and information regarding the composition and powers of the corporate bodies;

- Guarantees that the subsidiary will provide the parent company's auditor with all the information necessary to audit the parent company's books, and that it has an administrative and accounting system that ensures that the parent company and the auditor regularly receive the data necessary for the preparation of the consolidated financial statements.

It is also certified that, in accordance with Article 37 of the Consob Market Regulations, even if the Parent Company, Banco di Desio e della Brianza S.p.A., is controlled by Brianza Unione di Luigi Gavazzi & C. S.a.p.a., it is not subject to the latter's management and control by virtue of an express clause in the controlling company's Articles of Association.

9 - BUSINESS OUTLOOK

The protraction of the present condition of difficulty affecting the real economy, uncertainty regarding the extent of a possible recovery and the protracted flattening of market rates, lead to a forecast for the current year of an operating margin that will tend to be lower than the previous year; the final result, however, also as a result of the favourable outcome of the extraordinary transaction involving the shareholding in Anima SGRpa, should remain in line with the amount of profit expected.

August, 27 2009

The Board of Directors

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

CONSOLIDATED BALANCE SHEET

Annexes

	Assets *in thousands of Euros*	**30.06.2009**	**Restated** **30.06.2008**
10	Cash and cash equivalents	23,858	24,328
20	Financial assets held for trading	187,261	499,477
40	Available-for-sale financial assets	683,618	476,340
50	Held-to-maturity investments	11,086	8,082
60	Amounts due from banks	855,510	425,713
70	Amounts due from customers	5,773,980	5,348,579
100	Equity investments	18,215	25,282
110	Technical reserves arising from reinsurance	4,626	3,477
120	Tangible assets	145,019	144,945
130	Intangible assets	43,872	41,246
	of which: goodwill	*41,714*	*39,267*
140	Tax assets	37,068	21,338
	a) current	*4,006*	*900*
	b) deferred	*33,062*	*20,438*
150	Non current assets held for sale and discontinued operatio	0	31,492
160	Other assets	129,910	133,182
	Total Assets	**7,914,023**	**7,183,481**

	Total Liabilities and shareholders' equity *in thousands of Euros*	**30.06.2009**	**Restated** **30.06.2008**
10	Amounts due to banks	57,152	32,817
20	Amounts due to customers	4,200,359	4,099,951
30	Securities issued	2,032,694	1,588,931
40	Financial liabilities held for trading	8,434	13,518
50	Financial liabilities at fair value through profit or loss	569,496	464,066
60	Hedging derivatives	0	1,818
80	Tax liabilities	15,854	20,995
	a) current	*4,509*	*3,480*
	b) deferred	*11,345*	*17,515*
100	Other liabilities	186,898	223,384
110	Reserve for employee termination indemnities	26,773	24,534
120	*Reserves for risks and charges:*	66,952	32,734
	a) pensions and similar commitments	*109*	*105*
	b) other reserves	*66,843*	*32,629*
130	Technical Reserves	15,621	8,029
140	Valuation reserves	19,289	21,357
170	Reserves	592,350	536,603
180	Share premium reserve	16,145	16,145
190	Share capital	67,705	67,705
210	Minority interest (+/-)	3,568	3,685
220	Net profit / (loss) for the period	34,733	27,209
	Total Liabilities and shareholders' equity	**7,914,023**	**7,183,481**

CONSOLIDATED INCOME STATEMENT

	Income Statement *in thousands of Euros*	30.06.2009	Restated 30.06.2008
10	Interest income and similar revenues	176,457	214,964
20	Interest expense and similar charges	-67,172	-104,085
30	**Net interest income**	**109,285**	**110,879**
40	Fee and commission income	43,023	48,455
50	Fee and commission expense	-5,890	-4,634
60	**Net fees and commissions**	**37,133**	**43,821**
70	Dividends and similar income	404	330
80	Net profits/(losses) on trading activities	2,980	-1,999
90	Net profits/(losses) on hedging activities	-13	-16
100	Profit/(loss) on disposal or repurchase of:	2,382	1,755
	a) loans and receivables	*-293*	-387
	b) available-for-sale financial assets	*1,628*	*2,136*
	d) financial liabilities	*1,047*	*6*
110	Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	-627	722
120	**Net interest and other banking income (intermediation margin)**	**151,544**	**155,492**
130	Net impairment losses on/writebacks to:	-33,286	-24,283
	a) loans and receivables	*-33,233*	*-23,902*
	d) other financial assets	*-53*	*-381*
140	**Net income from banking activities**	**118,258**	**131,209**
150	Net insurance premiums	9,842	6,819
160	Balance of other income/charges arising on insurance management activities	-6,638	-4,267
170	**Net result of financial and insurance activities**	**121,462**	**133,761**
180	Administrative expenses:	-112,236	-108,304
	a) personnel expenses	*-72,290*	*-67,370*
	b) other administrative expenses	*-39,946*	*-40,934*
190	Net provisions for risks and charges	-1,446	750
200	Net adjustments to the value of tangible assets	-3,791	-3,403
210	Net adjustments to the value of intangible assets	-426	-389
220	Other operating (expenses)/income	16,395	15,484
230	**Operating expenses**	**-101,504**	**-95,862**
240	Profits/(losses) on equity investments	23,540	5,062
270	Profits/(losses) on the disposal of investments	0	762
280	**Profits/(losses) before taxes from continuing operations**	**43,498**	**43,723**
290	Taxes for the period on income from continuing	-8,829	-16,422
300	**Net profits (loss) after tax from continuing operations**	**34,669**	**27,301**
320	**Net profit/(loss) for the period**	**34,669**	**27,301**
330	Profit (loss) for the period attributable to minority interests	64	-92
340	**Parent Bank net profit (loss)**	**34,733**	**27,209**

CONDENSED INTERIM FINANCIAL STATEMENTS

at 30 June 2009

FINANCIAL STATEMENTS

Consolidated Balance Sheet

Assets

(Euro/1,000)

	Assets	30.06.2009	31.12.2008	Change 06.2009 over 12.2008	
10	Cash and cash equivalents	23,858	32,573	(8,715)	-26.8%
20	Financial assets held for trading	187,261	282,839	(95,578)	-33.8%
40	Available-for-sale financial assets	683,618	507,191	176,427	34.8%
50	Held-to-maturity investments	11,086	8,103	2,983	36.8%
60	Amounts due from banks	855,510	586,362	269,148	45.9%
70	Amounts due from customers	5,773,980	5,706,677	67,303	1.2%
80	Hedging derivatives	-	31	(31)	-100.0%
100	Equity investments	18,215	16,558	1,657	10.0%
110	Technical reserves arising from reinsurance	4,626	4,858	(232)	-4.8%
120	Tangible assets	145,019	147,545	(2,526)	-1.7%
130	Intangible assets	43,872	41,288	2,584	6.3%
	of which:			-	
	- *goodwill*	*41,714*	*39,182*	*2,532*	*6.5%*
140	Tax assets	37,068	36,153	915	2.5%
	a) current	*4,006*	*7,322*	*(3,316)*	*-45.3%*
	b) deferred	*33,062*	*28,831*	*4,231*	*14.7%*
150	Non current assets held for sale and discontinued operations	-	*10,892*	(10,892)	-100.0%
160	Other assets	129,910	*140,162*	(10,252)	-7.3%
	Total Assets	**7,914,023**	7,521,232	**392,791**	5.2%

Liabilities and shareholders' equity

(Euro/1,000)

	Total Liabilities and shareholders' equity	30.06.2009	31.12.2008	Change 06.2009 over 12.2008	
10	Amounts due to banks	57,152	37,636	19,516	51.9%
20	Amounts due to customers	4,200,359	4,061,682	138,677	3.4%
30	Securities issued	2,032,694	1,863,096	169,598	9.1%
40	Financial liabilities held for trading	8,434	15,585	(7,151)	-45.9%
50	Financial liabilities at fair value through profit or loss	569,496	541,488	28,008	5.2%
60	Hedging derivatives	-	64	(64)	-100.0%
80	Tax liabilities	15,854	18,322	(2,468)	-13.5%
	a) current	*4,509*	*2,240*	2,269	101.3%
	b) deferred	*11,345*	*16,082*	(4,737)	-29.5%
100	Other liabilities	186,898	176,905	9,993	5.6%
110	Reserve for employee termination indemnities	26,773	26,490	283	1.1%
120	Reserves for risks and charges:	66,952	66,874	78	0.1%
	a) pensions and similar commitments	*109*	*112*	(3)	-2.7%
	b) other reserves	*66,843*	*66,762*	81	0.1%
130	Technical Reserves	15,621	11,769	3,852	32.7%
140	Valuation reserves	19,289	8,682	10,607	122.2%
170	Reserves	592,350	542,008	50,342	9.3%
180	Share premium reserve	16,145	16,145	-	
190	Share capital	67,705	67,705	-	
210	Minority interest (+/-)	3,568	3,721	(153)	-4.1%
220	Net profit / (loss) for the period	34,733	63,060	(28,327)	-44.9%
	Total Liabilities and shareholders' equity	**7,914,023**	**7,521,232**	**392,791**	5.2%

Consolidated Income Statement

(Euro/1,000)

	INCOME STATEMENT	30.06.2009	30.06.2008	Change 06.2009 over 12.2008	
10	Interest income and similar revenues	176,457	233,325	(56,868)	-24.4%
20	Interest expense and similar charges	(67,172)	(100,499)	33,327	-33.2%
30	**Net interest income**	**109,285**	**132,826**	**(23,541)**	**-17.7%**
40	Fee and commission income	43,023	51,110	(8,087)	-15.8%
50	Fee and commission expense	(5,890)	(9,140)	3,250	-35.6%
60	**Net fees and commissions**	**37,133**	**41,970**	**(4,837)**	**-11.5%**
70	Dividends and similar income	404	1,483	(1,079)	-72.8%
80	Net profits/(losses) on trading activities	2,980	(13,738)	16,718	-121.7%
90	Net profits/(losses) on hedging activities	(13)	(53)	40	-75.5%
100	Profit/(loss) on disposal or repurchase of:	2,382	1,476	906	61.4%
	a) loans and receivables	*(293)*	*(387)*	94	-24.3%
	b) available-for-sale financial assets	*1,628*	*1,857*	(229)	-12.3%
	d) financial liabilities	*1,047*	*6*	1,041	17350.0%
110	Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	(627)	1,926	(2,553)	-132.6%
120	**Net interest and other banking income (intermediation margin)**	**151,544**	**165,890**	**(14,346)**	**-8.6%**
130	Net impairment losses on/writebacks to:	(33,286)	(24,283)	(9,003)	37.1%
	a) loans and receivables	*(33,233)*	*(23,902)*	(9,331)	39.0%
	d) other financial assets	*(53)*	*(381)*	328	-86.1%
140	**Net income from banking activities**	**118,258**	**141,607**	**(23,349)**	**-16.5%**
150	Net insurance premiums	9,842	65,209	(55,367)	-84.9%
160	Balance of other income/charges arising on insurance management activities	(6,638)	(66,052)	59,414	-90.0%
170	**Net result of financial and insurance activities**	**121,462**	**140,764**	**(19,302)**	**-13.7%**
180	Administrative expenses:	(112,236)	(111,010)	(1,226)	1.1%
	a) personnel expenses	*(72,290)*	*(68,605)*	(3,685)	5.4%
	b) other administrative expenses	*(39,946)*	*(42,405)*	2,459	-5.8%
190	Net provisions for risks and charges	(1,446)	750	(2,196)	-292.8%
200	Net adjustments to the value of tangible assets	(3,791)	(3,412)	(379)	11.1%
210	Net adjustments to the value of intangible assets	(426)	(402)	(24)	6.0%
220	Other operating (expenses)/income	16,395	15,886	509	3.2%
230	**Operating expenses**	**(101,504)**	**(98,188)**	**(3,316)**	**3.4%**
240	Profits/(losses) on equity investments	23,540	1,652	21,888	1324.9%
270	Profits/(losses) on the disposal of investments	-	762	(762)	-100.0%
280	**Profits/(losses) before taxes from continuing operations**	**43,498**	**44,990**	**(1,492)**	**-3.3%**
290	Taxes for the period on income from continuing operations	(8,829)	(17,942)	9,113	-50.8%
300	**Net profits (loss) after tax from continuing operations**	**34,669**	**27,048**	**7,621**	**28.2%**
320	**Net profit/(loss) for the period**	**34,669**	**27,048**	**7,621**	**28.2%**
330	Profit (loss) for the period attributable to minority interests	64	(92)	156	-169.6%
340	**Parent Bank net profit (loss)**	**34,733**	**26,956**	**7,777**	**28.9%**

Statement of consolidated comprehensive income for the period

(Euro/1,000)

	Items	30.06.2009	30.06.2008	Change 06.2009 over 06.2008	
10.	**Net profit/(loss) for the period**	**34,669**	**27,048**	**7,621**	**28.2%**
	Other comprehensive income (net of tax)				
20.	Financial assets available for sale	10,810	1,440	9,370	650.7%
30.	Tangible assets	-	-		
40.	Intangible assets				
50.	Foreign investments hedges				
60.	Cash flow hedges				
70.	Foreign exchange differences	114	-	114	
80.	Non-current assets held for sale and discontinued operations				
90.	Actuarial Profit(Loss) on defined benefits plans	(230)	232	(462)	-199.1%
100.	Share of revaluation reserves relating to equity investments recognised under equity				
110.	**Total other comprehensive income (net of tax)**	**10,694**	**1,672**	9,022	539.6%
120.	**Total comprehensive income for the period (item 10 + 110)**	**45,363**	**28,720**	16,643	57.9%
130.	Total Consolidated comprehensive income pertaining to minority interests	(23)	(56)	33	58.9%
140.	**Total Consolidated comprehensive income pertaining to the Parent Company**	**45,340**	**28,664**	**16,676**	**58.2%**

Consolidated Income Statement – Quarterly trend

(Euro/1,000)

	INCOME STATEMENT	2nd quarter 2009	1st quarter 2009	2nd quarter 2008	1st quarter 2008
10	Interest income and similar revenues	80,339	96,118	120,644	112,681
20	Interest expense and similar charges	(27,056)	(40,116)	(52,814)	(47,685)
30	**Net interest income**	**53,283**	**56,002**	**67,830**	**64,996**
40	Fee and commission income	23,785	19,238	24,876	26,234
50	Fee and commission expense	(3,753)	(2,137)	(4,813)	(4,327)
60	**Net fee and commission income**	**20,032**	**17,101**	**20,063**	**21,907**
70	Dividends and similar income	402	2	1,462	21
80	Net profits/(losses) from trading activities	1,485	1,495	(7,487)	(6,251)
90	Net profits/(losses) from hedging activities	42	(55)	(56)	3
100	Profit/(loss) from disposal or repurchase of:	497	1,885	(206)	1,682
	a) loans and receivables	*(293)*	*-*	*(387)*	*-*
	b) available-for-sale financial assets	*615*	*1,013*	*177*	*1,680*
	d) financial liabilities	*175*	*872*	*4*	*2*
110	Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	695	(1,322)	(5,898)	7,824
120	**Net interest and other banking income (intermediation margin)**	**76,436**	**75,108**	**75,708**	**90,182**
130	Net value adjustments/write-backs for impairment of:	(16,435)	(16,851)	(13,690)	(10,593)
	a) loans and receivables	*(16,306)*	*(16,927)*	*(13,385)*	*(10,517)*
	d) other financial assets	(129)	76	(305)	(76)
140	**Net income from banking activities**	**60,001**	**58,257**	**62,018**	**79,589**
150	Net insurance premiums	4,629	5,213	45,379	19,830
160	Balance of other income/charges arising from insurance	(2,685)	(3,953)	(42,124)	(23,928)
170	**Net result of financial and insurance activities**	**61,945**	**59,517**	**65,273**	**75,491**
180	Administrative expenses:	(59,902)	(52,334)	(58,942)	(52,068)
	a) staff expenses	*(37,164)*	*(35,126)*	*(34,566)*	*(34,039)*
	b) other administrative expenses	*(22,738)*	*(17,208)*	*(24,376)*	*(18,029)*
190	Net provisions for risks and charges	(481)	(965)	(447)	1,197
200	Net value adjustments to/write-backs of tangible assets	(1,908)	(1,883)	(1,688)	(1,724)
210	Net value adjustments to/write-backs of intangible assets	(233)	(193)	(195)	(207)
220	Other operating income/(expenses)	8,169	8,226	8,807	7,079
230	**Operating expenses**	**(54,355)**	**(47,149)**	**(52,465)**	**(45,723)**
240	Profits/(losses) from equity investments	981	22,559	275	1,377
270	Profits/(losses) from sale of investments	-	-	762	
280	**Profits/(losses) before taxes from continuing operations**	**8,571**	**34,927**	**13,845**	**31,145**
290	Taxes for the period on income from continuing operations	(2,550)	(6,279)	(7,268)	(10,674)
300	**Net profits (loss) after tax from continuing operations**	**6,021**	**28,648**	**6,577**	**20,471**
330	Profit (loss) for the period attributable to minority interests	(39)	103	(166)	74
340	**Parent Bank net profit (loss)**	**5,982**	**28,751**	**6,411**	**20,545**

Statement of changes in consolidated shareholders’ equity at 30.06.2009

(Euro / 1,000)

	Equity at 31.12.2008 – Group	Equity at 31.12.2008 – Minority interests	Change in opening balances	Equity at 01.01.2009 – Group	Equity at 01.01.2009 – Minority interests	Allocation of result from previous period: Reserves – Group	Allocation of result from previous period: Reserves – Minority interests	Allocation of result from previous period: Dividends and other allocations	Changes over the period: Changes in reserves – Group	Changes over the period: Changes in reserves – Minority interests	Transactions in shareholders' equity: Issue of new shares – Group	Transactions in shareholders' equity: Issue of new shares – Minority interests	Transactions in shareholders' equity: Purchase of treasury shares – Group	Transactions in shareholders' equity: Purchase of treasury shares – Minority interests	Extraordinary distribution of dividends	Change in equity instruments	Derivatives on treasury shares	Stock options	Comprehensive income for the period at 30.06.2009 – Group	Comprehensive income for the period at 30.06.2009 – Minority interests	Equity at 30.06.2009 – Group	Equity at 30.06.2009 – Minority interests
Shareholders' equity:																						
a) ordinary shares	60,840	2,867	-	60,840	2,867	-	-	-	-	-	-	(61)	-		-	-	-	-	-	-	60,840	2,806
b) other shares	6,865	-	-	6,865	-	-							-								6,865	-
Share premium reserve	16,145	-	-	16,145	-	-	-	-	-	-	-	170	-	-	-	-	-	-	-	-	16,145	170
Reserves:																						
a) retained earnings	531,037	1,068	-	531,037	1,068	49,112	(156)	-	1,154	(285)	-	-	-	-	-	-	-	-	-	-	581,303	627
b) others	10,971	-	-	10,971	-	-	-	-	-	-	-	-	-	-	-	-	-	76	-	-	11,047	-
Revaluation reserves:	8,682	(58)		8,682	(58)														10,607	87	19,289	29
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-
Net Profit (loss) for the year	63,060	(156)	-	63,060	(156)	(49,112)	156	(13,948)	-	-	-	-	-	-	-	-	-	-	34,733	(64)	34,733	(64)
Shareholders' equity	**697,600**	**3,721**	**-**	**697,600**	**3,721**	**-**	**-**	**(13,948)**	**1,154**	**(285)**	**-**	**109**	**-**	**-**	**-**	**-**	**-**	**76**	**45,340**	**23**	**730,222**	**3,568**

Statement of changes in consolidated shareholders’ equity at 31.12.2008

(Euro/1,000)

	Equity at 31.12.2007 – Group	Equity at 31.12.2007 – Minority interests	Change in opening balances	Equity at 1.01.2008 – Group	Equity at 1.01.2008 – Minority interests	Allocation of result from previous period: Reserves – Group	Allocation of result from previous period: Reserves – Minority interests	Allocation of result from previous period: Dividends and other allocations	Changes over the period: Changes in reserves – Group	Changes over the period: Changes in reserves – Minority interests	Transactions in shareholders' equity: Issue of new shares – Group	Transactions in shareholders' equity: Issue of new shares – Minority interests	Transactions in shareholders' equity: Purchase of treasury shares – Group	Transactions in shareholders' equity: Purchase of treasury shares – Minority interests	Extraordinary distribution of dividends	Change in equity instruments	Derivatives on treasury shares	Stock options	Net Profit (Loss) for the year at 31.12.2008 – Group	Net Profit (Loss) for the year at 31.12.2008 – Minority interests	Equity at 31.12.2008 – Group	Equity at 31.12.2008 – Minority interests
Shareholders' equity:																						
a) ordinary shares	60,840	1,490	-	60,840	1,490	-	-	-	-	-	-	-	-	1,377	-	-	-	-	-	-	60,840	2,867
b) other shares	6,865	-	-	6,865	-	-							-								6,865	-
Share premium reserve	16,145	-	-	16,145	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,145	-
Reserves:																						
a) retained earnings	365,418	1,017	-	365,418	1,017	169,682	96	-	(4,063)	(45)	-	-	-	-	-	-	-	-	-	-	531,037	1,068
b) others	10,877	-	-	10,877	-	-	-	-	-	-	-	-	-	-	-	-	-	94	-	-	10,971	-
Revaluation reserves:																						
a) available for sale	(4,275)	-	-	(4,275)	-	-	-	-	(9,434)	(58)	-	-	-	-	-	-	-	-	-	-	(13,709)	(58)
b) cash-flow hedge	-	-	-	-																	-	-
c) others:	-	-	-	-																	-	-
tangible assets	-	-	-	-																	-	-
special revaluation laws	22,896	-	-	22,896	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,896	-
employee benefits	1,021	-	-	1,021	-	-	-	-	(1,526)	-	-	-	-	-	-	-	-	-	-	-	(505)	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	(92)	-	-	(92)	-	-	-	-	-	-	-	-	92	-	-	-		-	-	-	-	-
Net Profit (loss) for the year	183,630	96	-	183,630	96	(169,682)	(96)	(13,948)	-	-	-	-	-	-	-	-	-	-	63,060	(156)	63,060	(156)
Shareholders' equity	**663,325**	**2,603**	**-**	**663,325**	**2,603**	**-**	**-**	**(13,948)**	**(15,023)**	**(103)**	**-**	**-**	**92**	**1,377**	**-**	**-**	**-**	**94**	**63,060**	**(156)**	**697,600**	**3,721**

Consolidated Cash Flow Statement

(Euro / 1,000)

A. OPERATIONS	Amount	
	30.06.2009	30.06.2008
1. Management activities	**81,367**	**69,950**
- interest income earned (+)	176,329	233,381
- interest expenses paid (-)	(67,101)	(100,468)
- dividends and similar revenues (+)	404	1,483
- net commissions (+/-)	37,858	42,653
- personnel costs (-)	(69,480)	(66,525)
- net premiums earned (+)	9,842	65,209
- other insurance income/charges (+/-)	(6,638)	(66,052)
- other costs (-)	(35,481)	(43,114)
- other revenues (+)	44,463	21,325
- taxes and duties (-)	(8,829)	(17,942)
- costs/revenues relating to non current assets held for sale and discontinued operations, net of tax effect (+/-)	-	-
2. Liquid assets generated (absorbed) by decrease/increase in financial assets	**(414,905)**	**(528,021)**
- financial assets held for trading	97,176	(67,238)
- financial assets at fair value through profit or loss	-	(65,102)
- available-for-sale financial assets	(160,222)	67,705
- amounts due from customers	(105,717)	(291,432)
- amounts due from banks: at sight	(185,317)	(67,138)
- amounts due from banks: others	(83,813)	(89,471)
- other assets	22,988	(15,345)
3. Liquid assets generated (absorbed) by increase/decrease in financial liabilities	**345,900**	**471,496**
- amounts due to banks: at sight	25,935	(25,699)
- amounts due to banks: others	(6,419)	(111,326)
- amounts due to customers	138,677	300,807
- securities issued	161,897	96,837
- financial liabilities held for trading	(66)	(6,976)
- financial liabilities at fair value through profit or loss	28,008	173,672
- other liabilities	(2,132)	44,181
Net liquid assets generated (absorbed) by operations (A)	**12,362**	**13,425**
B. INVESTMENTS		
1. Liquid assets generated by	**-**	**3,508**
- sale of investments	-	2,443
- dividends received from investments	-	-
- sale/redemption of financial assets held to maturity	-	1
- sale of tangible assets	-	1,064
- sale of intangible assets	-	-
- sale of subsidiaries and business divisions	-	-
2. Liquid assets absorbed by	**(7,285)**	**(4,121)**
- purchase of investments	(1,657)	-
- purchase of financial assets held to maturity	(3,047)	-
- purchase of tangible assets	(1,265)	(3,790)
- purchase of intangible assets	(1,316)	(331)
- purchase of subsidiaries and business divisions	-	-
Net liquid assets generated (absorbed) by investments (B)	**(7,285)**	**(613)**
C. FUNDING ACTIVITIES		
- issues/purchases of treasury shares	-	13
- issues/purchases of equity instruments	-	-
- distribution of dividends and other purposes	(13,792)	(14,044)
Net liquid assets generated (absorbed) by funding activities (C)	**(13,792)**	**(14,031)**
NET LIQUID ASSETS GENERATED (ABSORBED) DURING THE YEAR (A+B+C)	**(8,715)**	**(1,219)**

Financial statements' items	1st half of 2009	1st half of 2008
Cash and cash equivalents at beginning of year	32,573	25,547
Total liquid assets generated (absorbed) during the year	(8,715)	(1,219)
Cash and cash equivalents: effect of exchange rate changes		
Cash and cash equivalents at end of year	23,858	24,328

ACCOUNTING POLICIES AND STANDARDS

ACCOUNTING POLICIES AND SCOPE OF CONSOLIDATION

GENERAL

Section 1 – Declaration of conformity with international accounting standards

This condensed interim consolidated financial statements of the Banco Desio Group at 30 June 2009 is drawn up in accordance with Article 154 (iii) of Legislative Decree 58/1998 and prepared in conformity to the applicable International Accounting Standards endorsed by the European Community under Regulation (EC) 1606/2002 of the European Parliament and Council (dated 19 July 2002) and, in particular, in conformity to IAS 34 - *Interim Financial Reporting* - in addition to the regulations issued in implementation of Article 9 of Legislative Decree 38/2005.

The condensed interim consolidated financial statements consists of the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Cash Flow Statement and the Notes to the Financial Statements, which provide the details of the main items in the Balance Sheet and Income Statement, Operating segments, information on risks and the related hedging policies, information on transactions with related parties and stock option plan transactions. The condensed interim consolidated financial statements is also accompanied by the Consolidated Half-Year Financial Report.

Section 2 – General accounting policies

The condensed interim consolidated financial statements at 30 June 2009 have been drawn up with clarity and represent a true and fair picture of the equity and financial situation and the economic results of the half-year.

When noting the main management events emphasis has been given to the principle of economic substance over form.

The document have been drawn up in compliance with the economic accruals basis using the criterion of historic cost, modified in relation to the valuation of financial assets held for trading, available for sale, valued at fair value and by all existing derivative contracts which have been valued in accordance with the fair value principle.

The accounting value of liabilities recorded in the financial statements which have been hedged have been adjusted to take account of the changes in fair value attributable to the hedged risk.

As provided for under IAS39, with regard to the valuation of financial instruments the Group adopted the fair value option, permitting the designation of financial assets and liabilities at their fair value with the related entries in the income statement, when this produces more significant information, reduces complexity or leads to a more reliable valuation.

The schedules under the financial statements and notes were prepared and drawn up in accordance with the compilation rules issued by the Bank of Italy by the Circular Letter no. 262 of 22 December 2005.

Amounts are expressed in thousands of Euros.

Changes in IAS/IFRS

Among the main variations made to IAS/IFRS, we draw attention to the revision of IAS 1, “Presentation of Financial Statements”, which introduced the concept of “comprehensive income” and of IFRS 8, Operating Segments, which made changes to the disclosures for these segments.

The new disclosures are required for annual financial statements and interim financial statements as per IAS 34 from 1 January 2009.

Specifically, a new "Statement of Comprehensive Income" is suggested for comprehensive income, and additions are made to the Statement of Changes in Equity.

The models used are those circulated by the Bank of Italy with the first draft update in Circular 262/2005.

Section 3 – Scope and methods of consolidation

1. Investments in wholly-owned subsidiary companies and companies subject to joint control (consolidated proportionately)

Company name	Registered office	Type of relationship (1)	Ownership relationship		Availability of votes %
			Investing company	Share %	
A. Companies					
A.1 Consolidated on a line by line basis					
1 Banco Desio Lazio S.p.A.	Rome	1	Banco Desio	100.00	100.00
2 Banco Desio Toscana S.p.A.	Florence	1	Banco Desio	100.00	100.00
3 Banco Desio Veneto S.p.A.	Vicenza	1	Banco Desio	100.00	100.00
4 Brianfid-Lux	Luxembourg	1	Banco Desio	100.00	100.00
5 Chiara Assicurazioni S.p.A.	Desio	1	Banco Desio	65.00	65.00
6 Credito Privato Commerciale S.A.	Lugano	1	Brianfid-Lux	100.00	100.00
7 Rovere Societé de Gestion S.A.	Luxembourg	1	Brianfid-Lux	80.00	80.00
8 Fides S.p.A.	Rome	1	Banco Desio Lazio	95.00	95.00

Legend
(1) Type of relationship: 1 = majority of voting rights in ordinary shareholders' meetings

Equity investments in companies subject to significant influence – Chiara Vita S.p.A. (shareholding 30%) and Istifid S.p.A. (shareholding 21.648%) were consolidated on equity basis.

Section 4 – Events subsequent to the reporting date

Reference is made to the Interim Report on Operations at 30 June 2009.

Section 5 – Other aspects

Use of estimates and assumptions when drawing up the condensed interim consolidated financial statements at 30 June 2009.

The drafting of the condensed interim consolidated financial statements calls for the use of estimates and assumptions which may have a significant effect on the values entered in the balance sheet and the income statement as well as on the notes to the financial statements. The use of such estimates involves the use of available information and the adoption of subjective valuations, also founded on past experience, for the purposes of the formulation of reasonable assumptions for the identification of management elements. By their nature the estimates and assumptions used may vary from accounting period to accounting period and it cannot therefore be excluded that in subsequent accounting periods the values currently recognised may change precisely because of changes in the subjective valuations utilised.

The main cases where the use of subjective estimations and valuations are called for are the following:

- the quantification of losses by reason of the reduction in the value of loans and receivables and, in general, of financial assets;

- the calculation of the fair value of financial instruments to be used for the purposes of disclosures;
- the use of valuation models for the identification of the fair value of financial instruments not listed on active markets;
- the quantification of staff costs, administrative expenses and reserves for risks and charges;
- the estimates and assumptions made in relation to the ability to recover deferred tax assets.
- definition of the tax burden.

The description of the accounting policies applied to the main aggregate headings in the financial statements provides more details and information on the subjective assumptions and valuations used in the drawing up of the condensed interim consolidated financial statements.

MAIN FINANCIAL STATEMENT ITEMS

Measurement Criteria

The measurement criteria described below, used in the preparation of the condensed interim consolidated financial statements at 30 June 2009, are in compliance with the International Accounting Standards (IAS/IFRS) endorsed by the European Commission and in force at the reporting date.

The policies adopted in the preparation of the interim consolidated financial statements are unchanged with respect to those adopted for the Banco Desio Group Financial Statements for the year 2008.

For transactions involving the trading of standardized financial assets, namely contracts whereby delivery takes place over a period of time laid down by regulations or by market conventions, the reference date is that of settlement.

Financial assets held for trading

Recognition criteria

"Financial assets held for trading" (at fair value through profit and loss) comprise debt securities, equity securities, non-hedging derivative instruments and the other assets that, based on their initial designation, are classified as financial instruments intended to be traded in the near term. Since classification derives from the initial designation, subsequent reclassifications are not permitted for this category of financial assets, except where permitted by the amendments to IAS 39 which were endorsed by the European Community on 15 October 2008.

Measurement criteria

Initial recognition is at fair value at the settlement date, without considering transaction costs. Subsequent measurement is at fair value, with recognition of the gain or loss in the income statement.

For listed shares measurement is at the "official" price in the market where they are listed at the date of measurement.

For bonds listed in Italy, measurement is at the "official MOT price" at the measurement date.

For unlisted securities, the valuation at fair value is found on the BLOOMBERG circuit, or in the absence of this, through the discounting of future financial flows at a current rate of return, calculated on the basis of objective elements.

For derivative instruments traded on regulated markets, measurement is at the closing price on the day of measurement.

For derivative instruments not traded on regulated markets for which the providers do not supply meaningful price quotations, pricing is carried out through available IT procedures, or using recognized pricing models.

Derecognition criteria

Assets held for trading are derecognised when they are sold or upon expiry of the assets.

Available-for-sale financial assets

Recognition criteria

“Available-for-sale financial assets” comprise those financial assets – excluding derivatives – not classified as loans and receivables, held-to-maturity investments, financial assets held for trading or financial assets at fair value through profit or loss.

They include minority investments, bonds held for investment (not short-term) and mutual investment fund units.

Measurement criteria

Initial recognition is at fair value, including transaction costs directly attributable to the acquisition, at the settlement date. Subsequent measurement is still at fair value for the price component, while the interest component is calculated with reference to the effective rate of return.

Fair value is determined using the criteria already set out for assets held for trading.

Unlisted financial assets whose fair value cannot be reliably measured are measured at cost.

For mutual investment funds, measurement occurs at the N.A.V. at the measurement date, or at the latest available date.

At every balance sheet date, an assessment is made of any existing impairment that has a measurable impact on the estimated future cash flows. The amount of the loss of value is represented by the difference between the asset’s accounting value and its recoverable value. If such evidence exists, cumulative losses recorded in the valuation reserve are posted directly to the income statement.

Derecognition criteria

Available-for sale financial assets are derecognized when sold, upon expiry of the assets or upon transfer to another category.

“Available-for sale financial assets” may be transferred to the category “Held-to-maturity investments” only in the following circumstances:

- a change in intention or ability to hold,
- in the rare circumstances that a reliable measure of fair value is not available.

According to the provision of the amendments to IAS 39 of 15 October 2008, the transfer to the category “loans and receivables” is permitted in particular circumstances.

Criteria for the recognition of income statement components

Gains or losses are recorded in the valuation reserve, net of tax effects, until reversal of the asset. At the time of expiry, sale or transfer to another category, or for impairment recognition, the amount recorded in the valuation reserve is recognised in the income statement.

Held-to-maturity investments

Recognition criteria

"Held-to-maturity investments" comprise non-derivative (including implicit) financial assets with fixed or determinable contractual payments and fixed maturities for which there is the positive intention and ability to hold them until maturity.

The constitution of the held-to-maturity investments category, and any subsequent movements, was made against specific resolutions adopted by the corporate bodies, in accordance with the provisions of IAS 39.

The recording of financial assets in this category is no longer permitted for the current year and for the two following years in the event that sales are made for a not insignificant amount, except in the case of investments close to maturity and isolated events that are beyond the Group's control. If the conditions requiring that this category not be used exist, the remaining assets are reclassified as available-for-sale financial assets (tainting provision).

Measurement criteria

Initial recognition is at fair value, including transaction costs directly attributable to the acquisition, on the settlement date. Subsequent measurement is at amortised cost against profit and loss.

At every balance sheet date, an assessment is made of any evident impairment that has a measurable impact on the estimated future cash flows. If such impairment exists, losses are recognized in profit and loss.

Since they are listed securities, the fair value reported in the notes to the financial statements is equal to their counter values at market prices.

Derecognition criteria

Held-to-maturity investments are derecognised when sold, upon expiry of the assets or upon transfer to another category.

Loans and receivables

Recognition criteria

"Loans and receivables" comprise non-derivative financial assets with fixed or determinable payments that are not listed on an active market.

Normally, they include loans and advances to customers, amounts due from banks and debt securities not listed on an active market with characteristics similar to receivables, excluding assets held for trading and available-for-sale assets.

They also include finance lease receivables.

Classification criteria

Loans and receivables are periodically subject to analysis, and are classified as "performing" and "non-performing" based on the state of impairment of the loan or receivable.

Non performing loans include the different classes of impaired loans provided for under the regulations of Bank of Italy: non-performing, problem and expired loans.

Where objective evidence of impairment loss exists, loans pass from performing to non-performing.

Measurement criteria

Loans and receivables are recorded on the trade date at fair value, including transaction costs and commissions directly attributable to the acquisition, normally equal to the amount paid. Subsequent measurement is at amortised cost using the effective interest method.

The amortised cost is the amount at which the financial asset was measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, and minus any impairment or uncollectibility.

The Group's loans and receivables portfolio is subject to reassessment at least at the close of every set of annual or interim financial statements, for the purpose of identifying and determining any evidence of objective impairment. Measurement is achieved by considering both the specific solvency situation of customers and the local or national economic conditions relative to the debtor's sector of activity.

"Performing" loans and receivables are subject to collective assessment whereby they are subdivided into groups with the same risk characteristics. Expected Loss is determined by applying the Probability of Default (PD) produced by the Credit Rating System model and Loss Given Default (LGD) is determined from a historic-statistical analysis of the performance of non-performing and problem loans. The expected loss takes account of the deterioration of the receivables at the reference date although the precise entity of such deterioration is not yet known at the time of measurement, in order to move the valuation model from expected loss to latent loss.

Specific analyses are conducted for exposures of a significant amount.

This method was adopted to advance a progressive convergence with the valuation criteria provided by the New Basel Agreement on capital requirements (Basel 2).

All loans and receivables for which there exists objective evidence of impairment, measured by the difference between the carrying value and the present value of expected future cash flows discounted applying the original agreed effective interest rate, were classified in the "non-performing" category. The assessment is analytical and takes into consideration the presumed possibility of recovery, expected recovery time and existing guarantees.

Receivables for default interest are accounted for as to their collection.

The adjustments arising from the analytical and collective assessments are recognized in profit and loss.

The original value of loans and receivables is reinstated if the reasons for the adjustment recorded cease to exist, and the reversal is recognized in profit and loss.

The value of loans to non-resident persons is written down on a general basis in relation to the difficulty in servicing the debt by their countries of residence.

As regards "performing loans" beyond the short term, the fair value of the loans is calculated only for the purposes of their inclusion in the notes to the financial statements. Non-performing loans previously valued analytically, and the short term positions, are recognised at book value, which represents a reasonable estimate of their fair value.

The fair value is determined through the contractual development of future cash flows, applying a risk free discount rate, and taking also into account the credit risk in term of PD and LGD, reported in the CRS model.

Derecognition criteria

Loans and receivables are derecognised from the financial statements when repaid, sold, or written off, since all the risks and rewards relative to those assets have been transferred.

Criteria for the recognition of income statement components

Measurement at amortised cost generates a transfer of the transaction costs and additional revenues in the income statement, which are spread over the life of the financial asset rather than being fully recognised in the income statement in the period of initial recognition.

Interest accruing over time as a result of the discounting-back of impaired loans is recognised in the income statement under write-backs.

Hedging transactions

Hedging transactions have the objective of neutralizing certain potential risks of loss on financial assets or liabilities through specific financial instruments, whose use is directed at lessening the effects of the hedged financial instruments on the income statement.

Recognition criteria

Recognition of hedging transactions in the financial statements entails:

- involvement of external parties;
- specific designation and identification of the hedging and hedged financial instruments used for the transaction;
- definition of the risk management objective pursued, specifying the nature of the risk hedged;
- passing the test of effectiveness at the inception of the hedge relationship, and subsequently, with specific measurement methods and timing;
- preparation of complete formal documentation of the hedging relationship.

Classification criteria

The type of hedge used is the Fair Value Hedge: the objective is to hedge the risk of changes in the fair value of the hedged instrument.

Measurement criteria

The fair value of hedge derivatives is calculated by using an internal model which discounts back the cash flows on the basis of the risk free curve. Only to positions with positive fair values is an adjustment made which takes into account the credit risk of the counterparty and the residual life of the contract.

The changes in the fair value of the hedging derivatives and hedged financial instruments (for the parts attributable to the hedged risk) are recorded separately against profit and loss.

A hedging transaction is considered effective when changes in the fair value (or in cash flows) of the hedging financial instrument offset the changes of the hedged financial instrument within a range of 80%-125%, as set by IAS 39.

Tests of effectiveness are performed at the close of each set of annual or interim financial statements, both retrospectively, to measure actual results to date, and prospectively, to demonstrate the expected effectiveness in future periods.

Derecognition criteria

Recognition of hedging transactions in the financial statements is discontinued when the effectiveness criteria are no longer met, when the transactions are revoked, or when the hedging instrument or the hedged instrument expires, is terminated or is sold. If the hedged instrument is measured at amortised cost, the difference between the fair value, determined at the date of discontinuance of the hedging relationship, and the amortised cost is recognised over its residual life.

Equity investments

This item comprises investments in associates, as defined by IAS 28. Other investments are accounted for in accordance with IAS 39, and are classified as available-for-sale financial assets and measured in accordance with the measurement criteria for that class of financial asset.

Recognition criteria

Investments are initially entered at cost including any directly attributable additional charges.

Measurement criteria

The equity method is applied in measuring after first recognition: according to this method, the initial carrying amount is adjusted to recognise the Parent Company's portion in the associate's balance sheet.
If there are indications of impairment after the value of the investment has been adjusted in accordance with the equity method, its recoverable value is estimated in the light of the present value of the future cash flows that it may generate, including the cost of its final disposal. If recoverable value is lower than carrying amount, the difference is recognised in profit and loss.

Criteria for the recognition of income statement components

Item 240, Profit (Loss) on equity investments, includes the associates' portion of the result for the year and any impairment losses reported.

Derecognition criteria

Investments are derecognised when the contractual rights to the cash flows from the assets expire or when they are transferred together with the substantial transfer of all the related risks and rewards.

Tangible assets

Tangible assets comprise buildings, land, plant, furniture and fittings and other office equipment. They are goods that are instrumental to the supply of services.

Recognition criteria

Tangible assets whose cost can be reliably measured and from which it is probable that future economic benefits will flow for the Group are recognised in the financial statements.

Tangible assets are initially recognised at the purchase price, including additional costs sustained for the purchase and to put the asset into operation.

For the first-time adoption of IAS/IFRS, the exemption provided by IFRS 1, paragraph 16, was taken advantage of by opting for the measurement of buildings at fair value, as a substitute for cost, as at 1 January 2004. The cost model was adopted for the measurement of buildings subsequent to that date.

Extraordinary maintenance costs that increase the value of assets are allocated to the assets to which they refer.

Ordinary maintenance costs are recognized directly in the income statement.

In application of IAS 17, finance lease transactions are recognised in the financial statements in accordance with the finance method. Accordingly, assets leased out under finance leases are recognised as receivables.

Measurement criteria

Tangible assets are recognised in the financial statements at purchase cost, including additional costs sustained, less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated systematically, on a straight-line basis, using technical-economic rates that are representative of the residual useful life of the assets. Land and works of art are exceptions - they are not subject to depreciation given that their useful lives are unlimited, and in consideration of the fact that the related value is not normally destined to reduce in relation to the passage of time.

Extraordinary maintenance costs that increase the value of assets are allocated to the assets to which they refer and depreciated in relation to the residual useful life of the related assets.

Each year an assessment will be made of whether there are any indications of impairment. Should it be determined that the carrying amount of an asset is greater than the recoverable amount, the carrying amount is adjusted to the recoverable amount and the loss charged to the income statement.

Derecognition criteria

Tangible assets are derecognised on disposal.

Criteria for the recognition of income statement components

Value adjustments are recognised in the income statement under net adjustments to the value of tangible assets.

Intangible assets

Intangible assets include the goodwill (including the positive differences in consolidation), indemnity costs for the abandonment of leasehold premises and the costs for the purchase of applications software.

Restructuring costs related to leasehold properties are entered under other assets.

Recognition criteria

Goodwill represents the positive difference between the acquisition cost and the fair value of net assets acquired in business combinations. It is recognised in the financial statements as an intangible asset when it is effectively representative of the future economic benefits of the assets acquired.

Other intangible assets are recognised in the financial statements only if they comply with the requirements that they be independently identifiable and distinct from goodwill, that it is probable that future economic benefits will be realised, and that the cost can be measured reliably.

Measurement criteria

Intangible assets are recognised in the financial statements at purchase cost, including additional costs sustained, less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated systematically, on a straight-line basis, using technical-economic rates that are representative of the residual useful life.

Goodwill is not amortized in view of its indefinite useful life, and the adequacy of the carrying amount is assessed annually (impairment test). Should there be indications of impairment, goodwill is adjusted appropriately and the loss charged to the income statement.

Indemnity costs for the abandonment of leasehold properties are amortised at rates determined in proportion to the duration of the corresponding rental contract (including renewal).

Derecognition criteria

Intangible assets are derecognised from assets on disposal or when future economic benefits are no longer expected.

Criteria for the recognition of income statement components

Value adjustments are recognised in the income statement under net adjustments to the value of intangible assets.

Value adjustments relating to costs for restructuring of leasehold properties are recognised in the income statement under other operating expenses.

Current and deferred taxes

Income taxes for the period are calculated by estimating the tax charges on an accruals basis. In addition to current taxes, determined in relation to the tax regulations in force, deferred taxes are also recognised, originating as a result of the temporary differences which emerge between the balance sheet amounts recorded for financial reporting purposes and those for taxation purposes. Therefore, taxes represent the current and deferred tax balances related to the taxable income for the period.

Tax assets and liabilities include the fiscal positions of every single company within the Group. Deferred tax assets are recognised when their recovery is probable, that is when it is expected that sufficient taxable income can be made available in the future to recover the asset. They are recognised as assets in the balance sheet under item 140 "Deferred tax assets".

Conversely, deferred tax liabilities are recognised as liabilities in the balance sheet under item 80 "Deferred tax liabilities".

Current taxes that have not yet been paid are separately recognised under item "Current tax liabilities" in the Balance Sheet. In the event of excess payments on account for current taxes, the receivable to be recovered is recognized under item "Current tax assets" in the Balance Sheet.

Tax assets and liabilities are recognised in equity if connected to transactions recognised directly in equity.

Non current assets held for sale and discontinued operations / Liabilities related to discontinued operations

This item includes non-current tangible assets, intangible assets and financial assets, and the groups of assets/liabilities being disposed of, according to the provisions under IFRS 5.

Recognition criteria

Entries are made under this item for non-current assets, or groups of assets/liabilities being disposed of, if the book value is to be recovered mainly through a sales transaction rather than through continuing use. Sale is considered highly probable and is to be completed within a year of the day the entry is made.

Measurement criteria

These are valued at the lower of book value and fair value, net of sales costs, with the exclusions under IFRS 5 (deferred tax assets, assets from employee benefits, financial assets falling within the scope of application of IAS 39, real property investments, contractual rights arising from insurance contracts), for which the measurement criteria under the corresponding IAS/IFRS standards apply.

Criteria for the recognition of income statement components

The income statement components referable to non current assets held for sale and discontinued operations are not recognised separately in the income statement, because they do not fall under the definition of discontinued operations.

Liabilities and securities issued

This item includes the various types of deposits received by the Group: amounts due to banks, amounts due to customers, certified bond securities held on deposit or issued by the Group itself.

Recognition criteria

These financial liabilities are recognised upon receipt of the amounts deposited or upon issue of the debt securities.

Recognition is at fair value, generally equal to the amount collected, or at the issue price, adjusted by any directly attributable initial costs or income.

Securities issued by the Group are shown net of any repurchases.

Measurement criteria

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with the contra-entry to the income statement.

Financial liabilities without amortisation plans are measured at cost.

Financial liabilities subject to fair value hedges are subject to the same measurement criteria as the hedging instrument, limited to the changes in fair value, from the time of designation of the hedge, recognized in profit and loss.

The fair value of hedge financial instruments is calculated by discounting the cash flows using the risk-free curve.

Derecognition criteria

Liabilities and securities issued are derecognised from the financial statements upon maturity, settlement or sale.

For securities issued, the part subject to repurchase is, in essence, settled.

Financial liabilities held for trading

This item comprises derivative instruments that are held for trading with negative values.

Recognition criteria

Liabilities held for trading are recognised at fair value.

Measurement criteria

Financial liabilities held for trading are measured at fair value and the effects are recognised in the income statement.

Derivative instruments traded on regulated markets are valued at the closing price on the day of valuation.

Derivative instruments, not traded on regulated markets for which providers do not give price quotations that are considered to be significant, are priced on the basis of the IT procedures available or by using recognised pricing models.

Derecognition criteria

Financial liabilities are derecognised upon sale, maturity or settlement.

Financial liabilities at fair value through profit or loss

This item includes financial liabilities at fair value through profit or loss.

The item refers especially to the application of the so-called fair value option for “naturally hedged” financial liabilities, and for financial liabilities deriving from investment contract in the insurance sector. The purpose of the fair value option is to improve the balance of the profit and loss effects of the measurement of financial assets and liabilities.

Liabilities at fair value may be recognised through profit or loss in the following cases:

- the elimination or the reduction of measurement inconsistencies;
- the measurement of instruments containing embedded derivatives;
- the measurement of groups of financial assets or liabilities on the basis of documented risk management or investment strategy.

Specifically, bond issues including an embedded derivative or that are financially hedged.

Recognition criteria

These are recognised at fair value, which normally corresponds to the consideration collected.

Measurement criteria

These are measured at fair value through profit or loss.

Fair value is determined according to the discounted cash flow method by using the risk-free interest rates curve, as increased by a credit spread.

Derecognition criteria

Financial liabilities at fair value are derecognised upon sale, maturity or settlement.

Repurchases of own issues substantially entail the extinction of the part subject to repurchase. The re-placement of own securities that have previously been repurchased is considered as a new issue at sale value.

Reserve for employee termination indemnities

Measurement criteria

The reserve for employee termination indemnities is measured in the financial statements employing actuarial calculation techniques.

Measurement is entrusted to independent external actuaries, employing the accrued benefit method using the Projected Unit Credit Method. The amount thus determined represents the present value, calculated using demographic-financial assumptions, of the benefits due to the employee (settlement of Employee Termination Indemnity (TFR)) for the service accrued to date, obtained by re-proportioning the total present value of the obligation to the period of service already rendered at the date of measurement, taking into account the likelihood of resignations and advance requests.

The amounts shown in the financial statements take into account the provision for the period and the utilisation for indemnities paid or advanced during the period.

Criteria for the recognition of income components

The provisions to the Employee Termination Indemnity (TFR), in accordance with the provisions of IAS 19, are registered against the valuation reserves and include also the interest accrued in time (time-discounting).

Reserves for risks and charges

Recognition criteria

Reserves for risks and charges include the provisions made against present obligations that are the result of past events, and it is probable that the settlement of these obligations will require the employment of economic resources that can be reliably estimated.

The provisions reflect the best estimate of the future cash flows required to settle the present obligations at the balance sheet date.

Measurement criteria

In cases in which the effect of time is a relevant aspect, the amounts provided are subject to discounting taking into account the estimate of the maturity of the obligation. The discount rate reflects current assessments of the time value of money, taking into account risks specific to the liability.

The valuation of seniority bonuses paid to staff is the responsibility of independent external actuaries and follows the same calculation logic already described for the provision for employee termination indemnities.

Criteria for the recognition of income statement components

Provisions are generally recognized in the income statement. Exceptions are the amounts set aside for employee seniority bonuses, recorded as balancing entries to valuation reserves.

The effects deriving from the elapsing of time for discounting of future cash flows are recognised in the income statement under provisions.

Insurance assets and liabilities

The insurance assets and liabilities entered in the Group's consolidated financial statements arise solely from the consolidation of Chiara Assicurazioni S.p.A. on a line-by-line basis, and represent the contracts that are classified as insurance contracts as prescribed by IFRS 4, as well s the investment contracts classified as DPF (Discretionary Participation Feature).

The technical reserves are the contractual obligations under the insurance contracts that have been entered into. They are recognised on the basis of the taking out and continuation of the policies and are sufficient to allow the prudentially estimated commitments to be met as far as can reasonably be foreseen.

They comprise:

Assets:

- actuarial reserves arising from reinsurance: they are the portion of the technical liabilities that are sold under reinsurance agreements. They are measured on the basis of the same parameters as those used to make provision for the risks assumed by the Company (the so-called "direct labour").

Liabilities:

- actuarial reserves: they are calculated on the basis of suitable actuarial mortality assumptions that are able to discount possible subsequent unfavourable discrepancies, include contractual revaluations and are in any event not lower than the surrender value;
- reserves for sums to pay: they represent the amount necessary to pay out, during the subsequent six months, on the surrenders and claims already notified in the first half-year;
- technical reserves with the risk assumed by the insured: they are proportionate to the value of the units of the internal funds to which the performance of some products are partially linked, such as the Supplementary Pension Fund (FIP);
- other technical reserves: these are made up of reserves for future operating expenses, as estimated pursuant to Article 25, paragraph 8, of Legislative Decree No. 174/1995.

Transactions in foreign currency

Recognition criteria

Foreign currency transactions are recorded in the accounts on their date of settlement, converting them into Euros at the exchange rate in force on the operation date.

Measurement criteria

At the end of the accounting period the headings in the financial statements in foreign currency have been valued as follows:

- monetary: conversion at the exchange rate in force at the date of the closure;
- non-monetary, valued at cost: conversion at the exchange rate in force at the date of the transaction.
- non-monetary valued at fair value: conversion at the exchange rate in force at the date of closure.

For monetary elements the effect of the valuation carried out in application of the principles referred to above is recognized in profit and loss.

For non-monetary elements whose profits and losses are recognized in the income statement, even exchange rate differences will be recorded in the income statement. If profits and losses are recognized in equity, exchange rate differences will be recognized in equity as well.

Other information

Costs and revenues recognition

Costs and revenues have been recognized in the financial statements on the basis of the economic accruals criterion.

Treasury shares

Any treasury shares held are recorded as a deduction of equity.

Gains and losses deriving from the trading of treasury shares are recognised directly in equity, without passing through the income statement.

Revaluation reserves

This item comprises the revaluation reserves on financial assets available for sale, derivative contracts hedging financial flows, the revaluation reserves constituted in application of special laws in previous years and the reserves from actuarial valuation of the reserve for employee termination indemnities according to IAS 19.

Additionally, the effects deriving from the application of fair value, as deemed cost, to tangible assets upon the first-time adoption of IAS/IFRS are also included.

Share-based payments

Share-based payments to Group employees can be:

- cash-settled, and then accounted for in the income statement on the basis of the quota that has matured at the period-end, also considering the probability that the cost will arise on the date on which the options are exercised.
- equity-settled, and then valued with the Black and Scholes model and recorded in the Income Statement on the basis of the accrued amount at the end of the accounting period and recorded in a specific reserve under equity.

Finance leases

Assets under finance leases are shown as receivables at an amount corresponding to the net leasing investment. Financial income is then recognised on the basis of methods that reflect a constant periodical rate of return.

Balance Sheet and Income Statement aggregates

ASSETS

Financial assets held for trading (caption 20)

Financial assets held for trading: break-down by type

(Euro/1,000)

Caption/Amount	Banking Group		Insurance Company		Total	Total
	Listed	Unlisted	Listed	Unlisted	30.06.2009	31.12.2008
A. Cash equivalents						
1. Debt securities	132,204	2,253	-	-	**134,457**	**115,496**
1.1 Structured securities	*206*	*472*			***678***	**-**
1.2 Other debt securities	*131,998*	*1,781*			***133,779***	***115,496***
2. Equity securities	2,821	-			**2,821**	**5,241**
3. UCITS units	277	-			**277**	**343**
4. Loans	-	-	-	-	**-**	**-**
4.1 Repurchase agreements					**-**	**-**
4.2 Other					**-**	**-**
5. Impaired assets					**-**	**-**
6. Assets sold but not written off	13,638	-			**13,638**	**132,507**
Total (A)	**148,940**	**2,253**	**-**	**-**	**151,193**	**253,587**
B. Derivative instruments:						
1. Financial derivatives:	904	35,164	-	-	**36,068**	**29,252**
1.1 trading	*3*	*7,562*		-	**7,565**	***12,383***
1.2 connected with the fair value option		*25,486*			**25,486**	***13,930***
1.3 other	*901*	*2,116*			**3,017**	***2,939***
2. Credit derivatives	-	-	-	-	**-**	**-**
2.1 trading					**-**	**-**
2.2 connected with the fair value option					**-**	**-**
2.3 other					**-**	**-**
Total (B)	**904**	**35,164**	**-**	**-**	**36,068**	**29,252**
Total (A+B)	**149,844**	**37,417**	**-**	**-**	**187,261**	**282,839**

Assets sold but not written off are exclusively represented by securities utilised in reverse repo transactions.

Financial assets held for trading: break-down by debtor/issuer

(Euro/1,000)

Caption / Amount	Banking Group	Insurance Company	Total 30.06.2009	Total 31.12.2008
A. CASH EQUIVALENTS				
1. Debt securities	**134,457**	**-**	**134,457**	**115,496**
a) Governments and central banks	131,314		131,314	98,333
b) Other public entities				
c) Banks	3,143		3,143	10,672
d) Other issuers	-		-	6,491
2. Equity securities	**2,821**	**-**	**2,821**	**5,241**
a) Banks	-		-	1,085
b) Other issuers	2,821	-	2,821	4,156
- insurance companies	*304*		*304*	*96*
- financial insitutions	*-*		*-*	*274*
- non-financial companies	*2,517*		*2,517*	*3,786*
- other			*-*	*-*
3. UCITS units	**277**		**277**	**343**
4. Financing	**-**	**-**		
a) Governments and central banks				
b) Other public entities				
c) Banks				
d) Other entities				
5. Impaired assets	**-**	**-**		
a) Governments and central banks				
b) Other public entities				
c) Banks				
d) Other entities				
6. Assets sold but not written off	***13,638***	**-**	***13,638***	***132,507***
a) Governments and central banks	13,638		13,638	132,507
b) Other public entities				
c) Banks				
d) Other issuers				
Total A	**151,193**	**-**	**151,193**	**253,587**
B. DERIVATIVE INSTRUMENTS				
a) Banks	33,204	-	33,204	26,618
b) Customers:	2,864		2,864	2,634
Total B	**36,068**	**-**	**36,068**	**29,252**
Total (A+B)	**187,261**	**-**	**187,261**	**282,839**

Financial assets held for trading: derivative instruments

- *attributable to the banking group*

(Euro/1,000)

Type of derivative/ Underlying asset	Interest rates	Currencies and gold	Equity securities	Loans	Other	Total 30.06.2009	Total 31.12.2008
A. Listed derivatives							
a) Financial derivatives:	**3**	**-**	**901**	**-**	**-**	**904**	**20**
. With exchange of capital	3	-	901	-	-	**904**	**20**
- Purchased options							
- Other derivatives	3		901			904	20
. Without exchange of capital							
- Purchased options							
- Other derivatives							
b) Credit derivatives:	-	-	-	-	-	-	-
. With exchange of capital						-	-
. Without exchange of capital							
Total A	**3**	**-**	**901**	**-**	**-**	**904**	**20**
B. Unlisted derivatives							
a) Financial derivatives:	**27,192**	**7,972**	**-**	**-**	**-**	**35,164**	**29,232**
. With exchange of capital	1	5,856	-	-	-	**5,857**	11,679
- Purchased options						**-**	-
- Other derivatives	1	5,856				**5,857**	11,679
. Without exchange of capital	27,191	2,116	-	-	-	**29,307**	17,553
- Purchased options	129		-			**129**	92
- Other derivatives	27,062	2,116	-		-	**29,178**	17,461
b) Credit derivatives:	-	-	-	-	-	**-**	-
. With exchange of capital						**-**	-
. Without exchange of capital						**-**	-
Total B	**27,192**	**7,972**	**-**	**-**	**-**	**35,164**	**29,232**
Total (A+B)	**27,195**	**7,972**	***901***	**-**	**-**	**36,068**	**29,252**

- *attributable to the insurance company*

None.

Available-for-sale financial assets (caption 40)

Available-for-sale financial assets: break-down by type

(Euro / 1,000)

Caption/Fair value	Banking Group		Insurance Company		Total 30.06.2009		Total 31.12.2008	
	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted
1. Debt securities	543,824	23,017	15,943	-	559,767	23,017	295,476	25,772
1.1 Structured securities	1,438		-	-	1,438	-	1,428	-
1.2 Other debt securities	542,386	23,017	15,943		558,329	23,017	294,048	25,772
2. Equity securities	-	7,969	-	-	-	7,969	-	7,330
2.1 Measured at fair value		7,888	-		-	7,888	-	7,247
2.2 Measured at cost		81			-	81	-	83
3. UCITS units	56,123	-	109	-	56,232	-	60,269	-
4. Loans								
5. Impaired assets		-				-		110
6. Assets sold but not written off	25,925	10,708			25,925	10,708	112,610	5,624
Total	**625,872**	**41,694**	**16,052**	**-**	**641,924**	**41,694**	**468,355**	**38,836**

The item “Equity securities – measured at cost” is made of only the investments other than those made in associate companies, all represented by unlisted securities.

Assets sold but not written off are exclusively represented by securities utilised in reverse repo transactions.

Available-for-sale financial assets: break-down by debtor/issuer

(Euro/1,000)

Caption / Amount	Banking Group	Insurance Company	Total 30.06.2009	Total 31.12.2008
1. Debt securities	**566,840**	**15,944**	**582,784**	**321,248**
a) Governments and central banks	338,633	13,271	351,904	173,706
b) Other public entities	-		-	
c) Banks	195,204	1,711	196,915	123,826
d) Other issuers	33,003	962	33,965	23,716
2. Equity securities	**7,969**	**-**	**7,969**	**7,330**
a) Banks	-	-	-	-
b) Other issuers	7,969	-	7,969	7,330
- insurance companies		-	-	-
- financial institutions	*66*	-	*66*	*98*
- non-financial companies	*7,888*	-	*7,888*	*7,232*
- other	*15*		*15*	-
3. UCITS units	**56,123**	**109**	**56,232**	**60,269**
4. Loans	**-**	**-**	**-**	**-**
a) Governments and central banks				
b) Other public entities				
c) Banks				
d) Other entities				
5. Impaired assets	**-**	**-**	**-**	***110***
a) Governments and central banks				
b) Other public entities				
c) Banks				
d) Other entities	-		-	*110*
6. Assets sold but not written off	**36,633**	**-**	**36,633**	**118,234**
a) Governments and central banks	14,706		14,706	23,500
b) Other public entities				
c) Banks	21,927		21,927	94,158
d) Other issuers	-		-	576
Total	**667,565**	**16,053**	**683,618**	**507,191**

Held-to-maturity investments (caption 50)

Held-to-maturity investments: break-down by type

(Euro/1,000)

Transaction type / Group components	Banking Group		Insurance Company		Total 30.06.2009		Total 31.12.2008	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
1. Debt securities	11,086	11,061			11,086	11,061	8,103	8,067
1.1 Structured securities								
1.2 Other debt securities	*11,086*	*11,061*			*11,086*	*11,061*	*8,103*	*8,067*
2. Loans								
3. Impaired assets								
4. Assets sold but not written off								
Total	**11,086**	**11,061**			**11,086**	**11,061**	**8,103**	**8,067**

Also for the financial year 2008 the closing balance is totally pertaining to the banking Group.

Held-to-maturity investments: break-down by debtor/issuer

(Euro/1,000)

Transaction type / Amount	Banking Group	Insurance Company	Total 30.06.2009	Total 31.12.2008
1. Debt securities	**11,086**	**-**	**11,086**	**8,103**
a) Governments and central banks				
b) Other public entities				
c) Banks	*8,039*		*8,039*	*8,103*
d) Other issuers	*3,047*		*3,047*	*-*
2. Loans	**-**	**-**		**-**
a) Governments and central banks				
b) Other public entities				
c) Banks				
d) Other entities				
3. Impaired assets	**-**	**-**		**-**
a) Governments and central banks				
b) Other public entities				
c) Banks				
d) Other entities				
4. Assets sold but not written off	**-**	**-**		**-**
a) Governments and central banks				
b) Other public entities				
c) Banks				
d) Other entities				
Total	**11,086**	**-**	**11,086**	**8,103**

Amounts due from banks (caption 60)

Amounts due from banks: break-down by type
- attributable to the banking group

(Euro / 1,000)

Transaction type / Amount	Total 30.06.2009	Total 31.12.2008
A. Amounts due from Central banks	**92,880**	**443,438**
1. Restricted deposits	-	360,000
2. Compulsory reserve	92,880	83,438
3. Repurchase agreements		
4. Other	-	-
B. Amounts due from banks	**761,458**	**142,423**
1. Current accounts and unrestricted deposits	261,392	76,730
2. Restricted deposits	499,843	65,585
3. Other loans	223	108
3.1 repurchase agreements	-	-
3.2 finance leases		
3.3 other	223	108
4. Debt securities	-	-
4.1 structured		
4.2 other debt securities		
5. Impaired assets		
6. Assets sold but not written off		
Total (book value)	**854,338**	**585,861**
Total (fair value)	**854,338**	**585,861**

- attributable to the insurance company

(Euro / 1,000)

Transaction type / Amount	Total 30.06.2009	Total 31.12.2008
A. Amounts due from Central banks	**-**	**-**
1. Restricted deposits		
2. Compulsory reserve		
3. Repurchase agreements		
4. Other		
B. Amounts due from banks	**1,172**	**501**
1. Current accounts and unrestricted deposits	1,172	501
2. Restricted deposits	-	-
3. Other loans	-	-
3.1 repurchase agreements		
3.2 finance leases		
3.3 other	-	-
4. Debt securities	-	-
4.1 structured		
4.2 other debt securities		
5. Impaired assets		
6. Assets sold but not written off		
Total (book value)	**1,172**	**501**
Total (fair value)	**1,172**	**501**

Amounts due from customers (caption 70)

Amounts due from customers: break-down by type

- attributable to the banking group

(Euro/1,000)

Transaction type / Amount	Total 30.06.2009	Total 31.12.2008
1. Current account	1,526,528	1,655,089
2. Repurchase agreements	595	3,961
3. Mortgage loans	2,519,254	2,267,932
4. Credit cards, personal loans and loans on salary	142,365	134,037
5. Financial leases	602,837	599,318
6. Factoring	7,946	10,319
7. Other transactions	773,670	886,412
8. Debt securities	52,874	32,267
8.1 Structured		
8.2 Other debt securities	*52,874*	*32,267*
9. Impaired assets	147,911	117,342
10. Assets sold but not written off		
Total (book value)	**5,773,980**	**5,706,677**
Total (fair value)	**6,009,831**	**5,903,667**

- attributable to the insurance company

None.

Amounts due from customers: break-down by debtor/issuer

- *attributable to the banking group*

(Euro/1,000)

Transaction type / Amount	Total 30.06.2009	Total 31.12.2008
1. Debt securities issued by:	**52,874**	**32,267**
a) Governments		
b) Other public entities		
c) Other issuers	52,874	32,267
- non-financial companies	-	-
- financial companies	-	-
- insurance companies	*52,874*	*32,267*
- other	-	-
2. Loans to:	**5,573,195**	**5,557,067**
a) Governments		
b) Other public entities	113	158
c) Other entities	5,573,082	5,556,909
- non-financial companies	*3,830,164*	*3,880,817*
- financial companies	*63,186*	*102,539*
- insurance companies	*185*	*211*
- other	*1,679,547*	*1,573,342*
3. Impaired assets:	**147,911**	**117,343**
a) Governments		
b) Other public entities		
c) Other entities	147,911	117,343
- non-financial companies	*93,934*	*74,297*
- financial companies	*39*	-
- insurance companies		
- other	*53,938*	*43,046*
4. Assets sold but not written off:	**-**	**-**
a) Governments		
b) Other public entities		
c) Other entities	-	
- non-financial companies		
- financial companies		
- insurance companies		
- other		
Total	**5,773,980**	**5,706,677**

- attributable to the insurance company

None.

Hedging derivatives (caption 80)

Hedging derivatives: break-down by type of contract and underlying asset
- attributable to the banking group

(Euro/1,000)

Derivative type / Underlying asset	Interest rate	Currency and gold	Equity securities	Loans	Other	**Total**
A) Listed derivatives						
1) Financial derivatives:	-	-	-	-	-	-
. With exchange of capital	-	-	-	-	-	-
- Options purchased						-
- Other derivatives						-
. Without exchange of capital	-	-	-	-	-	-
- Options purchased						-
- Other derivatives						-
2) Credit derivatives:	-	-	-	-	-	-
. With exchange of capital						-
. Without exchange of capital						-
Total A	-	-	-	-	-	-
B) Unlisted derivatives						-
1) Financial derivatives:	-	-	-	-	-	-
. With exchange of capital	-	-	-	-	-	-
- Options purchased						-
- Other derivatives						-
. Without exchange of capital	-	-	-	-	-	-
- Options purchased	-					-
- Other derivatives	-					-
2) Credit derivatives:	-	-	-	-	-	-
. With exchange of capital						-
. Without exchange of capital						-
Total B	-	-	-	-	-	-
Total (A + B) 30.06.2009	-	-	-	-	-	-
Total (A + B) 31.12.2008	**31**	-	-	-	-	**31**

- attributable to the insurance company

None.

Equity investments (caption 100)

Equity investments in companies subject to significant influence: information on ownership relationship

Company name	Registered offices	Ownership relationship	
		Investing company	% share
Companies subject to significant influence			
1. Chiara Vita S.p.A.	Milan	Banco Desio	30.000
2. Istifid S.p.A.	Milan	Banco Desio	21.648

Equity investments in companies subject to significant influence: accounting data

Euro/1,000

Company name	Total assets	Total revenues	Profit (loss)	Net Shareholders'equity	Consolidated book value	Fair value
Companies subject to significant influence						
1. Chiara Vita S.p.A.	1,770,016	701,325	5,481	51,552	17,479	
2. Istifid S.p.A.	5,757	2,278	115	3,396	736	
Total	**1,775,773**	**703,603**	**5,596**	**54,948**	**18,215**	

Technical insurance reserves carried by reinsurers (caption 110)

Technical insurance reserves attributable to reinsurers: break-down

Euro/1,000

	Total 30.06.2009	Total 31.12.2008
A. Non-Life branch	***4,626***	***4,858***
A1. premiums reserves	3,720	*3,743*
A2 . claims reserves	906	1,115
A3. other reserves		
B. Life branch	**-**	**-**
B1. mathematical reserves	-	-
B2. reserves for amounts to be disbursed		
B3. other reserves	-	-
C. Technical reserves for investment risks to be borne by the insured	**-**	**-**
C1: reserves for contracts with disbursements connected with investment funds and market indices		
C2: reserves from pension fund management		
D. Total technical insurance reserves attributable to reinsurers	**4,626**	**4,858**

Tangible assets (caption 120)

Tangible assets: break-down of assets valued at cost

(Euro/1,000)

Asset/Value	Banking Group	Insurance Company	Total 30.06.2009	Total 31.12.2008
A. Functional assets				
1.1 owned by the Bank	**144,822**	**191**	**145,013**	**147,539**
a) land	39,219		39,219	39,244
b) buildings	80,433		80,433	81,316
c) fixtures and fittings	10,335		10,335	10,803
d) electrical equipment	4,078		4,078	4,956
e) other	10,757	191	10,948	11,220
1.2 acquired under finance lease	-	-	-	-
a) land	-		-	-
b) buildings	-		-	-
c) fixtures and fittings	-		-	-
d) electrical equipment	-		-	-
e) other	-		-	-
Total A	**144,822**	**191**	**145,013**	**147,539**
B. Tangible assets held for investment				
2.1 owned by the Bank	**6**		**6**	**6**
a) land	6		6	6
b) buildings	-		-	-
2.2 acquired under finance lease	-			-
a) land				
b) buildings				
Total B	**6**	**-**	**6**	**6**
Total (A + B)	**144,828**	**191**	**145,019**	**147,545**

Intangible assets (caption 130)

Intangible assets: break-down by type of asset

(Euro/1,000)

Caption/Value	Banking Group		Insurance Company		Total 30.06.2009		Total 31.12.2008	
	Limited duration	Unlimited duration	Limited duration	Unlimited duration	Limited duration	Unlimited duration	Limited duration	Unlimited duration
A.1 Goodwill		**41,713**				**41,713**		**39,182**
A.2 Other intangible assets	**1,708**	**-**	**451**	**-**	**2,159**	**-**	**2,106**	**-**
A.2.1 Assets valued at cost:	1,708	-	451	-	2,159	-	2,106	-
a) Intangible assets generated internally								
b) Other assets	*1,708*		*451*	-	*2,159*	-	*2,106*	-
A.2.2 Assets at fair value through profit or loss:	-	-	-	-	-	-	-	-
a) Intangible assets generated internally								
b) Other assets	-							
Total	**1,708**	**41,713**	**451**	**-**	**2,159**	**41,713**	**2,106**	**39,182**

No impairment losses were recorded for goodwill entered in the accounts (including positive consolidation differences) compared to the data at 31.12.08.
The variation reported regards the movements involving subsidiary Fides S.p.A.

LIABILITIES

Amounts due to banks (caption10)

Amounts due to banks: break-down by type

(Euro/1,000)

Transaction type / Amount	Banking Group	Insurance Company	Total 30.06.2009	Total 31.12.2008
1. Amounts due to central banks				
2. Amounts due to banks	57,152		57,152	37,636
2.1 Current accounts and unrestricted deposits	41,588		41,588	15,653
2.2 Restricted deposits	13,440		13,440	19,976
2.3 Loans	-		-	-
2.3.1 Finance lease				
2.3.2 Other				
2.4 Commitments for repurchases of own equity instruments				
2.5 Liabilities corresponding to assets sold but not written off	1		1	-
2.5.1 Reverse repurchase agreements	*1*		*1*	-
2.5.2 Other			-	-
2.6 Other amounts due	2,123		2,123	2,007
Total	**57,152**		**57,152**	**37,636**
Fair value	**57,152**		**57,152**	**37,636**

Amounts due to customers (caption 20)

Amounts due to customers: break-down by type

(Euro/1,000)

Transaction type / Amount	Banking Group	Insurance Company	Total 30.06.2009	Total 31.12.2008
1. Current accounts and unrestricted deposits	4,009,051		4,009,051	3,660,983
2. Restricted deposits	47,391		47,391	118,223
3. Third-party funds under administration				
4. Losses	5,322		5,322	23,085
4.1 Finance leases				
4.2 Other	*5,322*		*5,322*	*23,085*
5. Commitments for repurchases of own equity instruments				
6. Liabilities corresponding to assets sold but not written off	99,292		99,292	231,403
6.1 Reverse repurchase agreements	99,292		99,292	231,403
6.2 Other				
7. Other amounts due	39,303		39,303	27,988
Total	**4,200,359**	**-**	**4,200,359**	**4,061,682**
Fair value	**4,200,359**		**4,200,359**	**4,041,350**

Securities Issued (caption 30)

Securities issued: break-down

Euro/1,000

Security type / Amount	Banking Group		Insurance Companies		Total 30.06.2009		Total 31.12.2008	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
A. Listed securities	(12,066)	(13,959)			(12,066)	(13,959)	220,673	199,265
1. Bonds	(12,066)	(13,959)			(12,066)	(13,959)	220,673	199,265
1.1 structured								
1.2 other	(12,066)	(13,959)			(12,066)	(13,959)	220,673	199,265
2. Other securities	-	-			-	-	-	-
2.1 structured								
2.2 other								
B. Unlisted securities	2,044,760	2,184,614			2,044,760	2,184,614	1,642,423	1,682,720
1. Bonds	1,762,709	1,902,565			1,762,709	1,902,565	1,463,977	1,504,274
1.1 structured	-	-			-	-	-	-
1.2 other	1,762,709	1,902,565			1,762,709	1,902,565	1,463,977	1,504,274
2. Other securities	282,051	282,049			282,051	282,049	178,446	178,446
2.1 structured								
2.2 other	282,051	282,049			282,051	282,049	178,446	178,446
Total	**2,032,694**	**2,170,655**			**2,032,694**	**2,170,655**	**1,863,096**	**1,881,985**

During the six-month period, the Group's Italian banks issued 406.8 million euro in fresh loans. The loans matured amounted to 181.4 million euro.

Securities subject to specific hedging

(Euro/1,000)

	Total 30.06.2009	Total 31.12.2008
1. Debt securities subject to fair value hedging	-	30,207
a) interest rate risk	-	30,207
b) exchange rate risk		
c) other risks		
2. Debt securities subject to cash flow hedging	-	-
a) interest rate risk		
b) exchange rate risk		
c) other risks		
Total	**-**	**30,207**

Financial liabilities held for trading - Caption 40

Financial liabilities held for trading: break-down by type

(Euro/1,000)

Transaction type / Amount	Banking Group				Insurance Companies				Total 30.06.2009				Total 31.12.2008			
	NV	FV		FV*	NV	FV		FV*	NV	FV		FV*	NV	FV		FV*
		Listed	Unlisted			Listed	Unlisted			Listed	Unlisted			Listed	Unlisted	
A. Liabilities for cash																
1. Amounts due to banks																
2. Amounts due to customers																
3. Debt securities	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-
3.1 Bonds	-	-	-						-	-	-		-	-	-	
3.1.1 Structured																
3.1.2 Other bonds																
3.2 Other securities	-	-	-						-	-	-		-	-	-	
3.2.1 Structured																
3.2.2 Other																
Total A	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivatives instruments																
1. Financial derivatives		-	8,434			-	-			-	8,434			14	15,571	
1.1 Trading		-	*6,330*							-	*6,330*			*14*	*12,631*	
1.2 Connected with the fair value option			-							-	-			-	*16*	
1.3 Other		-	*2,104*							-	*2,104*			-	*2,924*	
2. Credit derivatives		-				-	-									
2.1 Trading							-									
2.2 Connected with the fair value option																
2.3 Other																
Total B		**-**	**8,434**			**-**	**-**			**-**	**8,434**			**14**	**15,571**	
Total (A + B)	**-**	**-**	**8,434**	**-**		**-**	**-**		**-**	**-**	**8,434**	**-**	**-**	**14**	**15,571**	**-**

Key

FV = fair value

FV* = fair value calculated excluding variations in value owing to the change in the credit rating of the issuer since the date of issue

NV = nominal value

Derivative instruments

-attributable to the banking group

(Euro/1,000)

Derivative type / Underlying asset	Interest rates	Currencies and gold	Equity securities	Loans	Other	Total 30.06.2009	Total 31.12.2008
a) Listed derivatives							
1) Financial derivatives:	**-**	**-**	**-**	**-**	**-**	**-**	14
. With exchange of capital	-	-	-	-	-	-	14
- issued options						-	-
- other derivatives	-		-		-	-	14
. Without exchange of capital	-	-	-	-	-	-	-
- issued options						-	-
- other derivatives		-	-			-	-
2) Credit derivatives:	-	-	-	-	-	-	-
. With exchange of capital						-	-
. Without exchange of capital						-	-
Total A	**-**	**-**	**-**	**-**	**-**	**-**	**14**
b) Unlisted derivatives						-	
1) Financial derivatives:	**497**	**7,937**	**-**	**-**	**-**	**8,434**	**15,571**
. With exchange of capital	1	5,833	-	-	-	5,834	11,615
- issued options		-				-	-
- other derivatives	1	5,833				5,834	11,615
. Without exchange of capital	496	2,104	-	-	-	2,600	3,956
- issued options	-		-			-	7
- other derivatives	496	2,104			-	2,600	3,949
2) Credit derivatives:	-	-	-	-	-	-	-
. With exchange of capital						-	-
. Without exchange of capital						-	-
Total B	**497**	**7,937**	**-**	**-**	**-**	**8,434**	**15,571**
Total (A + B)	**497**	**7,937**	**-**	**-**	**-**	**8,434**	**15,585**

-attributable to the insurance company

None.

Financial liabilities at fair value through profit or loss - Caption 50

Financial liabilities at fair value through profit or loss: break-down by type

Euro/1,000

Transaction type / Amount	Banking Group				Insurance Companies				Total 30.06.2009				Total 31.12.2008			
	NV	FV		FV (*)	NV	FV		FV (*)	NV	FV		FV (*)	NV	FV		FV (*)
		Listed	Unlisted			Listed	Unlisted			Listed	Unlisted			Listed	Unlisted	
1. Amounts due to banks	-	-	-	-				-				-	-	-	-	
1.1 Structured																
1.2 Other																
2. Amounts due to customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1 Structured					-		-		-		-		-		-	
2.2 Other									-		-		-		-	
3. Debt securities	554,732	-	569,496	-	-	-	-	-	554,732	-	569,496	-	528,661	-	541,488	
3.1 Structured	15,000		15,204						15,000		15,204		15,000		14,942	
3.2 Other	539,732		554,292						539,732		554,292		513,661		526,546	
Total	**554,732**	**-**	**569,496**	**571,719**	**-**	**-**	**-**	**-**	**554,732**	**-**	**569,496**	**571,719**	**528,661**	**-**	**541,488**	**544,006**

Key
FV = fair value
FV* = fair value calculated excluding variations in value owing to the change in the credit rating of the issuer since the date of issue
NV = nominal value

Hedging derivatives (caption 60)

Hedging derivatives: break-down by type of contract and underlying asset
- attributable to the banking group

Euro/1,000

Derivative type / Underlying asset		Interest rates	Currencies and gold	Equity securities	Loans	Other	**Total 2009**
A) Listed derivatives							
1) Financial derivatives:		-	-	-	-	-	-
. With exchange of capital		-	-	-	-	-	-
- issued options							-
- other derivatives							-
. Without exchange of capital		-	-	-	-	-	-
- issued options							-
- other derivatives							-
2) Credit derivatives:		-	-	-	-	-	-
. With exchange of capital							-
. Without exchange of capital							-
Total A		-	-	-	-	-	-
B) Unlisted derivatives							
1) Financial derivatives:		-	-	-	-	-	-
. With exchange of capital		-	-	-	-	-	-
- issued options							-
- other derivatives							-
. Without exchange of capital		-	-	-	-	-	-
- issued options							-
- other derivatives		-					-
2) Credit derivatives:		-	-	-	-	-	-
. With exchange of capital							-
. Without exchange of capital							-
Total B		-	-	-	-	-	-
Total (A + B)	**30.06.2009**	-	-	-	-	-	-
Total (A + B)	**31.12.2008**	64					64

- attributable to the insurance company

None.

Provisions for risks and charges (caption 120)

(Euro/1,000)

Caption / Components	Banking Group	Insurance Company	Total 30.06.2009	Total 31.12.2008
1. Company pension funds	109		**109**	**112**
2. Other provisions for risks and charges	66,843	-	**66,843**	**66,762**
2.1 legal disputes	*11,458*		***11,458***	***10,559***
2.2 personnel charges	*16,745*		***16,745***	***15,851***
2.3 other	*38,640*	-	***38,640***	***40,352***
Total	**66,952**	-	**66,952**	**66,874**

Technical reserves (caption 130)

Technical reserves: break-down

Euro/1,000

	Direct work	Indirect work	Total 30.06.2009	Total 31.12.2008
A. Non-life branch	**15,621**	**-**	**15,621**	**11,769**
A1. premiums fund	*12,970*		***12,970***	*9,290*
A2 . claims fund	2,458		**2,458**	2,323
A3. other reserves	193		**193**	156
B. Life branch	**-**	-	**-**	**-**
B1. Mathematical reserves	-		**-**	-
B2. Funds for amounts to be disbursed	-		**-**	-
B3. Other reserves	-		**-**	-
C. Technical reserves for investment risks to be borne by the insured	**-**	-	**-**	**-**
C1: funds for contracts with disbursements connected with pension funds and market indices	-		**-**	-
C2: funds from pension fund management			**-**	
D. Total technical reserves	**15,621**	-	**15,621**	**11,769**

Group's shareholders' equity - (captions 140, 160, 170, 180, 190, 200 and 220)

Group's shareholders' equity: break-down

Euro/1,000

Caption / Amount	Amount 30.06.2009	Amount 31.12.2008
1. Share capital	67,705	67,705
2. Share premium reserve	16,145	16,145
3. Reserves	592,350	542,008
4. (Treasury shares)		
a) parent company	-	
b) subsidiaries		
5. Valuation reserves	19,289	8,682
6. Equity instruments	-	
7. Profit (loss) for the period attributable to the Group	34,733	63,060
Total	**730,222**	**697,600**

No Group company has been in possession of its own shares at any time during the accounting period.

Revaluation reserves: break-down

Euro/1,000

Caption / Components	Banking Group	Insurance Company	Total 30.06.2009	Total 31.12.2008
1. Available-for-sale financial assets	(3,037)	52	(2,985)	(13,709)
2. Tangible assets			-	-
3. Intangible assets				
4. Foreign investment hedge		-	-	
5. Cashflow hedge	(738)	2	(736)	(505)
6. Exchange differences	114		114	
7. Non-current assets held for sale and discontinued operations				
8. Special revaluation laws	22,896		22,896	22,896
9. Other			-	-
Total	**19,235**	**54**	**19,289**	**8,682**

Valuation reserves of available for sale financial assets: break-down

Euro/1,000

Asset / Amount	Banking Group		Insurance Company		Total 30.06.2009		Total 31.12.2008	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	2,109	(6,050)	81	(29)	2,190	(6,079)	455	(13,410)
2. Equity securities	3,048	-		-	3,048	-	2,552	(34)
3. UCITS units	944	(3,088)	-		944	(3,088)	686	(3,958)
Total	**6,101**	**(9,138)**	**81**	**(29)**	**6,182**	**(9,167)**	**3,693**	**(17,402)**

Minority interest (caption 210)

Shareholders' equity attributable to minority interests: break-down

Euro/1,000

Caption/Value	Banking Group	Insurance Company	30.06.2009	31.12.2008
1. Share Capital	181	2,625	2,806	2,867
2. Share premium reserve	169		169	-
3. Reserves	90	538	628	1,068
4. (Treasury shares)			-	-
5. Valuation reserves		29	29	(58)
6. Equity instruments				
7. Profit (loss) attributable to minority interests	(60)	(4)	(64)	(156)
Total	**380**	**3,188**	**3,568**	**3,721**

Revaluation reserves: break-down

Euro/1,000

Caption / Components	Banking Group	Insurance Company	Total 30.06.2009	Total 31.12.2008
1. Available for sale financial assets		29	29	(58)
2. Tangible assets			-	
3. Intangible assets				
4. Foreign investment hedge				
5. Cashflow hedge		-	-	
6. Exchange differences				
7. Non-current assets held for sale and discontinued operations				
8. Special revaluation laws			-	
9. Actuarial valuation of employee termination indemnities	-		-	-
Total	**-**	**29**	**29**	**(58)**

Revaluations reserves of available for sale financial assets: break-down

Euro/1,000

Asset / Amount	Banking Group		Insurance Company		Total 30.06.2009		Total 31.12.2008	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities		-	29	-	29	-	-	(58)
2. Equity securities					-	-	-	-
3. UCITS units					-	-	-	-
4. Loans					-	-	-	-
Total	**-**	**-**	**29**	**-**	**29**	**-**	**-**	**(58)**

INCOME STATEMENT

Foreword

The "restated" position (not subject to audit) mentioned in the introduction to the Interim Report on Operations is also provided so that the operating performances in the periods being compared as commentaries to the tables involved can be assessed more thoroughly.

Interest income and similar revenues (captions 10)

Break-down

- attributable to the banking group

(Euro/1,000)

Caption / Technical forms	Performing financial assets		Impaired financial assets	Other assets	Total	Total
	Debt securities	Loans			30.06.2009	30.06.2008
1. Financial assets held for trading	2,042			10,277	**12,319**	9,293
2. Financial assets at fair value through profit or loss					**-**	-
3. Available-for-sale financial assets	5,831				**5,831**	3,925
4. Held-to-maturity investments	208				**208**	221
5. Amounts due from banks	(72)	4,594		-	**4,522**	10,523
6. Amounts due from customers	607	147,757	3,308	-	**151,672**	176,934
7. Hedging derivatives				(720)	**(720)**	-
8. Financial assets sold but not written off	2,275				**2,275**	13,146
9. Other assets				58	**58**	125
Total	**10,891**	**152,351**	**3,308**	**9,615**	**176,165**	**214,167**

Interests on "amounts due from customers -impaired financial assets", totally amounting to Euro 3.3 million in June 2009, compared to Euro 2.6 million in the previous period, reflect default interests collected in the period and are mainly referred to non performing loans.

The restated figure at 30.06.2008 amounted to Euro 214,721,000.

- attributable to the insurance company

(Euro/1,000)

Caption / Technical forms	Performing financial assets		Impaired financial assets	Other assets	Total	Total
	Debt securities	Loans			30.06.2009	30.06.2008
1. Financial assets held for trading				-	**-**	1,767
2. Financial assets at fair value through profit or loss	-			-	**-**	8,559
3. Available-for-sale financial assets	285				**285**	8,451
4. Held-to-maturity investments					**-**	-
5. Amounts due from banks				7	**7**	17
6. Amounts due from customers					**-**	-
7. Hedging derivatives					**-**	-
8. Financial assets sold but not written off					**-**	-
9. Other assets				-	**-**	364
Total	**285**	**-**	**-**	**7**	**292**	**19,158**

The restated figure at the end of the first half-year of 2008, which does not include the accounts of Chiara Vita S.p.A., then a subsidiary, was 243,000 euro.

Interest expense (caption 20)

Break-down

- attributable to the banking group

(Euro/1,000)

Captions/Technical types	Debts	Securities	Other liabilities	Total 30.06.2009	Total 30.06.2008
1. Amounts due to banks	(281)		(1,348)	**(1,629)**	(2,210)
2. Amounts due to customers	(18,250)		(65)	**(18,315)**	(39,966)
3. Securities issued		(27,453)		**(27,453)**	(30,657)
4. Financial liabilities held for trading			(7,583)	**(7,583)**	(9,075)
5. Financial liabilities at fair value through profit or loss		(10,568)		**(10,568)**	(6,491)
6. Financial liabilities associated with assets sold but not written off	(1,570)			**(1,570)**	(11,655)
7. Other liabilities and reserves			-	**-**	-
8. Hedging derivatives			(54)	**(54)**	(444)
Total	**(20,101)**	**(38,021)**	**(9,050)**	**(67,172)**	**(100,498)**

The restated figure at 30.06.2008 amounted to Euro 104,084,000.

- attributable to the insurance company

(Euro/1,000)

Captions/Technical types	Debts	Securities	Other liabilities	Total 30.06.2009	Total 30.06.2008
1. Amounts due to banks	-			**-**	-
2. Amounts due to customers				**-**	-
3. Securities issued				**-**	-
4. Financial liabilities held for trading				**-**	-
5. Financial liabilities at fair value through profit or loss				**-**	-
6. Financial liabilities associated with assets sold but not written off				**-**	-
7. Other liabilities and reserves			-	**-**	(1)
8. Hedging derivatives				**-**	-
Total	**-**	**-**	**-**	**-**	**(1)**

Differentials on hedging transactions

(Euro/1,000)

Caption / Amount	Banking Group	Insurance company	Total 30.06.2009	Total 30.06.2008
A. Positive differentials on transactions:				
A.1 Specific fair value hedge of assets				
A.2 Specific fair value hedge of liabilities	-		-	1,294
A.3 General hedge of interest rate risk				
A.4 Specific cash flow hedge of assets				
A.5 Specific cash flow hedge of liabilities				
A.6 General cash flow hedge				
Total positive differentials (A)	**-**		**-**	**1,294**
B. Negative differentials on transactions:				
B.1 Specific fair value hedge of assets				
B.2 Specific fair value hedge of liabilities	(54)		(54)	(1,738)
B.3 General hedge of interest rate risk				
B.4 Specific cash flow hedge of assets				
B.5 Specific cash flow hedge of liabilities				
B.6 General cash flow hedge				
Total negative differentials (B)	**(54)**		**(54)**	**(1,738)**
C. Balance (A-B)	**(54)**		**(54)**	**(444)**

Fee and commission income (caption 40)

Break-down

- attributable to the banking group

(Euro/1,000)

Type of service / Amount	Total 30.06.2009	Total 30.06.2008
a) Guarantees given	1,093	1,079
b) Credit derivatives		
c) Management, trading and consultancy	24,060	20,977
1. trading of financial instruments	2,085	1,873
2. currency trading	578	725
3. portfolio management	3,050	3,147
3.1. individual	*2,641*	*2,683*
3.2. collective	*409*	*464*
4. securities safekeeping and	2,091	2,302
5. depositary bank	2,780	3,329
6. securities placement	3,204	4,639
7. order acceptance	4,984	3,771
8. consultancy services	-	-
9. distribution of third party services	5,288	1,191
9.1. portfolio management	178	-
9.1.1. individual	178	-
9.1.2. collective		
9.2. insurance products	3,140	54
9.3. other products	1,970	1,137
d) Collection and payment services	9,832	9,324
e) Servicing for securitization transactions	11	15
f) Factoring transaction services	20	17
g) Tax collection services		
h) Other services	8,007	8,441
Total	**43,023**	**39,853**

The restated figure at 30.06.2008 amounted to Euro 48,455,000.

- attributable to the insurance company

(Euro/1,000)

Type of service / Amount	Total 30.06.2009	Total 30.06.2008
a) Guarantees given		
b) Credit derivatives		
c) Management, trading and consultancy services:	-	11,257
1. trading of financial instruments		
2. currency trading		
3. portfolio management	-	11,257
3.1. individual		
3.2. collective	-	11,257
4. securities safekeeping and administration		
5. depositary bank		
6. securities placement		
7. order acceptance		
8. consultancy services		
9. distribution of third party services		
9.1. portfolio management	-	-
9.1.1. individual		
9.1.2. collective		
9.2. insurance products		
9.3. other products		
d) Collection and payment services		
e) Servicing for securitization transactions		
f) Factoring transaction services		
g) Tax collection services		
h) Other services		
Total	**-**	**11,257**

The final balance of June 2008 exclusively regarded Chiara Assicurazioni S.p.A.

Fee and commission expense (caption 50)

Break-down
- attributable to the banking group

(Euro/1,000)

Type of service / Amount	Total 30.06.2009	Total 30.06.2008
a) Guarantees received	(17)	(15)
b) Credit derivatives		
c) Management, dealing and consultancy services:	(2,746)	(1,596)
1. Trading of financial instruments	(217)	(194)
2. Currency trading		
3. Portfolio management:	-	-
3.1 own customers		
3.2 delegated	-	-
4. Securities safekeeping and administration	(877)	(856)
5. Placement of financial instruments	-	-
6. Door-to-door sale of financial instruments, products and services	(1,652)	(546)
d) Collection and payment services	(1,750)	(1,288)
e) Other services	(1,377)	(1,393)
Total	**(5,890)**	**(4,292)**

The restated figure at the end of June 2008 was unchanged.

- attributable to the insurance company

(Euro/1,000)

Type of service / Amount	Total 30.06.2009	Total 30.06.2008
a) Guarantees received		
b) Credit derivatives		
c) Management, dealing and consultancy services:	-	(4,508)
1. Trading of financial instruments	-	-
2. Currency trading		
3. Portfolio management:	-	(4,508)
3.1 own customers	-	(4,508)
3.2 delegated		
4. Securities safekeeping and administration		
5. Placement of financial instruments	-	-
6. Door-to-door sale of financial instruments, products and services		
d) Collection and payment services		
e) Other services	-	(340)
Total	**-**	**(4,848)**

The restated figure in the comparison period amounted to Euro 340,000.

Dividends and similar revenues (caption 70)

Break-down

(Euro/1,000)

Caption / Revenues	Banking Group		Insurance Company		Total 30.06.2009		Total 30.06.2008	
	Dividends	Income from UCITS units	Dividends	Income from UCITS units	Dividends	Income from UCITS units	Dividends	Income from UCITS units
A. Financial assets held for trading	161				161		*220*	
B. Available-for-sale financial assets	243		-	-	243		*406*	
C. Financial assets at fair value through profit or loss			-		-		*857*	
D. Equity investments	-				-		-	
Total	**404**	**-**	**-**	**-**	**404**	**-**	**1,483**	**-**

The restated figure at 30.06.2008 amounted to Euro 330,000.

Profits (losses) on trading (caption 80)

Beak-down:
- attributable to the banking group

(Euro/1,000)

Transaction / Income component	Capital gain	Profit on trading	Capital losses	Losses on trading	Net income 30.06.2009	Net income 30.06.2008
1. Financial assets held for trading	**533**	**2,451**	**(237)**	**(1,534)**	**1,213**	**(3,563)**
1.1 Debt securities	398	1,026	(163)	(1,251)	**10**	***(609)***
1.2 Equity securities	119	779	(74)	(241)	**583**	***(2,555)***
1.3 UCITS units	16	27	-	(42)	**1**	***(248)***
1.4 Loans		556			**556**	***625***
1.5 Other		63		-	**63**	***(776)***
2. Financial liabilities held for trading	-	-	-	-	**-**	**-**
2.1 Debt securities					**-**	**-**
2.2 Other					**-**	**-**
3. Other financial assets and liabilities: foreign exchange differences					**533**	**179**
4. Derivative instruments	1,275	4,019	(711)	(3,310)	**1,234**	**524**
4.1 Derivatives held for trading:	1,275	4,019	(711)	(3,310)	**1,234**	**524**
- on debt securities and interest rates	*1,271*	*2,042*	*(707)*	*(1,652)*	**954**	**(539)**
- on equity securities and stock indexes	*4*	*691*	*(4)*	*(665)*	**26**	**528**
- on currencies and gold					**(39)**	**264**
- other		*1,286*		*(993)*	**293**	**271**
4.2 Credit derivatives					**-**	**-**
Total	**1,808**	**6,470**	**(948)**	**(4,844)**	**2,980**	**(2,860)**

The restated result at the end of the previous period is reduced to -1,999,000 euro, composed of minus 2,702,000 euro trading in financial assets, 260,000 euro trading in derivatives; the total exchange difference on Other financial assets and liabilities (179,000 euro) was unchanged

- attributable to the insurance company

(Euro/1,000)

Transaction / Income component	Capital gain	Profit on trading	Capital losses	Losses on trading	Net income 30.06.2009	Net income 30.06.2008
1. Financial assets held for trading	-	-	-	-	-	-
1.1 Debt securities					-	
1.2 Equity securities					-	
1.3 UCITS units					-	
1.4 Loans					-	
1.5 Other					-	
2. Financial liabilities held for trading	-	-	-	-	-	-
2.1 Debt securities					-	
2.2 Other					-	
3. Other financial assets and liabilities: foreign exchange differences					-	
4. Derivative instruments	-	-	-	-	-	**(10,878)**
4.1 Derivatives held for trading:	-	-	-	-	-	**(10,878)**
- on debt securities and interest rates					-	-
- on equity securities and stock indexes	-	-	-	-	-	**(10,878)**
- on currencies and gold					-	-
- other					-	-
4.2 Credit derivatives					-	-
Total	-	-	-	-	-	**(10,878)**

The figure at the end of June 2008 entirely regards Chiara Vita S.p.A., then a subsidiary.

Fair value adjustments in hedge accounting (caption 90)

Break-down

(Euro/1,000)

Income component/Value	Banking Group	Insurance Company	Total 30.06.2009	Total 30.06.2008
A. Income relating to:				
A.1 Fair value hedging derivatives	53		53	258
A.2 Hedged financial assets (fair value)			-	-
A.3 Hedged financial liabilities (fair value)	-		-	342
A.4 Cash flow hedge financial derivatives				
A.5 Currency assets and liabilities				
Total income from hedging activities (A)	**53**	-	**53**	600
B. Charges relating to:				
B.1 Fair value hedging derivatives	-		-	(472)
B.2 Hedged financial assets (fair value)	(46)		(46)	
B.3 Hedged financial liabilities (fair value)	(20)		(20)	(181)
B.4 Cash flow hedge financial derivatives				
B.5 Currency assets and liabilities				
Total charges from hedging activities (B)	**(66)**	**-**	**(66)**	**(653)**
C. Net hedging income (A – B)	**(13)**	**-**	**(13)**	**(53)**

The restated figure at the end of June 2008 was -16,000 euro, composed of 637,000 euro in total income from hedging activities, while total charges from hedging activities was unvaried at -653,000 euro.

Profits (losses) on disposal/repurchase (caption 100)

Break-down

(Euro/1,000)

Caption/Income component	Banking Group			Insurance Company			Total 30.06.2009			Total 30.06.2008		
	Profits	Losses	Net income	Profits	Losses	Net income	Profits	Losses	Net income	Profits	Losses	Net income
Financial assets												
1. Amounts due from banks												
2. Amounts due from customers	20	(313)	**(293)**				*20*	*(313)*	**(293)**	**13**	**(400)**	**(387)**
3. Available-for-sale financial assets	2,881	(1,189)	**1,692**	-	(64)	**(64)**	2,881	(1,253)	**1,628**	2,667	(810)	**1,857**
3.1 Debt securities	*1,854*	*(262)*	***1,592***	-	*(64)*	***(64)***	*1,854*	*(326)*	***1,528***	*135*	*(575)*	***(440)***
3.2 Equity securities	*451*	*(458)*	***(7)***	-	-	-	*451*	*(458)*	***(7)***	*1,503*	*(9)*	***1,494***
3.3 UCITS units	*576*	*(469)*	***107***	-	-	-	*576*	*(469)*	***107***	*1,029*	*(226)*	***803***
3.4 Loans												
4. Held-to-maturity investments			-			-	-	-	-	-	-	-
Total assets	**2,901**	**(1,502)**	**1,399**	**-**	**(64)**	**(64)**	**2,901**	**(1,566)**	**1,335**	**2,680**	**(1,210)**	**1,470**
Financial liabilities												
1. Amounts due to banks												
2. Amounts due to customers												
3. Securities issued	1,048	(1)	**1,047**			**-**	1,048	(1)	**1,047**	6	-	**6**
Total liabilities	**1,048**	**(1)**	**1,047**	**-**	**-**	**-**	**1,048**	**(1)**	**1,047**	**6**	**-**	**6**

The net restated result with respect to the same half-year in 2008 is 1,755,000 euro higher: the variation is due entirely to profits on financial assets available for sale, which are 2,136,000 euro in the restated accounts.

Profits (losses) on financial assets and liabilities at fair value through profit or loss: break-down (caption 110)

Profits (losses) on financial assets and liabilities at fair value through profit or loss: break-down -attributable to the banking group

(Euro/1,000)

Transaction/Income component	Capital gain	Profits on disposal	Capital losses	Losses on disposal	Net income 30.06.2009	Net income 30.06.2008
1. Financial assets	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities					-	
1.2 Equity securities					-	
1.3 UCITS units					-	
1.4 Loans					-	
2. Financial liabilities	**27**	**73**	**(7,639)**	**(16)**	**(7,555)**	**7,897**
2.1 Securities issued	27	73	(7,639)	(16)	(7,555)	7,897
2.2 Amounts due to banks					-	-
2.3 Amounts due to customers					-	-
3. Other financial assets and liabilities: foreign exchange differences					-	-
4. Derivative instruments	**6,942**	**-**	**-**	**(14)**	**6,928**	**(7,794)**
4.1 Financial derivatives	6,942	-	-	(14)	6,928	(7,794)
- on debt securities and interest rates	6,942		-	(14)	6,928	(7,794)
- on equity securities and stock indexes					-	-
- on currencies and gold					-	-
- other					-	-
4.2 Credit derivatives					-	-
Total	**6,969**	**73**	**(7,639)**	**(30)**	**(627)**	**103**

The net restated result at 30 June 2008 rises to 722,000 euro, of which 8,516,000 euro are Financial liabilities, while the result for Derivative instruments is unchanged.

- attributable to the insurance company

(Euro/1,000)

Transaction/Income component	Capital gain	Profits on disposal	Capital losses	Losses on disposal	Net income 30.06.2009	Net income 30.06.2008
1. Financial assets	**-**	**-**	**-**	**-**	**-**	**(41,492)**
1.1 Debt securities	-	-	-	-	-	(10,024)
1.2 Equity securities	-	-	-	-	-	(5,143)
1.3 UCITS units	-	-	-	-	-	(26,325)
1.4 Loans					-	-
2. Financial liabilities	**-**	**-**	**-**	**-**	**-**	**43,315**
2.1 Securities issued					-	-
2.2 Amounts due to banks					-	-
2.3 Amounts due to customers	-		-		-	43,315
3. Other financial assets and liabilities: foreign exchange differences					-	-
4. Derivative instruments	-	-	-	-	-	-
4.1 Financial derivatives	-	-	-	-	-	-
- on debt securities and interest rates					-	
- on equity securities and stock indexes					-	
- on currencies and gold					-	
- other					-	
4.2 Credit derivatives					-	-
Total	**-**	**-**	**-**	**-**	**-**	**1,823**

The restated result is zeroed.

Net losses/recoveries on impairment (caption 130)

Net impairment losses on loans
- attributable to the banking group

(Euro/1,000)

Transaction/Income component	Impairment losses			Recoveries				Total	Total
	Specific		Portfolio	Specific		Portfolio		30.06.2009	30.06.2008
	Write-offs	Other		Due to interests	Other recoveries	Due to interests	Other recoveries		
A. Amounts due from			-				18	18	-
B. Amounts due from	(1,438)	(42,071)	(47)	1,774	8,427		104	(33,251)	(23,902)
C. Total	**(1,438)**	**(42,071)**	**(47)**	**1,774**	**8,427**	**-**	**122**	**(33,233)**	**(23,902)**

"impairment losses –specific- write-offs", amounting to Euro 1.4 million, entirely refer to non performing loans.

As regards "impairment losses –specific- other", the breakdown is the following: 23.4 million euro of non-performing loans, 18.0 million euro of problem loans and 0.7 million euro of persistently defaulting and restructured loans.
On the other hand the "other recoveries" regarded 5.1 million euro of non-performing loans, 0.7 million euro of closed positions, 2.9 million euro of problem loans and 0.4 million euro of persistently defaulting loans.

- attributable to the insurance company

None.

Net impairment losses on other financial transactions

- attributable to the banking group:

(Euro/1,000)

Transaction/Income component	Impairment losses			Recoveries				Total	Total
	Specific		Portfolio	Specific		Portfolio		30.06.2009	30.06.2008
	Write-offs	Other		Due to interests	Other recoveries	Due to interests	Other recoveries		
A. Guarantees granted		(290)	(88)		325		-	(53)	(381)
B. Credit derivatives								-	
C. Commitments to grant								-	
D. Other transactions								-	
E. Total	**-**	**(290)**	**(88)**	**-**	**325**	**-**	**-**	**(53)**	**(381)**

- *attributable to the insurance company*

None.

Net insurance premiums (caption 150)

Break-down

Euro/1,000

Net insurance premiums	Direct work	Indirect work	Total 30.06.2009	Total 30.06.2008
A. Life branch				
A.1 Gross premiums accounted for (+)	0		0	58,522
A.2 Premiums ceded for reinsurance (-)	-		-	(132)
A.3 Total	0	0	0	58,390
B. Non-life branch			*0*	*0*
B.1 Gross premiums accounted for (+)	11,643		11,643	*8,762*
B.2 Premiums ceded for reinsurance (-)	-1,801		-1,801	-3,488
B.3 Changes in the gross amount of premium reserve (+/-)			0	0
B.4 Changes in premium reserves reassured with third parties (-/+)			0	1,545
B.5 Total	9,842	0	9,842	6,819
C. Total net insurance premiums	**9,842**		**9,842**	**65,209**

The restated figure at 30 June 2008, therefore, only regards non-life class premiums in an amount of 6,819,000 euro.

Other net insurance income/expense (caption 160)

Break-down

(Euro/1,000)

Captions	Total 30.06.2009	Total 30.06.2008
1. Net change in technical reserves	(3,717)	(12,859)
2. Claims accrued and paid during the period	(761)	(52,397)
3. Other income/charges arising from insurance activities	(2,160)	(796)
Total	**(6,638)**	**(66,052)**

The restated figure at 30 June 2008 is -4.267,000 euro, composed of -3,437,000 euro net change in technical reserves, 444,000 euro claims accrued and paid during the period and -387,000 euro the net balance of other income/charges arising from insurance activities.

Sub-caption "Net change in technical reserves"

Break-down

(Euro/1,000)

Net change in technical reserves	Total 30.06.2009	Total 30.06.2008
1. Life branch		
A. Mathematical reserves		
A.1 Gross annual amount	-	(9,671)
A.2 (-) Amount reassured with third parties	-	(57)
B. Other technical reserves		
B.1 Gross annual amount	-	228
B.2 (-) Amount reassured with third parties		
C. Technical reserves for investment risks to be borne by the insured		
C.1 Gross annual amount	-	78
C.2 (-) Amount reassured with third parties		
Total "life branch reserves"	**-**	**(9,422)**
2. Non-Life branch		
Changes in other technical reserves of non-life branch other than claims fund net of ceded insurance	(3,717)	(3,437)

Sub-caption "Claims accrued and paid during the period"

Break-down

(euro/1,000)

Charges associated to claims	Total 30.06.2009	Total 30.06.2008
Life branch: charges associated to claims, net of reinsurance ceded		
A. Amounts paid		
A.1 Gross annual amount	-	(52,553)
A.2 (-) Amount reassured with third parties	-	27
B. Changes in funds for amounts to be disbursed		
B.1 Gross annual amount	-	573
B.2 (-) Amount reassured with third parties		
Total life branch claims	**-**	**(51,953)**
Non-Life branch: charges associated to claims, net of recoveries and reinsurance ceded		
C. Amounts paid:		
C.1 Gross annual amount	(1,051)	(297)
C.2 (-) Amount reassured with third parties	646	155
D. Changes in recoveries, net of amounts reassured with third parties		
E. Changes in claims fund		
E.1 Gross annual amount	(356)	(562)
E.2 (-) Amount reassured with third parties	-	260
Total non-life branch claims	**(761)**	**(444)**

Administrative costs (caption 180)

Personnel costs

(Euro/1,000)

Type of costs / Sectors	Banking Group	Insurance Company	Total 30.06.2009	Total 30.06.2008
1) Employees	(66,861)	(927)	(67,788)	(64,780)
a) wages and salaries	(45,543)	(670)	(46,213)	(42,214)
b) social security charges	(11,484)	(166)	(11,650)	(10,826)
indemnities	-		-	(153)
d) social security costs	-	(18)	(18)	(34)
e) provisions for termination indemnities	(434)	(18)	(452)	(769)
f) accruals to pension funds and similar funds:	-	-	-	-
- defined contribution			-	-
- defined benefit	-		-	-
g) amounts paid to external complementary social security funds:	(5,101)	(17)	(5,118)	(4,797)
- defined contribution	(5,092)	(17)	(5,109)	(4,797)
- defined benefit	(9)	-	(9)	-
h) costs arising from payment agreements based on own financial instruments	(76)	(24)	(100)	(79)
i) other benefits in favor of employees	(4,223)	(14)	(4,237)	(5,908)
2) Other personnel	(1,267)	(90)	(1,357)	(1,068)
3) Directors	(2,992)	(153)	(3,145)	(2,757)
Total	**(71,120)**	**(1,170)**	**(72,290)**	**(68,605)**

The result at the end of the period is to be compared with the result of June 2008, which, purged of the Chiara Vita S.p.A. component, amounted to 67,370,000 euro, of which 66,493,000 euro was related to the banking group and 877,000 euro to insurance business.

Average number of employees by category: banking group

	30.06.2009	30.06.2008
Employees		
a) executives	39	37
b) managers	885	804
third and fourth level managers	*410*	*379*
c) other employees	854	847
Total employees	1,778	1,688
Other personnel	35	37

Other administrative costs

(Euro/1,000)

	Banking Group	Insurance Company	Total 30.06.2009	Total 30.06.2008
indirect taxes and duties				
- stamp duties	(4,393)	(2)	(4,395)	(4,388)
- other	(2,322)	-	(2,322)	(2,452)
other costs				
- information technology charges	(6,500)	(95)	(6,595)	(6,929)
- property/equipment lease	(5,217)	(204)	(5,421)	(5,052)
- maintenance of property/furniture and equipment	(2,127)	(207)	(2,334)	(3,608)
- postal and telegraphic charges	(1,313)	(2)	(1,315)	(1,547)
- telephone, data transmission charges	(2,315)	(50)	(2,365)	(2,679)
- electric power, heating, water	(1,645)	(4)	(1,649)	(1,527)
- cleaning services	(576)	(8)	(584)	(549)
- printing, stationery and consumables expenses	(1,172)	(6)	(1,178)	(848)
- transport costs	(466)	(7)	(473)	(534)
- surveillance and security	(776)	(5)	(781)	(823)
- advertising	(1,213)	(2)	(1,215)	(702)
- information and certificates	(712)	(1)	(713)	(835)
- insurance premiums	(377)	(18)	(395)	(1,180)
- legal expenses	(1,796)		(1,796)	(1,618)
- professional consulting expenses	(2,020)	(306)	(2,326)	(2,856)
- expenses for collective bodies	-	-	-	(238)
- contributions and donations	(129)	-	(129)	(142)
- other expenses	(3,877)	(83)	(3,960)	(3,898)
Total	**(38,946)**	**(1,000)**	**(39,946)**	**(42,405)**

The end of half-year result for 2008, purged of the Chiara Vita S.p.A. component, was 40,934,000 euro.

Net provisions for risks and charges (caption 190)

(Euro/1,000)

Type of provision / Amount	Banking Group	Insurance Company	Total 30.06.2009	Total 30.06.2008
charges for legal disputes	(1,303)		**(1,303)**	**829**
other	(143)		**(143)**	**(79)**
Total	**(1,446)**	**-**	**(1,446)**	**750**

Net adjustments to/recoveries on tangible assets (caption 200)

Break-down
- attributable to the banking group

(Euro/1,000)

Asset / Income component	Depreciation	Impairment losses	Recoveries	Net income 30.06.2009	Net income 30.06.2008
A. Tangible assets					
A.1 owned by the Bank	(3,767)	-	-	(3,767)	(3,384)
- for business use	(3,767)			(3,767)	(3,384)
- for investment				-	-
A.2 leased	-	-	-	-	-
- for business use				-	
- for investment				-	
Total	**(3,767)**	**-**	**-**	**(3,767)**	**(3,384)**

- attributable to the insurance company

(Euro/1000)

Asset / Income component	Depreciation	Impairment losses	Recoveries	Net income 30.06.2009	Net income 30.06.2008
A. Tangible assets					
A.1 owned by the Bank	(24)	-	-	(24)	(28)
- for business use	(24)			(24)	(28)
- for investment				-	-
A.2 leased	-	-	-	-	-
- for business use				-	
- for investment				-	
Total	**(24)**	**-**	**-**	**(24)**	**(28)**

The total restated figure for the first six months of 2008 fell to -19,000 euro.

Net adjustments to/recoveries on intangible assets (caption 210)

Break-down
- attributable to the banking group

(Euro/1,000)

Asset/Income component	Amortization	Impairment losses	Recoveries	Net income 30.06.2009	Net income 30.06.2008
A. Intangible assets				-	
A.1 owned by the Bank	(294)	-	-	(294)	(279)
- generated internally				-	
- other	(294)			(294)	(279)
A.2 leased				-	
Total	**(294)**	**-**	**-**	**(294)**	**(279)**

- attributable to the insurance company

(Euro/1000)

Asset/Income component	Amortization	Impairment losses	Recoveries	Net income 30.06.2009	Net income 30.06.2008
A. Intangible assets				-	
A.1 owned by the Bank	(132)	-	-	(132)	(123)
- generated internally				-	
- other	(132)			(132)	(123)
A.2 leased				-	
Total	**(132)**	**-**	**-**	**(132)**	**(123)**

The figure at the end of June 2008 for subsidiary Chiara Assicurazione S.p.A. alone was -110,000 euro.

Other operating income (expenses) (caption 220)

Other operating expenses

(Euro/1,000)

Income component / Amount	Banking Group	Insurance Company	30.06.2009	30.06.2008
amortization of costs for leasehold improvements	(1,193)	-	**(1,193)**	(1,065)
loss from disposal of tangible assets	(6)	-	**(6)**	(20)
charges on non-banking services	(912)	(9)	**(921)**	(1,708)
Total	**(2,111)**	**(9)**	**(2,120)**	(2,793)

Other operating income

(Euro/1,000)

Income component / Amount	Banking Group	Insurance Company	30.06.2009	30.06.2008
recovery of taxes from third parties	5,658	-	**5,658**	5,419
recoveries of costs of deposits and current accounts	6,308	-	**6,308**	6,262
rentals receivables	9	-	**9**	20
other cost recoveries	5,657	-	**5,657**	4,171
profit from disposal of tangible assets	18	-	**18**	7
other	857	8	**865**	2,800
Total	**18,507**	**8**	**18,515**	18,679

The grand total restated for the end of June 2008 was 15,484,000 euro.

Taxes on income from continuing operations (caption 290)

(Euro/1,000)

Income component/Sector	Banking Group	Insurance Companies	30.06.2009	30.06.2008
1. Current taxes (-)	(22,154)	(64)	(22,218)	(22,418)
2. Changes in current taxes of previous years (+/-)	(129)	-	(129)	839
3. Decrease in current taxes of the year (+)			-	-
4. Changes in deferred tax assets (+/-)	7,669	-	7,669	3,369
5. Changes in deferred tax liabilities (+/-)	5,856	(7)	5,849	268
6. Taxes for the year (-)	**(8,758)**	**(71)**	**(8,829)**	**(17,942)**

The restated figure at 30.06.2008 amounted to Euro 16,422,000.

Earnings per share

	Categories of shares		Profit for the period
	Ordinary shares	Savings shares	
Proposed allocation of dividends	6,143	832	
Retained earnings	24,447	3,311	
	30,590	4,143	34,733
Average number of ordinary shares in circulation:			
Categories:			
Ordinary shares 117.000.000			
Savings shares 13.202.000			
Earnings per share - Basic :	**0.261**	**0.314**	

The Parent Company Banco Desio does not hold equity instruments which could potentially dilute basic earnings per share; therefore, diluted earnings per share corresponds to basic earnings per share.

OPERATING SEGMENTS

These disclosures are made in accordance with IFRS 8, *Operating Segments*, which takes the place of IAS 14, *Segment Reporting*. To comply with this IFRS, an entity must supply the information that enables the users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.
The comparative information presented, regarding 30 June 2008, was re-calculated in the light of the new provisions of IFRS 8.
The information refers to the Group's organisational and management structure and the internal reporting system whereby the management monitors results trends and takes operating decisions with regard to the resources to allocate.
The Group operates conducting the traditional business of credit broking, asset management and offering life and non-life bank insurance products. The operating segment information therefore takes it into consideration that the operational offices of the commercial banks are not separated into segments and/or divisions.
The results of the Group sectors mentioned below are presented in this chapter.

- *commercial bank*: bringing together the traditional lending and deposit collecting activities directed towards retail and corporate customers. Included in this operating segment are products and services related fundamentally to: any form of loan or deposit; financial, insurance and asset management products; and debit and credit cards.
- *investment banking*: bringing together the activities related to the Bank's own securities portfolio and the Interbank market;
- *asset management*: bringing together the activities carried out by the subsidiaries Brianfid Sa, Banca Credito Privato Commerciale Sa and Rovere SA;
- *corporate center*: this segment includes the results of the Group's direction and control functions which perform support activities in the management and co-ordination of the business portfolio. Furthermore, it includes service activities, identified as the cross-segment activities performed to support the functioning and entrusted to the corporate center to guarantee productive efficiency and organizational consistency. The corporate center structure can be identified in the centralized functions at the Parent Company supporting the Group companies (administration, finance, management control, risk management, personnel administration, IT systems, property management, etc.). Furthermore, intra-group adjustments are allocated to the corporate center, except where the intra-group netting are between companies within the same segment.

The information regarding assets and income by sector corresponds to the respective items in the financial statements and the policies for their measurement are as follows:

- *net interest income*: is calculated by contribution on the basis of internal transfer rates differentiated by product and duration;
- *net income from services*: is obtained by direct allocation of each actual asset and liability commission component;
- *operating costs*: are allocated to each operating segment through a process which provides for the attribution of costs to each organizational unit present in the segment, directly or by driver, in accordance with the full-costing method;
- *provisions and adjustments*: are allocated both directly and through allocation criteria.

Furthermore, the main balance sheet aggregates and indirect deposits (administered and managed) is disclosed for each reporting segment.
The data by segment is shown before intra-group balances, except where the intra-group balances are between companies within the same operating segment.

(Euro / 1000)

Income Statement data (€ / 1,000)	30/06/09	COMMERCIAL BANK	INVESTMENT BANKING	ASSET MNG	CORPORATE CENTER
Margin on banking and insurance activities (1)	171,143	147,536	5,062	5,478	13,067
Structure costs (2)	-116,453	-92,586	-1,038	-4,589	-18,240
Provisions and adjustments (3)	-34,732	-33,334	-13	11	-1,396
Profits/(losses) on equity investments carried at equity	23,540	0	0	0	23,540
Profits/(losses) on the disposal of investments	0	0	0	0	0
Profits/(losses) before taxes on continuing operations	**43,498**	**21,616**	**4,011**	**900**	**16,971**

(1) from the reclassified Income Statement
(2) administrative expenses, net adjustments to tangible and intangible assets
(3) net adjustments for impairment of loans and receivables and financial assets, provisions for risks and charges

(Euro / 1000)

Balance sheet data (€ / 1,000)	30/06/09	COMMERCIAL BANK	INVESTMENT BANKING	ASSET MNG	CORPORATE CENTER
Financial assets	881,965	16,052	872,045	6,097	-12,229
Amounts due from banks	855,510	0	809,963	145,522	-99,975
Amounts due from customers	5,773,980	5,759,623	0	14,357	0
Amounts due to banks	57,152	0	151,491	0	-94,339
Amounts due to customers	4,200,359	4,058,671	0	145,981	-4,293
Securities issued	2,032,694	2,044,760	0	0	-12,066
Indirect deposits: administered and managed	**16,743,562**	**9,015,674**	**0**	**840,873**	**6,887,015**

(Euro / 1000)

Income Statement data (€ / 1,000)	30/06/08	COMMERCIAL BANK	INVESTMENT BANKING	ASSET MNG	CORPORATE CENTER
Margin on banking and insurance activities (1)	173,528	147,296	250	7,561	18,421
Structure costs (2)	-112,096	-86,905	-1,285	-5,296	-18,610
Provisions and adjustments (3)	-23,533	-24,298	0	16	749
Profits/(losses) on equity investments carried at equity	5,062	0	0	3,797	1,265
Profits/(losses) on the disposal of investments	762	762	0	0	0
Profits/(losses) before taxes on continuing operations	**43,723**	**36,855**	**-1,035**	**6,078**	**1,825**

(1) from the reclassified Income Statement

(2) administrative expenses, net adjustments to tangible and intangible assets

(3) net adjustments for impairment of loans and receivables and financial assets, provisions for risks and charges

(Euro / 1000)

Balance sheet data (€ / 1,000)	30/06/08	COMMERCIAL BANK	INVESTMENT BANKING	ASSET MNG	CORPORATE CENTER
Financial assets	983,899	0	984,914	13,022	-14,037
Amounts due from banks	425,713	0	396,628	69,297	-40,212
Amounts due from customers	5,348,579	5,337,725	0	10,854	0
Amounts due to banks	32,817	0	51,239	0	-18,422
Amounts due to customers	4,099,951	4,073,719	0	58,553	-32,321
Securities issued	1,588,931	1,601,081	0	0	-12,150
Indirect deposits: administered and managed	**19,040,384**	**8,892,449**	**0**	**829,408**	**9,318,527**

INFORMATION ON RISKS AND THE RELATED HEDGING POLICIES

SECTION 1 – THE BANKING GROUP RISKS

1. CREDIT RISK

Qualitative information

1. *General aspects*

The Group's lending activity has developed in line with the management policies laid down in the Business Plan, directed at local economies and mainly carried on in the retail, small business and small-to-medium enterprises markets. Lending is directed at the corporate market to a lesser extent.
The activities directed at private and small business customers (artisans, producing families, professionals) include products substantially relating to: loans and deposits under any form; financial, banking and payment services; financial, insurance and asset management products; debit and credit cards.
The activities intended for medium-to-large enterprises and finance companies include products substantially relating to: loans and deposits under any form; financial, banking and payment services; documentary credit; leasing and factoring.
Commercial policy is pursued through the peripheral branch network and in the geographical areas in which the Group has a traditional presence, the objectives being the constant consolidation of its position, and in its new markets, in order to acquire new market shares and to facilitate an increase in turnover.
For some specific products (loans, targeted personal loans, leasing), activities are also conducted by means of authorised operators.
The information contained in this section refers solely to the Italian banks of the Group, given the irrelevance of the assets held by the other companies.

2. *Policies for the management of credit risks*

2.1. Organisational aspects

The factors that give rise to credit risk are related to the possibility of an unexpected variation in the creditworthiness of a counter-party to which there is exposure generating a corresponding unexpected variation in the market value of the debt. For this reason, a credit risk must be considered as arising not only as a result of the possibility of a counter-party's insolvency, but also as a result of a mere worsening of its creditworthiness.
The Group's organisational structure ensures a satisfactory process to watch over and manage credit risk, adopting a policy of separating business and control functions.
The Board of Directors is assigned, on an exclusive basis, the tasks and powers related to the determination of the policies which affect the general operation of the company. As regards internal controls, the Board of Directors approves the strategic direction and risk management policies, as well as the organisational structure of the bank.
In the exercise of its responsibilities concerning direction and coordination, the Board of Directors of Banco Desio e della Brianza S.p.A., in its capacity as Parent Company, has issued specific control regulations for the different levels in banking Group companies.

2.2. Management, measurement and control systems

The credit risk management, measurement and control systems develop in an organisational framework that involves the entire credit process cycle, from the information-gathering stage to periodical review and the final phase of revocation and recovery.
The organisational structure and the risk management, measurement and control systems of the Italian banks in the Group are the same as those of the Parent Company, in which the outsourcing functions for subsidiaries are concentrated.

The Group adopts an internal rating model (C.R.S. Credit Rating System), developed within the Group, capable of classifying each counterparty in certain risk classes with similar default probabilities. This system represents an analytical model for measuring the default risk, which uses statistical inference methods based on the subjectivist theory (or on the conditioned probability theory). Such system is comprised of two aspects: the first is a quantitative aspect and envisages the analysis of the main economic and financial indicators, while the second aspect, of a qualitative nature, is directed at the assessment of the borrower from cognitive and context perspective. The application of this model allows a rating to be assigned based on the sources of information used and the segment of the borrower (retail/corporate); in particular, the segmentation criteria of the counterparties are set taking into account the business sector, the legal status and the sales volumes (if applicable) of the counterparty. There are eight rating classes for performing counterparties (from AAA to CC), while there are three classes representing non-performing loans (expired, problem and non-performing loans).
With effect from 1 January 2008, the Group followed the rules laid down in the new legislation regarding the standardised method for the calculation of regulatory capital requirements to meet credit risk.

2.3. Credit risk mitigation techniques

While developing the operational process leading to the disbursement of a loan, even if it is considered that the necessary requirements have been met, whenever possible the Group obtains additional real and/or personal securities in order to mitigate risk.
Mortgages have proved to be the prevailing form of collateral, mainly in the technical form of mortgage loans (in particular loans raised on residential properties). Pledges in financial instruments and/or cash are also to be found to a lesser extent, although still at significant levels.
The guarantees received by the Group are drawn up on contractual forms, in line with the standards for the sector and based on case law guidelines and approved by the competent corporate departments with the aim of containing the so-called legal risks. The project, launched in 2008, is progressing: it is aimed at reorganising the activities involved in the guarantee management process, in compliance with the requirements in the new regulations, paying particular attention to internal monitoring with a view to the verification of eligibility.
To date, the Group has not used credit derivatives to hedge or transfer credit risks and has carried out no direct securitisation transactions.

2.4. Impaired financial assets

Loans to customers are classified as *problem* loans in consideration of the extent of the risk that has arisen, of the objective impossibility of reaching an amicable settlement, of failure to comply with the repayment plans that have been defined and the need to take timely legal action in order to safeguard the credit effectively.

The transfer to the *non-performing* loan category takes place when, in the light of the objective elements at the disposal of the competent office, a customer becomes unable to meet its commitments and thus enters a state of insolvency, even one that has not been declared by a court.

Positions which are overdue for more than 90 and/or 180 days are kept under constant review by the Risk Control Area with the help of specific computerised procedures.

Value adjustments are made on the basis of measurement criteria and methods that are objective and prudent.
In fact, loss forecasts represent the synthesis of more than one factor deriving from various assessments (both internal and external) of the capital that is available to the main debtor and any guarantors. Loss forecast monitoring is constant and organic and in any event related to how individual positions develop. The time element in the discounting-back of impaired loans is determined based on specific valuations of each sector of activity carried out by outside legal counsels operating in various court districts.

QUANTITATIVE INFORMATION

Credit quality

Financial assets: break-down by portfolio and credit quality (book values)

(Euro/1,000)

Portfolio / Quality	Banking Group						Other Companies		Total
	Non-performing loans	Problem loans	Restructured loans	Expired loans	Country risk	Other assets	Impaired	Other	
1. Financial assets held for trading		7		-		187,254			**187,261**
2. Available-for-sale financial assets					-	667,566		16,052	**683,618**
3. Held-to-maturity investments						11,086			**11,086**
4. Amount due from banks					8	854,330		1,172	**855,510**
5. Amounts due from customers	62,017	54,193	279	31,421	532	5,625,538	-	-	**5,773,980**
6. Financial assets at fair value through profit or loss						-		-	**-**
7. Financial assets held for sale and disposed operations								-	**-**
8. Hedging derivatives									**-**
Total 30.06.2009	**62,017**	**54,200**	**279**	**31,421**	**540**	**7,345,774**	**-**	**17,224**	**7,511,455**
Total 31.12.2008	**38,940**	**50,372**	**-**	**28,141**	**596**	**6,959,891**	**-**	**13,761**	**7,091,701**

Financial assets: break-down by portfolio and credit quality (gross and net values)

(Euro/1,000)

Portfolio / Quality	Impaired assets				Other assets			Total (net exposure)
	Gross exposure	Specific adjustments	Portfolio adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure	
A. Banking Group								
1. Financial assets held for trading	7			7	X	X	187,254	**187,261**
2. Available-for-sale financial assets				-	667,566		667,566	**667,566**
3. Held-to-maturity investments				-	11,086		11,086	**11,086**
4. Amount due from banks				-	854,341	3	854,338	**854,338**
5. Amounts due from customers	240,043	92,132	-	147,911	5,657,819	31,750	5,626,069	**5,773,980**
6. Financial assets at fair value through profit or loss				-	X	X	-	**-**
7. Financial assets held for sale and disposed operations				-			-	**-**
8. Hedging derivatives				-	X	X		**-**
Total A	**240,050**	**92,132**	**-**	**147,918**	**7,190,812**	**31,753**	**7,346,313**	**7,494,231**
B. Other companies included in the scope of consolidation								
1. Financial assets held for trading					X	X		**-**
2. Available-for-sale financial assets					16,052		16,052	**16,052**
3. Held-to-maturity investments								**-**
4. Amount due from banks					1,172		1,172	**1,172**
5. Amounts due from customers								**-**
6. Financial assets at fair value through profit or loss					X	X	-	**-**
7. Financial assets held for sale and disposed operations					-		-	**-**
8. Hedging derivatives					X	X		**-**
Total B	**-**	**-**	**-**	**-**	**17,224**	**-**	**17,224**	**17,224**
Total 30.06.2009	**240,050**	**92,132**	**-**	**147,918**	**7,208,036**	**31,753**	**7,363,537**	**7,511,455**
Total 31.12.2008	**191,113**	**73,660**	**-**	**117,453**	**6,723,273**	**31,895**	**6,974,248**	**7,091,701**

Break-down of cash and off-balance sheet loans by classes of external ratings (book values)

In accordance with the compilation regulations laid down by the Bank of Italy, this table has not been filled in because the amount of exposure with external ratings is modest.

Break-down of cash and off-balance sheet loans by classes of internal ratings

As outlined in the section dedicated to qualitative information (paragraph 2.2), the Parent Company and its Italian subsidiary banks started a testing process some time ago, focused on the determination of internal ratings of loans to customers. The model for the assessment of retail clients (private consumers and micro enterprises) is currently being integrated, while the section dedicated to Corporate clients (enterprises with a turnover of over Euro 1million) is more consolidated.

The following table shows, as regards the performing loans belonging to the above mentioned segments, the weight of each rating class on the aggregate.

Loans as at 30.06.2009	Internal rating classes			
	from AAA to A	from BBB to B	from CCC to CC	Total
Cash loans	29.5%	46.8%	23.7%	100%
Off-balance sheet loans	55.4%	31.9%	12.7%	100%

Securitization transactions

At 30 June 2009, a total of 1.9 million euro in notes deriving from securitisation transactions carried out by third parties is included in the assets (2.7 million euro at 31 December 2008). These are securitisations on public properties.

Asset disposals

- Financial assets sold but not written off

Financial assets sold but not written off, which are classified as financial assets held for trading and available-for-sale financial assets, consist of debt securities used in reverse repos

- Financial liabilities sold but not written off

The remaining financial liabilities against financial assets sold but not written off consist of payables to customers.

Credit risk measurement models

The assessments of the Credit Rating System were made available to the local network for support purposes, along with other information instruments, during the investigation and renewal phases of a loan.

2 – MARKET RISKS

2.1 INTEREST RATE RISK – REGULATORY TRADING PORTFOLIO

Qualitative information

General aspects

The unexpected variations in market rates, when there are differences in maturity dates and in the times at which interest rates on assets and liabilities are reviewed, give rise to a variation in net interest flow and thus in interest margin. Furthermore, such unexpected fluctuations expose the bank to variations in the economic value of assets and liabilities.
The information contained in this section refers solely to the Italian banks of the Group, given the irrelevance of the assets held by the other companies.
The Group adopted, in the first half-year, a strategy aimed at consolidating a return in line with the budget, while ensuring a low risk profile. Specifically, it was decided to keep a low portfolio duration and, at the same time, to favour investments in fixed income instruments with a short term residual life.

Interest rate risk management processes and measurement methods

In exercising its responsibilities of direction and coordination, the Board of Directors of Banco Desio e della Brianza S.p.A., in its capacity as Parent Company, has issued specific rules for controls at the various levels of all the banking Group companies.

The operational activity of the Parent Company's Finance Department is only directed at the Group's Italian banks: the internal control system monitors operating limits (in terms of amount and composition by type of securities) and interest rate risk. Specifically, duration limits are laid down in order to limit interest rate risk. The Head Office is provided with daily updates on operations and amounts in portfolios, and it is also informed in the event that operating limits have been reached.

Together with the abovementioned controls, the Group has adopted the use of internal models, assigning the monitoring and the measurement of interest rate risk to the risk management unit of the Parent Company, which is independent from the operational offices.
This activity only involves the Group's Italian banks, which account for nearly all the regulatory trading portfolio.

In order to quantify generic risks, the Bank has adopted a model based on the Value at Risk (VaR) concept, in order to express, synthetically and in monetary terms, the maximum probable loss incurred by a static portfolio with reference to a specific investment horizon and a specific level of confidence in normal market conditions. This method has the advantage of allowing the aggregation of the various risk positions taken in the accounts involving heterogeneous risk factors, and also provides a synthetic number that is easy for the organisational unit concerned to use because it is expressed in monetary terms.
This is a parametric model of a variance-covariance type for "linear" instruments with a delta-gamma type estimate for options, and uses a 99% confidence interval over a 10-day time horizon, in line with the recommendations defined by the Basel Committee. This model covers the assets, in term of financial instruments, included both in managed and trading portfolios, as defined in the regulations regarding reports to the Supervisory Board and subject to the capital requirements for market risk.

The model uses matrixes containing the standard deviations of each risk factor (interest rates, exchange rates and prices) together with the relevant correlations. The determination of volatilities and correlations is based on the modelling under a normal scenario of the daily logarithmic returns of the risk factors, though the exponential weighting based on a decline factor in a period corresponding to 250 observations.

The application used for the calculation of VaR is ALMpro, while the financial information necessary for the determination of VaR (volatility, correlations, term structure of interest rates, exchange rates, stock and benchmark indices) is provided by the RiskSize product.

To date, derivatives on currencies and interest rates and options on shares and indices entered into for trading purposes are excluded from this analysis; almost all the business, however, is conducted on a brokerage basis.

Stress test activities are carried out using parallel shifts in the yield curve, assuming variations of +/- 100 basis points only for interest rate sensitive holdings; the necessary research activities are being performed which will lead to the implementation of "backtesting" analysis".

Trading activity is subject to operating limits laid down by the Board of Directors and expressed for each delegation level in terms of VaR. Considering the composition of the portfolio, no VaR operating limits are laid down for subsidiaries. A special reporting system is the instrument that has been chosen to give the organisational units involved sufficient information. The contents and the frequency of the reports depend on the objectives assigned to each party in the process. The overall V.a.R limits related to the "managed portfolio", if any, were never exceeded in the period of reference.

The internal model is not used in the calculation of the capital requirement on market risks.

QUANTITATIVE INFORMATION

1. *Regulatory trading portfolio: break-down by outstanding maturity*

2. *Regulatory trading portfolio - internal models and other methods for sensitivity analyses*

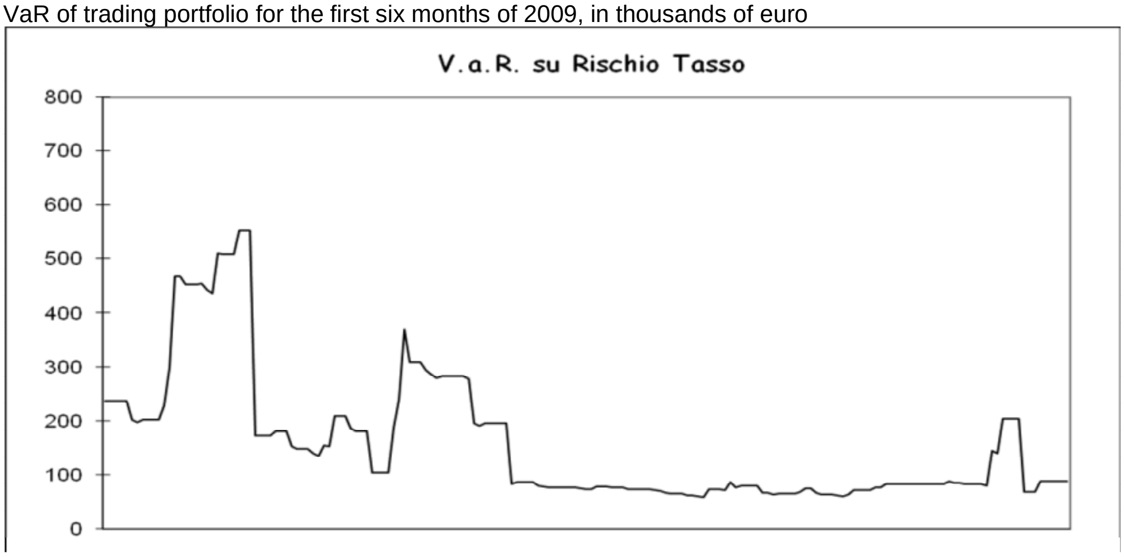
Monitoring of the Parent Company's "regulatory trading portfolio" and the Italian banks during the first half-year of 2009 showed a structure with limited interest rate risk. The Parent Company takes on almost the whole interest rate risk, the Italian subsidiaries making a completely negligible contribution. The Parent Company's VaR at 30.06.2009 amounted to Euro 87.36 thousand with a percentage of 0.1% of the portfolio and a duration of 0.34, evidence of the low-risk profile.

The table below shows the VaR relating to the interest rate risk on the "regulatory trading portfolio", while the diagram that follows shows the trend of VaR in the first six months of 2009.

VaR of trading portfolio for the first six months of 2009, in thousands of euro

	Value 30.06.09	Average Value	Maximum Value	Minimum Value	Value 31.12.08
V.a.R.- Interest Rate Risk	87.36	158.06	552.45	58.30	237.39

VaR of trading portfolio for the first six months of 2009, in thousands of euro



The scenario analyses carried out in terms of parallel shifts in the rate curve, assumed variations of +/- 100 basis points only for the positions that are sensitive to interest rates. As at 30.06.2009, considering the positive variation in rates and the economic data on an annual basis, there was a negative impact of Euro 625,000, equal to:

- ⇒ 0.33% of trading portfolio;
- ⇒ 0.41% of business margin;
- ⇒ 4.86% of net income for the period;
- ⇒ 0.09% of shareholders' equity, net of the result for the period.

2.2 INTEREST RATE RISK - BANKING PORTFOLIO

QUALITATIVE INFORMATION

A. General aspects, management procedures and methods of measuring interest rate risk

It is the responsibility of the Parent Company' risk management unit to measure interest rate risk.
This activity is only directed at the Group's Italian banks, which account for almost the entire banking portfolio. The system of the bank's commercial activities consisting of balance sheet asset and liability maturity transformation, the securities portfolio, the treasury operations and the respective hedging derivatives is monitored using Asset and Liability Management (ALM) methods, through the ALMpro application. Risks are measured each month adopting a static approach; an analysis of the application is being concluded which will allow a dynamic assessment to be made.
The studies being carried out at the moment allow the impacts of variations in interest rate structure to be measured and expressed in terms both of the variation in the economic value of assets and the interest margin.
The model covers the assets and liabilities exposed to interest rate risk, included both in the banking portfolio held for management purposes and in the financial statements. The results of the banking portfolio held for the purposes of the financial statements are therefore presented, excluding the financial instruments in the regulatory trading portfolio from this analysis. Interest margin variability, determined by positive and negative changes in rates over a 365-day time horizon, is estimated by gap analysis, with the help of a number of different approaches in order to increase the accuracy of the forecasts.
The variations in the economic value of assets and liabilities are analysed applying Duration Gap and Sensitivity Analysis methods.
The analyses are performed using parallel shifts in the yield curve and specific scenarios of market rate changes.

Fair Value hedge

The Group's primary objective is to manage the risks associated with its operations prudently and actively. The Group only takes out Fair Value type hedges for the Group's Italian banks, in order to protect the profit and loss account from the risks deriving from unfavourable variations in Fair Value; the objective of the hedge is to set off Fair Value variations in the hedged instrument against Fair Value variations in the hedging instrument. To date, only liabilities have been hedged, and of these only bond loans, while derivative instruments are used as hedges, which are represented by unlisted securities - Interest Rate Swaps and interest rate options - used to hedge interest rate risks only.
The Parent Company has prepared a model that can handle hedge accounting in compliance with the relevant regulations laid down in IAS accounting standards. The method the Parent Company uses to carry out the effectiveness test is the Dollar Offset Method (hedge ratio) on a cumulative basis. All the hedges are specific.
In line with the previous year, the Group decided to apply the Fair Value Option to all new hedging transactions started in the first half-year of 2009.

C. Cash flow hedge

No cash flow hedge transactions have been effected by the Group.

QUANTITATIVE INFORMATION

1. Banking portfolio: break-down by outstanding maturity

2. Banking portfolio - internal models and other methods for sensitivity analyses

The assessment that emerges from the overall Group position, which again only involves the Italian banks, is that of a limited risk profile in the first half-year of 2009.This operational and strategic approach is directed at minimising the volatility of interest margins and of total economic value, by benefiting from the expected rise in market rates.
The table below shows the results of the impact on the interest margin at 30 June 2009, should there be a parallel variation in the interest rate curve.

Risk indices: parallel shifts of the interest rate curve at 30 June 2009

	+100 bp	*-100 bp*	*+200 bp*	*- 200 bp*
Risk interest margin / Expected margin	8.98%	-12.87%	17.95%	-27.08%

As regards economic value, in the first half-year of 2009 risk exposure remained at a moderate level, and in any event it was decidedly lower than the thresholds fixed by the Basel Committee, so that there was no significant impact on overall assets. In fact, in the event of significant shifts in the interest rate curve, such changes would lead to negligible changes in the market value of the Group's assets.
The table below shows the variations in economic value analysed by applying deterministic approaches with parallel shifts of the interest rate curve.

Risk indices: parallel shifts of the rates curve at 30 June 2009

	+100 bp	*-100 bp*	*+200 bp*	*- 200 bp*
Risk economic value / Economic value	-0.91%	1.05%	-1.66%	2.63%
Risk economic value / Regulatory capital	-0.71%	0.82%	-1.29%	2.04%

2.3 PRICE RISK - REGULATORY TRADING PORTFOLIO

QUALITATIVE INFORMATION

A. General aspects

There is a particularly substantial price risk on high-volatility financial instruments such as derivatives and equity. The Group carries out both hedging and trading transactions on these specific activities, and has established stop-loss limits.

B. Management processes and methods of measuring price risk

For the management process, the organisational model and the internal model used, reference is made to Section 2.1. It is to be emphasised that the VaR of equity instruments is measured considering the link (beta coefficient) between the trend of the single instrument and that of its benchmark (stock or benchmark index for U.C.I.T.S units).
The internal model is not used in calculating capital requirements on market risks.

QUANTITATIVE INFORMATION

1. Regulatory trading portfolio: cash exposure in equity securities and U.C.I.T.S units

2. Regulatory trading portfolio: break-down of exposures

3. Regulatory trading portfolio - internal models and other methods for sensitivity analysis

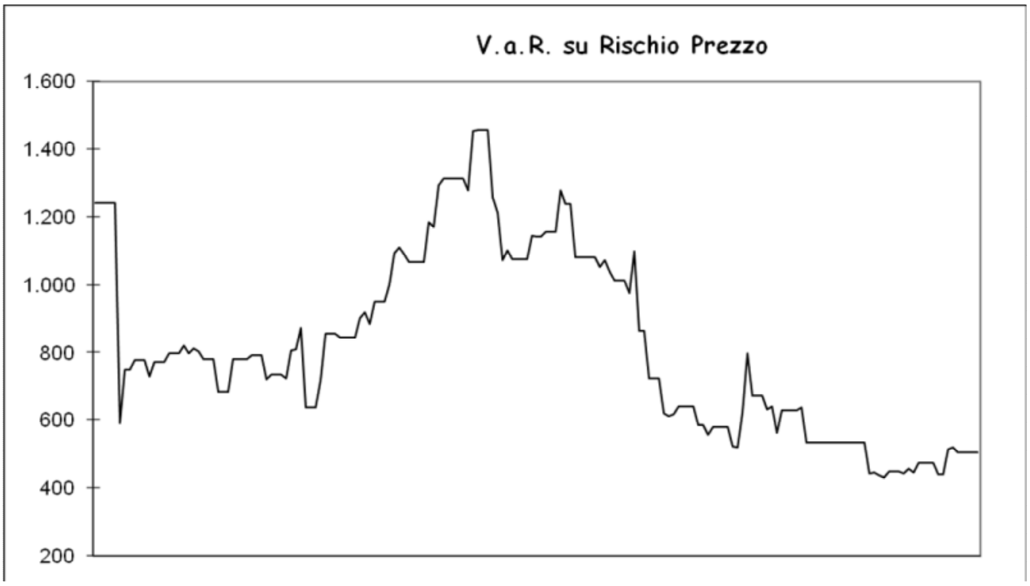
Considering the composition of the trading portfolio in question and the hedging carried out by means of derivatives, the price risk profile of the Parent Company and the Italian banks is, overall, a moderate one. The Parent Company takes on almost the entire price risk. At 30.06.2009, the VaR relating to price risk amounted to Euro 507.03 thousand.

The table below shows the VaR relating to price risk on the regulatory trading portfolio, while the diagram that follows shows the trend of VaR in the first six months of 2009.

VaR of trading portfolio for the first six months of 2009, in thousands of euro

	Value 30.06.09	Average Value	Maximum Value	Minimum Value	Value 31.12.08
V.a.R. – Price Risk	507.03	818.62	1.455.49	519.25	1.241.63

VaR of trading portfolio for the first six months of 2009, in thousands of euro



2.4 PRICE RISK - BANKING PORTFOLIO

QUALITATIVE INFORMATION

A. General aspects, management procedures and methods of measuring price risk

The supervision of the price risk in the banking portfolio is one of the activities described in the paragraph 2.2.

2.5 EXCHANGE RISK

QUALITATIVE INFORMATION

A. General aspects, management procedures and methods of measuring exchange risk

The Group is exposed to exchange risk because it trades on currency markets and owing to its activities involving investment and savings with instruments denominated in a foreign currency.
The Group is exposed to exchange risks to a marginal extent. As regards the Italian banks only, currency transactions are handled by the Operations Room of the Parent Company's Finance Department.
The exchange risk is governed by means of intra-day and end-of-day operating limits, both for currency areas and for concentrations on each individual currency. There are also daily and annual stop-loss operating limits.

B. Exchange rate hedge

The Group's primary objective is to manage the exchange risk prudently, while always taking the possibility of profiting from market opportunities into consideration. Transactions involving exchange risks, therefore, are managed by means of appropriate hedging strategies.

QUANTITATIVE INFORMATION

1. ***Break-down of assets, liabilities and derivatives by currency of denomination***

2. ***Internal models and other methods for sensitivity analysis***

The exchange risk profile assumed by the Bank is not significant, in light of the currency exposure of the balance sheet items and the relevant hedging transactions implemented through derivative financial instruments.

3 – LIQUIDITY RISK

QUALITATIVE INFORMATION

A. General aspects, management procedures and methods of measuring liquidity risk

It is the responsibility of the Parent Company to manage the liquidity risk for the Italian banks through the Finance Department and risk management units, with the aim of verifying the Group's capacity to meet liquidity requirements and avoid being found in the position of having excessive and/or insufficient liquidity, entailing the need to invest and/or raise funds at rates that are less favourable than normal market rates.
The overall model for the management and monitoring of liquidity risk is divided into two spheres that differ according to reference perimeter, time horizon and the frequency of analyses:

1. *operating liquidity management*, namely the management of the most volatile elements impacting on the Group's liquidity position, with the primary aim of maintaining the Group's capacity to meet its day-to-day and extraordinary payment commitments minimising the costs involved;
2. *structural liquidity management*, namely the management of all the banking portfolio events impacting on the Group's overall liquidity position, with the primary aim of maintaining an appropriately dynamic ratio between liabilities and medium- and long-term assets.

The Risk Management Office is responsible for monitoring and periodic reporting both structural and operating liquidity, the latter carried out daily. Short-term liquidity is supervised by the Parent Company Finance Department Treasury, which manages the liquidity risk on a daily basis by carefully analysing cash flows in order to meet liquidity requirements and maximise profitability. Further support to liquidity risk management is provided by the monitoring carried out by the Parent Company risk management unit through an internal model. The objective is to set up a medium- to long-term financing policy and assess the bank's liquidity position by breaking down transactions according to their maturity dates.

Operations are measured using the Asset and Liability Management (ALM) method with the ALMpro application, which processes all the transaction cash flows and allows the bank's liquidity requirements as generated by imbalance between incoming and outgoing flows to be assessed and managed during the various periods in question.
Overall structural liquidity is analysed monthly using the Gap Liquidity Analysis technique, which shows up the capital flow maturity gaps over a preset period of time.

The results obtained at the various maturity dates show that the structure is almost perfectly balanced, in harmony with the strategy of immunising the Group from liquidity risks. Special care is taken with the funding policy, coordinated by the Parent Company's Finance Department, which arranges for funds to be raised by means of normal retail bond issues and Euromarket issues.

4 – OPERATIONAL RISK

QUALITATIVE INFORMATION

A. General aspects, management procedures and methods of measuring operational risk

By Operational Risk is meant the risk of suffering losses deriving from the inadequacies or malfunctioning of procedures, human resources and internal systems or by exogenous events. Losses deriving from fraud, human error, interruption of operations, system unavailability, breach of contract and natural catastrophes all come within this category. Operational risk includes legal risk but does not include those relating to strategy or reputation.
The Banco Desio Group, accepting the definition of operational risk given by the Bank of Italy in its circular no. 263 of 27 December 2006, outlines it within the Group's methodological framework of operational risks management: operational risk is a potential event capable of giving rise to an actual economic loss, increased cost or reduced income from external causes, processes, systems, human resources and from all anomalies and elements contributing to output and hence the business value. All events with a direct connection with an event whose occurrence may give rise to a loss are also defined as causes of operational risk (or risk factors).

The Banco Desio Group implemented a procedure for the structured gathering of adverse events which might generate operating losses.
Detrimental events recorded in the Corporate Operating Losses Database represent a data set of a reporting system that has the capacity to provide top management at set intervals with all the information (overall and detailed) available regarding such events: the number of events, the amounts of gross losses and of losses net of any recoveries by business line, product/process and organisational unit concerned.
The Banco Desio Group is a member of the Italian Banking Association's DIPO Observatory, which will enable the Group in future to use the data from the organisation to integrate the internal historical loss data with the data generated by other member banks in order to make more realistic estimates regarding operational risk exposure.

For the monitoring of risks for the commission of offences pursuant to Legislative Decree no. 231/2001 "Regulations dealing with the administrative liability of legal persons, companies and associations without legal personality", the Group adopted an organisational prevention model. The supervision of the effective implementation of the above mentioned models was assigned, in line with the provisions of law and with the directions of the industry associations, to specific bodies selected for each company.
The organisational model under review is updated also following the changes that have occurred in the regulatory framework of reference.

An Operational Continuity Plan has been drawn up in relation to the management of risks having an impact on the Group's operational continuity. Measures were carried out aimed at the identification and mapping of processes considered vital for the purposes of the business, the preparation of the documentary structure supporting Group operations (operational procedures for the management of emergencies and restoration) and the preparation of the Disaster Recovery site to be used in the event of emergency, an alternative site with respect to that to be used for production.
Consistently with its governance model and in line with banking group supervision regulations, it was decided to adopt a business continuity management plan centralised in the Parent Company, also considering that, on the basis of specific master agreements, the Parent Company provides the subsidiaries Banco Desio Lazio, Banco Desio Toscana and Banco Desio Veneto with operating services, assistance and advice as an outsourcer. The subsidiary Chiara Assicurazioni (operating in the insurance sector) finds solutions that are consistent with Group guidelines in compliance with timing laid down by ISVAP (the Italian insurance supervisory authority).

The various Group's corporate Departments guard against legal risk by using standard contractual forms that are in any event first evaluated by the responsible corporate boards. This said, it is to be noted that most actions brought against the Group at the end of the financial year consisted in claw-back actions in bankruptcy, and other disputes concerning the trading service of financial instruments.
Overall, the lawsuits pending with regard to the four Italian banks of the Group have a value of Euro 40,588,000. These risks are appropriately monitored and hedged by prudential provisions of Euro 8,588,000. The most important lawsuits, almost exclusively brought against Banco di Desio e della Brianza, account for about 93% of the total, and involve disputes regarding financial instruments, compound interest and claw-back actions in bankruptcy, the possible loss being about Euro 6,539,000 equal to about 76% of total provisions. It should be noted that there has been a rise in lawsuits involving financial instruments as a result of an increase in the cases of default by bond issuers.

QUANTITATIVE INFORMATION

The number of adverse events detected by the Group in the first half-year of 2009 totalled 461 events. This figure also includes the potentially harmful events which, however, did not generate any operating loss in the accounts. A record is, however, kept of such events, given that in some cases they may generate higher processing costs. Based on the definition of operational risk of the Group, which includes, besides actual losses, also higher costs and lower income due to adverse events, it is essential, for the purposes of any possible mitigating measures to be implemented, to have an evidence of the data about the frequency of the event regardless of the value of its impact.
The result of the process for the gathering of adverse events is summarised in the table below (monetary values are reported in thousands of Euros):

1° SEMESTER 2009 - LOSSES BY TYPE OF OPERATIONAL RISK - RECONCILIATED								
TYPE OF OPERATIONAL RISK	No. of Events	% of Events	Gross loss	% on total	Net loss	% on total	Recoveries	% of recoveries
INTERNAL FRAUD - Losses generated by fraud, misappropriation, violation of By-laws, regulations or corporate directives (except for discrimination events) involving at least one internal member of the bank	1	0.22%	159.18	13.11%	159.18	13.93%	0	0.00%
EXTERNAL FRAUD - Losses generated by fraud, misappropriation, violation of By-laws, regulations or corporate directives (except for discrimination events) carried out by third parties	119	25.81%	126.53	10.42%	54.8	4.80%	71.73	56.69%
RELATIONAL ACTIVITIES RELATED TO CLIENTS, PRODUCTS AND CHANNELS - Losses generated by the inability (unintentional or due to negligence) to fulfil the professional commitments assumed vis-à-vis the customers (including the fiduciary requirements and the requirements for an adequate information on investments).	12	2.60%	433.73	35.72%	433.73	37.97%	0	0.00%
BUSINESS INTERRUPTION AND SYSTEMS MALFUNCTIONS - Losses generated by any blocks of the information systems or of line connections.	10	2.17%	0.09	0.01%	0.09	0.01%	0	0.00%
EXECUTION OF DIRECTIONS, SUPPLY OF PRODUCTS AND MANAGEMENT OF THE PROCESSES	319	69.20%	494.6	40.74%	494.6	43.29%	0	0.00%
BANCO DESIO GROUP: TOTAL	**461**	**100.00%**	**1,214.13**	**100.00%**	**1,142.40**	**100.00%**	**71.73**	**5.91%**

The value of the gross operating loss, equal to Euro 1,214.12 thousand, made of prudential provisions amounting to Euro 1,010.11 thousand and covered net loss amounting to Euro 1,1425.39 thousand, of which Euro 71.73 recovered losses.

SECTION 2 - INSURANCE COMPANIES' RISKS

A. GENERAL ASPECTS AND MANAGEMENT POLICIES

The insurance business, due to its specific features, requires, for a global view of the enterprise, the assessment and management of the overall profitability of the business generated and of the relevant related risks. The strategies and policies for the reduction of such risks are assumed by the administrative bodies of the Insurance Company Chiara Assicurazioni.

Non-Life Insurance Business

Information on Risk Management Activity for Non-Life Business

Regulation 20 of 26 March issued by ISVAP, the Italian insurance sector regulator, required enterprises to equip themselves with an appropriate risk management system, proportionate to their size and the nature and complexity of the business that they conduct, which should allow them to identify, measure and monitor the most significant risks, taking these to be risks whose consequences could undermine the solvency of the enterprise or constitute a grave obstacle to the attainment of corporate objectives.
The Risk Management office, in concert with the other operating functions concerned and the General Management, determined and listed the main risks to which the Company is exposed.

An appropriate risk management system, meeting the requirements laid down in the ISVAP Regulation mentioned above, is determined by carrying out the following activities:

1) Definition of risk management system through the following procedural stages:
- mapping the different risk typologies specified in the ISVAP Regulation that are encountered in the Company's business;
- up-dating of qualitative and quantitative models used for the analysis of the different risk typologies;
- creating information flows to monitor risks;
- preparing periodic risk reports, at least half-yearly, to the Administrative Body to serve as useful tools for taking strategic decisions with regard to risk;.

2) Analysis by risk typology as follows:
- quantitative and qualitative analysis of claims by year of generation and by year of event, separate for each balance sheet segment;
- analysis and measurement of the probabilistic severity structure for the various phenomena emerging from claims analysis;
- calculation of loss ratio and combined ratio;
- impact on assets of underwriting and claims reserves risks;
- risk mitigation policies (e.g. reinsurance and assignment of portfolios);
- analysis of financial asset portfolios;
- conducting stress tests by using deterministic models;
- measurement of the impact of operational risks on the Company's economic capital by means of a proportional approach.

All the analyses above are summarised in a special document, Risk Report, containing risk measurements, points needing attention and proposals for action based on the qualitative and quantitative factors that indicate that action should be taken.

The methodological approach taken for this document is as follows:

a) *underwriting risk*: Value at Risk approach with a level of confidence set considering the best distribution in terms of statistical fitting for the historical series of S/P ratios, for each ministerial segment between Lognormale e Weibull.
Granularity: by ministerial segment
Reference: quantitative methodology QIS 4 – Framework Solvency II

b) *claims reserves risk*: Value at Risk approach with a level of confidence set considering the best distribution in terms of statistical fitting for the historical series of claims reserves run-off ratios, for each ministerial segment between Normal and Logistics;
Granularity: by ministerial segment
Reference: quantitative methodology QIS 4 – Framework Solvency II
c) *credit risk (reinsurance)*: expected amount of losses as a result of default by each counterparty, corresponding to exposure owing to default by the counterparty (which depends on its credit rating);
Granularity: by ministerial segment
Reference: quantitative methodology QIS 4 – Framework Solvency II
d) *market risk (interest rate)*: difference between a stress scenario and the standard scenario after shock, regardless of interest rate level.
Granularity: bonds
Reference: quantitative methodology QIS 4 – Framework Solvency II
e) *market risk (spread)*: risk of losses arising from variations in the yield curve with respect to the risk-free curve. Application of weighting to market values by set bond rating functions.
Granularity: corporate bonds
Reference: quantitative methodology QIS 4 – Framework Solvency II
f) *market risk (equity)*: difference between a stress scenario and the standard scenario after shock regardless of equity market indices.
Granularity: ETF funds
Reference: quantitative methodology QIS 4 – Framework Solvency II
g) *operational risk*: proportional approach – 2% of the greater of premiums during the period and total claims reserves.
Granularity: entire portfolio
Reference: quantitative methodology – QIS 4 simplified parametric formula – Framework Solvency II.

The following activities have also been planned for the second half of the year:
- classification and qualitative analysis of operational risk at the same time as the revision and mapping of the corporate processes project;
- assessment of residual reputational, legal and non-compliance risk;
- definition of drivers and information flows for validation in the new product issue phase.

The following are some KPIs (Key Performance Indicators).
The Loss Ratio of direct business at 30 June 2009 in all segments was 17.4%. The improvement compared with the same figure at 31 December 2008 (28.3%) is in line with the Group's targets for 2009, which envisage the level of technical profitability as up to 20%.

The Expense Ratio of direct business at 30 June 2009 in all segments was 80.5%, compared with 90.9% at the end of the previous period. This represents improved process efficiency.
The Combined Ratio at 30 June 2009, therefore, is 97.9%. This indicator also reflects a high incidence of overheads and acquisition costs that, however, is lower than the 119.2% recorded at 31 December 2008 thanks to the structural and organisational improvements to the Company that have been made.

INFORMATION ON EQUITY

SECTION 1 – CONSOLIDATED SHAREHOLDERS' EQUITY

Qualitative information

The Banco Desio Group has always paid most attention to shareholders' equity, aware both of its function in guaranteeing the trust of outside financers that can be called upon to absorb any losses and of its importance both purely for operations and for corporate growth.
In fact a substantial level of capitalisation enables corporate growth to be conducted with the necessary margins of autonomy, preserving the Group's stability.
The policy of the Banco Desio Parent Company is, therefore, to give a substantial degree of priority to shareholders' equity in order to make the best possible use of it in business growth.

The following elements are considered to compose the Group's equity, fully available to hedge any corporate risks or losses:

(Euro / 1,000)

Description	At 30 June 2009
Share Capital	67,705
Treasury shares	-
Valuation reserves	19,289
Reserves	592,350
Share premiums	16,145
Net profit for the period	34,733
Shareholders' equity	**730,222**

The table shows that the most important component consists of the reserves, which account for about 81%, confirming the constant policy of capital expansion that is carried out by reinvesting profits.

Quantitative information

Reference is made to part B- Liabilities, Section 15 of these Notes, where the information on corporate equity is provided with a breakdown of its components.

SECTION 2 – REGULATORY CAPITAL AND RATIOS

2.1 REGULATORY CAPITAL

Qualitative information

The Banco Desio Group also pays great attention to the notion of equity used for supervision purposes. The determination of the regulatory capital is certainly important owing to the importance of this aggregate in connection with the controls that the competent authorities carry out in order to ascertain the stability of banking Groups. The relevant regulations, in fact, state that "….the most important prudential supervision tools (capital requirements to meet market risks and the rules regarding risk concentration) are based on this. Transactions in various sectors also depend on equity size".
As of 30 June 2008 the consolidated regulatory capital of the Banco Desio Group is made up as follows:

(Euro/1,000)

Description	Amount
Tier 1 capital	648,046
Tier 2 capital	87,391
Items to be deducted	15,161
Regulatory capital	**720,276**

1. Tier 1 capital
Share capital, share premiums, reserves, undistributable earnings for the period and innovative equity instruments are the most significant elements of the capital. From these positive elements, any negative elements is deducted, mainly represented by intangible assets, the residual portion of goodwill and any deductions resulting from the application of prudential filters.
Tier 1 capital accounts for about 90% of the Regulatory Capital.

2. Tier 2 capital

Valuation reserves, innovative equity instruments not included in the Tier 1 capital, hybrid equity instruments, subordinated liabilities and net gains on equity investments, represent the key positive elements of Tier 2 capital. To these positive elements, the deductions provided for by the prudential filters are applied.
Tier 2 capital accounts for 12.1% of the Regulatory Capital. The elements to be deducted account for about 2.1%.

3. Tier 3 capital

It is comprised by the portion of Tier 2 subordinated liabilities not included in Tier 2 since exceeding 50% of Tier 1 capital gross of the elements to be deducted, and by Tier 3 subordinated liabilities. This aggregate may only be used for the purpose of fulfilling the capital requirements on market risks for a maximum amount equal to 71.4% of such risks.

2.2 CAPITAL ADEQUACY

Qualitative information

The above equity structure allows the following ratios to be applied:

- Tier 1 capital / weighted risk assets (1) 10.45%
- Regulatory capital / weighted risk assets (1) 11.61%

The Board of Directors of the Parent Company periodically reviews and approves the aggregates comprising the regulatory capital, in order to verify both their consistency with the risk profile assumed as well as their compliance with the development plans of the bank.

(1) Weighted risk assets are determined as the product of the total prudential requirements and the reciprocal of the obligatory minimum coefficient.

TRANSACTIONS WITH RELATED PARTIES

For information regarding the remuneration paid to the to the Directors please refer to the statement regarding "Staff costs" in these Notes. The total remuneration of general managers and to managers with strategic responsibilities is about 1 million euro. The appropriate section of these Notes should be referred to for information regarding the stock option plans for these persons.

The procedures adopted for transactions with related parties (including those made with Representatives pursuant to article 136 of the Consolidated Banking Act) are outlined in the annual Report on Corporate Governance of the Parent Company and already mentioned in the Interim Report on Operations. The other companies of the Group follow substantially similar procedures or practices.
Relations with external related parties are settled on market conditions and, where the market is not a satisfactory reference, (as in the instance of the Agreements for outsourcing services provided to subsidiaries), on conditions that are fair and that are valued in compliance with the procedures above.
In this context, as of 30 June 2009, no transaction presents particular risks other than those that are assessed in the context of ordinary banking activities, and no transaction is either atypical or unusual.
The following paragraphs summarise the relations by categories of related parties (Parent Company, Associates, Investee Companies, Representatives), distinguishing between transactions carried out (including any transaction made pursuant to article 136 of the Consolidated Banking Act), current accounts and security accounts balances and, finally, any supplier relations of services or of a different type.

<u>I - Parent Company</u>

At the end of the half-year, current account deposits of the Parent Company Brianza Unione di Luigi Gavazzi e C. S.a.p.A totalled about Euro 4.6 million entirely allocated to Banco Desio. The company has no debt exposure.
During the half-year, there were no transactions with this company (the company also falls within the scope of Article 136 of the Consolidated Banking Act (T.U.B.) by virtue of the positions held in it by some Representatives, as per paragraph IV below).
The balance of relations with the Parent Company, relating to the securities deposit held by Banco Desio amounts to Euro 255.1 million.

<u>III – Associated companies</u>

At the end of the half-year, after the sale of the remaining 21% shareholding in ANIMA SGRpA as a result of the acceptance of the public offer promoted by Banca Popolare di Milano Scarl, there are two shareholdings in associate companies

- Chiara Vita SpA, originally considered a subsidiary, became an associate during the previous half-year, due to the effect of maintaining an interest of 30% within the framework of the agreements with the Helvetia Group;

- Istifid S.p.A., in which a 21.648% share is maintained (subject to any increases envisaged after sale offers made by this company's main shareholder).

Within the framework of the agreements with the Helvetia Group the following have been drawn up: i) a five-year contract for the distribution of products in the life insurance branch; ii) conversely, following the exit from the Group, on 1 October 2008, the pre-existing relations for the provision of services of a technical and administrative nature ended.
At the end of the half-year, the Chiara Vita SpA balance of payables (to customers) held by Banco Desio amounted to 86.9 million euro, 49.1 million of which from the securities portfolio; the company has no exposure to debt.

The contractual relations with Istifid SpA consist essentially in the supply of company services (shareholders registers, assistance at meetings, consultancy regarding corporate compliance etc) which are charged at the usual costs for such services. At the end of the half-year, the balance of payables to Istifid SpA was 113,3 million euro, 80.8 million euro of which from the securities portfolio; the receivables balance was insignificant. The contracts involved are held by Banco Desio.

III – Other investee companies

The shareholdings in other companies previously classified among related parties (Zenit SGR and Zenit Alternative Investment SGR) were sold during the half-year.

IV - Transactions with Representatives and subjects referable thereto

As regards the transactions subject to credit limits approved in the half-year pursuant to Article 136 of the Consolidated Law on Banking (T.U.B.), it is to be noted that most of the these were ordinary transactions whereby credit was paid out to Representatives of the Group and/or companies referable thereto, with regard to which the Representatives concerned stated that they had interests of various kinds by virtue of significant equity investments, appointments and/or other relationships of a financial or personal nature with these companies. These relations did not affect the application of the normal criteria for appraising creditworthiness. The total amount of the facilities granted by the Group's banks in the 50 positions existing as at 30 June 2009 is equal to about Euro 44.5 million. The relative uses totalled about Euro 31.6 million.

It should in any case be noted that the position of those working as representatives of only the Banco Desio' s subsidiaries are confined to their respective companies, thus excluding their classification as "Managers with strategic responsibilities within the Group" pursuant to IAS24.

As regards deposit relations with the Representatives (i.e. directors, statutory auditors and managers with strategic responsibilities within the Bank and the companies under control) and subjects related to them pursuant to art. 136 of the Consolidated Banking Act, it is also worth noting that the balances as at 30 June 2009 amount to approximately Euro 88.8 million (inclusive of approximately Euro 59.9 million, in securities portfolio), excluding the data for Anima SGR from this amount for the reasons set out below.

The figures above do not include the undergoing transactions with the associate and investee companies mentioned in point II above (officially resolved pursuant to Article 136 of the Consolidated Banking Act, due to the positions held in such companies by some Representatives of the Bank).

The existing transactions with Anima SGR, previously classified among associate companies, are still treated in accordance with Article 136 of the Italian Consolidated Banking Act merely because some residual members of its Board of Auditors are also members of Boards of Auditors of Banco Desio Group companies. In substance, however, it should be borne in mind that the SGR now belongs to another banking group. The transactions with this asset management company, as those with the relative Mutual Funds (for which Banco Desio still acts as custodian), are always regulated on market conditions in accordance with the policies adopted by the Bank. The balances at 30 June 2009 for these dealings amount to 361.5 million euro (including 254.7 million in the securities portfolio). The total amount of the credit facilities granted to the asset management company and/or the trusts at 30 June 2009 was 66.5 million euro; utilisations amounted in all to 16.5 million euro.

In compliance with CONSOB Resolution no. 15519 of 27 July 2006 and analogously, with the matters highlighted in the last financial statements, it is noted that the total percentage value of the above balances in terms of the Group's equity, financial and economic situation remains substantially negligible.

INFORMATION ON STOCK OPTION PLANS WITH SHARE-BASED PAYMENTS OUTSTANDING WITHIN THE GROUP

Stock Option Plan relating to the subsidiary Banco Desio Veneto SpA' s shares

The "Banco Desio Veneto" Plan was outlined in details in the financial statements of 2006 (year when such plan was activated) and then properly updated in the following Financial Statements.

The options granted overall as at 30 June 2009 involved, in aggregate, 6,243,202 shares. Net of the ordinary number of options forfeited following the termination of the employment agreements, considered physiological, a total of 6,061,202 options remained.
The strike price for the 3,374,000 shares allocated before operations started was set at 1.00 euro each.
The strike price for the 637,000 shares allocated in various *tranches* after the beginning of operations and within 31 December 2007 was set at 1.05 euro each, on the basis of the accounts as approved at the different times concerned by the Board of Directors.
The strike price for the 2,232,202 shares allocated afterwards (including the additional shares deriving from the share dilution after the capital increase described in previous disclosures) was set at 1.25 euro each on the basis of an expert valuation.
The above mentioned granted options are generally corroborated in the Notarial resolutions increasing the Company's share capital passed by the Board of Directors of Banco Desio Veneto on 12 September and 20 December 2006, on 29 November 2007 and 18 December 2008 as well, as noted in the Company's Articles of Association.

The Black & Scholes model has been used for the valuation of the options; apart from the vesting period and the strike price, which have already been specified, the basic assumptions adopted for valuation are consistent with those adopted the previous year, except for the update of the market parameters (interest rate, expected volatility, "dividend yield"). The unit value of each option ranges, depending on the different *tranches*, from a minimum of Euro 0.08887 to a maximum of Euro 0.10529. The valuation of the options amounts to Euro 547,593 in aggregate.

In the first half-year of 2009, the pro-rata cost of the above mentioned 6,061,202 options - as determined by the distribution of the overall cost over the term of the different *tranches* – is estimated at Euro 75,842.

Stock option plan for shares of subsidiary Chiara Assicurazioni SpA

The "Chiara Assicurazioni" Plan was outlined in details in the financial statements of 2006 (year when such plan was activated) and then properly updated in the following Financial Statements.

The total options allocated at 20 May 2009 involved all the 2,075,000 shares contemplated in the Plan (this figure was unvaried from the previous financial period). Net of the ordinary number of options forfeited following the termination of the employment agreements, considered physiological, a total of 1,917,000 options remained. Since these grants were effected within the period when the Company was in the process of formation and obtaining the necessary authorisations, and in any case, prior to the Company's commencement of business (1 January 2007) the strike price was set at Euro 1.33 per share (Euro 1.00 representing share capital and Euro 0.33 by reason of the organisation fund) consistently with the normal value criterion at the date of grant, also applicable for tax purposes.

On 20 May 2009 the Board of Directors of Chiara Assicurazioni SpA resolved to extend the final time limit for three periods of exercise of the options envisaged in the plan to 20 July 2009. By 30 June 2009 all the beneficiaries had stated whether or not they intended to exercise their options, so that 712,000 options were reported as having been exercised in all, out of 1,205,000 remaining.

On 20 July 2009, therefore, the subsidiary consequently carried out the first *tranche* of the capital increase to service the Plan (from 7,500,000 euro to 8,212,000 euro). At the same time as this share issue, by virtue of a Board resolution of 28 May 2009, the Parent Company bought a total of 656,000 shares sold back by most of the subscribing beneficiaries. The shares were sold at 3.47 euro each (a normal value determined on the basis of a special expert valuation by the actuary that had been instructed).

The Black and Scholes model has been adopted for option valuation; apart from the vesting period and the strike price, which have already been specified, basic assumptions taken for valuation are consistent with those adopted the previous year, except for the update of the market parameters (interest rate, expected volatility, “dividend yield”). The unit value of each option amounts to Euro 0.18091. The valuation of the outstanding options amounts to Euro 285,437 in aggregate.

In the first half-year of 2009, the pro-rata cost of the above mentioned 1,205,000 remaining options - as resulting from the distribution of the aggregate cost over the terms of the options – is estimated at Euro 24,192.

Stock option plan for shares of subsidiary Fides SpA held by Banco Desio Lazio SpA

Detailed information about the Fides Plan was provided with the financial statements for 2008 (the year in which the plan was started).

At 30 June 2009 all the 322,094 options envisaged in the Plan had been allocated. The allocations include the 102,094 additional options deriving from the share dilution after the capital increase subscribed by the shareholders during the half-year, with an increase of about 46.41% in the number of shares in circulation (which gave rise to an increase from 220,000 to 322,094 in the maximum number of shares envisaged in the Plan, as per a Banco Desio Lazio S.p.A. Board of Directors’ resolution of 24 June 2009). The strike price of 7.64 euro per share takes the normal value of 7.55 euro into account, originally set in a special valuation, and the subsequent additions that raised the book value of Fides shares held by Banco Desio Lazio SpA.

The Black & Scholes method was used to value the options; the basic assumptions made for valuation are similar to those for the other plans described above. The unit value of each option lies between a minimum of 0.79543 euro and a maximum of 1.03901 euro. The value of the existing options totally amounts to Euro 309.596.

In the first half-year of 2009, the pro-rata cost of the above mentioned 322,094 options - as resulting from the distribution of the aggregate cost over the terms of the options – amounts to Euro 37,568.

CERTIFICATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AS SUBSEQUENTLY AMENDED AND INTEGRATED

1. The undersigned Nereo Dacci, Managing Director, and Piercamillo Secchi, Manager responsible for preparing the Company financial reports, of Banco di Desio e della Brianza S.p.A. taking into account the provisions of Article 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998, do hereby certify to:

   - the adequacy in relation to the Company's features and
   - the actual application

   of the administrative and accounting procedures employed to draw up the condensed interim consolidated financial statements for the first half-year of 2009.

2. Evaluation of the adequacy of the administrative and accounting procedures employed to draw up the condensed interim consolidated financial statements at 30 June 2009 was based on methods defined by Banco di Desio e della Brianza S.p.A. consistently with the Internal Control Integrated Framework model, issued by the Committee of Sponsoring Organization of the Treadway Commission, which is an internationally accepted reference framework.

3. The undersigned also certify that:

3.1 The condensed interim consolidated financial statements:

   a. were prepared according to the applicable international accounting principles recognised in the European Union as per Regulation (EC) 1606/2002 of the European Parliament and Council of 19 July 2002;
   b. correspond to the results of the books and accounts;
   c. give a true and fair presentation of the assets, liabilities, profit or loss and financial position of the issuer and the whole of the businesses included in the consolidation area.

3.2 The interim Report on Operations includes a reliable analysis of the important events that occurred during the first half-year and their impact on the condensed interim financial statements, and sets out the main risks and uncertainties for the next six months. The interim Report on Operations also includes a reliable analysis of the disclosure of transactions with related parties.

Desio, 27 August 2009

Managing Director	Manager responsible for preparing the Company's financial reports
Nereo Dacci	*Piercamillo Secchi*

AUDITORS' REPORT ON THE REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

To the Shareholders of
Banco di Desio e della Brianza SpA

1 We have reviewed the consolidated condensed interim financial statements of Banco di Desio e della Brianza SpA and subsidiaries (Banco Desio Group) comprising the statement of financial position, the income statement and the statement of comprehensive income, statements of changes in shareholders' equity and cash flows and related selected explanatory notes. Banco di Desio e della Brianza SpA's Directors are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard (IAS 34), applicable to interim financial reporting, as adopted by the European Union. Our responsibility is to issue this report based on our review.

2 Our work was conducted in accordance with the criteria for a review recommended by the National Commission for Companies and the Stock Exchange (CONSOB) with Resolution no. 10867 of 31 July 1997. The review consisted principally of inquiries of company personnel about the information reported in the consolidated condensed interim financial statements and about the consistency of the accounting principles utilised therein as well as the application of analytical review procedures on the data contained in the above mentioned consolidated financial statements. The review excluded certain auditing procedures such as compliance testing and verification and validation tests of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, unlike an audit on the annual consolidated financial statements, we do not express a professional audit opinion on the consolidated condensed interim financial statements.

Regarding the amounts of the consolidated financial statements of the prior year and the consolidated condensed interim financial statements of the prior year presented for comparative purposes, reclassified to take into account the amendments introduced by IAS 1 (2007) to the financial statements presentation, reference should be made to our reports dated 9 April 2009 and dated 29 August 2008, respectively.

3 Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of Banco Desio Group as at 30 June 2009 have not been prepared, in all material respects, in accordance with the international accounting standard (IAS 34), applicable to interim financial reporting, as adopted by the European Union.

Milan, 28 August 2009

PricewaterhouseCoopers SpA

Signed by

Lia Lucilla Turri
(Partner)

This report has been translated into the English language solely for the convenience of international readers.