

PRESS RELEASE

SREP REQUIREMENTS: THE GROUP'S POSITION IS CONFIRMED AS ONE OF THE MOST SOLID IN THE MARKET

The Bank of Italy announced its decision on the Group's capital following the periodic supervisory review and evaluation process ("SREP")

The Bank of Italy informed Banco di Desio e della Brianza S.p.A. and the financial parent company Brianza Unione di L. Gavazzi e S. Lado S.A.p.A. of its decision on the Group's capital following the periodic supervisory review and evaluation process ("SREP"), requiring that, from the next report on own funds, the "CRR" Group¹ Brianza Unione adopt capital ratios at consolidated level as follows:

- **CET 1 ratio of 7.25%**, comprised by a mandatory measurement of 4.75% (of which 4.5% for minimum regulatory requirements and 0.25% for the additional requirements established after the SREP) and for the remainder by the capital conservation buffer component;
- **Tier 1 ratio of 8.85%**, comprised by a mandatory measurement of 6.35% (of which 6% for minimum regulatory requirements and 0.35% for the additional requirements established after the SREP) and for the remainder by the capital conservation buffer component;
- **Total Capital ratio of 11.00%**, comprised by a mandatory measurement of 8.50% (of which 8% for minimum regulatory requirements and 0.50% for the additional requirements established after the SREP) and for the remainder by the capital conservation buffer component;

In the light of a comparison between the new requirements and those previously assigned to the Group² and with those published by various competitors, the Group's solidity is confirmed, as also illustrated in the latest quarterly financial disclosure.

Desio, 1 July 2019

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The Chairman

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¹ Note that the calculation of consolidated supervisory requirements is made, from the reporting date of 30 June 2018, with reference to Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A., which, according to European legislation and specifically according to the provisions of articles 11, paragraphs 2 and 3 and 13, paragraph 2, of Regulation no. 575/2013 ("CRR"), is considered the financial parent company of the banking group.

² Based on the previous provision of the Bank of Italy in this regard, which had been communicated to the banking parent company Banca Desio on 4 April 2017, regarding the minimum capital requirements at consolidated level to comply with following the SREP: CET1 ratio of 7.25%, binding in the amount of 4.75% (of which 4.5% with regard to the minimum regulatory requirements and 0.25% with regard to the additional requirements), Tier 1 ratio of 8.85%, binding in the amount of 6.35% (of which 6.0% with regard to minimum regulatory requirements and 0.35% with regard to the additional requirements) and Total Capital ratio of 11.0%, binding in the amount of 8.5% (of which 8% with regard to the minimum regulatory requirements and 0.5% with regard to the additional requirements) and for the remainder by the capital conservation buffer component.