

The consolidated interim report on operations
as at 31 March 2010

Gruppo  Banco Desio

Table of contents

Corporate offices (Banco di Desio e della Brianza S.p.A.)	3
The Banco Desio Group	4
Foreword	5
Financial highlights and ratios	6
Explanatory Notes	8
The baseline scenario	8
Development of the distribution network	9
Major corporate events during the quarter	11
Human resources	11
Management performance	12
Significant events after the reporting date	21
Other information	22
Business outlook	22
Consolidated interim financial statements as at	
31 March 2010	23
Consolidated Balance Sheet	23
Consolidated Income Statement	24
Consolidated statement of comprehensive income for the period	25
Statement of changes in consolidated shareholders' equity as at	
31 March 2010	26
Statement of changes in consolidated shareholders' equity	
as at 31 March 2009	27
Consolidated Cash Flow Statement	28
Declaration of the Manager responsible for preparing the	
Company's financial reports	29

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

Board of Directors

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

* *Members of Executive Committee*

Board of Statutory Auditors

<u>Chairman</u>	Eugenio Mascheroni
<u>Statutory Auditors</u>	Rodolfo Anghileri Marco Piazza
<u>Alternate Auditors</u>	Giovanni Cucchiani Clemente Domenici Carlo Mascheroni

General Management

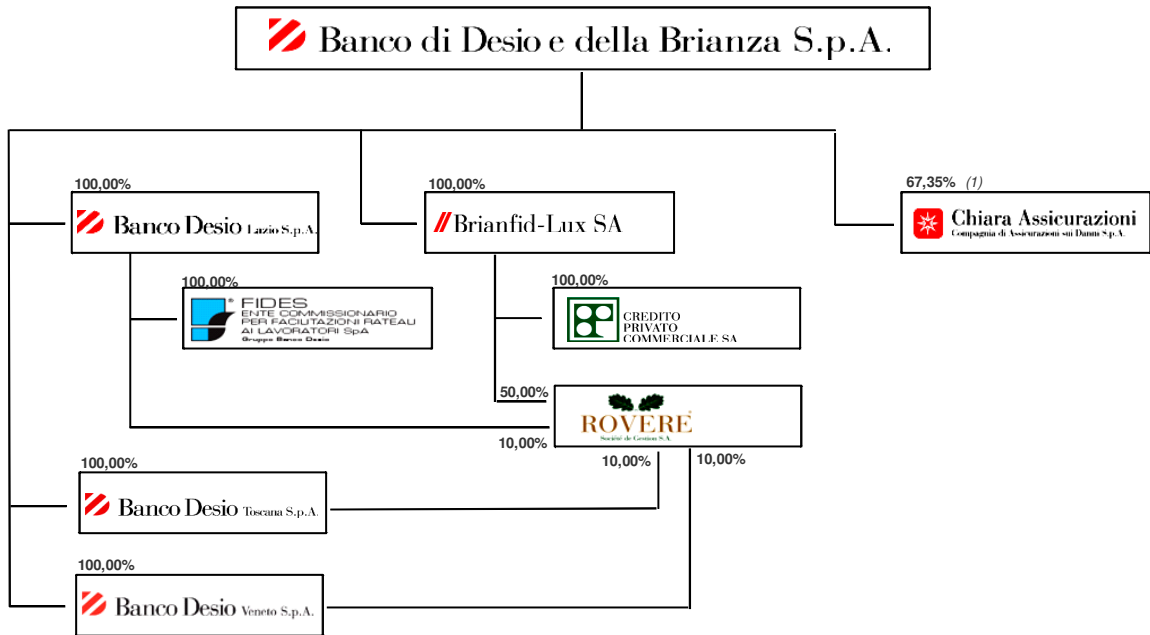
<u>General Director</u>	Alberto Mocchi
<u>Vice General Director</u>	Claudio Broggi

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

<u>Nominated Official in charge of drawing up Company Accounts</u>	Piercamillo Secchi
--	--------------------

The Banco Desio Group

This consolidated interim Report on operations as at 31 March 2010 relates to the following corporate structure of the Banco Desio Group:



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

Foreword

This consolidated Interim Report on Operations as at 31 March 2010 of the Banco Desio Group has been prepared in accordance with Article 154-ter of Legislative Decree 58/1998 (*TUF*, “*Testo Unico della Finanza*”, the Italian Consolidated Law on Finance), which implements Legislative Decree No. 195 of 6 November 2007, known as the “Transparency Directive”, and in compliance with the applicable international accounting standards as adopted in the European Union pursuant to Regulation (EC) 1606 of 19 July 2002, and, in particular, with IAS 34, *Interim Financial Reporting*.

By virtue of the possibilities allowed under this standard, this Interim Report on Operations is presented in a condensed form, and therefore does not present the complete disclosures envisaged for annual financial statements. The drafting of the document implies the adoption of estimating procedures which, however, do not affect its reliability.

The Interim Report on Operations consists of *Explanatory Notes* on consolidated operating performance, as well as of *Consolidated Interim Financial Statements as at 31 March 2010*, including a Balance Sheet, an Income Statement, a Consolidated Statement of Comprehensive Income for the period, a Statement of Changes in Equity and a Cash Flow Statement, which are not subject to inspection by the Auditors.

The data and indexes reported in this Interim Report on Operations make reference, if applicable, to the Balance Sheet of the *Consolidated Interim Financial Statements*, as well as to the reclassified Income Statement, as per the appropriate paragraph, which has in turn been prepared based on the Financial Statements layout.

It should be noted that, following the update of Circular Letter no. 262, it was necessary to make some reclassifications of comparative data as at the end of March 2009.

Financial highlights and ratios

Balance sheet data

<i>in thousands of Euros</i>	31.03.2010	31.03.2009	Change	
			Amount	%
Total assets	8,104,310	7,739,088	365,222	4.7%
Financial assets	954,100	790,608	163,492	20.7%
Amounts due from banks	557,562	876,577	-319,015	-36.4%
Amounts due from customers	6,188,900	5,688,671	500,229	8.8%
Tangible assets	147,101	146,209	892	0.6%
Intangible assets	45,913	41,292	4,621	11.2%
Amounts due to banks	165,549	27,226	138,323	508.1%
Amounts due to customers	4,353,219	3,974,256	378,963	9.5%
Securities issued	1,934,416	2,096,165	-161,749	-7.7%
Financial liabilities at fair value through profit or loss	519,768	584,678	-64,910	-11.1%
Shareholders' equity (including net profit for the period) ⁽¹⁾	785,797	726,895	58,902	8.1%
Total indirect deposits	18,381,576	18,152,972	228,604	1.3%
<i>of which indirect deposits from institutional customers</i>	<i>8,363,856</i>	<i>8,140,424</i>	<i>223,432</i>	<i>2.7%</i>

Income statement data ⁽²⁾

<i>in thousands of Euros</i>	31.03.2010	31.03.2009	Change	
			Amount	%
Operating income	84,014	83,105	909	1.1%
<i>of which Net interest income</i>	<i>45,700</i>	<i>50,422</i>	<i>-4,722</i>	<i>-9.4%</i>
Operating costs	54,745	52,233	2,512	4.8%
Operating margin	29,269	30,872	-1,603	-5.2%
Profits/(losses) after taxes from continuing operations	14,538	7,188	7,350	102.3%
Profits/(losses) after taxes from non-recurring operations	14,636	21,460	-6,824	n.s.
Net profit/(loss) for the period ⁽¹⁾	28,987	28,751	236	0.8%
Comprehensive income ^{(1) (3)}	30,792	29,554	1,238	4.2%

⁽¹⁾ pertaining to the Parent Company

⁽²⁾ from reclassified Income Statement

⁽³⁾ as per the statement requested by the Bank of Italy with the updated version of Circular Letter no. 262/2005

Financial ratios

	31.03.2010	31.03.2009	Change Amount
Shareholders' equity / Total assets	9.7%	9.4%	0.3%
Shareholders' equity / Amounts due from customers	12.7%	12.8%	-0.1%
Shareholders' equity / Amounts due to customers	18.1%	18.3%	-0.2%
Shareholders' equity / Securities issued	40.6%	34.7%	5.9%
(Tier 1 and Core Tier 1) Equity ratio	11.0%	10.4%	0.6%
(Tier 2) Solvency ratio	12.5%	11.8%	0.7%
Financial assets / Total assets	11.8%	10.2%	1.6%
Amounts due from banks / Total assets	6.9%	11.3%	-4.4%
Amounts due from customers / Total assets	76.4%	73.5%	2.9%
Amounts due from customers / Direct deposits from customers	90.9%	85.5%	5.4%
Amounts due to banks / Total assets	2.0%	0.4%	1.6%
Amounts due to customers / Total assets	53.7%	51.4%	2.3%
Securities issued / Total assets	23.9%	27.1%	-3.2%
Financial liabilities at fair value through profit or loss / Total assets	6.4%	7.6%	-1.2%
Direct deposits from customers / Total assets	84.0%	86.0%	-2.0%
Operating costs / Operating income (Cost/Income ratio)	65.2%	62.9%	2.3%
Net interest income / Operating income	54.4%	60.7%	-6.3%
Operating margin / Operating income	34.8%	37.1%	-2.3%
Operating profit net of taxes / Shareholders' equity - annualized	7.5%	4.0%	3.5%
Net profit/(loss) for the period/ R.O.E - annualized	15.3%	16.5%	-1.2%

Structure and productivity data

	31.03.2010	31.03.2009	Change Amount	%
Number of employees	1,841	1,796	45	2.5%
Number of bank branches	171	163	8	4.9%
<i>in thousands of Euros</i>				
Amounts due from customers by employee ⁽⁴⁾	3,392	3,187	205	6.4%
Direct deposits from ordinary customer by employee ⁽⁴⁾	3,731	3,728	3	0.1%
Operating income by employee ⁽⁴⁾ - annualized	184	186	-2	-1.1%

⁽⁴⁾ on the basis of the number of employees determined as arithmetic mean between the period-end figure and that of the previous period-end

Explanatory Notes

The baseline scenario

In the first months of 2010 the global economic recovery continued to strengthen, a trend that began in the third quarter of 2009, although there were positive and negative aspects; positive aspects included the increased boost to the economic recovery in China (+10%), the increase in business confidence indexes and the aid proposals to Greece which were well received by the financial markets. On the other hand, expansive monetary policies further burdened public accounts, the unemployment rate remained high (9.7% in the United States, 10% in the Euro Zone) and the property market once again showed signs of decline.

There are large differences in the economic recovery between countries and regions; within the group of the most developed countries, the United States and Japan are showing more favourable performance compared to the Euro Zone and the United Kingdom, where growth is still modest. The International Monetary Fund estimates that in 2010 the annual growth in the GDP of the United States will be 2.7% (2.4% in 2011), 2.2% for Japan (1.9% in 2011), 1% for the Euro Zone (1.6% in 2011) and 1.3% for the United Kingdom (2.7% in 2011). As regards emerging economies, economic growth is continuing at sustained rates, in particular in China, India and Brazil and shows a sharp improvement in Russia. The forecasts of annual growth in the GDP in 2010 prepared by the IMF for these countries are 10% for China (9.7% in 2011), 7.7% for India (7.8% in 2011), 4.7% in Brazil (3.7% in 2011) and 3.6% in Russia (3.4% in 2011).

The causes of the differences in the economic recovery between the various countries can be linked to the following factors: in the developed economies, economic activity continues to be sustained by expansive monetary policies and, in some cases (Germany and France), by restocking. High unemployment in these countries continues to reduce consumption, while uncertainty and the large spare capacity margins are affecting the recovery of investments and keeping inflation low. In March, inflation in the United States came to 2.2%, in the Euro Zone to 1.4%. On the other hand, in the first months of 2010, economic growth in the economies of the emerging countries continued to be supported by the robust dynamics of domestic demand, which generated, as a result, an acceleration in prices and inflation. The price of oil, after hovering around 75 dollars per barrel in the last quarter of 2009, increased again in March 2010 to 80 dollars, up by 6.6%. Apart from oil, the prices of non-energy raw materials have also shown growth of 3% since the beginning of the year.

The large quantities of liquidity on the markets have allowed a moderate recovery of share prices (+2% since the start of the year). As regards bonds, the returns of corporate and government bonds have remained stable or decreased slightly, despite concerns about the sustainability of Greece's public debt, in favour of which a financial aid plan has been launched with the support of the International Monetary Fund. Exchange rates for the euro felt the effects of the tensions regarding Greece's public accounts and those of other countries in the Euro Zone (Spain, Portugal): in the first quarter of 2010, the euro/dollar exchange rate fell to 1.35.

As regards the Italian economy, GDP showed a growth of 0.6% in the first quarter of 2010, thanks to the contributions from the main components of the aggregate demand: household consumption (+0.3%), public consumption (+0.4%), exports (+2.3%) and gross fixed investments (-0.3%). Gross fixed investments were affected by the reduction in profits and by the low level of production capacity use by businesses. Compared to the beginning of the year, judgements on the performance of orders and the production expected by businesses have improved, thereby confirming the end of the phase in which stocks were used up. In spite of this, concerns about economic recovery, with a deficit/GDP ratio equal to 5.5%, and employment market prospects, with an unemployment rate of 8.5% in March, have had an effect on the consumer confidence climate, thus reducing

retail sales (-0.3%). In March 2010, because of the weak growth in consumer prices on an annual basis (+0.8%), the Italian inflation came to 1.4%, a value which is in line with the EU average.

In the credit sector, Italian banks continue to guarantee their support to families and businesses, in spite of the serious repercussions of the international economic crisis, the growth in non-performing loans and the further fall in profits. The drop in loans to businesses (-3.9%) is consistent with the prolonged reduction in their financial requirements, connected to lower investments and the low level of production capacity. On the other hand, loans to families increased (+4.4%). In the first months of 2010, interest rates on the new bank loans reported further decreases: the cost of short-term loans to businesses was equal to 3.8%, the cost of loans to families was 4.6% for fixed-rate transactions, and 2.2% for variable-rate loans. The latter accounted for 82% of the overall disbursements in March.

Expectations of lower interbank rates continue on the interest rate market: the 3-month Euribor rate has dropped by 5 bps (0.66 in March) through all the 2010 maturities. 3-month interbank rates should only start going up in the second half of 2010, but with a more gradual rising phase than the market expects.

Development of the distribution network

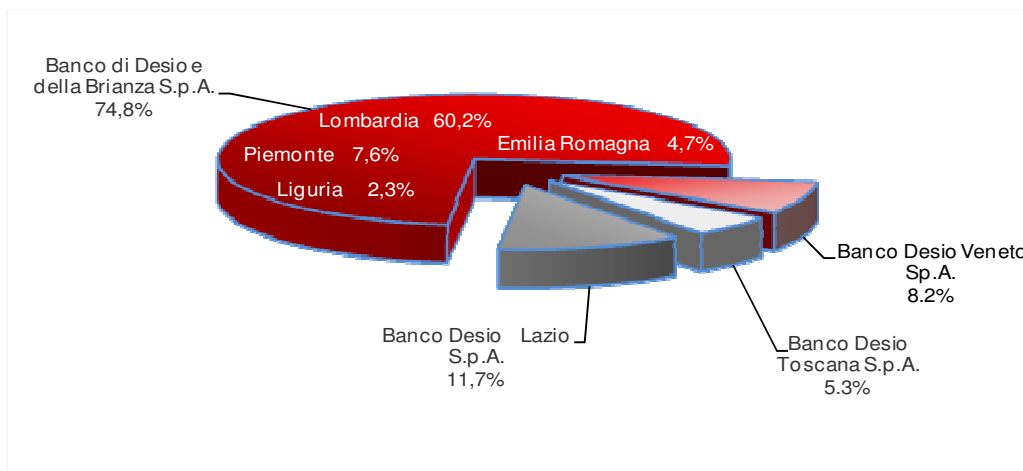
In first quarter of 2010, the Group's distribution network also continued to develop locally; at the end of the period in question, the Group included a total of 171 branches, 8 more than at the end of March last year.

The table below shows the breakdown of the overall distribution network by individual bank, also indicating the annual changes, while the following chart represents its percentage breakdown at the end of the first quarter of 2010.

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

No. of branches	31.03.2010		31.03.2009		Change	
	No. of branches	Percentage breakdown	No. of branches	Percentage breakdown	Amount	%
Banco di Desio e della Brianza S.p.A.	128	74.8%	123	75.5%	5	4.1%
Banco Desio Veneto Sp.A.	14	8.2%	13	8.0%	1	7.7%
Banco Desio Toscana S.p.A.	9	5.3%	9	5.5%	0	0.0%
Banco Desio Lazio S.p.A.	20	11.7%	18	11.0%	2	11.1%
Group distribution network	171	100.0%	163	100.0%	8	4.9%

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



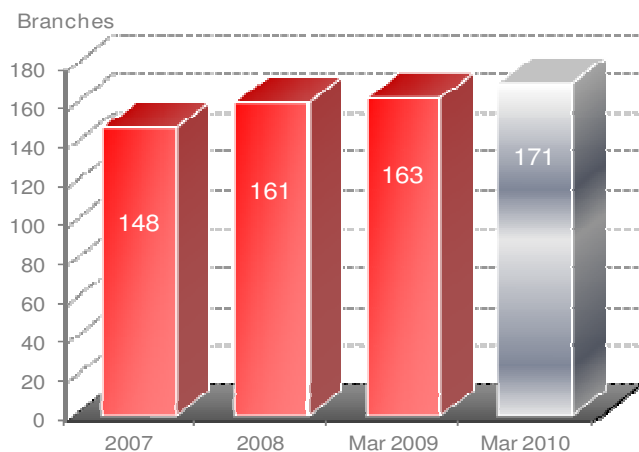
In particular, compared to the year under comparison, the Parent Company opened a branch in Moncalieri (Province of Torino) in Piemonte, three branches in the Emilia region, in Rubiera (Reggio Emilia), Bologna and Correggio (Reggio Emilia), and one branch in Liguria, in Imperia.

The network structure of the subsidiary Banco Desio Veneto S.p.A., with the opening of the branch in Bussolengo (Verona) on 8 June 2009, numbered a total of fourteen branches at the end of the period; these are spread across the local base which covers the districts of Vicenza, Verona, Padova and Treviso.

Following the opening of the branch of Villanova di Guidonia (Roma) in July 2009 and of the branch of Civitavecchia (Roma) in March 2010 (which initially operated at the branch of Viterbo), Banco Desio Lazio S.p.A. numbered a total of twenty branches, with a base that is particularly concentrated in the capital and the surrounding areas. Banco Desio Toscana S.p.A. on the other hand maintained the same structure as the period under comparison, consisting of 9 branches, covering the Provinces of Pisa, Prato, Lucca and Livorno, in addition to Firenze.

The chart below shows the dimensional growth of the Group in the last few years, with a growth rate corresponding to a Compound Annual Growth Rate of 6.6% from 2008.

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



Major corporate events during the quarter

Rovere SICAV

On 25 January 2010, the partial reallocation was made of the 80% stake of the capital of “Rovere Société de Gestion SA” on the part of Brianfid-Lux SA, through the sale by the latter of an overall stake of 30%, equally distributed, to the three Italian subsidiary banks of the Group.

Increase in the indirect stake held through the subsidiary Banco Desio Lazio S.p.A. in FIDES S.p.A.

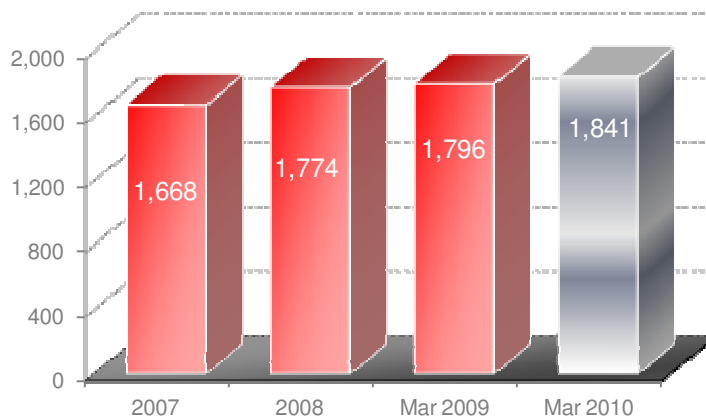
On 18 February 2010 the subsidiary Banco Desio Lazio S.p.A. further increased its stake in the share capital of FIDES S.p.A. from 95% to 100%, with a disbursement of about 0.6 million. This transaction anticipates the expected capital increase of the financial company, consistently with the 2010-2011 Business Plan of the Group, to be fully implemented by the subsidiary bank for a total of Euro 5 million, on the occasion of the Ordinary Shareholders’ Meeting of the company held on 20 April 2010.

Human resources

As at 31 March 2010, the Banco Desio Group counted 1,841 employees, with an increase of 45, corresponding to 2.5%, compared to the first quarter of 2009.

From 2008 the average compound annual growth rate registered in the headcount was equal to 4.5%, lower than that registered in the distribution network, which was equal to 6.6%, 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 quarter of the year compared with the situation at the end of the same period last year.

Table no. 2 - GROUP STAFF: BREAKDOWN BY GRADE

No. of employees	31.03.2010		31.03.2009		Change	
		Percentage breakdown		Percentage breakdown	Amount	%
Executives	39	2.1%	39	2.2%	0	0.0%
3rd and 4th level managers	425	23.1%	418	23.3%	7	1.7%
1st and 2nd level managers	482	26.2%	476	26.5%	6	1.3%
Other personnel	895	48.6%	863	48.0%	32	3.7%
Group Staff	1,841	100.0%	1,796	100.0%	45	2.5%

Management performance

Saving deposits: administered customer assets

At the end of the first quarter the total administered customer assets increased to about Euro 25.2 billion, up by Euro 0.4 billion compared to the previous year, i.e. equal to 1.5%, attributable to both direct and indirect deposits.

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

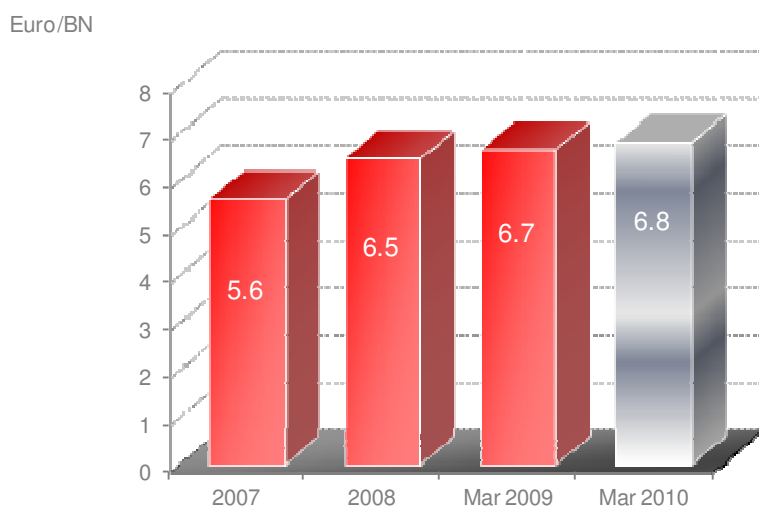
Table no. 3 - TOTAL DEPOSITS FROM CUSTOMERS

Amounts in thousands of Euro	31.03.2010		31.03.2009		Change	
		Percentage breakdown		Percentage breakdown	Amount	%
Amounts due to customers	4,353,219	17.3%	3,974,256	16.0%	378,963	9.5%
Securities issued	1,934,416	7.7%	2,096,165	8.4%	-161,749	-7.7%
Financial liabilities at fair value through profit or loss	519,768	2.0%	584,678	2.4%	-64,910	-11.1%
Direct deposits	6,807,403	27.0%	6,655,099	26.8%	152,304	2.3%
Deposits from ordinary customers	8,363,856	33.2%	8,140,424	32.8%	223,432	2.7%
Deposits from institutional customers	10,017,720	39.8%	10,012,548	40.4%	5,172	0.1%
Indirect deposits	18,381,576	73.0%	18,152,972	73.2%	228,604	1.3%
Total deposits from customers	25,188,979	100.0%	24,808,071	100.0%	380,908	1.5%

Direct deposits

The increase in direct deposits for the Group during the last three year of business is represented in the chart below, with annual growth rates corresponding to an average compound growth rate of 8.9%.

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



Indirect deposits

In the period indirect deposits reported an overall increase of Euro 0.2 billion, equal to 1.3% of the previous balance, totalling about Euro 18.4 billion.

The growth is substantially attributable to deposits from “ordinary” customers, which is attributable to both the performance of the managed asset sector and of the administered sector, notwithstanding the penalisation due to the financial crisis.

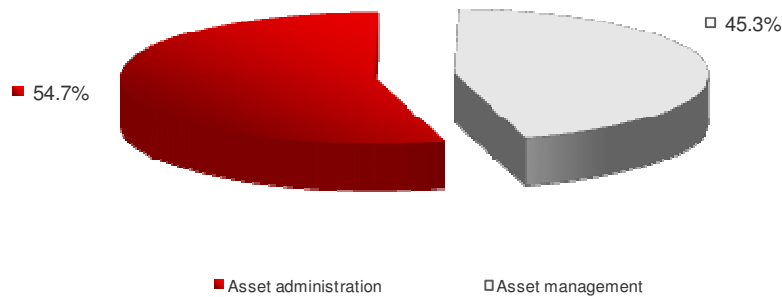
The table below gives the details of the items in question, showing the variations reported in the time period under consideration.

Table no. 4 - INDIRECT DEPOSITS

Amounts in thousands of Euro	31.03.2010	Percentage breakdown	31.03.2009	Percentage breakdown	Change	
					Amount	%
Asset administration	4,575,136	24.9%	4,493,950	24.8%	81,187	1.8%
Asset management	3,788,720	20.6%	3,646,474	20.1%	142,246	3.9%
<i>of which: Mut.Fund and Open-end Inv.</i>						
<i>Portfolio management</i>	1,283,218	7.0%	1,248,061	6.9%	35,157	2.8%
<i>Bank Insurance</i>	673,219	3.7%	655,597	3.6%	17,622	2.7%
	1,832,283	10.0%	1,742,816	9.6%	89,467	5.1%
Deposits from ordinary customers	8,363,856	45.5%	8,140,424	44.8%	223,432	2.7%
Deposits from institutional customers	10,017,720	54.5%	10,012,548	55.2%	5,172	0.1%
Indirect deposits	18,381,576	100.0%	18,152,972	100.0%	228,604	1.3%

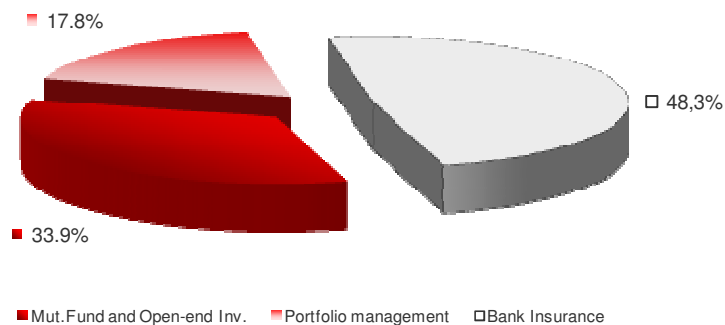
The percentage breakdown by segment of the indirect deposits from ordinary customers at 31 March 2010, represented in the chart below, shows that the portion attributable to administered assets is slightly greater than that of managed assets.

Chart no. 5 - INDIRECT DEPOSITS FROM ORDINARY CUSTOMERS BY SECTOR AS 31.03.2010: BREAKDOWN



The percentage composition of assets under management is shown in the graph below: specifically, the life bank insurance segment accounts for the most significant share.

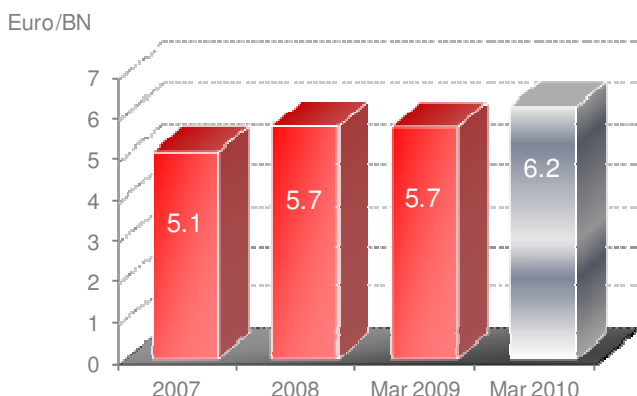
Chart no. 6 - INDIRECT DEPOSITS FOR ASSET MANAGEMENT AT 31.03.2010: BREAKDOWN



Loans to customers

At 31 March 2010, the total amount of loans to customers came to Euro 6.2 billion, an 8.8% increase over the same period the previous year, which contributed to determining an annual compound growth rate of 9.1% for the last three-year just ended, as shown in the graph below.

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



Considering the balance of Euro 75 million in net non-performing loans, at the end of the quarter under consideration, the credit risk index, calculated on the basis of the “net non-performing loans/net lending” ratio, increased to 1.21%, compared with 0.94% at the end of March 2009, as a natural consequence of the economic crisis, showing in any case a limited value.

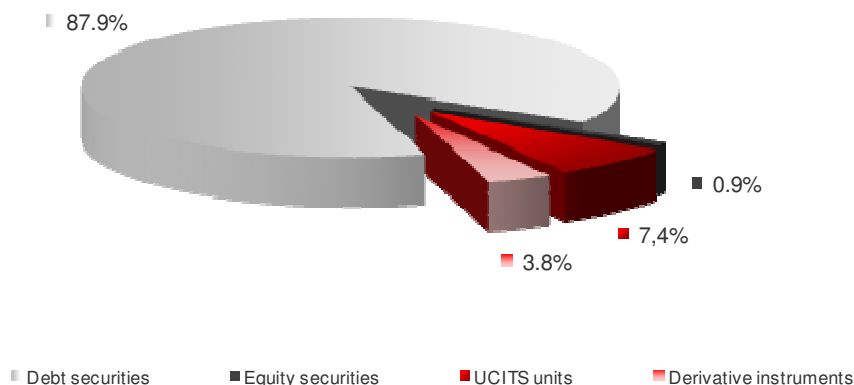
The securities portfolio and inter-bank activities

The securities portfolio

At the end of the first quarter 2010 the Group’s total financial assets stood at a value of Euro 1 billion, with an increase of about Euro 0.2 billion compared to the final figure of the same period of 2009.

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 accounts for 87.9% of total investments.

Chart no. 8 - FINANCIAL ASSETS AT 31.03.2010: PERCENTAGE BREAK-DOWN BY TYPE OF SECURITY



Inter-bank activities

There was a positive inter-bank balance of about Euro 0.4 billion at 31 March 2010 compared with Euro 0.8 billion at the end of the first quarter of 2009.

In order to allocate the liquidity that prudently was maintained at constantly high levels and as part of the daily objective of achieving the highest possible yields, the Parent Company continued its activities in the Collateralised Interbank Market (MIC) and those on the repo market.

Shareholders' equity and economic stability

Shareholders' equity as at 31 March 2010, including the profit of the period, amounted to a total of Euro 785.8 million, an increase of Euro 58.9 million with respect to the figure recorded in the first quarter 2009.

Shareholders' equity calculated in accordance with the supervisory regulations in force, amounted to Euro 788.8 million. The figure is made up of Tier 1 capital of Euro 697.1 million and Tier 2 capital of Euro 108.4 million for valuation reserves and subordinated liabilities. The total items to be deducted amount to Euro 25.2 million (of which Euro 16.7 million are to be deducted from Tier 1 and Tier 2) and are referable to equity investments in financial and insurance bodies.

The Tier 1 capital ratio, representing the ratio of primary capital to risk-weighted assets, came to 11.0% and coincides with the Tier 1 Core. The Tier 2 solvency ratio, representing the ratio between regulatory capital and risk-weighted assets, came to 12.5%. As at 31 March 2009, these ratios were equal to 10.4% and 11.8%, respectively.

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 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 Assicurazioni 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 amounts in "Overdraft limit fees" and "Recovery of applications expenses for credit facilities" as of 30 June 2009 are reclassified for the period under comparison respectively from under Item 10, "Interest income and similar revenues" and 220, "Other operating (expenses)/income" to Item 40, "Fee and commission income";
- 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 quarter ended with Parent Bank net profit of about Euro 29 million, as shown in the table below, which states the reclassified Income Statement in comparison with the Income Statement of the previous year.

Table no. 5 - RECLASSIFIED INCOME STATEMENT

Captions <i>Amounts in thousands of Euros</i>		31.03.2010	31.03.2009	Change	
				Amount	%
10+20	Net interest income	45,700	50,422	-4,722	-9.4%
70	Dividend and similar income	-	2	-2	-100.0%
	Profits (losses) on equity investments in associates	791	688	103	15.0%
40+50	Net fees and commissions	30,376	26,976	3,400	12.6%
80+90+100+	Net profits/(losses) on trading activities, hedging activities and disposal/repurchase and financial assets/liabilities at fair value through profit or loss	2,971	2,067	904	43.7%
150+160	Net income from insurance activities	2,374	1,339	1,035	77.3%
220	Other operating income and expenses	1,802	1,611	191	11.9%
	Operating income	84,014	83,105	909	1.1%
180 a	Personnel expenses	-35,881	-35,126	-755	2.1%
180 b	Other administrative expenses	-16,210	-14,461	-1,749	12.1%
200+210	Net adjustments/w rite-backs to tangible/intangible assets	-2,654	-2,646	-8	0.3%
	Operating costs	-54,745	-52,233	-2,512	4.8%
	Operating margin	29,269	30,872	-1,603	-5.2%
	Net profits/(losses) on disposal/repurchase of receivables	-	-	-	
130 a	Net impairment losses on loans	-6,372	-17,397	11,025	-63.4%
130 d	Net impairment losses on other financial transactions	229	76	153	201.3%
190	Net provisions for risks and charges	316	-495	811	-163.9%
	Profits/(losses) before taxes from continuing operations	23,442	13,056	10,386	79.5%
290	Taxes for the period on income from continuing operations	-8,904	-5,868	-3,036	51.7%
	Profits/(losses) after taxes from continuing operations	14,538	7,188	7,350	102.3%
240+270	Profits (losses) on equity investments and on disposal of investments	-	21,871	-21,871	-100.0%
	Net provisions for risks and charges on extraordinary transactions	14,636	-	14,636	
	Profits/(losses) before taxes from non-recurring operations	14,636	21,871	-7,235	n.s.
	Taxes for the period on income from non-recurring operations	-	-411	411	n.s.
	Profits/(losses) after taxes from non-recurring operations	14,636	21,460	-6,824	n.s.
320	Net profit/(loss) for the period	29,174	28,648	526	1.8%
330	(Profit)/loss for the period attributable to minority interests	-187	103	-290	-281.6%
340	Parent Bank net profit (loss)	28,987	28,751	236	0.8%

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. 6 - RECONCILIATION BETWEEN FINANCIAL STATEMENTS AND RECLASSIFIED INCOME STATEMENT AS AT 31.03.2010

Captions	Financial Statement 31.03.2010	Reclassifications							Reclassified Statement 31.03.2010	
		Net income from insurance activities	Tax recoveries	Profits on equity investments in associates	Amortisation of leasehold improvements	Net profits/(losses) on disposal/repurchase of receivables	Uses / provisions for risks and charges	Overdraft limit fees / Recovery of application expenses for credit facilities		Taxes on income
<i>Amounts in thousands of Euros</i>										
10+20	Net interest income	45,885	-185					0		45,700
70	Dividend and similar income	0								0
	Profits (losses) on equity investments in associates			791						791
40+50	Net fees and commissions	30,376						0		30,376
80+90+100+	Net profits/(losses) on trading activities, hedging activities and disposal/repurchase and financial assets/liabilities at fair value through profit or loss	3,017	-46				0			2,971
110										
150+160	Net income from insurance activities	2,144	230							2,374
220	Other operating income and expenses	4,091	1	-2,910	620					1,802
	Operating income	85,513	0	-2,910	791	620	0	0	0	84,014
180 a	Personnel expenses	-35,881								-35,881
180 b	Other administrative expenses	-19,120		2,910						-16,210
200+210	Net adjustments/w rite-backs to tangible/intangible assets	-2,034				-620				-2,654
	Operating costs	-57,035	0	2,910	0	-620	0	0	0	-54,745
	Operating margin	28,478	0	0	791	0	0	0	0	29,269
	Net profits/(losses) on disposal/repurchase of receivables						0			0
130 a	Net impairment losses on loans	-6,603						231		-6,372
130 d	Net impairment losses on other financial transactions	229								229
190	Net provisions for risks and charges	15,183						-14,867		316
	Profits/(losses) before taxes from continuing operations	37,287	0	0	791	0	0	-14,636	0	23,442
290	Taxes for the period on income from continuing operations	-8,904								-8,904
	Profits/(losses) after taxes from continuing operations	28,383	0	0	791	0	0	-14,636	0	14,538
240+270	Profits (losses) on equity investments and on disposal of investments	791			-791					0
	Net provisions for risks and charges on extraordinary transactions							14,636		14,636
	Profits/(losses) before taxes from non-recurring operations	791	0	0	-791	0	0	14,636	0	14,636
	Taxes for the period on income from non-recurring items								0	0
	Profits/(losses) after taxes from non-recurring operations	791	0	0	-791	0	0	14,636	0	14,636
320	Net profit/(loss) for the period	29,174	0	0	0	0	0	0	0	29,174
330	(Profit)/loss for the period attributable to minority interests	-187								-187
340	Parent Bank net profit (loss)	28,987	0	0	0	0	0	0	0	28,987

Table no. 7 - RECONCILIATION BETWEEN FINANCIAL STATEMENTS AND RECLASSIFIED INCOME STATEMENT AS AT 31.03.2009

Captions	Financial Statement	Reclassifications								Reclassified Statement	
		31.03.2009	Net income from insurance activities	Tax recoveries	Profits on equity investments in associates	Amortisation of leasehold improvements	Net profits/(losses) on disposal/repurchase of receivables	Uses / provisions for risks and charges	Overdraft limit fees / Recovery of application expenses for credit facilities		Taxes on income
10+20	Net interest income	56,002	-147						-5,433		50,422
70	Dividend and similar income	2									2
	Profits (losses) on equity investments in associates				688						688
40+50	Net fees and commissions	19,516						7,460			26,976
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	2,003	64				0				2,067
150+160	Net income from insurance activities	1,260	79								1,339
220	Other operating income and expenses	5,811	4	-2,747		570			-2,027		1,611
	Operating income	84,594	0	-2,747	688	570	0	0	0	0	83,105
180 a	Personnel expenses	-35,126									-35,126
180 b	Other administrative expenses	-17,208		2,747							-14,461
200+210	Net adjustments/write-backs to tangible/intangible assets	-2,076				-570					-2,646
	Operating costs	-54,410	0	0	0	0	0	0	0	0	-52,233
	Operating margin	30,184	0	0	688	0	0	0	0	0	30,872
	Net profits/(losses) on disposal/repurchase of receivables						0				0
130 a	Net impairment losses on loans	-16,927						-470			-17,397
130 d	Net impairment losses on other financial transactions	76									76
190	Net provisions for risks and charges	-965						470			-495
	Profits/(losses) before taxes from continuing operations	12,368	0	0	688	0	0	0	0	0	13,056
290	Taxes for the period on income from continuing operations	-6,279								411	-5,868
	Profits/(losses) after taxes from continuing operations	6,089	0	0	688	0	0	0	0	411	7,188
240+270	Profits (losses) on equity investments and on disposal of investments	22,559			-688						21,871
	Net provisions for risks and charges on extraordinary transactions										0
	Profits/(losses) before taxes from non-recurring operations	22,559	0	0	-688	0	0	0	0	0	21,871
	Taxes for the period on income from non-recurring items									-411	-411
	Profits/(losses) after taxes from non-recurring operations	22,559	0	0	-688	0	0	0	0	-411	21,460
320	Net profit/(loss) for the period	28,648	0	0	0	0	0	0	0	0	28,648
330	(Profit) loss for the period attributable to minority interests	103									103
340	Parent Bank net profit (loss)	28,751	0	0	0	0	0	0	0	0	28,751

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 (-0.8%), reaching Euro 84 million.

Note the increase in the net fees and commissions for Euro 3.4 million (12.6%), net income from insurance activities of Euro 2.8 million (77.3%), the item that groups together the net profits/(losses) on trading activities, hedging activities and disposal/repurchase and financial assets/liabilities at fair value through profit or loss of Euro 0.9 million (mainly due to the profit(loss) on disposal/purchase of financial assets available for sale), profits on equity investments in associates for Euro 0.1 million and other operating income/expenses for Euro 0.2 million; on the contrary, interest margin dropped by Euro 4.7 million (-9.4%) which was particularly affected by the difficult market scenario. In addition, note a particularly cautious 'wait-and-see' policy regarding investments in financial assets.

Operating costs

Total operating costs, which include personnel expenses, other administrative expenses and net adjustments/write-backs to tangible/intangible assets, came to Euro 54.7 million, an increase of 4.8%.

Profits/(losses) after taxes from continuing operations

The operating margin at the end of the period is consequently Euro 29.3 million, a decrease of 5.2% corresponding to Euro 1.6 million; there were Euro 6.4 million in *net impairment losses on loans*, less by more than 60% compared to the period under comparison, the positive balances of *net impairment losses on other*

financial transactions and of *net provisions for risks and charges*, equal to Euro 0.2 and 0.3 million respectively, as well as the *taxes for the period on income from continuing operations* of Euro 8.9 million lead to *profits/(losses) after taxes from continuing operations* of Euro 14.5 million, up by 102.3%.

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

At the end of the first quarter of the year, profits/(losses) after taxes from non-recurring operations derived from the partial release, equal to Euro 14.6 million, of the total provision of Euro 37.8 million set aside, at the end of 2008, against the risk of partial review of the price collected for the transfer of 70% of Chiara Vita S.p.A. on the part of the Parent Company as contractually provided for at the end of the business plan of the Company (2012). The release value has been determined on the basis of the estimated substantial achievement of the objectives in the business plan at the end of 2012. At the end of the previous period, the result was attributable to the capital gain collected arising from the transfer by the Parent Company of 21.191% of the share capital of Anima SGRp.A., following the acceptance of the voluntary public offer promoted by Banca Popolare di Milano, equal to Euro 21.9 million (at individual Parent Company level, equal to Euro 29.9 million), net of Euro 8 million for consolidation adjustments, as adjusted to the related taxes equal to Euro 0.4 million.

Parent Bank net profit (loss)

Adding together *profit after taxes from continuing operations* and of the *profit after taxes from non-recurring operations*, the *Parent Bank net profit (loss)* for the period was Euro 29 million, net of the (profit)/loss for the period attributable to minority interests of Euro 0.2 million. The result is substantially in line with that of the first quarter of the previous year (+0.8%), which however benefitted from a higher profit after taxes from non-recurring operations of Euro 6.8 million.

The Parent Company's comprehensive income as at 31 March 2010, on the basis of the concept introduced by IAS 1 Revised, Presentation of Financial Statements, and applying the model requested by the Bank of Italy in the update to Circular 262/2005, was Euro 30.8 million, with respect to Euro 29.6 million in the comparison period. The appropriate table in the *Consolidated interim Financial Statements* should be referred to for further information.

Significant events after the reporting date

Rating

On 28 April 2010 the international agency Fitch Ratings confirmed the ratings previously awarded to the Parent Company, as they reflect the recovery capacity of performance in an economic context experiencing difficulties and the adequate level of impaired loans if compared to the relevant sample, notwithstanding the impairment of the assets' quality in 2009. Ratings also depend on the good retail deposits and on the adequate capitalisation of the Parent Company.

Long-term	Short-term	Forecast
A	F 1	Stable

Other information

Existence of the conditions specified in Articles 36 and 37 of the “Consob Market Regulations”

Conditions are still fulfilled which are laid down under articles 36 and 37 of the “Consob Market Regulations” (resolution no. 16191 of 29 October 2007) which relate, in the present case, to “non-EU” company CPC. S.A. owned by the Parent Company, and to Brianza Unione di Luigi Gavazzi & C. S.a.p.a., the company controlling the Parent Company itself, as reported in the “Annual report on Corporate Governance and Ownership Structure” of the Group as required by article 123-*bis* of the TUF and made available in the website at the address www.bancodesio.it, Banco Desio section – Corporate Governance.

Business outlook

The continuing critical scenarios in the real economy and the financial markets do not allow sufficiently reliable forecasts to be made about the development of operations in subsequent quarters. However, at present, the objectives laid down in the 2010-2011 business plan are confirmed

13 May 2010

The Board of Directors

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

Consolidated interim financial statements as at 31 March 2010

Consolidated balance sheet

(amount / 1000)

	Assets	31.03.2010	31.03.2009	Change		31.12.2009	Change	
				amount	%		amount	%
10	Cash and cash equivalents	25,082	23,127	1,955	8.5	26,315	(1,233)	(4.7)
20	Financial assets held for trading	82,815	240,954	(158,139)	(65.6)	74,778	8,037	10.7
40	Available-for-sale financial assets	868,063	541,429	326,634	60.3	865,713	2,350	0.3
50	Held-to-maturity investments	3,222	8,225	(5,003)	(60.8)	3,089	133	4.3
60	Amounts due from banks	557,562	876,577	(319,015)	(36.4)	792,983	(235,421)	(29.7)
70	Amounts due from customers	6,188,900	5,688,671	500,229	8.8	6,160,151	28,749	0.5
100	Equity investments	20,089	16,883	3,206	19.0	20,964	(875)	(4.2)
110	Technical reserves arising from reinsurance	5,609	4,840	769	15.9	5,529	80	1.4
120	Tangible assets	147,101	146,209	892	0.6	148,210	(1,109)	(0.7)
130	Intangible assets	45,913	41,292	4,621	11.2	45,377	536	1.2
	of which:							
	- goodwill	43,513	39,013			43,186		
140	Tax assets	43,298	36,994	6,304	17.0	43,074	224	0.5
	a) current	13,977	8,010	5,967	74.5	13,561	416	3.1
	b) deferred	29,321	28,984	337	1.2	29,513	(192)	(0.7)
150	Non current assets held for sale and discontinued operations		712	(712)	(100.0)	-	-	
160	Other assets	116,656	113,175	3,481	3.1	122,597	(5,941)	(4.8)
	Total Assets	8,104,310	7,739,088	365,222	4.7	8,308,780	(204,470)	(2.5)

(amount / 1000)

	Total Liabilities and shareholders' equity	31.03.2010	31.03.2009	Change		31.12.2009	Change	
				amount	%		amount	%
10	Amounts due to banks	165,549	27,226	138,323	508.1	36,658	128,891	351.6
20	Amounts due to customers	4,353,219	3,974,256	378,963	9.5	4,868,276	(515,057)	(10.6)
30	Securities issued	1,934,416	2,096,165	(161,749)	(7.7)	1,808,570	125,846	7.0
40	Financial liabilities held for trading	11,770	37,923	(26,153)	(69.0)	2,519	9,251	367.2
50	Financial liabilities at fair value through profit or loss	519,768	584,678	(64,910)	(11.1)	557,152	(37,384)	(6.7)
60	Hedging derivatives	-	63	(63)	(100.0)	-	-	
80	Tax liabilities	22,736	24,976	(2,240)	(9.0)	13,571	9,165	67.5
	a) current	10,533	8,802	1,731		1,808	8,725	482.6
	b) deferred	12,203	16,174	(3,971)		11,763	440	3.7
100	Other liabilities	212,048	153,889	58,159	37.8	153,408	58,640	38.2
110	Reserve for employee termination indemnities	25,505	26,679	(1,174)	(4.4)	25,696	(191)	(0.7)
120	Reserves for risks and charges:	46,388	68,930	(22,542)	(32.7)	61,099	(14,711)	(24.1)
	a) pensions and similar commitments	161	110	51		164	(3)	(1.8)
	b) other reserves	46,227	68,820	(22,593)		60,935	(14,708)	(24.1)
130	Technical Reserves	23,263	13,536	9,727	71.9	20,512	2,751	13.4
140	Valuation reserves	30,792	9,942	20,850	209.7	28,987	1,805	6.2
170	Reserves	642,168	604,352	37,816	6.3	591,003	51,165	8.7
180	Share premium reserve	16,145	16,145	-	-	16,145	-	-
190	Share capital	67,705	67,705	-	-	67,705	-	-
210	Minority interests (+/-)	3,851	3,872	(21)	(0.5)	3,947	(96)	(2.4)
220	Net profit / (loss) for the period	28,987	28,751	236	0.8	53,532	n.s.	n.s.
	Total Liabilities and shareholders' equity	8,104,310	7,739,088	365,222	4.7	8,308,780	(204,470)	(2.5)

Consolidated income statement

(amount / 1,000)

	INCOME STATEMENT	31.03.2010	31.03.2009	Change	
				amount	%
10	Interest income and similar revenues	63,167	96,118	(32,951)	(34.3)
20	Interest expense and similar charges	(17,282)	(40,116)	22,834	(56.9)
30	Net interest income	45,885	56,002	(10,117)	(18.1)
40	Fee and commission income	33,697	21,653	12,044	55.6
50	Fee and commission expense	(3,321)	(2,137)	(1,184)	55.4
60	Net fees and commissions	30,376	19,516	10,860	55.6
70	Dividends and similar income	-	2	(2)	(100.0)
80	Net profits/(losses) on trading activities	1,167	1,495	(328)	(21.9)
90	Net profits/(losses) on hedging activities	-	(55)	55	(100.0)
100	Profit/(loss) on disposal or repurchase of:	2,665	1,885	780	41.4
	<i>b) available-for-sale financial assets</i>	<i>2,635</i>	<i>1,013</i>	<i>1,622</i>	<i>160.1</i>
	<i>d) financial liabilities</i>	<i>30</i>	<i>872</i>	<i>(842)</i>	<i>(96.6)</i>
110	Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	(815)	(1,322)	507	(38.4)
120	Net interest and other banking income (intermediation margin)	79,278	77,523	1,755	2.3
130	Net impairment losses on/writebacks to:	(6,374)	(16,851)	10,477	(62.2)
	<i>a) loans and receivables</i>	<i>(6,603)</i>	<i>(16,927)</i>	<i>10,324</i>	<i>(61.0)</i>
	<i>d) other financial assets</i>	<i>229</i>	<i>76</i>	<i>153</i>	<i>201.3</i>
140	Net income from banking activities	72,904	60,672	12,232	20.2
150	Net insurance premiums	6,733	5,213	1,520	29.2
160	Balance of other income/charges arising on insurance management activities	(4,589)	(3,953)	(636)	16.1
170	Net result of financial and insurance activities	75,048	61,932	13,116	21.2
180	Administrative expenses:	(55,001)	(52,334)	(2,667)	5.1
	<i>a) personnel expenses</i>	<i>(35,881)</i>	<i>(35,126)</i>	<i>(755)</i>	<i>2.1</i>
	<i>b) other administrative expenses</i>	<i>(19,120)</i>	<i>(17,208)</i>	<i>(1,912)</i>	<i>11.1</i>
190	Net provisions for risks and charges	15,183	(965)	16,148	(1,673.4)
200	Net adjustments to the value of tangible assets	(1,794)	(1,883)	89	(4.7)
210	Net adjustments to the value of intangible assets	(240)	(193)	(47)	24.4
220	Other operating (expenses)/income	4,091	5,811	(1,720)	(29.6)
230	Operating expenses	(37,761)	(49,564)	11,803	(23.8)
240	Profits/(losses) on equity investments	791	22,559	(21,768)	(96.5)
280	Profits/(losses) before taxes from continuing operations	38,078	34,927	3,151	9.0
290	Taxes for the period on income from continuing operations	(8,904)	(6,279)	(2,625)	41.8
300	Net profits (loss) after tax from continuing operations	29,174	28,648	526	1.8
320	Net profit/(loss) for the period	29,174	28,648	526	1.8
330	Profit (loss) for the period attributable to minority interests	(187)	103	(290)	(281.6)
340	Parent Bank net profit (loss)	28,987	28,751	236	0.8

Consolidated statement of comprehensive income for the period

	Captions	31.03.2010	31.03.2009
	<i>in thousands of Euros</i>		
10	Net profit / (loss) for the period	29,174	28,648
	Other comprehensive income (net of tax)		
20	Financial assets available for sale	1,430	1,789
30	Tangible assets	-	-
40	Intangible assets	-	-
50	Foreign investments hedges	-	-
60	Cash flow hedges	-	-
70	Foreign exchange differences	731	(566)
80	Non-current assets held for sale and discontinued operations	-	-
90	Actuarial Profit(Loss) on defined benefits plans	(591)	(474)
100	Share of revaluation reserves relating to equity investments recognised under equity	262	109
110	Total other comprehensive income (net of tax)	1,832	858
120	Total comprehensive income for the period (item 10 + 110)	31,006	29,506
130	Total Consolidated comprehensive income pertaining to minority interests	(214)	48
140	Total Consolidated comprehensive income pertaining to the Parent Company	30,792	29,554

Consolidated statement of changes in shareholders' equity as at 31 March 2010

(amount / 1,000)

	Equity as at 31.12.2009	Change in opening balances	Equity as at 1.01.2010	Allocation of result from previous period		Changes over the period							Equity attributable to the Group as at 31.03.2010	Minority interests as at 31.03.2010	
				Reserves	Dividends and other allocations	Changes in reserves	Transactions in shareholders' equity								Comprehensive income for the year at 31.03.2010
							Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Change in equity instruments	Derivatives on treasury shares	Stock options			
Shareholders' equity:															
a) ordinary shares	63,702	-	63,702	-	-	-	-	(81)	-	-	-	-	-	60,840	2,781
b) other shares	6,865	-	6,865	-	-	-	-	-	-	-	-	-	-	6,865	
Share premium reserve	16,392	-	16,392	-	-	(170)	-	-	-	-	-	-	-	16,145	77
Reserves:															
a) retained earnings	582,485	-	582,485	53,682	-	(2,465)	-	-	-	-	-	-	-	633,010	692
b) others	9,119	-	9,119	-	-	-	-	-	-	-	-	39	-	9,158	
Revaluation reserves:	29,074	-	29,074	-	-	-	-	-	-	-	-	-	1,832	30,792	114
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Profit (loss) for the year	53,682	-	53,682	(53,682)	-	-	-	-	-	-	-	-	29,174	28,987	187
Equity attributable to the Group	757,372	-	757,372		-	(2,406)	-	-	-	-	-	39	30,792	785,797	
Minority interests	3,947	-	3,947			(229)	-	(81)					214		3,851

Consolidated statement of changes in shareholders' equity as at 31 March 2009

(amount / 1,000)

	Equity as at 31.12.2008	Change in opening balances	Equity as at 1.01.2009	Allocation of result from previous period		Changes in reserves	Changes over the period							Equity attributable to the Group as at 31.03.2009	Minority interests as at 31.03.2009
				Reserves	Dividends and other allocations		Transactions in shareholders' equity						Comprehensive income for the year at 31.03.2009		
							Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Change in equity instruments	Derivatives on treasury shares	Stock options			
Shareholders' equity:															
a) ordinary shares	63,707	-	63,707	-	-	-	100	33	-	-	-	-	-	60,840	3,000
b) other shares	6,865	-	6,865	-	-	-	-	-	-	-	-	-	-	6,865	-
Share premium reserve	16,145	-	16,145	-	-	-	-	-	-	-	-	-	-	16,145	-
Reserves:															
a) retained earnings	532,105	-	532,105	48,956	-	13,260	-	-	-	-	-	-	-	593,343	978
b) others	10,971	-	10,971	-	-	-	-	-	-	-	-	38	-	11,009	-
Revaluation reserves:	8,624	-	8,624	-	-	457	-	-	-	-	-	858	9,942	(3)	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit (loss) for the year	62,904	-	62,904	(48,956)	(13,948)	-	-	-	-	-	-	-	28,648	28,751	(103)
Equity attributable to the Group	697,600	-	697,600		(13,948)	13,651	-	-	-	-	-	38	29,554	726,895	
Minority interests	3,721	-	3,721			66	100	33					(48)		3,872

Consolidated cash flow statement

(Euro /1000)

A. OPERATIONS	Amount	
	31.03.2010	31.03.2009
1. Management activities	60,867	37,064
- interest income earned (+)	63,162	96,055
- interest expenses paid (-)	(17,291)	(40,104)
- dividends and similar revenues (+)	-	2
- net commissions (+/-)	31,042	17,806
- personnel costs (-)	(32,907)	(32,308)
- net premiums earned (+)	6,733	5,213
- other insurance income/charges (+/-)	(4,589)	(3,953)
- other costs (-)	(2,183)	(33,960)
- other revenues (+)	25,804	34,592
- taxes and duties (-)	(8,904)	(6,279)
- 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	198,971	(226,667)
- financial assets held for trading	(7,702)	42,190
- financial assets at fair value through profit or loss	-	-
- available-for-sale financial assets	1,871	(32,230)
- amounts due from customers	(38,379)	15,745
- amounts due from banks: at sight	1,092	(112,272)
- amounts due from banks: others	234,329	(177,943)
- other assets	7,760	37,843
3. Liquid assets generated (absorbed) by increase/decrease in financial liabilities	(260,352)	181,343
- amounts due to banks: at sight	97,243	(304)
- amounts due to banks: others	31,648	(10,106)
- amounts due to customers	(515,057)	(87,426)
- securities issued	126,100	232,896
- financial liabilities held for trading	8,022	22,556
- financial liabilities at fair value through profit or loss	(37,384)	43,190
- other liabilities	29,076	(19,463)
Net liquid assets generated (absorbed) by operations (A)	(514)	(8,260)
B. INVESTMENTS		
1. Liquid assets generated by	875	-
- sale of equity investments	875	-
- dividends received from equity investments	-	-
- sale/redemption of financial assets held to maturity	-	-
- sale of tangible assets	-	-
- sale of intangible assets	-	-
- sale of subsidiaries and business divisions	-	-
2. Liquid assets absorbed by	(1,594)	(1,186)
- purchase of equity investments	-	(325)
- purchase of financial assets held to maturity	(133)	(117)
- purchase of tangible assets	(685)	(547)
- purchase of intangible assets	(776)	(197)
- purchase of subsidiaries and business divisions	-	-
Net liquid assets generated (absorbed) by investments (B)	(719)	(1,186)
C. FUNDING ACTIVITIES		
- issues/purchases of treasury shares	-	-
- issues/purchases of equity instruments	-	-
- distribution of dividends and other purposes	-	-
Net liquid assets generated (absorbed) by funding activities (C)	-	-
NET LIQUID ASSETS GENERATED (ABSORBED) DURING THE YEAR (A+B+C)	(1,233)	(9,446)
Financial statements' items	2010	2009
Cash and cash equivalents at beginning of year	26,315	32,573
Total liquid assets generated (absorbed) during the year	(1,233)	(9,446)
Cash and cash equivalents: effect of exchange rate changes		
Cash and cash equivalents at end of the year	25,082	23,127

**Declaration of the Manager responsible
for preparing the Company's financial reports**

The undersigned, Piercamillo Secchi, as Manager responsible for preparing the Banco di Desio e della Brianza S.p.A.'s financial reports, declares, pursuant to article 154-bis paragraph 2, of Legislative Decree 58/1998, the Consolidated Law on Finance, that the accounting disclosures contained in this "Consolidated Interim Report on Operations as at 31 March 2010" correspond to the contents of the relative documents, corporate books and accounting records.

Desio, 13 May 2010

Declaration of the Manager responsible
for preparing the Company's financial reports

Piercamillo Secchi