

The consolidated interim report on operations
as at 30 September 2012

Gruppo  Banco Desio

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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*
<u>Managing Director</u>	Tommaso Cartone*
<u>Directors</u>	Egidio Gavazzi* Luigi Gavazzi Paolo Gavazzi Guido Pozzoli* Marina Brogi Gerolamo Pellicanò Pier Antonio Cutellè Lorenzo Rigodanza

** Members of the 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

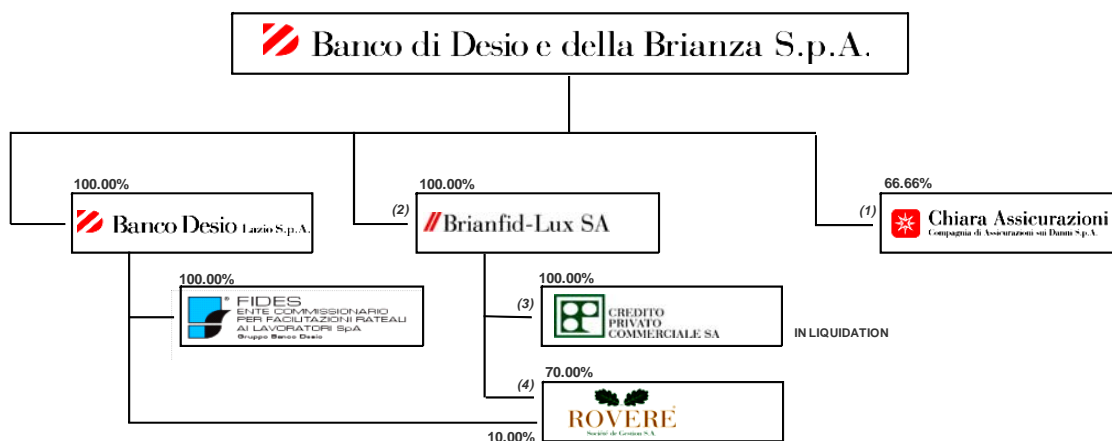
<u>General Director</u>	Claudio Broggi
<u>Vice General Director</u>	Marco Sala

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

<u>Manager Responsible for preparing the Company's financial reports</u>	Piercamillo Secchi
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The Banco Desio Group

This *Consolidated Interim Report on Operations* as at 30 September 2012 relates to the following corporate structure of the Banco Desio Group:



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

(2) In October 2012, the Parent Company launched proceedings for the placement of the company into voluntary liquidation;

(3) Company placed into voluntary liquidation; on 4 October 2012 the relative equity investment was acquired directly by the Parent Company;

(4) The relative equity investment will be acquired directly by the Parent Company

Foreword

This Consolidated Interim Report on Operations as at 30 September 2012 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 under Regulation (EC) 1606 of 19 July 2002, and, in particular, with IAS 34, *Interim Financial Reporting*.

By virtue of the possibilities allowed under this principle, 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 and *Consolidated Interim Financial Statements as at 30 September 2012*, including a Balance Sheet, an Income Statement, an Income Statement - Quarterly trend, a Statement of Comprehensive Income, Statements of Changes in Shareholders' Equity, a Cash Flow Statement, Regulatory Capital and Consolidated Prudential Ratios.

The data and ratios reported in this Interim Report on Operations make reference, insofar as they are attributable, to the Balance Sheet of the *Consolidated Interim Financial Statements* and to the reclassified Income Statement, as per the appropriate paragraph, which has in turn been prepared on the basis of the Financial Statement schedule.

Financial highlights and ratios

Balance sheet data

Amounts in thousands of Euros	30.09.2012	31.12.2011		Change	
		Amount	Amount	Amount	%
Total assets	8.651.077	8.359.795	291.282		3,5%
Financial assets	1.330.355	1.066.594	263.761		24,7%
Amounts due from banks	314.340	288.525	25.815		8,9%
Amounts due from customers	6.573.097	6.580.450	-7.353		-0,1%
Tangible assets	151.570	154.481	-2.911		-1,9%
Intangible assets	30.588	46.496	-15.908		-34,2%
Amounts due to banks	450.189	267.998	182.191		68,0%
Amounts due to customers	4.927.991	4.347.706	580.285		13,3%
Securities issued and Financial liabilities at fair value through profit or loss	2.167.840	2.696.584	-528.744		-19,6%
Shareholders' equity (including net profit for the period) ⁽¹⁾	799.947	770.926	29.021		3,8%
Total indirect deposits ⁽²⁾	10.883.428	10.821.717	61.711		0,6%

Income statement data ⁽³⁾

Amounts in thousands of Euros	30.09.2012	30.09.2011		Change	
		Amount	Amount	Amount	%
Operating income	276.022	260.182	15.840		6,1%
of which Net interest income	151.862	151.500	362		0,2%
Operating costs	175.222	169.889	5.333		3,1%
Operating margin	100.800	90.293	10.507		11,6%
Profits/(losses) after taxes from continuing operations	22.040	41.047	-19.007		-46,3%
Profits/(losses) after taxes from non-recurring operations	-9.868	7.702	-17.570		-228,1%
Net profit/(loss) for the period ^{(1) (4)}	11.470	48.047	-36.577		-76,1%

⁽¹⁾ pertaining to the Parent Company;

⁽²⁾ despite the decrease in volumes relating to the subsidiary CPC S.A. in liquidation, amounting to around Euro 200 million;

⁽³⁾ from reclassified income statement;

⁽⁴⁾ the balance as at 30.09.2012 includes the elimination of the goodwill in the subsidiary CPC S.A. in liquidation for a total of Euro 15.5 million.

Financial ratios

	30.09.2012	31.12.2011	Change Amount
Shareholders' equity / Total assets	9,2%	9,2%	0,0%
Shareholders' equity / Amounts due from customers	12,2%	11,7%	0,5%
Shareholders' equity / Amounts due to customers	16,2%	17,7%	-1,5%
Shareholders' equity / Securities issued and financial liabilities at fair value through profit or loss	36,9%	28,6%	8,3%
Tier 1 capital / w eighted assets (<i>Tier1</i>)	11,8%	10,7%	1,1%
Total capital / w eighted assets (<i>Total capital ratio</i>)	13,0%	11,8%	1,2%
Financial assets / Total assets	15,4%	12,8%	2,6%
Amounts due from banks / Total assets	3,6%	3,5%	0,1%
Amounts due from customers / Total assets	76,0%	78,7%	-2,7%
Amounts due from customers / Direct deposits from customers	92,6%	93,4%	-0,8%
Amounts due to banks / Total assets	5,2%	3,2%	2,0%
Amounts due to customers / Total assets	57,0%	52,0%	5,0%
Securities issued and financial liabilities at fair value through profit or loss / Total assets	25,1%	32,3%	-7,2%
Direct deposits from customers / Total assets	82,0%	84,3%	-2,3%

	30.09.2012	30.09.2011	Change Amount
Operating costs / Operating income (<i>Cost/Income ratio</i>)	63,5%	65,3%	-1,8%
Net interest income / Operating income	55,0%	58,2%	-3,2%
Operating margin / Operating income	36,5%	34,7%	1,8%
Operating profit net of taxes / Shareholders' equity ⁽⁵⁾ - <i>annualised</i>	3,7%	7,3%	-3,6%
Net profit/(loss) for the period/ R.O.E. - <i>annualised</i>	1,9%	8,6%	-6,7%

Structure and productivity data

	30.09.2012	31.12.2011	Change Amount	Change %
Number of employees	1.852	1.875	-23	-1,2%
Number of bank branches	185	185	0	0,0%
<i>Amounts in thousands of Euros</i>				
Amounts due from customers by employee ⁽⁶⁾	3.527	3.537	-10	-0,3%
Direct deposits from customers by employee ⁽⁶⁾	3.808	3.786	22	0,6%

	30.09.2012	30.09.2011	Change Amount	Change %
Operating income by employee ⁽⁶⁾ - <i>annualised</i>	197	186	11	5,9%
Operating income by employee ⁽⁶⁾ - <i>annualised</i>	72	65	7	10,8%

⁽⁵⁾ net of the result for the period;

⁽⁶⁾ on the basis of the number of employees determined as the arithmetic mean between the period-end figure and that of the previous period-end figure.

Explanatory Notes

The macroeconomic scenario

The global economic cycle continues to weaken due to the lower growth of industrialised nations and emerging markets. The slowdown in domestic demand and trade has even affected the toughest economies. In fact, GDP in China has fallen in nine consecutive months. The development of Brazil and India is also below expectations with respect to the forecasts at the end of the summer. Growth is also below expectations in the United States, Japan and the EMU Area. For the United States and the EMU Area, the cause is the direct consequence of the severe weakening of domestic demand, while in Japan, the fall in trade cut growth in GDP by 0.1%.

The slowdown in the Chinese economy reflects the weakness of foreign demand, exacerbated by the European crisis. Inflation also seems to signal less domestic pressure. Indian GDP increased by +3.9% YoY in the second quarter, compared to +5.6% in the previous quarter, but despite this slowdown prices continue to rise. The deceleration in GDP in Brazil too was very marked, where inflation remains stable however at 5.4%. By contrast, Russia continues to register solid growth rates and, consumer prices, after reaching a low, started to rise again.

In Japan, GDP figures in the second quarter showed a slowdown, with a freeze in growth in consumption, while public and private investments sustained domestic demand.

In the United States, Government debt is slowly increasing, especially primary debt, which will last until 2015. Government debt is already close to 100% and is expected to draw near to 110% at the end of 2015. Fiscal policy will continue to remain restrictive so much so that US growth has been revised downwards by 0.40% due to the increasingly more real fear of the start of a "fiscal cliff" that will lead, in 2013, to an increase in rates and will cost households and businesses roughly 3% of GDP. In the second quarter of 2012, the US economy grew by +1.3%, confirming the difficulty in returning to levels of growth capable of filling the output gap caused by the crisis. Monetary policy continues to remain extremely lenient: policy rates almost at zero, but also measures aimed at guaranteeing that the prices of medium/long-term debts incorporate the expectations of maintaining the policy rate close to zero even in the long-term. The Fed's policy rate is expected to be 0.25% until 2015. The unemployment rate still remains high, even though it has fallen in recent months. The slight decrease in unemployment also discounts the discouragement effect. In fact, the employment rate continues to hover around 58.7%, a decidedly lower value than the average recorded in the 2002-2007 period. Consumer inflation remains low.

With reference to the EMU area, the vicious circle between the persistence of the sovereign debt crisis and the negative effects on economic growth requires the main economies, with the exception of Germany, to adopt additional restrictive measures to reach the balanced budget objective. The nature of the provisions primarily affects the formation of household disposable income with adverse effects on consumer spending. All this translates to stagnation in consumption, whose decrease will be sharper than that recorded in the 2008-2009 two-year period and which, however, will persist at low levels for longer periods. In order to avoid a more profound decrease than the one in 2009, Germany is contributing, representing the only country in which employment conditions are starting to improve, with a subsequent positive impact on household consumption. In the Eurozone, monetary policy will continue to remain moderately expansive; between December and January, the main refinancing rate is expected to be cut by a further 0.25%. In said context, in which European weakness is contrast with the more accommodating monetary policies of Japan and the United States, the interbank market is finding it difficult to get going again with market rates still below the refinancing rate. Figures for the second quarter of 2012 confirm a decrease of 0.7% YoY. GDP in France also recorded a drop of 0.1% on an annualised quarterly basis; German GDP is up, although slowing slightly. Industrial production throughout the Eurozone fell by 2.6%, with more or less marked decreases depending on the country. Retail sales in the Eurozone fell by 1.1% on a trend

basis, and the business and consumer confidence indexes decreased further. By contrast, inflation increased slightly.

The recession in Italy will be more severe than was forecast during the summer. The worsening in the situation in 2012 was driven primarily by the downward revision of consumption (-3.7%) and investments (-8.9%). As regards consumption, many factors adversely impacted this component of total demand. Firstly, disposable income continues to fall and this trend is affected by the high unemployment rate, stagnation in salaries, the performance of the property and financial market and the rate of inflation which now hovers permanently above 3%. The household and business confidence indexes are at extremely low levels. Lower growth worsens the main public finance ratios, with a debt/GDP ratio up to 126%.

In light of the scenario just outlined, Italian bank loans recorded a slight decrease in September 2012; loans to businesses and households fell by 2.6% YoY, compared to a European average of 0.7%. As regards the loan term, the short-term segment recorded a 5.5% decrease on a trend basis, while the medium- and long-term segment recorded a 1.5% drop. The analysis by business branch highlights, at the end of August 2012, that mineral extraction activities and services account for around 55% of the total, while manufacturing activities account for only 23.4%. The trend in loans is impacted by the sharp decrease in gross fixed investments which, in the second quarter, saw roughly an 8% decrease on a YoY basis. Interest rates on loans fell slightly, remaining at consistently low values. At the end of August, gross non-performing loans came to Euro 116 billion, marking an increase of 15.6% YoY. Net non-performing loans rose by 20.7% YoY. The net non-performing loans/total loans ratio stood at 3.41%, compared to 2.83% in August 2011.

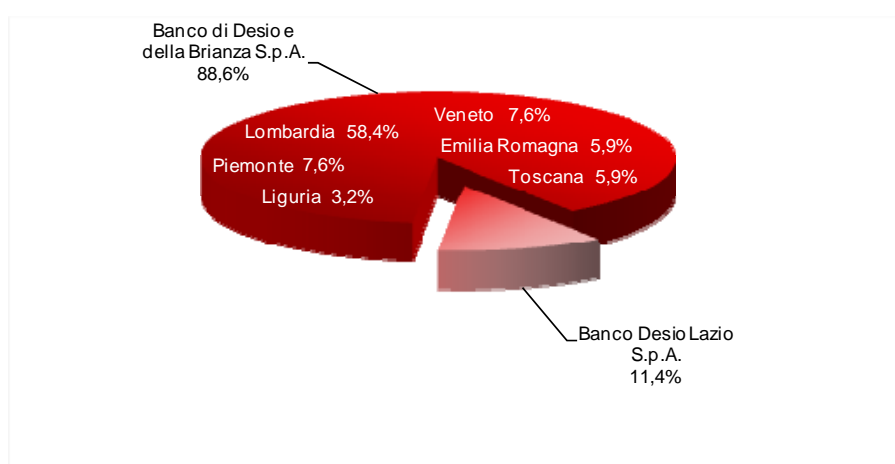
In terms of deposits, the early estimates seem to indicate, for September 2012, a slight recovery in customer deposits, which increased by 0.6% YoY, compared to a decrease of 0.2% at the end of August 2012. More specifically, deposits from resident customers registered a 4.7% increase on a trend basis, the most sustained figure since March 2010.

The Group's distribution network

The Group's distribution network, present in Lombardy, Emilia Romagna, Piedmont, Liguria, Tuscany, Veneto and Lazio, includes a total of 185 branches as at the end of the third quarter of the year, made up of 164 Banco di Desio e della Brianza S.p.A. branches and 21 branches of subsidiary Banco Desio Lazio S.p.A., maintaining the same dimensional structure and regional presence as at the end of 2011 within a difficult macroeconomic scenario.

The chart below shows the percentage breakdown of the distribution network by bank and region.

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



Major corporate events

The main significant corporate events which occurred in the third quarter of the year are shown below.

Subsidiary Credito Privato Commerciale S.A. in liquidation

On 19 July 2012, the Parent Company's Board of Directors, as also communicated to the market, acknowledged the winding up proceedings of Swiss subsidiary Credito Privato Commerciale S.A. and the results of an initial balance sheet estimate relating to the opening of said proceedings presented by liquidator Ernst & Young SA, which highlighted forecast future expenses, relating mainly to technical and administrative costs, and contingent liabilities, which presumably will be incurred gradually over a period of 5-7 years, as such to determine a specific payment of around Euro 41.7 million in order to ensure CPC's continuation of the proceedings in compliance with the equity requirements set forth by Swiss regulatory legislation. This payment was made by the Parent Company on 26 July 2012 in accordance with the instructions and methods set out by FINMA (Swiss Financial Market Supervisory Authority), initially structured into a non-interest bearing subordinated loan, to be transformed into a share capital increase following the expected transfer of the equity investment in CPC S.A. in liquidation from Brianfid-Lux S.A. to the Parent Company.

At the same time, the Parent Company's Board of Directors resolved, in line with the timescales set forth by the legal systems, to reallocate the equity investment in CPC S.A. in liquidation, bringing it under the direct control of the Parent Company, which subsequently took place on 4 October 2012.

The application of the international accounting standards (IAS/IFRS) adopted by the Banco Desio Group to draft the consolidated financial statements had a negative impact on the income statement of this consolidated interim

report on operations, amounting to roughly Euro 15.5 million (item “Value adjustments to goodwill”), corresponding to the elimination of the value of goodwill in CPC S.A..

At individual Parent Company level however, it should be noted that, in application of the international accounting standards (IAS/IFRS) adopted by the Banco Desio Group, the financial situation reflects the negative impact of roughly Euro 31.1 million (item “Profit/(losses) on equity investments”), corresponding to the valuation of the impairment (full) of the equity investment held via the direct subsidiary Brianfid-Lux S.A. and the commitment already assumed for the part of the payment, outlined above, in the assumption that it can no longer be fully recovered.

The table in the paragraph below “Shareholders’ equity and capital adequacy”, which reconciles shareholders’ equity and profit for the period pertaining to the Parent Company with the consolidated figures as at 30 September 2012, also highlights the equity and economic effects related to the liquidation of the Swiss subsidiary on the figures of the Parent Company at individual level, as well as the equity and economic effects of the consolidation of said subsidiary on Group figures; it should be pointed out that, given that the final balance of the first few months of the liquidation is essentially in line with the forecasts, at the current state of play, no further increase in costs is forecast relating to the winding up operation.

Legal investigations

- *Parent Company: filing, by the Public Prosecutor’s Office of Monza, of the investigation file against the Chairman and former manager of the Institution*

With reference to Criminal Proceedings no. 10490/11 at the Public Prosecutor’s Office of Monza, in September the Judge for Preliminary Investigations upheld the request filed by the P.M. (Public Prosecutor’s Office of Monza) for the filing of the legal investigation opened in due course for the conspiracy to commit a crime (art. 416 of the Italian Criminal Code) and money laundering (art. 648-bis of the Italian Criminal Code) against the Chairman, the former Managing Director and the former General Manager.

- *Banco Desio Lazio S.p.A. and Credito Privato Commerciale S.A.: postponement to 11 January 2013 of the preliminary hearing in the criminal proceedings at the Public Prosecutor’s Office of Rome*

With reference to Criminal Proceedings no. 22698/08 at the Public Prosecutor’s Office of Rome – regarding the subsidiaries Banco Desio Lazio S.p.A. and Credito Privato Commerciale S.A. (the latter currently in liquidation) pursuant to Legislative Decree 231/2001 which governs the administrative liability of legal entities as regards offences committed by their representatives and/or employees – the Preliminary Hearing Judge, on 5 October, put said hearing back to 11 January 2013.

Capital strengthening of the subsidiary Chiara Assicurazioni S.p.A.

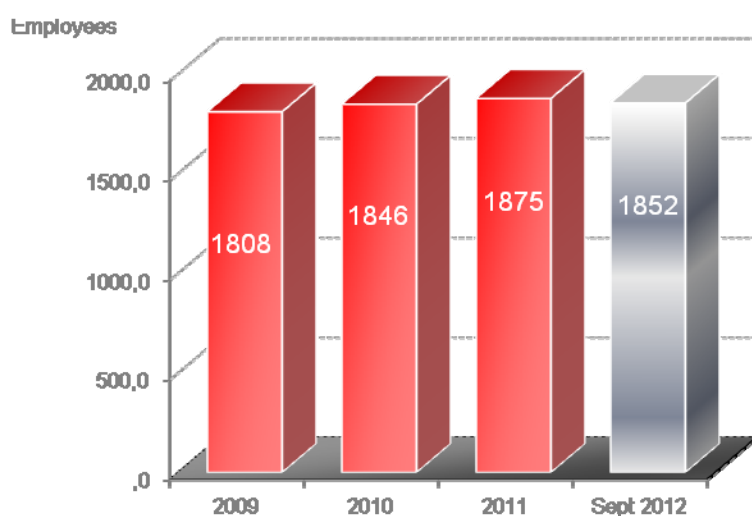
On 20 March 2012, the Parent Company’s Board of Directors approved the proposed capital strengthening of subsidiary Chiara Assicurazioni S.p.A., targeted at grasping the market opportunities for developing the company, totalling Euro 3 million (increase from roughly Euro 13 million to Euro 16 million in shareholders’ equity as at 31 December 2011), through the payment on account of capital, non-interest bearing and with no maturity; this capital strengthening operation, given it is to be effected for each shareholder in proportion to the amount of share capital held, determined a disbursement of Euro 2 million for the Parent Company as at 30 March 2012. The Extraordinary Shareholders’ Meeting of the subsidiary then resolved, on 22 October 2012, the actual free share capital increase for the same amount, through the transfer of the shareholder payment reserve to share capital, subject to the authorisation of ISVAP.

Human resources

As at 30 September 2012, the Group employed 1,852 staff members, 23 employees less (equal to 1.2%) than the final headcount at the end of the previous year.

The trend in the workforce over recent years is shown in the chart below.

Chart no. 2 - CHANGE IN THE GROUP STAFF NUMBERS IN THE LAST FEW YEARS



The table below shows details of employees by grade at the end of the third quarter of the year compared with the situation at the end of 2011.

Table no. 1 - GROUP STAFF: BREAKDOWN BY GRADE

No. of employees	30.09.2012		31.12.2011		Change	
	No. of employees	Percentage breakdown	No. of employees	Percentage breakdown	Value	%
Executives	36	2,0%	38	2,0%	-2	-5,3%
3rd and 4th level managers	434	23,4%	444	23,7%	-10	-2,3%
1st and 2nd level managers	495	26,7%	500	26,7%	-5	-1,0%
Other personnel	887	47,9%	893	47,6%	-6	-0,7%
Group Staff	1.852	100,0%	1.875	100,0%	-23	-1,2%

Management performance

Savings deposits: administered customer assets

Total administered customer assets increased at the end of the third quarter to around Euro 18 billion, an overall rise of roughly Euro 0.1 billion over the end of 2011, with an increase in both direct and indirect deposits, despite the latter feeling the effects of the reduction in volumes relating to the subsidiary CPC S.A. in liquidation, amounting to approximately Euro 0.2 billion.

Changes in the balances of items in the period under analysis are shown in the table below.

Table no. 2 - TOTAL DEPOSITS FROM CUSTOMERS

Amounts in thousands of Euros	30.09.2012	Percentage breakdown	31.12.2011	Percentage breakdown	Change	
					Value	%
Amounts due to customers	4.927.991	27,4%	4.347.706	24,3%	580.285	13,3%
Securities issued and financial liabilities at fair value through profit or loss	2.167.840	12,1%	2.696.584	15,1%	-528.744	-19,6%
Direct deposits	7.095.831	39,5%	7.044.290	39,4%	51.541	0,7%
Deposits from ordinary customers	7.610.602	42,3%	7.717.007	43,2%	-106.405	-1,4%
Deposits from institutional customers	3.272.826	18,2%	3.104.710	17,4%	168.116	5,4%
Indirect deposits ⁽¹⁾	10.883.428	60,5%	10.821.717	60,6%	61.711	0,6%
Total deposits from customers ⁽¹⁾	17.979.259	100,0%	17.866.007	100,0%	113.252	0,6%

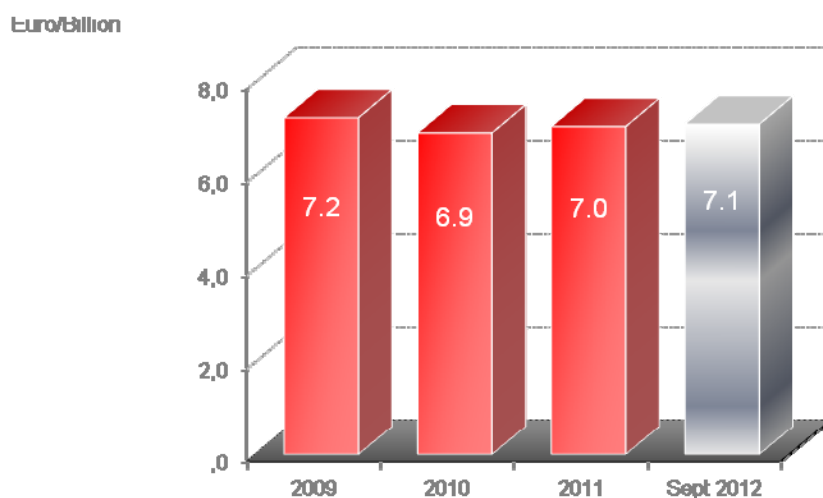
⁽¹⁾ despite the decrease in volumes relating to the subsidiary CPC S.A. in liquidation, amounting to around Euro 200 million

Direct deposits

Direct deposits increased to Euro 7.1 billion as at 30 September 2012, marking an increase of around Euro 50 million compared to the figure at the end of 2011, due to the push from amounts due to customers, partially rectified by the decrease in securities issued and financial liabilities designated at fair value.

The performance of direct deposits over the last few years is shown graphically below.

Chart no. 3 - DIRECT DEPOSITS: THE TREND OVER THE LAST FEW YEARS



Indirect deposits

Total indirect deposits registered growth of around Euro 60 million in the period, equal to 0.6% of the balance at the end of the previous year, reaching around Euro 10.9 billion in total volumes. This result, achieved in a difficult macroeconomic scenario and against the backdrop of instability in the financial markets, takes account, however, of the reduction in volumes relating to the subsidiary CPC SA in liquidation amounting to around Euro 0.2 billion, linked to ordinary customer deposits.

The table below gives the details of the items in question, showing the variations reported in the nine months considered.

Table no. 3 - INDIRECT DEPOSITS

Amounts in thousands of Euros	30.09.2012	Percentage breakdown	31.12.2011	Percentage breakdown	Changes	
					Value	%
Asset administration	4.263.269	39,2%	4.335.692	40,1%	-72.423	-1,7%
Asset management	3.347.333	30,7%	3.381.315	31,2%	-33.982	-1,0%
<i>of which: Mut. Fund and Open-end Inv.</i>	766.977	7,0%	815.585	7,5%	-48.608	-6,0%
<i>Portfolio management</i>	344.555	3,2%	459.571	4,2%	-115.016	-25,0%
<i>Bank Insurance</i>	2.235.801	20,5%	2.106.159	19,5%	129.642	6,2%
Deposits from ordinary customers	7.610.602	69,9%	7.717.007	71,3%	-106.405	-1,4%
Deposits from institutional customers	3.272.826	30,1%	3.104.710	28,7%	168.116	5,4%
Indirect deposits ⁽¹⁾	10.883.428	100,0%	10.821.717	100,0%	61.711	0,6%

⁽¹⁾ despite the decrease in volumes relating to the subsidiary CPC S.A. in liquidation, amounting to around Euro 200 million

The chart below reports the breakdown by segment of the indirect deposits from ordinary customers at the end of the third quarter of the year, while the subsequent chart focuses on the components of managed assets in the same period, showing that the life bank insurance segment accounts for the main share, equal to two thirds.

Chart no. 4 - INDIRECT DEPOSITS FROM ORDINARY CUSTOMERS BY SECTOR AS AT 30.09.2012: BREAKDOWN

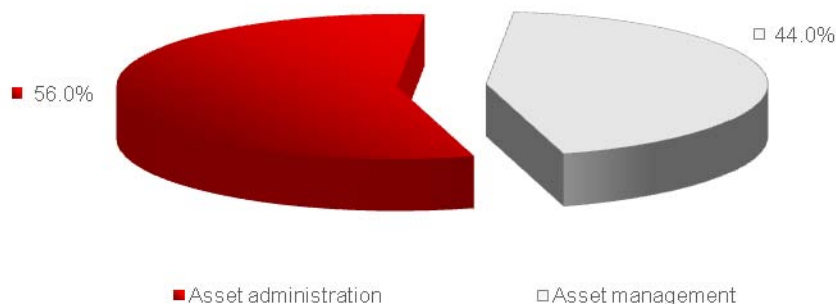
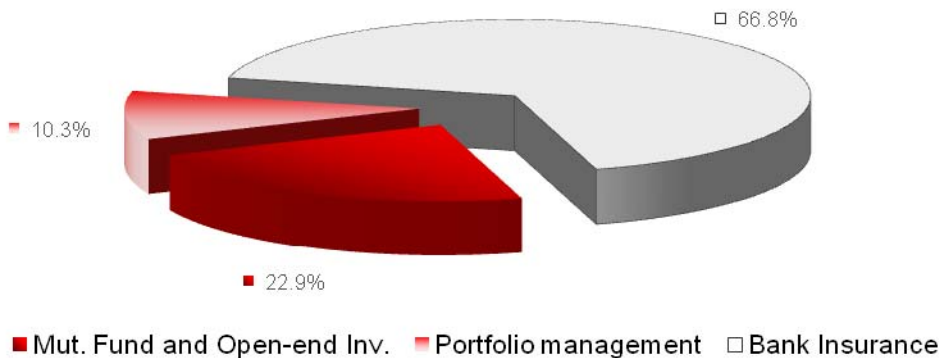


Chart no. 5 - INDIRECT DEPOSITS BY ASSET MANAGEMENT COMPONENTS AS AT 30.09.2012: BREAKDOWN

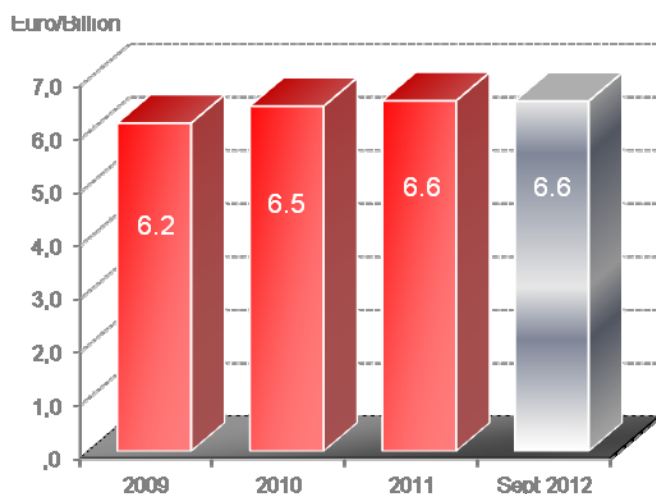


Loans to customers

In relation to the continuous slowdown in loan applications at banking system level, customer credit activity has maintained a total loan value at the end of the third quarter which is essentially in line with the final balance in 2011, standing at Euro 6.6 billion (-0.1%), of which Euro 0.1 billion due to Cassa di Compensazione e Garanzia ('Clearing House').

The chart below shows the trend in net loans to customers over recent years, which corresponds to an average annual composite rate of growth of 2.4% from 2010.

Chart no. 6 - LOANS TO CUSTOMERS: THE TREND OVER THE LAST FEW YEARS



As regards the distribution of gross loans, including endorsement loans, the percentage uptakes by the largest customers at the end of the third quarter of the year presents an even higher degree of risk spreading compared to the figures at the end of 2011, as shown in the table below.

Table no. 4 - AMOUNTS DUE FROM LARGEST CUSTOMERS: CONCENTRATION INDEX

No. of customers ^{(1) (2)}	30.09.2012	31.12.2011
10 largest customers	1,5%	2,2%
20 largest customers	2,5%	3,3%
30 largest customers	3,3%	4,2%
50 largest customers	4,6%	5,6%

⁽¹⁾ relating to the Parent Company and to the subsidiary Banco Desio Lazio S.p.A.;

⁽²⁾ net of loans to Cassa di Compensazione e Garanzia (clearing house) of Euro 102 million as at 30.09.2012.

At the end of the third quarter the total amount of net impaired loans, represented by non-performing loans, problem loans, restructured loans and expired loans, i.e. breaches relating to the persistent failure to comply with credit limits, amounted to Euro 398.1 million, net of value adjustments of Euro 148.3 million. Specifically, net non-performing loans amounted to Euro 170.5 million, net problem loans to Euro 136.8 million, restructured loans to Euro 3.6 million and expired loans to Euro 87.1 million.

The table below summarises the gross and net ratios relating to loan riskiness, highlighting a general increase in values with respect to those recorded at the end of the previous year, as a natural repercussion of the persistent economic crisis.

Table no. 5 - AMOUNTS DUE FROM CUSTOMERS: CREDIT RISK INDICATORS

% Indexes for gross loans	30.09.2012	31.12.2011
Gross impaired loans to customers	8,09%	5,62%
of which:		
- gross non-performing loans	4,00%	3,01%
- gross problem loans	2,69%	2,01%
- gross restructured loans	0,06%	0,06%
- gross expired loans	1,34%	0,54%
<hr/>		
% indexes for net loans	30.09.2012	31.12.2011
Gross impaired loans to customers	6,06%	4,07%
of which:		
- net non-performing loans	2,59%	1,89%
- net problem loans	2,08%	1,59%
- net restructured loans	0,06%	0,06%
- net expired loans	1,33%	0,53%

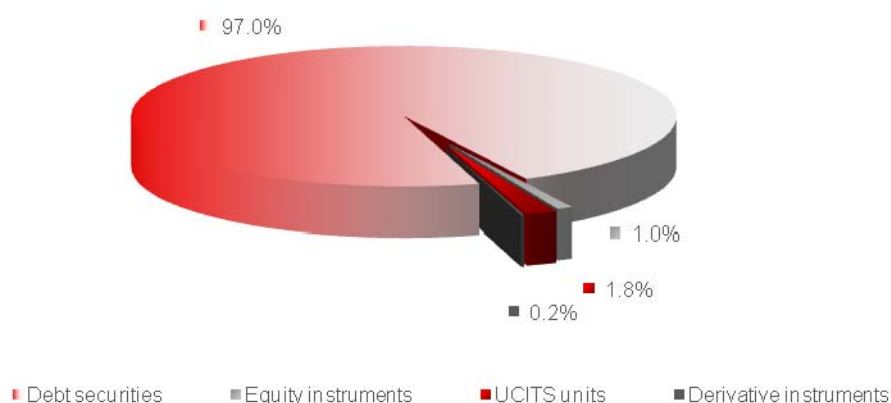
The securities portfolio and interbank position

The securities portfolio

As at 30 September 2012 the Group's total financial assets stood at a value of Euro 1.3 billion, an increase of around Euro 0.2 billion compared to the final figure of the same period in the previous year.

The chart below presents the percentage breakdown of the portfolio based on the types of securities, showing that the largest proportion is represented by debt securities which, including securities used in reverse repurchases agreements (liabilities) with customers and banks, accounts for 97% of total investments.

Chart no. 7 - FINANCIAL ASSETS AT 30.09.2011: PERCENTAGE BREAKDOWN BY TYPE OF SECURITY



The net interbank position

The Group's net interbank position as at 30 September 2012 was negative for roughly Euro 0.1 billion, remaining close to the position of equilibrium recorded at the end of the previous year.

Shareholders' equity and capital adequacy

Shareholders' equity attributable to the Parent Company as at 30 September 2012, including the profit of the period, amounted to a total of Euro 799.9 million, an increase of Euro 29 million with respect to the final figure recorded in 2011.

The statement of reconciliation between shareholders' equity and profit for the period pertaining to the Parent Company and the corresponding consolidated figures as at 30 September 2012 is shown below, also outlining the equity and economic effects relating to the liquidation of the Swiss subsidiary CPC SA, referred to in a specific point of the previous paragraph "Major corporate events", on the Parent Company's individual data, as well as the equity and economic effects of the consolidation of said subsidiary on the Group's figures.

The different negative impact of the placement of C.P.C. SA into liquidation in the separate financial statements of the Parent Company with respect to the consolidated financial statements, is the legitimate result of the application also to the Swiss subsidiary of the international accounting standards (IAS/IFRS) adopted by the Banco Desio Group, consistent with the going concern assumption, for the preparation of consolidated financial disclosures; in other words, the negative effects of the liquidation of C.P.C. SA are reflected in the individual situation of the Parent Company as at 30 September 2012, amounting to around Euro 31.1 million (item "Profits/(losses) on equity investments"), corresponding to the sustaining of the subsidiary's losses that are

currently foreseeable over the course of the liquidation, while these will gradually be reflected in the Group's consolidated financial reports as events occur during the period in which said proceedings take place.

Table no. 6 - RECONCILIATION BETWEEN PARENT COMPANY'S SHAREHOLDERS' EQUITY AND PROFIT (LOSS) FOR THE PERIOD AND CONSOLIDATED DATA AT 30.09.2012

<i>Amounts in thousands of Euros</i>	Shareholder's equity	of which Profit/(loss) for the period
Balances of Parent Company's accounts as at 30 September 2012 before effect of liquidation of CPC SA	783.026	25.833
<i>Effect of liquidation of CPC SA</i>	-31.051	-31.051
Balances of Parent Company's accounts at 30 September 2012	751.975	-5.218
Effect of consolidation of subsidiaries other than CPC SA	15.027	5.413
Effect of consolidation of subsidiary CPC SA	22.755	10.715
- of which relating to consolidation reserves and the result for the period	7.201	-4.839
- of which relating to the write-off of the effect of the liquidation of CPC SA in the Parent Company's accounts	31.051	31.051
- of which relating to the cancellation of the value of goodwill in CPC SA	-15.497	-15.497
Effect of valuation of associates at equity	10.190	3.162
Other intercompany variations	-	-2.602
Balances of consolidated accounts at 30 September 2012	799.947	11.470

As at 30 September 2012, the equity calculated according to the regulatory legislation in force amounted to Euro 794.8 million (Euro 728.9 million as at December 2011) and is comprised of tier 1 capital of Euro 723.6 million and tier 2 capital of Euro 88.6 million for revaluation reserves and subordinated liabilities, both net of elements to be deducted for equity investments in financial and insurance bodies. Additional items to be deducted amounted to Euro 17.4 million and these refer to equity investments in insurance bodies.

The tier 1 capital ratio, representing the ratio of core capital to risk-weighted assets, stood at 11.8%, up compared to 10.7% at the end of 2011, and in fact, coincides with the Core Tier 1 ratio, while the total capital ratio, corresponding to the ratio of total capital to risk-weighted assets, increased to 13.0%, compared to 11.8% in the period under comparison.

Reclassified income statement

A reclassified Income Statement has been prepared (as compared with the layout in the *Consolidated Interim Financial Statements*) in order to provide a overview 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 criteria for drafting the statement are summarised below.

- 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 available-for-sale financial assets (item 100), other operating income and expenses (item 220) and the balance of other income/charges from insurance activities (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/(losses) on equity investments in associates";
- the balance of item 100 (a), "Net profits(losses) on disposal/repurchase of receivables" in "Operating income" was reclassified in special item "Net profit/(losses) on disposal/repurchase 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";
- provisions/uses of provisions for risks for extraordinary transactions are reclassified from item 190, "Net provisions for risks and charges", to item "Provisions for risks and charges on extraordinary transactions";
- the tax effect on Profits/(losses) from non-recurring operations is reclassified from item 290, "Taxes for the period on income from continuing operations" to the item "Taxes for the period on income from non-recurring operations".

As outlined in the table below, which shows the reclassified income statement in comparison with the one for the previous period, the third quarter of the year closed with a profit for the year pertaining to the Parent Company of around Euro 11.5 million, considering the negative impact of roughly Euro 15.5 million due to the elimination of the value of goodwill in Swiss subsidiary CPC SA in liquidation, as previously illustrated in the specific point in the paragraph "Major corporate events".

Table no. 7 - RECLASSIFIED INCOME STATEMENT

Captions <i>Amounts in thousands of Euros</i>		30.09.2012	30.09.2011	Changes	
				Value	%
10+20	Net interest income	151.862	151.500	362	0,2%
70	Dividends and similar income	48	37	11	29,7%
	Profits/(losses) on equity investments in associates	3.162	1.573	1.589	101,0%
40+50	Net fees and commissions	81.892	87.676	-5.784	-6,6%
80+90+100+	Net profits/(losses) on trading activities, hedging activities and disposal/repurchase activities and financial assets/liabilities at fair value through profit or loss	23.663	3.702	19.961	539,2%
110					
150+160	Net income from insurance activities	9.974	8.932	1.042	11,7%
220	Other operating income and expenses	5.421	6.762	-1.341	-19,8%
	Operating income	276.022	260.182	15.840	6,1%
180 a	Personnel expenses	-114.527	-114.436	-91	0,1%
180 b	Other administrative expenses	-51.809	-47.122	-4.686	9,9%
200+210	Net adjustments/w rite-backs to tangible/intangible assets	-8.887	-8.331	-556	6,7%
	Operating costs	-175.222	-169.889	-5.333	3,1%
	Operating margin	100.800	90.293	10.507	11,6%
	Net profits/(losses) on disposal/repurchase of receivables	0	-251	251	-100,0%
130 a	Net impairment losses on loans	-52.693	-17.897	-34.796	194,4%
130 d	Net impairment losses on other financial transactions	-436	-151	-285	188,7%
190	Net provisions for risks and charges	-1.994	-840	-1.154	137,3%
	Profits/(losses) before taxes from continuing operations	45.677	71.154	-25.477	-35,8%
290	Taxes for the period on income from continuing operations	-23.637	-30.107	6.470	-21,5%
	Profits/(losses) after taxes from continuing operations	22.040	41.047	-19.007	-46,3%
240+270	Profits (losses) on equity investments and on disposal of investments	0	2	-2	-100,0%
260	Value adjustments to goodwill	-15.497	0	-15.497	
	Provisions for risks and charges on extraordinary transactions	4.900	7.700	-2.800	-36,4%
	Profits/(losses) before taxes from non-recurring operations	-10.597	7.702	-18.299	-237,6%
	Taxes for the period on income from non-recurring operations	729	0	729	
	Profits/(losses) after taxes from non-recurring operations	-9.868	7.702	-17.570	-228,1%
320	Net Profit/(loss) for the period	12.172	48.749	-36.577	-75,0%
330	Profit/(loss) for the period attributable to minority interests	-702	-702	0	0,0%
340	Parent Bank net profit/(loss)	11.470	48.047	-36.577	-76,1%

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

Table no. 8 - RECONCILIATION BETWEEN FINANCIAL STATEMENT AND RECLASSIFIED INCOME STATEMENT AS AT 30.09.2012

Captions	From the financial statement	Reclassifications							Reclassified statement
		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	Taxes on income	
<i>Amounts in thousands of Euros</i>	30.09.2012								30.09.2012
10+20	Net interest income	152.989	-1.127						151.862
70	Dividends and similar income	48							48
	Profits/(losses) on equity investments in associates			3.162					3.162
40+50	Net fees and commissions	81.892							81.892
80+90+100	Net profits/(losses) on trading activities, hedging activities and disposal/repurchase activities and financial assets/liabilities at fair value through profit or loss	23.662	11				0		23.663
+110									
150+160	Net income from insurance activities	8.888	1.086						9.974
220	Other operating income and expenses	12.282	30	-8.915	2.025				5.421
	Operating income	279.751	0	-8.915	3.162	2.025	0	0	276.022
180 a	Personnel expenses	-114.527							-114.527
180 b	Other administrative expenses	-60.724		8.915					-51.809
200+210	Net adjustments/write-backs to tangible/intangible assets	-6.862			-2.025				-8.887
	Operating costs	-182.113	0	8.915	0	-2.025	0	0	-175.222
	Operating margin	97.638	0	0	3.162	0	0	0	100.800
	Net profits/(losses) on disposal/repurchase of receivables						0		0
130 a	Net impairment losses on loans	-52.408					-285		-52.693
130 d	Net impairment losses on other financial transactions	-436							-436
190	Net provisions for risks and charges	2.621					-4.615		-1.994
	Profits/(losses) before taxes from continuing operations	47.415	0	0	3.162	0	0	-4.900	45.677
230	Taxes for the period on income from continuing operations	-22.908						-729	-23.637
	Profits/(losses) after taxes from continuing operations	24.507	0	0	3.162	0	0	-4.900	22.040
240+270	Profits (losses) on equity investments and on disposal of investments	3.162		-3.162					0
260	Value adjustments to goodwill	-15.497							-15.497
	Provisions for risks and charges on extraordinary transactions						4.900		4.900
	Profits/(losses) before taxes from non-recurring operations	-12.335	0	0	-3.162	0	0	4.900	-10.597
	Taxes for the period on income from non-recurring operations							729	729
	Profits/(losses) after taxes from non-recurring operations	-12.335	0	0	-3.162	0	0	4.900	-9.868
320	Net Profit/(loss) for the period	12.172	0	0	0	0	0	0	12.172
330	Profit/(loss) for the period attributable to minority interests	-702							-702
340	Parent Bank net profit/(loss)	11.470	0	0	0	0	0	0	11.470

Table no. 9 - RECONCILIATION BETWEEN FINANCIAL STATEMENT AND RECLASSIFIED INCOME STATEMENT AS AT 30.09.2011

Captions	From the financial statement 30.09.2011	Reclassifications							Reclassified statement 30.09.2011
		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	Taxes on income	
10+20 Net interest income	152.420	-920							151.500
70 Dividends and similar income	37								37
Profits/(losses) on equity investments in associates				1.573					1.573
40+60 Net fees and commissions	87.676								87.676
80+90+100 Net profits/(losses) on trading activities, hedging activities and disposal/repurchase activities and financial assets/liabilities at fair value									
+110 through profit or loss	3.451	0				251			3.702
150+160 Net income from insurance activities	8.028	904							8.932
220 Other operating income and expenses	13.215	16	-8.577		2.108				6.762
Operating income	264.827	0	-8.577	1.573	2.108	251	0	0	260.182
180 a Personnel expenses	-114.436								-114.436
180 b Other administrative expenses	-55.699		8.577						-47.122
200+210 Net adjustments/write-backs to tangible/intangible assets	-6.223				-2.108				-8.331
Operating costs	-176.358	0	8.577	0	-2.108	0	0	0	-169.889
Operating margin	88.469	0	0	1.573	0	251	0	0	90.293
Net profits/(losses) on disposal/repurchase of receivables						-251			-251
130 a Net impairment losses on loans	-17.136						-761		-17.897
130 d Net impairment losses on other financial transactions	-151								-151
190 Net provisions for risks and charges	6.099						-6.939		-840
Profits/(losses) before taxes from continuing operations	77.281	0	0	1.573	0	0	-7.700	0	71.154
290 Taxes for the period on income from continuing operations	-30.107								-30.107
Profits/(losses) after taxes from continuing operations	47.174	0	0	1.573	0	0	-7.700	0	41.047
240+270 Profits (losses) on equity investments and on disposal of investments	1.575			-1.573					2
260 Value adjustments to goodwill	-								0
Provisions for risks and charges on extraordinary transactions							7.700		7.700
Profits/(losses) before taxes from non-recurring operations	1.575	0	0	-1.573	0	0	7.700	0	7.702
Taxes for the period on income from non-recurring operations								0	0
Profits/(losses) after taxes from non-recurring operations	1.575	0	0	-1.573	0	0	7.700	0	7.702
320 Net Profit/(loss) for the period	48.749	0	0	0	0	0	0	0	48.749
330 Profit/(loss) for the period attributable to minority interests	-702								-702
340 Parent Bank net profit/(loss)	48.047	0	0	0	0	0	0	0	48.047

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

Operating income

Ordinary operating revenues recorded an increase of 6.1% compared with the period used for comparison, rising to Euro 276 million. The positive performance is attributable to: (i) *net interest income* which, amounting to Euro 151.9 million, accounts for 55% of the total and recorded an increase of Euro 0.4 million (+0.2%), (ii) *net profits/(losses) on trading activities, hedging activities and disposal/repurchase of receivables, financial assets and liabilities*, up Euro 20 million, (iii) *profit on equity investments in associates* amounting to Euro 1.6 million, attributable mainly to the higher share of profit for the period relating to the associate Chiara Vita S.p.A., (iv) the growth of Euro 1 million in the *net profit from insurance activities*; vice versa, lower contributions were recorded, partially adjusting these increases: (i) *net fees and commissions* totalling Euro 5.8 million (down 6.6%), and (ii) the item *other operating income/expenses* of Euro 1.3 million.

Operating costs

Total operating costs, which include personnel expenses, other administrative expenses and net adjustments/write-backs to tangible/intangible assets, came to Euro 175.2 million, an increase of 3.1%; the growth is primarily due to other administrative expenses and, in particular, the effects of the increase in the size of the Group's distribution structure at the end of 2011, as well as expenses for professional services provided by third parties.

Operating income

The operating income at the end of the third quarter of the year, as a result, totalled Euro 100.8 million, marking an increase of 11.6% compared to the same period in the previous year, i.e. Euro 10.5 million.

Profits/(losses) after taxes from continuing operations

The weight of *net impairment losses on loans*, amounting to Euro 52.7 million, with higher adjustments of Euro 34.8 million compared to those in the period under comparison, *net impairment losses on other financial transactions* of Euro 0.4 million, *net provisions for risks and charges* of Euro 2 million, as well as *taxes for the period on income from continuing operations*, totalling Euro 23.6 million, led to operating profit after taxes of Euro 22 million, down 46.3% compared to the third quarter of 2011.

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

The item *Profits/(losses) after taxes from non-recurring operations* is made up of a total loss of Euro 9.9 million, comprised of the negative impact of around Euro 15.5 million deriving from the elimination of the value of goodwill in the Swiss subsidiary CPC S.A. in liquidation, due to the effect of the transaction highlighted previously in the paragraph "Major corporate events", and the positive effects of an additional partial release of Euro 4.9 million of the provision set aside at the end of 2008 to cover the risk of partial revision of the price collected on the sale of 70% of Chiara Vita S.p.A. by the Parent Company, as contractually provided for at the end of the company's business plan (2012), and Euro 0.7 million from the tax redemption, pursuant to art. 15, paragraph 10 of Decree Law 185/2008, of the goodwill recorded by the Parent Company under Balance sheet assets in respect of the merger by incorporation of Banco Desio Toscana S.p.A..

Vice versa, in the third quarter of the previous year, *profits/(losses) after taxes from non-recurring operations* recorded a profit of Euro 7.7 million, relating exclusively to the partial release of said provision set aside at the end of 2008 to cover the risk of partial revision of the price collected on the sale of 70% of Chiara Vita S.p.A..

Parent Bank net profit

The *profits/(losses) after taxes from continuing operations* and the *profits/(losses) after taxes from non-recurring operations*, net of the result attributable to minority interests of Euro 0.7 million, determine Parent Bank net profit of Euro 11.5 million. The result shows a decrease of Euro 36.6 million compared to September 2011 (-76.1%), of which Euro 17.6 million relating to the decrease attributable to non-recurring income after taxes.

Significant events after the reporting date

Brianfid-Lux SA: coverage of loss as at 30 September 2012 and start of liquidation proceedings

In October, the Extraordinary Shareholders' Meeting of the financial subsidiary Brianfid-Lux SA, following the write-down of the entire equity investment held in CPC SA due to its placement into liquidation, resolved the coverage of the loss totalling Euro 26.9 million through the reduction of share capital from Euro 27.9 million to Euro 4 million and, as regards the remainder of the loss, by using reserves.

Consistent with the strategic decision to focus its activities on domestic core business and restructure the Group's presence in Luxembourg, the Parent Company, having acknowledged the fact that the timescale for the sale of

Brianfid-Lux SA is not in line with the strategic objectives adopted, resolved the placement into voluntary liquidation of the Luxembourg subsidiary in the same month.

By contrast, Sicav (open-end investment company) management activities are still being carried out by Luxembourg company Rovere Société de Gestion SA, whose majority shareholding (70%) will be transferred directly from Brianfid-Lux SA to the Parent Company.

Other information

Rating

On 28 August 2012, international ratings agency Fitch Ratings, as part of the rating of several banks, revised downward the rating of Parent Bank Banco di Desio e della Brianza S.p.A. as shown below:

- Long Term Issuer Default Rating: "A-" to "BBB+"
- Short Term Issuer Default Rating: confirmed at "F2"
- Viability rating: "a-" to "bbb+"
- Support Rating: confirmed at "4"
- Support Rating Floor: confirmed at "B+"

The outlook remains negative due to the persistently weak expectations of the banking sector.

Despite this revision, the agency continues to consider the bank healthy, with a high degree of capitalisation, solid deposits and good asset quality.

Business outlook

The events which concerned the voluntary liquidation of Credito Privato Commerciale S.A. and the associated effects on this cash flow statement, as well as the economic picture which determined the absorption of significant loan adjustments, although partially covered by a positive trend in operations, show that the result for the year may highlight a certain gap with the forecasts set out in the 2012-2013 strategic plan.

With reference to the main risks and uncertainties, it should be pointed out that this consolidated interim report on operations as at 30 September 2012 was drafted in accordance with the assumption of the company as a going concern, as there are no reasons to suggest the opposite may be likely in the future.

The paragraph on the macroeconomic scenario described the trend in the global economy and the financial markets, from which the main related risks can be deduced, while checks on company operations as regards the various types of risk are included in the annual report on corporate governance, which has been made available on the Group's website, pursuant to art. 123-bis of TUF (Consolidated Law on Finance).

Desio, 8 November 2012

The Board of Directors
Banco di Desio e della Brianza S.p.A.

Consolidated interim financial statements as at 30 September 2012

Consolidated balance sheet

Assets		30.09.2012	31.12.2011	Change	
<i>Amounts in thousands of Euros</i>				Amount	%
10	Cash and cash equivalents	69.920	31.983	37.937	118,6
20	Financial assets held for trading	4.434	17.585	(13.151)	(74,8)
40	Available-for-sale financial assets	1.172.275	924.383	247.892	26,8
50	Held-to-maturity investments	153.646	124.626	29.020	23,3
60	Amounts due from banks	314.340	288.525	25.815	8,9
70	Amounts due from customers	6.573.097	6.580.450	(7.353)	(0,1)
80	Hedging derivatives	8.891	5.631	3.260	57,9
100	Equity investments	21.060	13.838	7.222	52,2
110	Technical reserves arising from reinsurance	8.077	6.931	1.146	16,5
120	Tangible assets	151.570	154.481	(2.911)	(1,9)
130	Intangible assets	30.588	46.496	(15.908)	(34,2)
	<i>of which: goodwill</i>	25.847	41.345	(15.498)	(37,5)
140	Tax assets	46.820	56.134	(9.314)	(16,6)
	<i>a) current</i>	5.088	3.897	1.191	30,6
	<i>b) deferred</i>	41.732	52.237	(10.505)	(20,1)
160	Other assets	96.359	108.732	(12.373)	(11,4)
Total Assets		8.651.077	8.359.795	291.282	3,5

Liabilities and shareholders' equity		30.09.2012	31.12.2011	Change	
<i>Amounts in thousands of Euros</i>				Amount	%
10	Amounts due to banks	450.189	267.998	182.191	68,0
20	Amounts due to customers	4.927.991	4.347.706	580.285	13,3
30	Securities issued	2.131.324	2.607.446	(476.122)	(18,3)
40	Financial liabilities held for trading	965	4.342	(3.377)	(77,8)
50	Financial liabilities at fair value through profit or loss	36.516	89.138	(52.622)	(59,0)
60	Hedging derivatives	4.810	2.684	2.126	79,2
80	Tax liabilities	22.018	17.358	4.660	26,8
	<i>a) current</i>	9.106	6.854	2.252	32,9
	<i>b) deferred</i>	12.912	10.504	2.408	22,9
100	Other liabilities	166.900	143.516	23.384	16,3
110	Reserve for employee termination indemnities	25.442	23.720	1.722	7,3
120	Reserves for risks and charges	35.810	41.982	(6.172)	(14,7)
	<i>a) pension and similar commitments</i>	221	185	36	19,5
	<i>b) other reserves</i>	35.589	41.797	(6.208)	(14,9)
130	Technical reserves	42.642	38.539	4.103	10,6
140	Valuation reserves	18.687	-14.576	33.263	(228,2)
170	Reserves	685.940	656.710	29.230	4,5
180	Share premium reserve	16.145	16.145	-	-
190	Share capital	67.705	67.705	-	-
210	Minority interests (+/-)	6.523	4.440	2.083	46,9
220	Net profit/(loss) for the period (+/-)	11.470	44.942	(33.472)	(74,5)
Total liabilities and shareholders' equity		8.651.077	8.359.795	291.282	3,5

Consolidated income statement

Income Statement				Change	
<i>Amounts in thousands of Euros</i>		30.09.2012	30.09.2011	Amount	%
10	Interest income and similar revenues	247.773	223.098	24.675	11,1
20	Interest expense and similar charges	(94.784)	(70.678)	(24.106)	34,1
30	Net interest income	152.989	152.420	569	0,4
40	Fee and commission income	92.587	103.528	(10.941)	(10,6)
50	Fee and commission expense	(10.695)	(15.852)	5.157	(32,5)
60	Net fees and commissions	81.892	87.676	(5.784)	(6,6)
70	Dividends and similar income	48	37	11	29,7
80	Net profits/(losses) on trading activities	2.854	855	1.999	233,8
90	Net profits/(losses) on hedging activities	(1.303)	(213)	(1.090)	511,7
100	Net profits/(losses) on disposal/repurchase of:	23.291	2.492	20.799	834,6
	<i>a) loans and receivables</i>	-	(251)	251	(100,0)
	<i>b) available-for-sale financial assets</i>	22.537	2.207	20.330	921,2
	<i>d) financial liabilities</i>	754	536	218	40,7
110	Net profit/(loss) on financial assets and liabilities at fair value through profit or loss	(1.190)	317	(1.507)	(475,4)
120	Net interest and other banking income (intermediation margin)	258.581	243.584	14.997	6,2
130	Net impairment losses on/w rite-backs to:	(52.844)	(17.287)	(35.557)	205,7
	<i>a) loans and receivables</i>	(52.408)	(17.136)	(35.272)	205,8
	<i>d) other financial transactions</i>	(436)	(151)	(285)	188,7
140	Net income from banking activities	205.737	226.297	(20.560)	(9,1)
150	Net insurance premiums	19.700	21.929	(2.229)	(10,2)
160	Balance of other income/charges arising on insurance management activities	(10.812)	(13.901)	3.089	(22,2)
170	Net result of financial and insurance activities	214.625	234.325	(19.700)	(8,4)
180	Administrative expenses:	(175.251)	(170.135)	(5.116)	3,0
	<i>a) personnel expenses</i>	(114.527)	(114.436)	(91)	0,1
	<i>b) other administrative expenses</i>	(60.724)	(55.699)	(5.025)	9,0
190	Net provisions for risks and charges	2.621	6.099	(3.478)	(57,0)
200	Net adjustments to the value of tangible assets	(5.250)	(5.135)	(115)	2,2
210	Net adjustments to the value of intangible assets	(1.612)	(1.088)	(524)	48,2
220	Other operating expenses/(income)	12.282	13.215	(933)	(7,1)
230	Operating expenses	(167.210)	(157.044)	(10.166)	6,5
240	Profits/(losses) on equity investments	3.162	1.573	1.589	101,0
260	Value adjustments to goodwill	(15.497)		(15.497)	
270	Profits/(losses) from disposal of investments	-	2	(2)	(100,0)
280	Profits/(losses) before taxes from continuing operations	35.080	78.856	(43.776)	(55,5)
290	Taxes for the period on income from continuing operations	(22.908)	(30.107)	7.199	(23,9)
300	Net profit/(loss) after tax from continuing operations	12.172	48.749	(36.577)	(75,0)
310	Profits/(losses) after taxes from non-current assets held for sale and discontinued operations	-	-	-	
320	Net profit/(loss) for the period	12.172	48.749	(36.577)	(75,0)
330	Profit/(loss) for the period attributable to minority interests	(702)	(702)	-	-
340	Parent Bank net profit/(loss)	11.470	48.047	(36.577)	(76,1)

Consolidated income statement - quarterly trend

Captions <i>Amounts in thousands of Euros</i>	3rd quarter 2012	2nd quarter 2012	1st quarter 2012	3rd quarter 2011	2nd quarter 2011	1st quarter 2011
10 Interest income and similar revenues	81.237	82.970	83.566	80.382	74.706	68.010
20 Interest expense and similar charges	(31.139)	(32.321)	(31.324)	(26.594)	(23.399)	(20.685)
30 Net interest income	50.098	50.649	52.242	53.788	51.307	47.325
40 Fee and commission income	30.259	32.910	29.413	34.704	36.876	31.948
50 Fee and commission expense	(3.842)	(4.104)	(2.749)	(4.596)	(7.166)	(4.090)
60 Net fees and commissions	26.417	28.806	26.669	30.108	29.710	27.858
70 Dividends and similar income	5	42	1	5	31	1
80 Net profits/(losses) on trading activities	1.836	(188)	1.206	(681)	108	1.428
90 Net profits/(losses) on hedging activities	(659)	(471)	(173)	(123)	6	(96)
100 Net profits/(losses) on disposal/repurchase of:	9.639	2.913	10.734	699	948	845
a) loans and receivables	-	-	-	(251)	-	-
b) available-for-sale financial assets	9.373	2.747	10.417	691	817	699
d) financial liabilities	266	171	317	259	131	146
110 Net profit/(loss) on financial assets and liabilities at fair value through profit or loss	1.108	275	(2.573)	1.192	(61)	(814)
120 Net interest and other banking income (intermediation margin)	88.444	82.031	88.106	84.988	82.049	76.547
130 Net impairment losses on/write-backs to:	(21.779)	(15.144)	(15.921)	(8.686)	(5.563)	(3.038)
a) loans and receivables	(21.359)	(15.139)	(15.910)	(8.664)	(5.372)	(3.100)
d) other financial transactions	(420)	(5)	(11)	(22)	(191)	62
140 Net income from banking activities	66.665	66.887	72.185	76.302	76.486	73.509
150 Net insurance premiums	5.298	6.553	7.849	6.328	7.655	7.946
160 Balance of other income/charges arising on insurance management activities	(2.179)	(3.945)	(4.688)	(3.942)	(4.737)	(5.222)
170 Net result of financial and insurance activities	69.784	69.495	75.346	78.688	79.404	76.233
180 Administrative expenses:	(57.617)	(62.273)	(55.361)	(56.934)	(59.483)	(53.718)
a) personnel expenses	(36.817)	(40.763)	(36.947)	(37.917)	(39.392)	(37.27)
b) other administrative expenses	(20.800)	(21.510)	(18.414)	(19.017)	(20.091)	(16.591)
190 Net provisions for risks and charges	(391)	(1.980)	4.992	(1.162)	(212)	7.473
200 Net adjustments to the value of tangible assets	(1.558)	(2.008)	(1.684)	(1.665)	(1.738)	(1.732)
210 Net adjustments to the value of intangible assets	(396)	(823)	(393)	(382)	(373)	(333)
220 Other operating expenses/(income)	3.826	4.054	4.402	3.973	4.291	4.951
230 Operating expenses	(56.136)	(63.030)	(48.044)	(56.170)	(57.515)	(43.359)
240 Profits/(losses) on equity investments	1.283	1.125	754	301	588	684
260 Value adjustments of goodwill	-	(15.497)	-	-	-	-
270 Profits/(losses) from disposal of investments	-	-	-	-	-	2
280 Profits/(losses) before taxes from continuing operations	14.931	(7.907)	28.056	22.819	22.477	33.560
290 Taxes for the period on income from continuing operations	(8.232)	(5.086)	(9.590)	(9.751)	(10.621)	(9.735)
300 operations	6.699	(12.993)	18.466	13.068	11.856	23.825
310 Profits/(losses) after taxes from non-current assets held for sale and discontinued operations	-	368	(368)	-	-	-
320 Net profit/(loss) for the period	6.699	(12.625)	18.098	13.068	11.856	23.825
330 Profit/(loss) for the period attributable to minority interests	(339)	(52)	(311)	(247)	(210)	(245)
340 Parent Bank net profit/(loss)	6.360	(12.677)	17.787	12.821	11.646	23.580

Consolidated statement of comprehensive income

Captions		
<i>Amounts in thousands of Euros</i>	30.09.2012	30.09.2011
10. Net profit/(loss) for the period	12.172	48.749
Other comprehensive income (net of tax)		
20. Available-for-sale financial assets:	30.055	(19.525)
30. Tangible assets	-	-
40. Intangible assets	-	-
50. Foreign investments hedges:	-	-
60. Cash flow hedges:	-	-
70. Foreign exchange differences:	(192)	668
80. Non-current assets held for sale and discontinued operations:	-	-
90. Actuarial Profit/(loss) on defined benefits plans	(1.752)	68
100. Share of valuation reserves relating to equity investments recognised under equity:	5.899	(1.984)
110. Total other comprehensive income (net of tax)	34.010	(20.773)
120. Total comprehensive income for the period (item 10 + 110)	46.182	27.976
130. Total Consolidated comprehensive income pertaining to minority interests	(1.449)	(225)
140. Total Consolidated comprehensive income pertaining to the Parent Bank	44.733	27.751

Statement of changes in consolidated shareholders' equity as at 30 September 2012

Amounts in thousands of Euros

	Equity as at 31.12.2011	Change in opening balances	Equity as at 01.01.2012	Allocation of result from previous period		Changes over the period								Shareholders' equity attributable to the Group as at 30.09.2012	Minority interests as at 30.09.2012		
						Reserves	Dividends and other allocations	Changes in reserves	Transactions in shareholders' equity							Comprehensive income for the year at 30.09.2012	
									Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Change in equity instruments	Derivatives on treasury shares				Stock options
Share capital:																	
a) ordinary shares	64.077	-	64.077	-	-									60.840	3.237		
b) other shares	6.865	-	6.865	-	-									6.865			
Share premium reserve	16.355	-	16.355	-	-									16.145	210		
Reserves:																	
a) retained earnings	648.361	-	648.361	31.654	-	(1.095)	-	-	-	-	-	-	-	676.394	2.526		
b) others	9.292	-	9.292	-	-	-	-	-	-	-	254	-	-	9.546			
Valuation reserves:	(15.475)	-	(15.475)	-	-	-	-	-	-	-	-	34.010	-	18.687	(152)		
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Net profit/(loss) for the period	45.891	-	45.891	(31.654)	(14.237)	-	-	-	-	-	-	12.172	-	11.470	702		
Shareholders' equity attributable to the Group	770.926	-	770.926		(13.949)	(2.017)	-	-	-	-	254	44.733	-	799.947	-		
Minority interests	4.440	-	4.440		(288)	922	-	-	-	-	-	1.449	-	-	6.523		

Statement of changes in consolidated shareholders' equity as at 31 December 2011

Amounts in thousands of Euros

	Equity as at 31.12.2010	Change in opening balances	Equity as at 01.01.2011	Allocation of result from previous period		Changes over the period								Shareholders' equity attributable to the Group as at 31.12.2011	Minority interests as at 31.12.2011		
						Reserves	Dividends and other allocations	Changes in reserves	Transactions in shareholders' equity							Comprehensive income for the year at 31.12.2011	
									Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Change in equity instruments	Derivatives on treasury shares				Stock options
Share capital:																	
a) ordinary shares	64.278	-	64.278	-	-		(201)							60.840	3.237		
b) other shares	6.865	-	6.865	-	-									6.865			
Share premium reserve	16.303	-	16.303	-	-			52						16.145	210		
Reserves:																	
a) retained earnings	620.461	-	620.461	39.070	-	(11.170)								647.418	943		
b) others	9.261	-	9.261	-	-	-					31			9.292			
Valuation reserves:	17.389	-	17.389	-	-	-						(32.864)		(14.576)	(899)		
Equity instruments	-	-	-	-	-	-											
Treasury shares	-	-	-	-	-	-											
Net profit/(loss) for the period	53.460	-	53.460	(39.070)	(14.390)							45.891		44.942	949		
Shareholders' equity attributable to the Group	783.022	-	783.022		(13.949)	(11.008)	-	-	-	-	31	12.830	-	770.926	-		
Minority interests	4.995	-	4.995		(441)	(162)	(201)	52				197		-	4.440		

Consolidated cash flow statement

Amounts in thousands of Euros

A. OPERATIONS	30.09.2012	30.09.2011
1. Management activities	98.857	81.249
- interest income earned (+)	248.874	222.745
- interest expenses paid (-)	(93.908)	(70.171)
- dividends and similar revenues (+)	48	37
- net fees and commissions (+/-)	82.596	88.319
- personnel costs (-)	(107.972)	(108.168)
- net premiums earned (+)	19.700	21.929
- other insurance income/charges (+/-)	(10.812)	(13.901)
- other costs (-)	(57.595)	(48.965)
- other revenues (+)	40.834	19.531
- taxes and duties (-)	(22.908)	(30.107)
- costs/revenues relating to non-current assets held for sale and discontinued operations, net of tax effect	-	-
2. Liquid assets generated (absorbed) by financial assets	(254.945)	(279.426)
- financial assets held for trading	15.370	10.242
- financial assets at fair value through profit or loss	-	-
- available-for-sale financial assets	(217.201)	(129.943)
- amounts due from customers	(48.467)	(146.908)
- amounts due from banks: at sight	(2.096)	(76.847)
- amounts due from banks: other receivables	(23.719)	99.462
- other assets	21.168	(35.432)
3. Liquid assets generated (absorbed) by financial liabilities	241.483	234.460
- amounts due to banks: at sight	7.699	(2.442)
- amounts due to banks: other payables	174.492	48.630
- amounts due to customers	580.285	(130.640)
- securities issued	(479.774)	331.379
- financial liabilities held for trading	(2.714)	6.010
- financial liabilities at fair value through profit or loss	(54.460)	(172.147)
- other liabilities	15.955	153.670
Net liquid assets generated (absorbed) by operations (A)	85.395	36.283
B. INVESTMENTS		
1. Liquid assets generated by	466	46
- sale of equity investments	-	-
- dividends received from equity investments	-	-
- sale/redemption of held-to-maturity investments	401	-
- sale of tangible assets	65	46
- sale of intangible assets	-	-
- sale of subsidiaries and business divisions	-	-
2. Liquid assets absorbed by	(33.026)	(23.407)
- purchase of equity investments	-	-
- purchase of held-to-maturity investments	(29.421)	(3.046)
- purchase of tangible assets	(2.404)	(10.836)
- purchase of intangible assets	(1.201)	(9.525)
- purchase of subsidiaries and business divisions	-	-
Net liquid assets generated (absorbed) by investments (B)	(32.560)	(23.361)
C. FUNDING ACTIVITIES		
- issues/purchases of treasury shares	-	-
- issues/purchases of equity instruments	-	-
- distribution of dividends and other purposes	(14.898)	(14.797)
Net liquid assets generated (absorbed) by funding activities (C)	(14.898)	(14.797)
NET LIQUID ASSETS GENERATED (ABSORBED) DURING THE YEAR (A+B+C)	37.937	(1.875)
Financial statement items	2012	2011
Cash and cash equivalents at beginning of period	31.983	28.615
Total liquid assets generated (absorbed) during the period	37.937	(1.875)
Cash and cash equivalents: effect of exchange rate changes	-	-
Cash and cash equivalents at end of period	69.920	26.740

Regulatory capital and consolidated prudential ratios

Amounts in thousands of Euros

	30/09/2012	31/12/2011
A. Tier 1 capital before the application of prudential filters	743.797	724.414
B. Prudential filters of the Tier 1 capital:	-	-
B1 - positive las/lfrs prudential filters (+)	-	-
B2 - negative las/lfrs prudential filters (-)	11.937	41.274
C. Tier 1 capital including elements to be deducted (A+B)	731.860	683.140
D. Elements to be deducted from the Tier 1 capital	8.269	19.461
E. Total Tier 1 capital (TIER1) (C-D)	723.591	663.679
F. Tier 2 capital before the application of prudential filters	97.018	95.149
G. Prudential filters of the Tier 2 capital:	-	-
G1- positive las/lfrs prudential filters (+)	-	-
G2- negative las/lfrs prudential filters (-)	112	106
H. Tier 2 capital including elements to be deducted (F+G)	96.906	95.043
I. Elements to be deducted from the Tier 2 capital	8.269	19.461
L. Total Tier 2 capital (TIER2) (H-J)	88.637	75.582
M. Elements to be deducted from the total of Tier 1 and Tier 2 capital	17.457	10.344
N. Regulatory capital (E + L - M)	794.771	728.917
O. 3rd-level capital	-	-
P. Regulatory capital including TIER3 (N + O)	794.771	728.917

Amounts in thousands of Euros

Category/Value	Unweighted amounts	Weighted amounts/requirements	Unweighted amounts	Weighted amounts/requirements
	30/09/2012	30/09/2012	31/12/2011	31/12/2011
A. RISK ASSETS				
A.1 CREDIT AND COUNTERPARTY RISKS	8.678.936	5.477.144	8.455.586	5.522.095
1. STANDARDISED METHOD	8.678.394	5.476.602	8.454.865	5.521.734
2. METHODOLOGY BASED ON INTERNAL RATINGS				
2.1 Basic				
2.2 Advanced				
3. SECURITISATIONS	542	542	721	361
B. REGULATORY CAPITAL REQUIREMENTS				
B.1 CREDIT AND COUNTERPARTY RISKS		438.172		441.768
B.2 MARKET RISKS		1.586		4.436
1. STANDARDISED METHOD		1.586		4.436
2. INTERNAL MODELS				
3. CONCENTRATION RISK				
B.3 OPERATIONAL RISK		49.213		49.213
1. BASIC METHOD		49.213		49.213
2. STANDARDISED METHOD				
3. ADVANCED METHODS				
B.4 OTHER REQUIREMENTS		0		0
B.5 TOTAL PRUDENTIAL REQUIREMENTS		488.971		495.417
C. RISK-WEIGHTED ASSETS AND REGULATORY RATIOS				
C.1 Risk-weighted assets		6.112.132		6.192.708
C.2 Tier 1 capital/risk-weighted assets (Tier 1 capital ratio)		11,84%		10,72%
C.3 Regulatory capital including Tier 3 / Risk-weighted assets (Total capital ratio)		13,00%		11,77%

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

The undersigned, Piercamillo Secchi, as Manager responsible for preparing Banco di Desio e della Brianza S.p.A.'s financial reports, hereby declares, pursuant to article 154-bis, paragraph 2, of the Consolidated Law on Finance, that the accounting disclosures contained in this "Consolidated Interim Report on Operations as at 30 September 2012 correspond to the contents of the relative documents, corporate books and accounting records.

Desio, 8 November 2012

The Manager responsible for preparing
the company's financial reports

Piercamillo Secchi