PRESS RELEASE

CONSOLIDATED RESULTS AT 31 DECEMBER 2017

The Board of Directors of Banco di Desio e della Brianza S.p.A. has approved the consolidated and separate financial statements at 31 December 2017

- ✓ **CONSOLIDATED NET PROFIT at Euro 43.7 million, increasing of Euro 18.1 million (+71.0%)**

- ✓ **CONSOLIDATED PROFIT (LOSS) FROM OPERATIONS BEFORE TAX INCREASED (+38.1%) to Euro 69.9 million (previously Euro 50.7 million), benefiting from the positive trend in net commission income, which came to Euro 164.0 million (previously Euro 151.0 million), and from the fall in the cost of credit to Euro 78.7 million (previously Euro 92.0 million), while maintaining high levels of coverage of both non-performing and performing loans:**
  Coverage ratio of doubtful loans[1] at 57.2% and gross of write-offs at 61.1% (previously 56.3% and 60.9%)
  Coverage ratio of total non-performing loans at 49.0% and gross of write-offs at 52.4% (previously 46.2% and 50.0%)
  Coverage of performing loans, 0.45% (previously 0.54%)

- ✓ **HIGH AND STABLE CAPITAL ADEQUACY WITH AN AMPLE MARGIN OVER AND ABOVE WITH THE MINIMUM CET1 REQUIREMENT**

Capital ratios	Reported at 31.12.2017			SREP[2] from instructions dated 4 April 2017 [B]	SREP Buffer [A] – [B]
	Banco Desio Brianza	Banca Popolare di Spoleto	Banco Desio Group [A]		
CET 1	17.12%	9.94%	11.52%	6.0%	+ 5.52%
TIER 1	17.18%	9.94%	11.65%	7.6%	+ 4.05%
Total Capital Ratio	19.95%	10.69%	13.58%	9.75%	+ 3.83%

Group shareholders' equity **Euro 927.1 million (previously Euro 868.1 million)**
Own funds **of Euro 1,089.1 million[3] (CET1 + AT1 Euro 934.2 million + T2 Euro 154.9 million) (previously Euro 1,085.0 million)**

- ✓ **INCREASE IN LOANS TO ORDINARY CUSTOMERS: Euro 9.9 billion, up since the end of the prior year (+3.7%)**

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[1] Considering the gross value and the write-downs of non-performing loans of Banca Popolare di Spoleto S.p.A. without taking into account the changes needed to represent the acquisition value;
[2] Based on the Bank of Italy's instructions sent to the Parent Company on 4 April 2017, which contained the minimum capital requirements to be met at consolidated level following completion of the Supervisory Review and Evaluation Process (SREP): CET1 of 6%, binding - pursuant to art. 67-ter TUB - for 4.8% (minimum regulatory requirement of 4.5% and additional requirements of 0.3%) with the difference represented by the capital conservation buffer, Tier1 ratio of 7.6%, binding - pursuant to art. 67-ter TUB - for 6.4% (minimum regulatory requirement of 6.0% and additional requirements of 0.4%) with the difference represented by the capital conservation buffer, and Total Capital Ratio of 9.75%, binding - pursuant to art. 67-ter TUB - for 8.5% (minimum regulatory requirement of 8% and additional requirements of 0.5%) with the difference represented by the capital conservation buffer.
[3] Including net profit at 31 December 2017 net of dividends.

Banco Desio

Gross doubtful loans/Gross loans ratio of 15.11% (previously 16.05%)

Net doubtful loans/Net loans ratio of 8.35% (previously 9.36%)

Gross non-performing loans/Gross loans ratio of 10.80% (comparative 10.45%)

Net non-performing loans/Net loans ratio of 5.01% (comparative 4.95%)

- ✓ **TOTAL CUSTOMER DEPOSITS HAVE RISEN SINCE 31 DECEMBER 2016: Euro 25.1 billion (+6.4%), of which DIRECT DEPOSITS Euro 11.0 billion (+8.3%), with a ratio of Ordinary customer loans to Direct deposits of 89.8% (previously 93.8%) and INDIRECT DEPOSITS of Euro 14.1 billion (+5.0%)**

- ✓ **2018-2020 GROUP BUSINESS PLAN**

  On 11 January 2018 the Board of Directors of Banco di Desio e della Brianza S.p.A. approved the 2018-2020 Group Business Plan, presenting the strategy. Its aim is to reaffirm the commercial bank model, in order to service private customers and small and medium-sized enterprises. The main guidelines of the Plan concern (1) the distribution model, (2) loans' development, (3) non-performing loans' management with the aim of decrease of "Gross doubtful loans/Gross loans ratio" at about 10% and "Net doubtful loans/Net loans ratio" at about 5%, (4) funding and (5) third-party products' intermediation and placement of.

- ✓ **NET RESULT OF THE PARENT COMPANY of Euro 38.0 million (previously Euro 31.7 million)**

- ✓ **PROPOSED DIVIDEND**

  Euro 0.1001 to each ordinary share

  Euro 0.1202 to each savings share

  PAY OUT 35.00% (previously 35.48%)

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KEY FIGURES OF THE SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2017 OF THE PARENT COMPANY BANCO DI DESIO E DELLA BRIANZA S.P.A.

- ✓ *Net profit for the year Euro 38.0 million, increasing of Euro 6.3 million (+19.9%)*

- ✓ *"Profit (loss) from operations before tax" increasing (27.8%) to Euro 58.0 million (previously Euro 45.4 million), mainly linked to the increase of Euro 14.0 million (+5.4%) in "Operating income" mainly due to the significant positive contribution of "Net commission income" which also increased by Euro 12.8 million (+12.9%).*

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

Capital ratios	*Banco Desio Brianza [A]*	*Individual minimum capital requirements at 31.12.2017 [B]*	*Buffer [A] – [B]*
CET 1	*17.12% (previously 16.32%)*	*5.75%*	*+ 11.37%*
TIER 1	*17.18% (previously 16.40%)*	*7.25%*	*+ 9.93%*
Total Capital Ratio	*19.95% (previously 19.88%)*	*9.25%*	*+ 10.7%*

Shareholders' equity of Euro 912.4 million (previously Euro 865.6 million)
Own funds of Euro 1,037.0 million (CET1 + AT1 Euro 893.2 million + T2 Euro 143.8 million) (previously Euro 1,037.7 million)

- ✓ *Net loans to ordinary customers up to Euro 6.3 billion (+3.6%)*
  Gross doubtful loans/Gross loans ratio of 12.26% (previously 12.57%)
  Net doubtful loans/Net loans ratio of 6.53% (previously 7.20%)
  Gross non-performing loans/Gross loans ratio of 8.71% (previously 8.45%)
  Net non-performing loans/Net loans ratio of 3.93% (previously 4.05%)
  Coverage ratio of doubtful loans at 57.7% (previously 55.0%) and gross of write-offs at 64.8% (previously 63.3%)
  Coverage ratio of total doubtful loans at 50.2% (previously 46.3%) and gross of write-offs at 56.4% (previously 53.4%)
  Coverage ratio of performing loans, 0.40% (previously 0.48%)

- ✓ *Total ordinary customer deposits Euro 19.8 billion (+7.0%)*
  of which Direct deposits Euro 7.6 billion (+10.8%)
  Indirect deposits Euro 12.2 billion (+4.8%)

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The Board of Directors of the Parent Company Banco di Desio e della Brianza S.p.A., met on 8 February 2018, and approved the consolidated and separate financial statements at 31 December 2017.

The Board resolved to convene the Ordinary Shareholders' Meeting for 27 March 2018 in Desio, at 10.00 a.m. at 1st calling and, if necessary, for 28 March 2018, in the same place and time, at 2nd calling.

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Consolidated balance sheet

Total customer funds under management at 31 December 2017 reached Euro 25.1 billion, representing an overall increase of some Euro 1.5 billion with respect to the previous year end balance (6.4%), mainly attributable to direct deposits (+8.3%) and indirect deposits (+5.0%).

Direct deposits at the end of the year came to Euro 11.0 billion, up 8.3% on the previous year's figure, because of the increase in amounts *due to customers* (+6.2%) and in the balance of *Debt securities in issue and Financial liabilities designated at fair value through profit and loss* (+21.2%), influenced by the issuance of guaranteed bank bonds for Euro 0.6 billion.

At 31 December 2017 *indirect deposits* posted an increase of 5.0% compared with the end of the previous year, rising to Euro 14.1 billion. This trend is attributable both to *deposits from institutional customers*, up by Euro 0.2 billion (+2.8%) to Euro 5.2 billion, and *ordinary customer deposits*, which rose by Euro 0.5 billion to Euro 8.9 billion (+6.3%), due to the performance of *assets under management* (+14.3%), partially offset by a decrease in *assets under administration* (-5.4%).

The total value of *loans to customers* at the end of the year comes to Euro 9.9 billion, an increase of 1.5% compared with the end of the previous year. Also considering the net balance of *loans to institutional customers* in the previous year (Euro 0.2 billion), *net loans to ordinary customers* show an increase of Euro 0.4 billion (+3.7%).

At year-end the Group's total *financial assets* amounted to Euro 2.3 billion, with an increase compared to the end of 2016 (+21.9%). In particular, it reflects the reconstitution of the Held to Maturity Portfolio of Euro 0.7 billion, consisting of government bonds and bonds diversified by issuer, geographical area and by type of rate.

The Group's *net interbank position* at 31 December 2017 is negative for Euro 0.5 billion, with a decrease compared with the position at the end of the previous year, which was also negative for Euro 0.8 billion. At the reference date, the Group took a long liquidity position due to significant disinvestments from the securities portfolio which, despite taking part in the "TLTRO II" refinancing operation (with settlement of a total of Euro 1.6 billion) and the issuance of guaranteed bank bonds (for Euro 0.6 billion), has still permitted a reduction in the net interbank debt position.

As further confirmation of the Group's high capital strength, the Parent Company's equity, including the result for the year, amounts in total to Euro 927.1 million, compared with Euro 868.1 million at the end of 2016.

After a pay-out that takes account of the proposed allocation of the net profits of Group companies, subject to authorisation at the respective shareholders' meetings, capital for supervisory purposes (Own Funds) at 31 December 2017 amounted to Euro 1,089.1 million (CET 1 + AT1 Euro 934.2 million + T2 Euro 154.9 million), increasing of Euro 4.1 million from Euro 1,085.0 million at the end of the prior year, mainly due to the *comprehensive income* of the year, partially offset by the reduction in *Tier 2 Capital* compared with 31 December 2016.

At the end of the year, the *Common Equity Tier 1 ratio* (*CET1/Risk-weighted assets*) was 11.5% (10.9% at 31 December 2016). The *Tier 1 ratio (T1/Risk-weighted assets)* comes to 11.6% (11.0% at 31 December 2016), while the *Total Capital ratio* (*Total Own Funds/Risk-weighted assets*) comes to 13.6% (13.5% at 31 December 2016).

The decision about capital taken by the Bank of Italy on 4 April 2017 after its periodic supervisory review and evaluation process (SREP) in 2016 stated that the Group has to apply the following requirements:

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

The Group therefore has capital ratios at 31 December 2017 that are largely above the minimum requirements, confirming its high level of capital strength.

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Consolidated income statement

Year 2017 closed with a *Net profit pertaining to the Parent Company* of Euro 43.7 million, increasing of Euro 18.1 million (+71.0%) on Euro 25.6 million of the previous year; this trend is primarily attributable to the Euro 9.6 million growth (+25.4%) in the *Profit (loss) from operations after tax*, as well as a negative contribution from the *Non-recurring profit (loss) after tax* of 2.5 million, which is lower than the previous figure of Euro -12.3 million.
The increase in the *Profit (loss) from operations after tax* is mainly due to the Euro 8.7 million increase (+2.1%) in *Operating income* due, in particular, to the significant positive contribution of *Net commission income* which also rose by Euro 13.1 million (+8.7%).

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

Operating income
The core revenues increased by Euro 8.7 million with respect to the comparative period (+2.1%), amounting to Euro 432.6 million. In addition to the positive contribution made by *net commission income*, increasing by Euro 13.1 million, there has also been an increase in the *Net results on financial assets and liabilities* of Euro 3.0 million (+15.0%), partially offset by *net interest income*, which has fallen by Euro 5.0 million (-2.1%), due to the expansive monetary policy that has compressed interest income, partly offset by the recognition of the interest income connected to the "TLTRO II" operation for Euro 7.2 million. A similar trend also characterises *other operating income/expense* down by Euro 2.1 million mainly due to the reduction of costs' recharge of current accounts and deposits for rapid preliminary investigation fees. Lastly, *dividends* come in at Euro 0.6 million.

Operating costs
Operating costs, which include *payroll costs*, *other administrative expenses* and *net adjustments to property, plant and equipment and intangible assets* come to around Euro 280.8 million and have increased by 1.4% compared to the previous period.
In particular, *other administrative expenses* have increased by Euro 4.0 million (+4.7%). The balance includes Euro 7.4 million for the ex-ante ordinary gross contributions to the Single Resolution Mechanism (SRM) and to the Deposit Guarantee Scheme (DGS) for 2017 (Euro 7.2 million gross in the prior year).
Payroll costs are coherent with the comparative period, while *net adjustments to property, plant and equipment and intangible assets* arise to Euro 12.1 million (-2.2%).

Result of operations
The *result of operations* at 31 December 2017 therefore amounts to Euro 151.8 million, up by Euro 5.0 million compared to the previous year (+3.4%).

Net profit (loss) from operations after tax
The *Result of operations* of Euro 151.8 million leads to a *Profit (loss) from operations after tax* of Euro 47.4 million, 25.4% up compared to Euro 37.8 million in the comparative period, considering:

- the *cost of credit* (given by the net impairment adjustments of loans and advances plus gains (losses) on disposal or repurchase of loans) of Euro 78.7 million, which was reflected in the trend of further growth in coverage levels (which amounted to Euro 92.0 million in the comparative period);
- *impairment adjustments to financial assets* of Euro 0.7 million;
- *net provisions for risks and charges* of Euro 2.5 million, which had a negative net balance of Euro 4.4 million in the comparative period;
- *income taxes on current operations* of Euro 22.5 million (previously Euro 12.9 million). In particular the taxation for the prior period gained a benefit of Euro 1.4 million from the step-up for tax purposes (pursuant to art. 15, paragraph 10, of Decree Law 185/2008) of the goodwill recorded by Banca Popolare di Spoleto in the balance sheet due to the Parent Company's contribution of the business unit made up by former branches of Banco Desio Toscana and Banco Desio Lazio.

Non-recurring profit (loss) after tax

Non-recurring profit (loss) after tax at 31 December 2017 registered a loss of Euro 2.5 million. This mainly consists of:

- impairment adjustments (net of the use of provisions) recognised:
    - Euro 2.1 million on a minority bank shareholding acquired during the period under a commitment made previously;
    - Euro 3.6 million on the Atlante Fund due to the write-off of the value of the banking interests held by the fund;

  both have been reclassified by net impairment losses on available-for-sale financial assets.
- the negative income components linked to participation in the Interbank Deposit Protection Fund's Voluntary Intervention Scheme (VIS), in particular:
    - Euro 4.4 million paid to the VIS during the year due to the capital increases of the three banks sold to Cariparma in December, reclassified by the net results on financial assets and liabilities;
    - Euro 1.0 million due to the impairment made on the nominal value of the securitisation tranches of NPLs subscribed by the VIS, reclassified by net impairment adjustments to financial assets available for sale;
- income of Euro 5.7 million from the special dividend paid by Cedacri S.p.A.; netted by the relative (positive) tax effects of Euro 2.9 million.

The balance of the comparative period registered a negative value of Euro 12.3 million and included the following items:

- *Profit on equity investments* of Euro 7.6 million, deriving from the following events during the year:
    - Euro 2.6 million originated by the sale of the residual equity investment in Chiara Assicurazioni S.p.A., including a price adjustment of Euro 0.4 million on the shares sold in 2013,
    - Euro 5.2 million originated by the cancellation of the equity investment in CPC S.A. in liquidation,
    - Euro 0.3 million originated by the loss on the sale of shares in Istifid S.p.A.,
    - Euro 0.1 million originated by the cancellation of the equity investment in Rovere S.d.G. in liquidation;
- *Non-recurring provisions for risks and charges, other provisions and expenses/special dividends from financial assets available for sale* with a negative balance of Euro 30.7 million due to:
    - one-time charges of Euro 24.3 million linked to the Income support solidarity fund with related discounting effect (Euro 16.9 million for the Parent Bank, Euro 7.1 million for Banca Popolare di Spoleto and Euro 0.3 million for Fides),
    - gross additional contribution to the Single Resolution Mechanism (SRM) of Euro 7.6 million (Euro 5.7 million for the Parent Bank and Euro 1.9 million for Banca Popolare di Spoleto),
    - adjustments of Euro 2.1 million linked to the measurement of the investment in Atlante Fund (and related commitment to pay funds, settled on 3 January 2017);
    - adjustments of Euro 1.5 million linked to the commitment of the Parent Bank to purchase a minority investment for more than fair value,
    - adjustment of Euro 0.5 million due to the alignment with the equity instrument fair value recognised on the investment in Caricesena made by the Voluntary Scheme of the Interbank Fund,
    - income of Euro 4.5 million representing the special dividend declared by Cedacri S.p.A. (Euro 3.2 million for the Parent Bank and Euro 1.3 million for Banca Popolare di Spoleto)
    - release of Euro 0.8 million (Euro 0.5 million for the Parent Bank and Euro 0.3 million for Banca Popolare di Spoleto) from the provision to the "Solidarity Fund" recorded in the prior year in order to cover the subordinated bondholders of bailed-out banks,
- Positive effect of the *Taxes on non-recurring elements of income* of Euro 10.8 million.

Parent Company net profit/(loss)
The total of the *profit from operations after tax* and the *non-recurring profit after tax,* as well as the result attributable to minority interests, leads to a net profit for the Parent Company at 31 December 2017 of Euro 43.7 million.

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Distribution network and employees of the Banco Desio Group

The Group's distribution network at 31 December 2017 consists of 265 branches, of which 146 of Banco di Desio e della Brianza S.p.A. and 119 of Banca Popolare di Spoleto S.p.A.

At 31 December 2017, the Group had 2,303 employees, 53 less (-2.2%) than at the end of the previous year.

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2018-2020 Group Business Plan

On 11 January 2018 the Board of Directors of Banco di Desio e della Brianza S.p.A. approved the 2018-2020 Group Business Plan which contains its strategy designed to reaffirm the commercial bank model, at the service of private customers and small and medium-sized enterprises.

- ✓ Distribution model - The Plan envisages a significant change in the Distribution Model to be carried out through an integrated "omnichannel" approach.
- ✓ Loans and receivables - Loans are expected to grow specifically in the following sectors during the three-year period: residential mortgages (+29%), loans to SMEs (+17%), agricultural loans, CQP-CQS loans (assignment of one-fifth of pension or salary).
- ✓ Non-performing loans - Development of a programme for further sales, also resorting to GACS, to reduce the *Gross impaired loans/Gross loans ratio* at about 10% and the of *Net impaired loans/Net loans ratio* at about 5% over the three-year period.
- ✓ Funding - The Plan provides for continuity in the retail funding policy, supported by a precise policy of structural institutional funding.
- ✓ Intermediation and placement of third-party products - Expanding volumes will be supported by reinforcing the commercial structure, that will be achieved also by creating a network of 100 financial advisors with a specific investment plan and additional volumes of more than Euro 700 million.

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

The Board of Directors will propose to the Ordinary Shareholders' Meeting the distribution of a dividend of Euro 0.1001 for each of the 117,000,000 ordinary shares and a dividend of Euro 0.1202 for each of the 13,202,000 savings shares.

If approved, the proposed allocation of the net profit will mean allocating Euro 24.7 million to equity reserves.

In compliance with the stock exchange calendar, the dividend will be paid on 5 April 2018, while the ex-coupon date for stock pricing purposes and the record date[4] will be 3 April and 4 April 2018, respectively.

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[4] Date of entitlement to payment of the dividend introduced by art. 83-terdecies CFA of Legislative Decree 91/2012

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, 8 February 2018

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, 8 February 2018

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

The Chairman
Stefano Lado

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Gruppo Banco Desio

Banco Desio Group

Consolidated balance sheet

	Assets *Amounts in thousands of Euro*	31.12.2017	31.12.2016	Change Amount	%
10	Cash and cash equivalents	59,413	50,472	8,941	17.7%
20	Financial assets available for trading	20,981	20,053	928	4.6%
40	Financial assets available for sale	1,511,467	1,848,164	-336,697	-18.2%
50	Financial assets held to maturity	748,696		748,696	
60	Due from banks	1,218,060	112,838	1,105,222	979.5%
70	Loans to customers	9,861,862	9,720,108	141,754	1.5%
80	Hedging derivatives	5	2,591	-2,586	-99.8%
90	Adjustment to financial assets with generic hedge (+/-)	875	1,543	-668	-43.3%
120	Property, plant and equipment	180,566	181,201	-635	-0.4%
130	Intangible assets	17,946	17,843	103	0.6%
	of which: goodwill	*15,322*	*15,322*		
140	Tax assets	212,527	233,410	-20,883	-8.9%
	a) current	*35,097*	*36,408*	*-1,311*	*-3.6%*
	b) deferred	*177,430*	*197,002*	*-19,572*	*-9.9%*
	- of which Law 214/2011	*151,027*	*164,834*	*-13,807*	*-8.4%*
160	Other assets	163,424	177,680	-14,256	-8.0%
	Total assets	**13,995,822**	**12,365,903**	**1,629,919**	**13.2%**

	Liabilities and shareholders' equity *Amounts in thousands of Euro*	31.12.2017	31.12.2016	Change Amount	%
10	Due to banks	1,705,928	962,245	743,683	77.3%
20	Due to customers	9,272,337	8,729,591	542,746	6.2%
30	Debt securities in issue	1,708,320	1,393,884	314,436	22.6%
40	Financial liabilities held for trading	7,976	6,230	1,746	28.0%
50	Financial liabilities designated at fair value through profit and loss	0	15,908	-15,908	-100.0%
60	Hedging derivatives	4,724	6,637	-1,913	-28.8%
80	Tax liabilities	30,226	27,367	2,859	10.4%
	a) current	*3,425*	*718*	*2,707*	*377.0%*
	b) deferred	*26,801*	*26,649*	*152*	*0.6%*
100	Other liabilities	210,961	220,054	-9,093	-4.1%
110	Provision for termination indemnities	28,962	30,204	-1,242	-4.1%
120	Provisions for risks and charges	46,547	55,282	-8,735	-15.8%
	b) other provisions	*46,547*	*55,282*	*-8,735*	*-15.8%*
140	Valuation reserves	38,307	11,755	26,552	225.9%
170	Reserves	761,201	746,964	14,237	1.9%
180	Share premium reserve	16,145	16,145		
190	Share capital	67,705	67,705		
210	Minority interests (+/-)	52,785	50,381	2,404	4.8%
220	Net profit (loss) for the period (+/-)	43,698	25,551	18,147	71.0%
	Total liabilities and shareholders' equity	**13,995,822**	**12,365,903**	**1,629,919**	**13.2%**

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Banco Desio Group

Reclassified consolidated income statement

Captions *Amounts in thousands of Euro*		31.12.2017	31.12.2016	Change Amount	%
10+20	Net interest income	231,242	236,192	-4,950	-2.1%
70	Dividends and similar income	638	976	-338	-34.6%
40+50	Net commission income	164,047	150,977	13,070	8.7%
80+90+100+110	Net results on financial assets and liabilities	23,158	20,136	3,022	15.0%
220	Other operating income/expense	13,465	15,547	-2,082	-13.4%
	Operating income	**432,550**	**423,828**	**8,722**	**2.1%**
180 a	Payroll costs	-178,144	-178,164	20	0.0%
180 b	Other administrative costs	-90,588	-86,548	-4,040	4.7%
200+210	Net adjustments to property, plant and equipment and intangible assets	-12,059	-12,334	275	-2.2%
	Operating costs	**-280,791**	**-277,046**	**-3,745**	**1.4%**
	Result of operations	**151,759**	**146,782**	**4,977**	**3.4%**
130a+100a	Cost of credit	-78,650	-91,971	13,321	-14.5%
130 b	Net impairment adjustments to financial assets available for sale	-2,235	-195	-2,040	n.s.
130 d	Net impairment adjustments to other financial assets	1,563	489	1,074	219.6%
190	Net provisions for risks and charges	-2,493	-4,446	1,953	-43.9%
	Profit (loss) from operations before tax	**69,944**	**50,659**	**19,285**	**38.1%**
290	Income taxes on current operations	-22,529	-12,852	-9,677	75.3%
	Profit (loss) from operations after tax	**47,415**	**37,807**	**9,608**	**25.4%**
240+270	Profit (loss) from investments and disposal of investments	41	7,616	-7,575	-99.5%
	Non-recurring provisions for risks and charges, other provisions and expenses / special dividends from AFS securities	-5,390	-30,722	25,332	-82.5%
	Non-recurring profit (loss) before tax	**-5,349**	**-23,106**	**17,757**	**-76.9%**
	Income taxes from non-recurring items	2,893	10,836	-7,943	-73.3%
	Non-recurring profit (loss) after tax	**-2,456**	**-12,270**	**9,814**	**-80.0%**
320	**Net profit (loss) for the period**	**44,959**	**25,537**	**19,422**	**76.1%**
330	Net profit (loss) pertaining to minority interests	-1,261	14	-1,275	n.s.
340	**Profit (Loss) for the period pertaining to the Parent Company**	**43,698**	**25,551**	**18,147**	**71.0%**

Banco di Desio e della Brianza

Separate balance sheet

	Assets *Amounts in thousands of Euro*	31.12.2017	31.12.2016	Change Amount	 %
10	Cash and cash equivalents	29,119	24,194	4,925	20.4%
20	Financial assets available for trading	15,675	9,588	6,087	63.5%
40	Financial assets available for sale	1,208,510	1,482,631	-274,121	-18.5%
50	Financial assets held to maturity	748,696	0	748,696	
60	Due from banks	1,562,665	500,276	1,062,389	212.4%
70	Loans to customers	6,251,542	6,247,053	4,489	0.1%
80	Hedging derivatives	0	262	-262	-100.0%
100	Equity investments	274,571	264,565	10,006	3.8%
110	Property, plant and equipment	135,293	135,219	74	0.1%
120	Intangible assets	3,044	3,238	-194	-6.0%
	of which:				
	- goodwill	*1,729*	*1,729*		
130	Tax assets	124,687	141,775	-17,088	-12.1%
	a) current	*16,131*	*20,218*	*-4,087*	*-20.2%*
	b) deferred	*108,555*	*121,557*	*-13,002*	*-10.7%*
	- of which Law 214/2011	*93,716*	*102,255*	*-8,539*	*-8.4%*
150	Other assets	105,525	117,081	-11,556	-9.9%
	Total assets	**10,459,327**	**8,925,882**	**1,533,445**	**17.2%**

	Liabilities *Amounts in thousands of Euro*	31.12.2017	31.12.2016	Change Amount	 %
10	Due to banks	1,760,234	1,011,518	748,716	74.0%
20	Due to customers	5,988,799	5,622,898	365,901	6.5%
30	Debt securities in issue	1,602,047	1,210,559	391,488	32.3%
40	Financial liabilities held for trading	4,531	2,164	2,367	109.4%
50	Financial liabilities designated at fair value through profit and loss	0	15,908	-15,908	-100.0%
60	Hedging derivatives	1,414	2,778	-1,364	-49.1%
80	Tax liabilities	12,343	11,362	981	8.6%
	b) deferred	*12,343*	*11,362*	*981*	*8.6%*
100	Other liabilities	127,724	123,413	4,311	3.5%
110	Provision for termination indemnities	20,019	21,355	-1,336	-6.3%
120	Provisions for risks and charges	29,844	38,360	-8,516	-22.2%
	b) other provisions	*29,844*	*38,360*	*-8,516*	*-22.2%*
130	Valuation reserves:	35,928	15,800	20,128	127.4%
160	Reserves	754,598	734,238	20,360	2.8%
170	Share premium reserve	16,145	16,145		
180	Share capital	67,705	67,705		
200	Net profit (loss) for the period (+/-)	37,996	31,679	6,317	19.9%
	Total liabilities and shareholders' equity	**10,459,327**	**8,925,882**	**1,533,445**	**17.2%**

Gruppo Banco Desio

Banco di Desio e della Brianza

Reclassified separate income statement

Captions *Amounts in thousands of Euro*		31.12.2017	31.12.2016	Change Amount	 %
10+20	Net interest income	131,991	134,617	-2,626	-2.0%
70	Dividends and similar income	625	1,288	-663	-51.5%
40+50	Net commission income	111,985	99,196	12,789	12.9%
80+90+100+110	Net results on financial assets and liabilities	24,069	17,755	6,314	35.6%
190	Other operating income/expense	6,203	7,982	-1,779	-22.3%
	Operating income	**274,873**	**260,838**	**14,035**	**5.4%**
150 a	Payroll costs	-113,009	-113,522	513	-0.5%
150 b	Other administrative costs	-53,890	-52,735	-1,155	2.2%
170+180	Net adjustments to property, plant and equipment and intangible assets	-7,549	-7,749	200	-2.6%
	Operating costs	**-174,448**	**-174,006**	**-442**	**0.3%**
	Result of operations	**100,425**	**86,832**	**13,593**	**15.7%**
100a+130a	Cost of credit	-47,330	-44,362	-2,968	6.7%
130 b	Net impairment adjustments to financial assets available for sale	-2,235	-16	-2,219	n.s.
130 d	Net impairment adjustments to other financial assets	74	19	55	289.5%
160	Net provisions for risks and charges	407	-2,748	3,155	n.s.
	Dividends from equity investments in subsidiaries	6,640	5,640	1,000	17.7%
	Profit (loss) from operations before tax	**57,981**	**45,365**	**12,616**	**27.8%**
260	Income taxes on current operations	-17,292	-12,084	-5,208	43.1%
	Profit (loss) from operations after tax	**40,689**	**33,281**	**7,408**	**22.3%**
210	Profit (loss) from equity investments	0	13,379	-13,379	-100.0%
	Non-recurring provisions for risks and charges, other provisions and expenses / special dividends from AFS securities	-4,966	-22,833	17,867	-78.3%
	Non-recurring result before tax	**-4,966**	**-9,454**	**4,488**	**-47.5%**
	Income taxes from non-recurring items	2,273	7,852	-5,579	-71.1%
	Non-recurring result after tax	**-2,693**	**-1,602**	**-1,091**	**68.1%**
290	**Net profit (loss) for the period**	**37,996**	**31,679**	**6,317**	**19.9%**