PRESS RELEASE

CONSOLIDATED RESULTS AT 31 DECEMBER 2020

Desio, 11 February 2021 - The Board of Directors of Banco di Desio e della Brianza S.p.A. has approved the draft separate and consolidated financial statements at 31 December 2020

Significant strengthening of capital (CET1of the Banco Desio Group +170 bps Y/Y) and operating profit (+8.0%) thanks to careful derisking, an increase in revenues (+0.7%) and a reduction in costs (-2.3% despite the extraordinary costs incurred for the Covid-19 emergency). Consolidated net profit of Euro 23.7 million and ROE of 2.4% despite provisions on performing loans for Euro 28.5 million (coverage now 0.72% compared with 0.49% at the end of 2019) and a non-recurring charge of Euro 12.0 million for voluntary staff redundancies. NPL ratio at 5.4% (vs 6.3%) and coverage levels improving further, above the system average.

PROFITABILITY	✓ **CONSOLIDATED NET PROFIT of Euro 23.7 million with a ROE of 2.4%, confirming the resilience of the Banco Desio Group, despite a cost of credit of Euro 77.1 million (+41.0%). Result of operations up (+8.0%) due to the combined effect of a positive trend in income (+0.7%) and of a cost reduction (-2.3%)**
DIVIDENDS	✓ **Proposed allocation of the net profit to shareholders as follows:** **Euro 0.0603 for each of the 122,745,289 ordinary shares** **Euro 0.0724 for each of the 13,202,000 savings shares** **Payment will be approved by the Shareholders' Meeting in accordance with the Supervisory Authority's instructions[1]**
CAPITAL SOLIDITY[2]	✓ **SIGNIFICANT CAPITAL STRENGTHENING (CET1 of the Banco Desio Group +170 bps Y/Y) due to the derisking carried out on the portfolio and regulatory interventions by the European Union**

Ratios[3]	Banco Desio Brianza	Banco Desio Group	Brianza Unione Group[4]
CET 1	15.66%	14.66%	11.22%
TIER 1	15.67%	14.68%	12.02%
Total Capital	16.08%	15.05%	13.21%

SUPPORT FOR THE ECONOMY	✓ **More than 19 thousand requests from businesses for liquidity approved for a total of Euro 2.1 billion ("Liquidity Decree")[5]** ✓ **LOANS TO ORDINARY CUSTOMERS stood at Euro 10.5 billion (+9.5%), because of new loans to businesses** ✓ **DIRECT DEPOSITS up, confirming the strong relationship with customers, equal to Euro 11.8 billion (+5.5%) and INDIRECT DEPOSITS of Euro 16.5 billion (+6.2%, of which ORDINARY CUSTOMERS +4.5%)** ✓ **Ordinary customer loans/Direct deposits ratio of 88.7% vs 85.5%**

[1] It should be recalled that the Shareholders' Meeting of 23 April 2020 resolved to distribute a dividend of Euro 14,358,740.74 (Euro 0.1036 for each of the 122,745,289 ordinary shares and Euro 0.1244 for each of the 13,202,000 savings shares).
With reference to the dividends relating to both 2019 and 2020, it should be noted that, in accordance with the Recommendation of the Bank of Italy of 16 December 2020, it is intended to propose to the Ordinary Shareholders' Meeting for the approval of the 2020 financial statements to resolve payment to shareholders of the dividends subject to limitation, relating to both financial years, in compliance with the limit of 15% of the cumulative profits of 2019-20 (less than the amounts deriving from the application of the two limits set out in the Recommendation). The rest of the dividends will be paid out after 30 September 2021. All this, also with reference to the savings shares in compliance with the provisions of art. 31 of the Articles of Association.
[2] Based on the Bank of Italy's instructions sent to Banco di Desio e della Brianza S.p.A. and to the Parent Company Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A. on 21 May 2020, the following minimum capital requirements have been assigned to the Brianza Unione Group for CRR purposes, following completion of the Supervisory Review and Evaluation Process (SREP): CET1 ratio of 7.35%, binding - pursuant to art. 67-ter TUB - for 4.85% (minimum regulatory requirement of 4.5% and additional requirements of 0.35%) with the difference represented by the capital conservation buffer, Tier1 ratio of 8.95%, binding for 6.45% (minimum regulatory requirement of 6.0% and additional requirements of 0.45%) with the difference represented by the capital conservation buffer, and Total Capital Ratio of 11.1%, binding for 8.6% (minimum regulatory requirement of 8% and additional requirements of 0.6%) with the difference represented by the capital conservation buffer.
[3] In application of the transitional arrangements introduced by Regulation (EU) 2017/2395 of 12 December 2017 and subsequent amendments.
[4] The consolidated ratios at Brianza Unione of Luigi Gavazzi and Stefano Lado S.A.p.A., a company that holds 49.88% of Banco di Desio and della Brianza S.p.A. (of which it holds 50.44% of the ordinary shares and 44.69% of the savings shares), were calculated on the basis of the provisions of articles 11, paragraphs 2 and 3 and 13, paragraph 2 of the CRR Regulation.
[5] Based on the latest information available in February.

LIQUIDITY AND ASSET QUALITY	✓ **LIQUIDITY well under control with liquidity coverage ratio (LCR) at 206.7% (vs 179.8% at 31.12.2019)** ✓ **PROPORTION OF NPLs down:** ***Net doubtful loans/Net loans ratio* at 1.1% (vs 1.3% at 31.12.2019)** ***Gross doubtful loans/Gross loans ratio* of 2.8% (vs 3.1%)** ***Net non-performing loans/Net loans ratio* of 2.9% (vs 3.6%)** ***Gross non-performing loans/Gross loans ratio* of 5.4% (vs 6.3%)** ✓ **LEVELS OF COVERAGE of non-performing and performing loans increasing** **Doubtful loans at 61.0%, 62.2% gross of write-offs (61.5% and 63.1% at 31.12.2019)** **Non-performing loans at 47.5% (vs 45.5%), 48.4% gross of write-offs (vs 46.7%)** **Performing loans at 0.72% (vs 0.49%)**

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KEY FIGURES OF THE SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2020 OF THE PARENT COMPANY BANCO DI DESIO E DELLA BRIANZA S.P.A.

- ✓ *"Net profit" is around Euro 23.9 million, down by 46.8% on the prior period figure of Euro 44.9 million, which was affected by the impact on cost of credit of the change in the economic scenario, as well as higher non-recurring charges (in particular, the charge of Euro 12.0 million recognised during the year for the staff redundancy plan communicated in November 2020).*
- ✓ *"Result of operations" of Euro 123.8 million is up by Euro 14.4 million on the prior year (+13.1%). Core revenues have increased by about Euro 7.2 million on the comparative period (+1.9%) to Euro 391.4 million. "Operating costs", which include payroll costs, other administrative expenses and net adjustments to property, plant and equipment and intangible assets amount to around Euro 267.5 million and have decreased with respect to the comparative period by Euro 7.2 million (-2.6%).*

- ✓ *Loans to ordinary customers amount to Euro 10.4 billion, up compared with the prior year (+9.5%), due to derisking of the portfolio thanks to the disbursements of new liquidity (mortgages and medium-long term loans) to companies with guarantees from Medio Credito Centrale and SACE for Euro 1.8 billion.*
  Net non-performing loans/Net loans ratio of 5.35% (vs 6.30%)
  Net non-performing loans/Net loans ratio of 2.90% (vs 3.54%)
  Gross non-performing loans/Gross loans ratio of 2.68% (vs 3.15%)
  Net non-performing loans/Net loans ratio of 1.12% (vs 1.25%)
  Coverage ratio of doubtful loans of 61.0% (vs 61.4%) and gross of write-offs of 62.2% (vs 63.1%)
  Coverage ratio of non-performing loans of 47.6% (vs 45.6%), 48.5% gross of write-offs (vs 46.8%)
  Coverage ratio of performing loans of 0.72% (vs 0.49%)

- ✓ *Total ordinary customer deposits Euro 28.3 billion (+5.9%)*
  of which Direct deposits Euro 11.8 billion (+5.5%)
  Indirect deposits Euro 16.5 billion (+6.2%)

- ✓ *Capital ratios well above the minimum individual requirements*

Capital ratios	*Banco Desio Brianza*	*Minimum individual capital requirements at 31.12.2020*
CET 1	*15.66%*	*7.0%*
TIER 1	*15.67%*	*8.5%*
Total Capital Ratio	*16.08%*	*10.5%*

Shareholders' equity of Euro 987.0 million
Own funds of Euro 1,055.3 million (CET1 + AT1 Euro 1,028.8 million + T2 Euro 26.5 million)

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The Board of Directors of the Parent Company Banco di Desio e della Brianza S.p.A. met on 11 February 2021 and approved the draft separate and consolidated financial statements at 31 December 2020.

The Ordinary Shareholders' Meeting is expected to be called for 15 April 2021 at 1st calling and, if necessary, for 16 April 2021 at 2nd calling.

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Consolidated balance sheet

Total customer *funds under management* reached Euro 28.3 billion, representing an increase with respect to the 2019 year-end balance (+5.9%), attributable to both direct deposits (+5.5%) and indirect deposits (+6.2%).

Direct deposits amounted to Euro 11.8 billion, up 5.5% compared with 31 December 2019, due to the trend in amounts due to customers (+8.0%); debt securities in issue have decreased compared with the end of the previous year (-8.0%).

Indirect deposits totalled Euro 16.5 billion (+6.2%). Deposits from ordinary customers amounted to Euro 10.2 billion, up 4.5% compared with the end of the previous year, mainly attributable to the trend in assets under management (+5.5%).

Deposits from institutional customers reached a total of around Euro 6.4 billion, an increase of around Euro 0.5 billion (+8.9%).

The value of *loans to ordinary customers* at 31 December 2020 amounted to Euro 10.5 billion, up on the previous year's balance (+9.5%), due to the derisking of the portfolio thanks to the disbursements of new liquidity (mortgages and medium/long-term loans) to companies with guarantees from Medio Credito Centrale and SACE for approximately Euro 1.8 billion.

At 31 December 2020, total *financial assets* amounted to Euro 3.5 billion, an increase of 0.2 billion compared with the end of the previous year.

The investment policy of the Held to Collect securities portfolios ("HTC" - the "primary" investment portfolio for the support of net interest income and the collection of cash flows, with the possibility of selling according to the limits of the related Business Model) and Held to Collect and Sell ("HTCS" - the "residual" portfolio where the securities are held for treasury needs) is still characterised by a significant exposure to Italian government securities despite the presence of various transactions on the primary market involving a select number of corporate issuers. In particular, with reference to the HTCS portfolio, it is worth mentioning the new set of operating limits, which aims to achieve a more efficient and consistent management with respect to the objectives of the Business Model in light of the changes that have taken place in financial markets in the meantime.

The Group's net interbank position at 31 December 2020 is negative for Euro 1.4 billion, compared with the position at the end of the previous year, which was also negative for Euro 1.0 billion.

Shareholders' equity pertaining to the Parent Company at 31 December 2020, including net profit for the period, amounts to Euro 995.1 million, compared with Euro 965.1 million at the end of the previous year. The change is due to the other comprehensive income for the period, which was positive for Euro 44.4 million, partly offset by payment of the 2019 dividend of Euro 14.4 million.

Note that on 23 and 25 January 2018, taking account of a best estimate available at the time of the higher adjustments for expected losses on performing and non-performing loans on first-time application of the standard, the Boards of Directors of Banca Popolare di Spoleto and Banco Desio resolved to adopt the transitional arrangements introduced by the Regulation (EU) 2017/2395 of 12 December 2017, aimed at mitigating the impact of the new standard on own funds and capital ratios, with reference to both the increase in adjustments for expected losses on performing and non-performing loans on first-time adoption of the standard and the increase in expected losses on performing loans compared with the date of first-time adoption of the standard.

The calculation of capital ratios at the reporting date also benefited from the measures to ease the capital requirements introduced by EU Regulation 873/2020, in particular:

- an amendment to the transitional provisions of IFRS 9, which allows banks to sterilise in a declining manner the capital impacts associated with the increase in loan loss adjustments recorded in the period 2020-2024 of stage 1 and 2 portfolios compared with 1 January 2020,
- bringing forward the date of application of a) SMEs Supporting Factor, b) fairer calibration of salary- or pension-backed loans, with a weighting of 35%,
- the replacement of the previous prudential regime of total advance deduction of investments in software, in favour of a simple approach based on prudent amortisation of software over a maximum of three years.

At the board meeting on 30 July 2020, the Board of Directors of the Parent Company also resolved to make use of the option provided for by Regulation 2020/873 i.e. the temporary treatment of unrealised profits and losses measured at fair value recognised in other comprehensive income for Government debt securities for the period 2020-2022 (exclusion factor of 1 in 2020, 0.70 in 2021 and 0.40 in 2022).

With reference to the Banco Desio Group, Own Funds at 31 December 2020 - after a pay-out that takes account of the proposed allocation of the net profits of Group companies subject to authorisation by their respective shareholders' meetings - amounted to Euro 1,057.1 million (CET1 + AT1 of Euro 1,030.5 million + T2 of Euro 26.6 million), an increase of Euro 19.0 million compared with the final balance at the end of the previous year of Euro 1,038.1 million due to the overall profitability for the year, partially offset by the decrease in Tier 2 capital compared with 31 December 2019. The Common Equity Tier 1 ratio, which is the ratio between Common Equity Tier 1 (CET1) and risk-weighted activities, came to 14.7%. The Tier 1 ratio (T1/Risk-weighted assets) came to 14.7%, while the Total capital ratio (Total Own Funds/Risk-weighted assets) was 15.1%.

The calculation of *Own Funds* and of the *consolidated prudential requirements* at 31 December 2020, which are transmitted to the Bank of Italy in relation to the prudential supervisory reports (COREP) and statistical reports (FINREP), was made with reference to Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A. as it is the financial parent company of the banking group according to European legislation.

The consolidated own funds calculated by the financial parent company amount to Euro 927.1 million at 31 December 2020 (CET1 + AT1 of Euro 844.1 million, T2 of Euro 83.0 million). The Common Equity Tier 1 ratio, which is the ratio between Common Equity Tier 1 (CET1) and risk-weighted activities, came to 11.2%. The Tier 1 ratio (T1/Risk-weighted assets) came to 12.0%, while the Total capital ratio (Total Own Funds/Risk-weighted assets) was 13.2%.

Following the periodic Supervisory Review and Evaluation Process (SREP), on 21 May 2020, the Bank of Italy informed Banco di Desio e della Brianza S.p.A. and the financial parent company Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A. of its decision regarding capital, ordering that, from the next report on own funds, the Brianza Unione Group was to adopt the following consolidated capital ratios:

- CET1 ratio of 7.35%, binding for 4.85% (minimum regulatory requirement of 4.5% and additional requirements of 0.35% as a result of the SREP), while the remainder is represented by the capital conservation buffer;
- Tier 1 ratio of 8.95%, binding for 6.45% (minimum regulatory requirement of 6% and additional requirements of 0.45% as a result of the SREP), while the remainder is represented by the capital conservation buffer;
- Total Capital Ratio of 11.10%, binding for 8.60% (minimum regulatory requirement of 8% and additional requirements of 0.60% as a result of the SREP), while the remainder is represented by the capital conservation buffer.

As a result, at 31 December 2020 the Group again had capital ratios <u>above</u> the minimum requirements.

Consolidated income statement

Net profit is around Euro 23.7 million, down by 41.0% on the prior period figure of Euro 40.2 million, which was affected by the impact on cost of credit of the changed economic scenario, as well as non-recurring charges (in particularthe charge of Euro 12.0 million recognised during the year for the staff redundancy plan communicated in November 2020).

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

Operating income

Core revenues increased by about Euro 2.8 million with respect to the comparative period (+0.7%), amounting to Euro 402.3 million. This is mainly due to the increase in *net result of financial assets and liabilities* for Euro 5.8 million (+72.1%), *net interest income* for Euro 3.5 million (+1.7%) and *dividends* for Euro 0.7 million (+61.0%), partially offset by the decrease in *other operating income/expense* of Euro 6.9 million (-68.6%) and *net commission income* of Euro 0.2 million (-0.1%).

Operating costs

Operating costs, which include *payroll costs*, *other administrative expenses* and *net adjustments to property, plant and equipment and intangible assets* amounted to around Euro 275.0 million and have decreased, with respect to the comparative period, by Euro 6.6 million (-2.3%).

In particular, *other administrative expenses* have decreased by Euro 3.9 million (-3.9%) mainly thanks to lower postal, telephone and data transmission costs, professional consultancy fees and advertising costs, and despite Covid-19 related charges for Euro 3.0 million. The balance includes Euro 8.3 million of the ex-ante gross ordinary contributions to the resolution fund ("Contribution SRM - Single Resolution Mechanism") and the fund for the protection of guaranteed deposits ("DGS contributions - Deposit Guarantee Scheme"), compared with Euro 8.6 million in the prior period.

Payroll costs have decreased by 1.0% on the prior period; the balance of *net adjustments to property, plant and equipment and intangible assets* came to Euro 9.6 million (-9.6%).

Result of operations

The *result of operations* at 31 December 2020 therefore amounts to Euro 127.3 million, up by Euro 9.4 million compared with the prior year (+8.0%).

Net profit (loss) from operations after tax

The *result of operations* of Euro 127.3 million leads to a *net profit (loss) from operations after tax* of Euro 34.1 million, 25.5% down on the Euro 45.8 million in the comparative period, mainly because of:

- higher *cost of credit* (*net impairment adjustments to loans and advances from customers and gains (losses) on disposal or repurchase of loans*) of Euro 77.1 million, compared with Euro 54.7 million in the prior period;
- positive net adjustments to proprietary securities of Euro 0.9 million (positive for Euro 3.4 million in the comparative period);
- *net provisions for risks and charges* of Euro 6.1 million (Euro 31 thousand in the comparative period);
- income taxes on continuing operations of Euro 11.2 million (vs Euro 20.4 million).

Result of non-recurring items after tax

At 31 December 2020 the *result of non-recurring items after tax* was a loss of Euro 10.4 million. This item basically consists of:

- the revenue component of Euro 0.4 million relating to the substantial change in a financial instrument subscribed by the bank as part of the interventions made to support the banking system,
- the Euro 3.2 million charge for the extraordinary contributions to the Single Resolution Mechanism (SRM) and the Deposit Guarantee Scheme (DGS),
- the charge of 12.0 million recognised for access to the "Income Support Solidarity Fund" as a result of the Agreement signed during the year with the trade unions regarding the voluntary redundancy plan,

- interest income of Euro 1.0 million on the tax credit relating to the reimbursement requested by Banco Desio in 2012 regarding the deductibility for corporation tax (Ires) purposes of the Irap due on the payroll costs of employees and similar personnel, which was reimbursed in December 2020,

net of the tax effect (which was positive for Euro 3.4 million, including Euro 1.2 million relating to the tax benefit of the so-called "Patent Box").

For the comparison period, the *result of non-recurring items after tax* was a loss of Euro 5.6 million. This item basically consists of:

- the revenue component of Euro 1.4 million relating to an insurance refund received,
- the Euro 2.0 million charge for the extraordinary contributions to the Single Resolution Mechanism (SRM) and the Deposit Guarantee Scheme (DGS),
- the provision for operating risks of Euro 6.6 million linked to the situation of particular legal uncertainty which emerged at the end of the year on operations with customers in the consumer credit sector,
- the Euro 0.7 million charge for incentives to staff with accrued pension requirements,
- the net result of the measurement of the works of art at fair value (negative for Euro 0.6 million),

net of the tax effect (which was positive for Euro 2.9 million).

Parent Company net profit/(loss)

The total of the *profit from operations* after tax and the *non-recurring profit* after tax leads to a net profit for the Parent Company at 31 December 2020 of Euro 23.7 million.

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The Group's distribution network at 31 December 2020 consists of 249 branches.

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At 31 December 2020, the Group had 2,179 *employees*, a decrease of 19 (-0.9%) since the end of the prior year.

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Proposal for allocation of the net profit shown in the Parent Company's separate financial statements approved by the Board of Directors

The Board of Directors intends to propose to the Ordinary Shareholders' Meeting the allocation of net profit to the shareholders as follows:

- Euro 0.0603 for each of the 122,745,289 ordinary shares
- Euro 0.0724 for each of the 13,202,000 savings shares.

If approved, the proposed allocation of net profit, with a pay out of 34.98%, will mean allocating Euro 15.5 million to reserves.

In any case, we can confirm that the dividends in question will only be paid out with methods and timing that comply with the legislative/regulatory framework of reference and/or any recommendations of the Supervisory Authority, as accepted by the Board of Directors and subsequently by the Shareholders' Meeting, and in any case in compliance with the indications contained in the Recommendations issued from time to time, as well as the reconsideration with a positive outcome of the situation of the health emergency.

It should be recalled that the Shareholders' Meeting of 23 April 2020 resolved to distribute a dividend of Euro 14,358,740.74 (Euro 0.1036 for each of the 122,745,289 ordinary shares and Euro 0.1244 for each of the 13,202,000 savings shares). Payment of these dividends is still subject to the methods and timing mentioned above.

As regards the dividends for 2019 and 2020, note that in accordance with the Recommendation of the Bank of Italy dated 16 December 2020, the intention is to propose to the Ordinary Shareholders' Meeting called to approve the 2020 financial statements to resolve the payment to shareholders of the dividends for both years, subject to limitation, in compliance with the limit of 15% of the retained earnings of 2019-20 (lower than the amounts deriving from the application of the two limits set by the Recommendation). The rest of the dividends will be paid out after 30 September 2021. All of this, also with reference to the savings shares in compliance with the provisions of art. 31 of the Articles of Association.

These hypotheses have been communicated to the Bank of Italy in accordance with the Recommendation.

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

Desio, 11 February 2021

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

Financial Reporting
Manager
Mauro Walter Colombo

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The tables relating to the consolidated reclassified balance sheet and income statement of the Banco Desio Group are attached together with the separate balance sheet and income statement of the Parent Company Banco di Desio e della Brianza S.p.A.

The consolidated and separate financial statements of the Parent Company are subject to audit by Deloitte & Touche S.p.A., who are currently completing their work.

Desio, 11 February 2021

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

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Attachments

Banco Desio Group

Consolidated balance sheet

Assets	31.12.2020	31.12.2019	change amount	change %
10. Cash and cash equivalents	56,525	60,816	(4,291)	-7.1%
20. Financial assets designated at fair value through profit or loss	56,702	44,063	12,639	28.7%
a) Financial assets held for trading	6,239	5,807	432	7.4%
c) Other financial assets mandatorily at fair value	50,463	38,256	12,207	31.9%
30. Financial assets at fair value through other comprehensive income	662,646	559,634	103,012	18.4%
40. Financial assets at amortised cost	14,332,345	12,949,705	1,382,640	10.7%
a) Due from banks	1,365,759	915,019	450,740	49.3%
b) Loans to customers	12,966,586	12,034,686	931,900	7.7%
60. Adjustment to financial assets with generic hedge (+/-)	563	624	(61)	-9.8%
90. Property, plant and equipment	222,483	226,305	(3,822)	-1.7%
100. Intangible assets	18,513	18,194	319	1.8%
of which:				
- goodwill	15,322	15,322		
110. Tax assets	205,131	202,765	2,366	1.2%
a) current	18,306	7,812	10,494	134.3%
b) deferred	186,825	194,953	(8,128)	-4.2%
130. Other assets	108,614	129,956	(21,342)	-16.4%
Total assets	**15,663,522**	**14,192,062**	**1,471,460**	**10.4%**

Liabilities and shareholders' equity	31.12.2020	31.12.2019	change amount	change %
10. Financial liabilities at amortised cost	14,276,954	12,850,498	1,426,456	11.1%
a) Due to banks	2,412,244	1,603,208	809,036	50.5%
b) Due to customers	10,255,783	9,498,187	757,596	8.0%
c) Debt securities in issue	1,608,927	1,749,103	(140,176)	-8.0%
20. Financial liabilities held for trading	7,527	8,138	(611)	-7.5%
40. Hedging derivatives	1,540	2,157	(617)	-28.6%
60. Tax liabilities	13,491	15,816	(2,325)	-14.7%
b) deferred	13,491	15,816	(2,325)	-14.7%
80. Other liabilities	297,233	289,279	7,954	2.7%
90. Provision for termination indemnities	24,740	25,480	(740)	-2.9%
100. Provisions for risks and charges	46,962	35,582	11,380	32.0%
a) commitments and guarantees given	4,947	2,734	2,213	80.9%
c) other provisions for risks and charges	42,015	32,848	9,167	27.9%
120. Valuation reserves	66,096	45,373	20,723	45.7%
150. Reserves	818,447	792,741	25,706	3.2%
160. Share premium reserve	16,145	16,145	-	
170. Share capital	70,693	70,693	-	
190. Minority interests (+/-)	4	4	-	
200. Net profit (loss) for the period (+/-)	23,690	40,156	(16,466)	-41.0%
Total liabilities and shareholders' equity	**15,663,522**	**14,192,062**	**1,471,460**	**10.4%**

Reclassified consolidated income statement

Captions *Amounts in thousands of Euro*		31.12.2020	31.12.2019	change amount	change %
10+20	Net interest income	214,352	210,870	3,482	1.7%
70	Dividends and similar income	1,765	1,096	669	61.0%
40+50	Net commission income	169,114	169,310	-196	-0.1%
80+90+100 +110	Net result of financial assets and liabilities	13,861	8,056	5,805	72.1%
230	Other operating income/expense	3,178	10,118	-6,940	-68.6%
	Operating income	**402,270**	**399,450**	**2,820**	**0.7%**
190 a	Payroll costs	-169,635	-171,347	1,712	-1.0%
190 b	Other administrative costs	-95,781	-99,664	3,883	-3.9%
210+220	Net adjustments to property, plant and equipment and intangible assets	-9,577	-10,597	1,020	-9.6%
	Operating costs	**-274,993**	**-281,608**	**6,615**	**-2.3%**
	Result of operations	**127,277**	**117,842**	**9,435**	**8.0%**
130a+100a	Cost of credit	-77,055	-54,659	-22,396	41.0%
130 b	Net adjustments to securities owned	942	3,420	-2,478	-72.5%
140	Profit/losses from contractual changes without write-offs	267	-412	679	n.s.
200 a	Net provisions for risks and charges - commitments and guarantees given	-2,234	-368	-1,866	507.1%
200 b	Net provisions for risks and charges - other	-3,838	337	-4,175	n.s.
	Profit (loss) from operations before tax	**45,359**	**66,160**	**-20,801**	**-31.4%**
300	Income taxes on continuing operations	-11,242	-20,395	9,153	-44.9%
	Net profit (loss) from continuing operations after tax	**34,117**	**45,765**	**-11,648**	**-25.5%**
260	Net result of the measurement at fair value of property, plant and equipment and intangible assets	0	-627	627	-100.0%
	Provisions for risks and charges, other provisions, one-off expenses and revenue	-13,815	-7,857	-5,958	75.8%
	Non-recurring result before tax	**-13,815**	**-8,484**	**-5,331**	**62.8%**
	Income taxes from non-recurring items	3,388	2,875	513	17.8%
	Non-recurring result after tax	**-10,427**	**-5,609**	**-4,818**	**85.9%**
330	**Net profit (loss) for the period**	**23,690**	**40,156**	**-16,466**	**-41.0%**
340	Net profit (loss) pertaining to minority interests	0	0	0	n.s.
350	**Parent Company net profit (loss)**	**23,690**	**40,156**	**-16,466**	**-41.0%**

Banco di Desio e della Brianza

Separate balance sheet

Assets	31.12.2020	31.12.2019	change amount	change %
10. Cash and cash equivalents	56,524	60,815	(4,291)	-7.1%
20. Financial assets at fair value through profit or loss	56,702	44,062	12,640	28.7%
a) Financial assets held for trading	6,239	5,806	433	7.5%
c) Other financial assets mandatorily at fair value	50,463	38,256	12,207	31.9%
30. Financial assets at fair value through other comprehensive income	662,633	559,621	103,012	18.4%
40. Financial assets at amortised cost	14,278,375	12,897,501	1,380,874	10.7%
a) Due from banks	1,365,576	914,805	450,771	49.3%
b) Loans to customers	12,912,799	11,982,696	930,103	7.8%
60. Adjustment to financial assets with generic hedge (+/-)	563	624	(61)	-9.8%
70. Equity investments	42,200	42,200	-	0.0%
80. Property, plant and equipment	221,535	225,088	(3,553)	-1.6%
90. Intangible assets	11,772	11,451	321	2.8%
of which:				
- goodwill	9,796	9,796		
100. Tax assets	201,113	199,850	1,263	0.6%
a) current	16,900	7,497	9,403	125.4%
b) deferred	184,213	192,353	(8,140)	-4.2%
120. Other assets	107,383	129,777	(22,394)	-17.3%
Total assets	**15,638,800**	**14,170,989**	**1,467,811**	**10.4%**

Liabilities and shareholders' equity	31.12.2020	31.12.2019	change amount	change %
10. Financial liabilities at amortised cost	14,278,176	12,851,165	1,427,011	11.1%
a) Due to banks	2,412,244	1,603,208	809,036	50.5%
b) Due to customers	10,257,005	9,498,854	758,151	8.0%
c) Debt securities in issue	1,608,927	1,749,103	(140,176)	-8.0%
20. Financial liabilities held for trading	7,527	8,138	(611)	-7.5%
40. Hedging derivatives	1,540	2,157	(617)	-28.6%
60. Tax liabilities	13,490	15,815	(2,325)	-14.7%
b) deferred	13,490	15,815	(2,325)	-14.7%
80. Other liabilities	286,646	282,977	3,669	1.3%
90. Provision for termination indemnities	24,482	25,240	(758)	-3.0%
100. Provisions for risks and charges	39,893	28,626	11,267	39.4%
a) commitments and guarantees given	4,947	2,734	2,213	80.9%
c) other provisions for risks and charges	34,946	25,892	9,054	35.0%
110. Valuation reserves	66,113	45,384	20,729	45.7%
140. Reserves	810,200	779,763	30,437	3.9%
150. Share premium reserve	16,145	16,145	-	
160. Share capital	70,693	70,693	-	
180. Net profit (loss) for the period (+/-)	23,895	44,886	(20,991)	-46.8%
Total liabilities and shareholders' equity	**15,638,800**	**14,170,989**	**1,467,811**	**10.4%**

Reclassified separate income statement

	Captions *Amounts in thousands of Euro*	31.12.2020	31.12.2019	change amount	 %
10+20	Net interest income	200,480	197,726	2,754	1.4%
70	Dividends and similar income	1,765	1,096	669	61.0%
40+50	Net commission income	171,973	171,597	376	0.2%
80+90+100 +110	Net result of financial assets and liabilities	13,861	8,055	5,806	72.1%
200	Other operating income/expense	3,316	5,728	-2,412	-42.1%
	Operating income	**391,395**	**384,202**	**7,193**	**1.9%**
160 a	Payroll costs	-165,764	-167,823	2,059	-1.2%
160 b	Other administrative costs	-92,689	-96,819	4,130	-4.3%
180+190	Net adjustments to property, plant and equipment and intangible assets	-9,094	-10,078	984	-9.8%
	Operating costs	**-267,547**	**-274,720**	**7,173**	**-2.6%**
	Result of operations	**123,848**	**109,482**	**14,366**	**13.1%**
100a+130a	Cost of credit	-76,589	-54,568	-22,021	40.4%
130 b	Net adjustments to securities owned	942	3,420	-2,478	-72.5%
140	Profit/losses from contractual changes without write-offs	267	-412	679	n.s.
170 a	Net provisions for risks and charges - commitments and guarantees given	-2,234	-368	-1,866	507.1%
170 b	Net provisions for risks and charges - other	-3,576	433	-4,009	n.s.
	Dividends from equity investments in subsidiaries	1,625	5,740	-4,115	-71.7%
	Profit (loss) from operations before tax	**44,283**	**63,727**	**-19,444**	**-30.5%**
270	Income taxes on continuing operations	-9,961	-17,657	7,696	-43.6%
	Net profit (loss) from continuing operations after tax	**34,322**	**46,070**	**-11,748**	**-25.5%**
240	Net result of the measurement at fair value of property, plant and equipment and intangible assets	0	-627	627	n.s.
	Provisions for risks and charges, other provisions, one-off expenses and revenue	-13,815	-1,246	-12,569	n.s.
	Non-recurring result before tax	**-13,815**	**-1,873**	**-11,942**	**n.s.**
	Income taxes from non-recurring items	3,388	689	2,699	391.7%
	Non-recurring result after tax	**-10,427**	**-1,184**	**-9,243**	**780.7%**
300	**Net profit (loss) for the period**	**23,895**	**44,886**	**-20,991**	**-46.8%**