

PRESS RELEASE

**THE BOARD OF DIRECTORS
OF PARENT COMPANY “BANCO DI DESIO E DELLA BRIANZA S.P.A.” APPROVED
THE CONSOLIDATED FINANCIAL STATEMENTS AND THE DRAFT INDIVIDUAL FINANCIAL
STATEMENTS AS AT 31 DECEMBER 2013**

- ✓ **GROWTH IN DIRECT DEPOSITS FROM ORDINARY CUSTOMERS to Euro 15.2 billion (+3.4%), of which DIRECT DEPOSITS Euro 7.8 billion (+6.5%), with a Loans/Deposits ratio of 89.5% (previously 95.2%)**
- ✓ **INCREASE IN LOANS to Euro 6.8 billion, net of repo transactions with institutional counterparties for Euro 0.1 billion (+3.4%)**
- ✓ **OPERATING MARGIN RISES to Euro 155.3 million (+21.9%)**
- ✓ **ADJUSTMENTS TO LOANS increase from Euro 89.5 million to Euro 136.9 million (+53%)**
- ✓ **EXTRAORDINARY ALLOCATION of Euro 16.8 million for employee exit plan**
- ✓ **CONSOLIDATED NET LOSS (pertaining to the Parent Bank) of Euro 5 million (compared to net profit of Euro 20.2 million in 2012) In addition to the adjustments to loans, the result was affected by the extraordinary allocation made for the employee exit plan (Euro 16.8 million) and the loss recorded by the Swiss subsidiary Credito Privato Commerciale SA (in liquidation) (Euro 9.2 million)**
- ✓ **STRONG CAPITAL SOLIDITY**
 - Shareholders' equity Euro 818.7 million (previously Euro 821.2 million)
 - Regulatory capital Euro 823.3 million (previously Euro 827.7 million)
 - Tier 1 and Core Tier 1 11.8% (previously 12.1%)
 - Total capital ratio 13% (previously 13.4%)
- ✓ **INDIVIDUAL NET PROFIT of Euro 9.4 million (previously Euro 9.2 million)**
- ✓ **PROPOSED DIVIDEND**
 - Euro 0.0214 per ordinary share
 - Euro 0.0364 per savings share
 - Payout 31.66% (previously 52.54%)

BALANCE SHEET DATA FOR 2013

SUMMARY

KEY CONSOLIDATED DATA AS AT 31 DECEMBER 2013

Total deposits from customers Euro 15.2 billion (+3.4%)

of which Direct Deposits Euro 7.8 billion (+6.5%)

Net loans to customers Euro 6.8 billion (net of repo transactions with institutional counterparties which decreased to Euro 0.1 billion compared to Euro 0.3 billion at the end of 2012) (+3.4%)

“Performing loans/ net loans” ratio 3.35% (previously 2.55%)

Operating margin Euro 155.3 million (+21.9%)

Losses after tax from continuing operations Euro 6.5 million (previously Profit after tax from continuing operations of Euro 14.9 million) after adjustments to loans of Euro 136.9 million

Parent Company net loss Euro 5 million (previously net profit of Euro 20.2 million) after allocations of one-off expenses to the employees’ solidarity fund of Euro 16.8 million in implementation of the Group Business Plan 2013-2015

Shareholders’ equity pertaining to the Parent Bank Euro 818.7 million (previously Euro 821.2 million)

Regulatory capital Euro 823.3 million (previously Euro 827.7 million)

Tier 1 and Core Tier 1 11.8% (previously 12.1%) and Total capital ratio 13% (previously 13.4%)

KEY FIGURES IN THE DRAFT INDIVIDUAL FINANCIAL STATEMENTS OF THE PARENT COMPANY AS AT 31 DECEMBER 2013

Total deposits from customers Euro 14.1 billion (+4.6%)

of which Direct Deposits Euro 7 billion (+7.4%)

Net loans to customers Euro 6.1 billion (net of repo transactions with institutional counterparties which decreased to Euro 0.1 billion compared to Euro 0.3 billion at the end of 2012 (+0.2%))

“Performing loans/ net loans” ratio 3.49% (previously 2.69%)

Operating margin Euro 141.5 million (+17.5%)

Net operating profit Euro 3.9 million (-82.8%), after adjustments to loans for Euro 121.6 million

Profit for the period Euro 9.4 million (previously Euro 9.2 million) after allocations of one-off expenses to the employees’ solidarity fund of Euro 16.2 million in implementation of the Group Business Plan 2013-2015

Shareholders’ equity Euro 781.6 million (previously Euro 776.5 million)

Regulatory capital Euro 809.8 million (previously Euro 802.4 million)

Tier 1 and Core Tier 1 18.0% (previously 18.3%) and Total capital ratio 19.6% (previously 20.1%)

The Board of Directors of Parent Company Banco di Desio e della Brianza S.p.A., which met on 13 March 2014, approved the consolidated financial statements and the draft individual financial statements as at 31 December 2013. The Board resolved to convene the Ordinary and Extraordinary Shareholders’ Meeting in first call on 29 April 2014, 11:30 am, at the Desio offices, and 30 April 2014, at the same time and in the same place, in second call. The Special Meeting of Savings Shareholders will be called at 10:30 am at the Desio offices on the same dates.

Consolidated balance sheet data

Total customer assets under management increased at the end of the year to Euro 18.5 billion, with an overall 2.4% increase of Euro 0.4 billion compared to the previous year, attributable to direct deposits (+6.5%), whilst indirect deposits recorded a limited decrease of 0.3%.

The balance of *direct deposits* at the end of 2013 reached about Euro 7.8 billion, with a positive change of about Euro 0.5 billion (+6.5%) due to the increase in amounts due to customers.

Indirect deposits, accounting for around Euro 10.7 billion of total assets, recorded a decrease of less than Euro 0.1 billion (-0.3%) over the twelve month period, attributable to the 2% decline in deposits from institutional customers compared to the previous year's figure. "Ordinary" customer deposits, on the other hand, rose to about Euro 7.5 billion, corresponding to a 0.4% increase attributable to performance in the assets under management segment (+4.4%), partially counter-balanced by a decline in administered assets (-2.9%).

Despite the slowdown in recourse to credit at system level, the value of *loans to ordinary customers* as at 31 December 2013 reached around Euro 6.8 billion, exceeding the previous year's figure by more than Euro 0.2 billion (+3.4%). Vice versa, at year end *loans to institutional customers*, represented by repo transactions, totalled about Euro 0.1 billion, down Euro 0.2 billion compared to the end of 2012.

The Group's lending activities therefore resulted in a total for *net loans to customers* of around Euro 7 billion (+0.1%).

The Group's total *financial assets* at year end were Euro 1.6 billion, up about Euro 0.4 billion on the total recorded at the end of the previous year (+37.9%), while the *net interbank position* is in debt for approximately Euro 0.2 billion, in line with the balance at the end of the previous year.

The Group's strong capital solidity is confirmed by the *Shareholders' equity pertaining to the Parent Bank* which, including profit for the period, totals Euro 818.7 million as at 31 December 2013 (Euro 821.2 million at the end of 2012), by the regulatory capital of Euro 823.3 million (Euro 827.7 million at the end of 2012) and in the consolidated *capital ratios* calculated in accordance with the supervisory regulations in force, which show *Tier1 and Core Tier1* at 11.8% (previously 12.1%) and a *Total capital ratio* of 13% (previously 13.4%).

On 1 January 2014 the new harmonised regulations for banks and investment companies under the terms of the CRR and the European Directive CRD IV of 26 June 2013, which transpose the standards defined by the Basel Committee on Banking Supervision (the Basel 3 framework) to EU regulations. The Basel Committee's aim was to improve banking system continuity by - amongst other things - pursuing the objective of raising the quality of regulatory capital to increase banks' capacity to absorb losses. In particular, the new regulations strengthen the importance of ordinary shares in the composition of own funds and extend and harmonise the list of items to be deducted and prudential adjustments.

An assessment of the Group's capital adequacy in accordance with the new criteria shows that the ratio between common equity and weighted assets is 12.14%.

Consolidated income statement data

The year closed with a *net loss pertaining to the Parent Bank* of Euro 5 million, affected by the heavier impact of adjustments to loans (which rose from Euro 89.5 million to Euro 136.9 million), allocations to the employees' solidarity fund of Euro 16.8 million following implementation of the Group Business Plan 2013-2015 and the loss of Euro 9.2 million recorded by the Swiss subsidiary Credito Privato Commerciale S.A. (in liquidation).

The breakdown and performance of the main reclassified Income Statement items are summarised as follows:

Operating income

The revenue items related to operations recorded an increase of 4.5% compared with the previous year, rising to Euro 366.8 million, with an increase of Euro 15.7 million. The increase is mainly attributable to the *net profits/(losses) on trading, hedging and disposal/repurchase of receivables, financial assets/liabilities at fair value through profit or loss* for Euro 10.3 million (+33.4%), *net commissions* for Euro 7.4 million (+7.0%) and *other operating income/expenses* for Euro 3.2 million (+23.1%), of which Euro 1.3 million capital gains on disposal of the property of the subsidiary Brianfid-Lux S.A. (in liquidation). Also recording an increase were *profit from*

investments in associates for Euro 0.7 million, associated with the share of profit of Chiara Assicurazioni S.p.A., which became an associate during the year, and *dividends and similar revenues* for Euro 0.1 million. Vice versa *net interest income*, which at Euro 194.3 million recorded a decrease of about Euro 6 million, equal to 3% of the previous year's figure.

Operating charges

Operating charges, which include *personnel expenses*, *other administrative expenses* and *net adjustments to property, plant and equipment and intangible assets*, overall show a balance of approximately Euro 211.5 million, with a 4.5% drop of about Euro 12.2 million compared to the previous year. The recovery is largely attributable to *personnel expenses* which, net of one-off expenses among the total use of funds in implementation of the Group Business Plan 2013-2015 amounting to Euro 16.8 million and reclassified to *profits/(losses) after taxes from non-recurring operations*, decreased by Euro 9.1 million (-6.4%). The other two cost items also show a decrease, respectively *other administrative expenses* by Euro 1.4 million (-2.1%) and *net adjustments to property, plant and equipment and intangible assets* by Euro 1.6 million (-14.9%).

Operating margin

The *operating margin* at the end of the period consequently amounted to Euro 155.3 million which, compared to the Euro 127.4 million of the previous year, shows a 21.9% growth.

Operating profit (loss) after tax

The weight of the *net adjustments for impairment of loans* equal to Euro 136.9 million, with higher adjustments for Euro 47.4 million compared to 2012, the *net allocations to provisions for risks and charges* of Euro 10.9 million, up Euro 7.4 million on the comparison period, *losses on disposal or repurchase of loans* for Euro 1.4 million, the *net adjustments for impairment of financial assets available for sale* of Euro 0.6 million, *net adjustments for impairment of other financial transactions* of Euro 1.7 million and *taxes on income from continuing operations* of Euro 10.3 million, down Euro 6.3 million, result in a *loss after taxes from continuing operations* of Euro 6.5 million, compared to the profit of Euro 14.9 million recorded in the previous year (-143.9%).

Profit from non-recurring operations after tax

The *profit from non-recurring operations after tax* of Euro 1.6 million comprises the capital gains realised from the price adjustment following disposal by the Parent Bank at the end of 2012 of its remaining 30% investment in the former associate Chiara Vita S.p.A. for Euro 7.2 million, the gain realised on disposal - again by the Parent Bank - of the controlling interest in Chiara Assicurazioni S.p.A. (from 66.66% to 32.66%) for Euro 4.6 million, together with the positive effects on the income statement from the change in consolidation method for that company, which became an associate, for about Euro 1.3 million. In addition, the impact of estimated one-off expenses was recorded against the total use of funds in implementation of the Group Business Plan 2013-2015, which amounted to Euro 16.8 million before taxes, and the contribution of taxes on profit from non-recurring operations for a total of Euro 5.3 million, composed of the tax effect on these one-off expenses, on capital gains realised as referred to above and as a result of tax redemption pursuant to Italian Law Decree 185/2008 (for the subsidiary Banco Desio Lazio S.p.A.) and goodwill included in the book value of the investment in FIDES S.p.A. and recognised to the consolidated financial statements of the Group for about Euro 0.9 million.

Parent Company Profit (Loss) for the period

The sum of the *operating loss after tax from continuing operations*, the *profit from non-recurring operations after tax* and the *loss pertaining to minority interests* of Euro 0.1 million, results in 2013 closing with a *loss pertaining to the Parent Bank* of Euro 5 million, compared to a profit of Euro 20.2 million recorded in the previous year.

In this difficult and persisting negative economic and financial scenario, once again in 2013 the Group has managed to keep the structure of its distribution network unchanged. The network comprises 185 branches, of which 164 Banco di Desio e della Brianza S.p.A. and 21 the subsidiary Banco Desio Lazio S.p.A.

As at 31 December 2013, the Group had a workforce of 1,760 employees, with a decrease of 78, 4.2% less than the end of the previous year, mainly attributable to the exit from the Group of Chiara Assicurazioni S.p.A. and the fact that the subsidiaries Credito Privato Commerciale S.A. and Brianfid-Lux S.A. are in liquidation.

Prospects of integration with Banca Popolare di Spoleto and a new business plan

Given the prospects of integration with Banca Popolare di Spoleto, the update on which was promptly disclosed to the market, Banco Desio plans to prepare a new business plan within one year, the definition of which will be consistent with the timing of procedures to be agreed with Banca Popolare di Spoleto's Special Administrators.

Proposed allocation of net profit from the Parent Company's draft individual financial statements

The Board of Directors will propose to the Ordinary Shareholders' Meeting the distribution of a dividend of Euro 0.0214 for each of the 117,000,000 ordinary shares and a dividend of Euro 0.0364 for each of the 13,202,000 savings shares.

The proposed allocation of profit, if approved, will allow approximately Euro 6.4 million to be allocated to the equity reserves.

In compliance with the Stock Exchange timetable, the dividend shall be paid on 8 May 2014. The coupon detachment date, for security listing purposes, and the "record date" ⁽¹⁾ will instead take place on 5 and 7 May 2014, respectively.

⁽¹⁾ Dividend payment legitimization date introduced in art. 83-terdecies of the Consolidated Act on Finance (TUF) by Legislative Decree n. 91/2012

The tables relating to the consolidated Balance Sheet and the consolidated reclassified Income Statement are attached as well as those of the Parent Company Banco di Desio e della Brianza S.p.A.

The consolidated financial statements and the draft individual financial statements are subject to audit by Deloitte & Touche S.p.A., which is currently in progress.

Desio, 13 March 2014

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

The Manager in charge of drawing up the company accounting documents, Piercamillo Secchi, hereby declares that, pursuant to art. 154-bis, paragraph 2 of the Consolidated Law on Finance, the accounting information contained in this press release corresponds to the company's documents, books and accounting records.

Piercamillo Secchi

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CONSOLIDATED – Balance Sheet

Assets			
	31.12.2013	31.12.2012	
<i>Amounts in thousands of EUR</i>			
10	Cash and cash equivalents	29.848	81.248
20	Financial assets held for trading	2.798	4.320
40	Financial assets available for sale	1.423.419	1.009.410
50	Financial assets held to maturity	181.568	151.863
60	Due from banks	275.848	250.480
70	Due from customers	6.955.429	6.949.145
80	Hedging derivatives	5.052	9.005
100	Equity investments	13.969	1.227
120	Property, plant and equipment	144.417	150.890
130	Intangible assets	25.506	25.903
	<i>of which: goodwill</i>	23.533	23.533
140	Tax assets	93.856	51.715
	<i>a) current</i>	5.118	1.684
	<i>b) prepaid</i>	88.738	50.031
	<i>- pursuant to Law 214/2011</i>	78.225	41.235
150	Non-current assets and groups of assets being disposed		72.420
160	Other assets	118.581	105.367
	Total assets	9.270.291	8.862.993

Liabilities			
	31.12.2013	31.12.2012	
<i>Amounts in thousands of EUR</i>			
10	Due to banks	438.026	441.677
20	Due to customers	5.489.782	5.041.168
30	Outstanding securities	2.239.092	2.217.881
40	Financial liabilities held for trading	480	517
50	Financial liabilities measured at fair value	38.617	37.532
60	Hedging derivatives	2.894	6.696
80	Tax liabilities	14.832	14.320
	<i>a) current</i>	2.825	772
	<i>b) deferred</i>	12.007	13.548
90	Liabilities related to groups of assets being disposed		51.399
100	Other liabilities	164.639	178.269
110	Employee severance indemnity	23.971	24.392
120	Provisions for risks and charges	39.021	20.951
	<i>a) pensions and similar obligations</i>	27	170
	<i>b) other provisions</i>	38.994	20.781
140	Valuation reserves	29.200	28.173
170	Reserves	710.666	688.953
180	Share premium	16.145	16.145
190	Share capital	67.705	67.705
210	Minority interest (+/-)	221	7.014
220	Profit (Loss) for the period (+/-)	-5.000	20.201
	Total Liabilities and Shareholders' Equity	9.270.291	8.862.993

CONSOLIDATED - Reclassified Income Statement

Items <i>Amounts in thousands of EUR</i>	31.12.2013	31.12.2012	Changes	
			Amount	%
10+20 Net interest income	194.336	200.326	-5.990	-3,0%
70 Dividends and similar income	117	38	79	207,9%
Profits from investments in associated companies	752	58	694	1196,6%
40+50 Net commissions	113.234	105.845	7.389	7,0%
80+90+100+ Profit/loss on trading, hedging and disposal/repurchase of fin. assets and liabilities measured at <i>fair value</i>	41.344	31.000	10.344	33,4%
220 Other operating income/charges	17.003	13.811	3.192	23,1%
Operating income	366.786	351.078	15.708	4,5%
180 a Personnel expenses	-133.787	-142.921	9.134	-6,4%
180 b Other administrative expenses	-68.449	-69.895	1.446	-2,1%
200+210 Net adj. to prop., plant and equip. and intangible assets	-9.221	-10.834	1.614	-14,9%
Operating charges	-211.457	-223.651	12.194	-5,5%
Operating margin	155.329	127.427	27.902	21,9%
Profit (loss) on disposal or repurchase of loans	-1.402	-1.870	468	-25,0%
130 a Net adjustments for impairment of loans	-136.932	-89.503	-47.428	53,0%
130 b Net adjustments for impairment of financial assets available for sale	-601	-277	-324	117,0%
130 d Net adjustments for impairment of other financial transactions	-1.692	-713	-979	137,3%
190 Net allocations to provisions for risks and charges	-10.920	-3.503	-7.417	211,7%
Operating profit (loss) before tax	3.782	31.560	-27.778	-88,0%
290 Income taxes for the period	-10.316	-16.658	6.342	-38,1%
Operating profit (loss) after tax	-6.534	14.902	-21.436	-143,8%
240+270+ Profit (Loss) from investments and disposal of investments / Value adjustments to goodwill	13.134	-10.878	24.012	220,7%
260 Provisions for risks and charges on extraordinary transactions	-16.810	11.855	-28.665	-241,8%
Profit (Loss) from non-current operations before tax	-3.676	977	-4.653	-476,4%
Income taxes from non-current components for the period	5.312	645	4.667	723,8%
Profit (Loss) from non-current operations after tax	1.636	1.622	14	0,9%
310 Profit (Loss) on groups of assets held for sale after tax	-	4.532	-4.532	-100,0%
320 Profit (loss) for the period	-4.898	21.056	-25.954	-123,3%
330 Minority interest	-102	-855	753	-88,1%
340 Parent Company Profit (Loss) for the period	-5.000	20.201	-25.201	-124,8%

INDIVIDUAL – Balance Sheet

Assets		31.12.2013	31.12.2012
<i>Amounts in thousands of EUR</i>			
10	Cash and cash equivalents	24.322	29.218
20	Financial assets held for trading	2.798	4.320
40	Financial assets available for sale	1.420.453	1.004.146
50	Financial assets held to maturity	181.568	150.604
60	Due from banks	229.698	221.896
70	Due from customers	6.141.481	6.126.945
80	Hedging derivatives	5.052	9.005
100	Equity investments	117.460	104.807
110	Property, plant and equipment	137.285	141.163
120	Intangible assets	8.270	8.425
	<i>including:</i>		
	- goodwill	6.958	6.958
130	Tax assets	84.399	48.749
	a) current	3.987	1.364
	b) deferred	80.412	47.385
	- pursuant to Law 214/2011	70.517	39.196
140	Non-current assets and groups of assets being disposed	-	15.153
150	Other assets	101.764	91.412
	Total assets	8.454.550	7.955.843

Liabilities		31.12.2013	31.12.2012
<i>Amounts in thousands of EUR</i>			
10	Due to banks	481.075	468.023
20	Due to customers	4.846.469	4.365.020
30	Outstanding securities	2.091.799	2.092.674
40	Financial liabilities held for trading	480	519
50	Financial liabilities measured at fair value	38.617	37.532
60	Hedging derivatives	2.894	6.696
80	Tax liabilities	13.417	13.040
	a) current	1.852	139
	b) deferred	11.565	12.901
100	Other liabilities	144.168	156.371
110	Employee severance indemnity	23.439	23.883
120	Provisions for risks and charges	30.616	15.616
	b) other provisions	30.616	15.616
130	Valuation reserves:	23.482	23.525
160	Reserves	664.817	659.889
170	Share premium	16.145	16.145
180	Share capital	67.705	67.705
200	Profit (Loss) for the period (+/-)	9.427	9.205
	Total Liabilities and Shareholders' Equity	8.454.550	7.955.843

Attachment no. 4

INDIVIDUAL - Reclassified Income Statement

Items <i>Amounts in thousands of EUR</i>		31.12.2013	31.12.2012	Changes	
				Amount	%
10+20	Net interest income	165.279	172.155	-6.875	-4,0%
70	Dividends and similar income	2.117	372	1.745	469,5%
40+50	Net commissions	101.071	94.261	6.810	7,2%
80+90+100	Profit/loss on trading, hedging and disposal/repurchase of fin. assets and liabilities measured at <i>fair value</i>	41.465	30.728	10.737	34,9%
+110	Other operating income/charges	12.253	11.409	844	7,4%
	Operating income	322.186	308.925	13.261	4,3%
150 a	Personnel expenses	-119.401	-125.101	5.700	-4,6%
150 b	Other administrative expenses	-53.250	-54.872	1.622	-3,0%
170+180	Net adj. to prop., plant and equip. and intangible assets	-8.038	-8.570	532	-6,2%
	Operating charges	-180.689	-188.543	7.854	-4,2%
	Operating margin	141.496	120.382	21.115	17,5%
	Profit (loss) on disposal or repurchase of loans	-1.229	-1.788	559	-31,2%
130 a	Net adjustments for impairment of loans	-121.589	-81.454	-40.135	49,3%
130 b	Net adjustments for impairment of financial assets available for sale	-574	-277	-296	106,8%
130 d	Net adjustments for impairment of other financial transactions	-1.532	-644	-889	138,0%
160	Net allocations to provisions for risks and charges	-7.577	-2.294	-5.283	230,3%
	Dividends from investment in subsidiary companies	2.846	2.290	556	24,3%
	Operating profit (loss) before tax	11.841	36.215	-24.374	-67,3%
260	Income taxes for the period	-7.985	-13.740	5.755	-41,9%
	Operating profit (loss) after tax	3.856	22.475	-18.619	-82,8%
210	Profit (loss) from shareholdings	17.466	-25.770	43.236	167,8%
	Provisions for risks and charges on extraordinary transactions	-16.183	11.855	-28.038	236,5%
	Profit (Loss) from non-current operations before tax	1.283	-13.915	15.198	109,2%
	Income taxes from non-current components for the period	4.288	645	3.644	565,1%
	Profit (Loss) from non-current operations after tax	5.571	-13.270	18.842	142,0%
290	Profit (loss) for the period	9.427	9.205	223	2,4%