

**PRESS RELEASE**

**CONSOLIDATED RESULTS AT 31 DECEMBER 2021**

Desio, 10 February 2022 - The Board of Directors of Banco di Desio e della Brianza S.p.A. has approved the draft separate and consolidated financial statements at 31 December 2021.

**Strong increase in profitability with a consolidated net profit of Euro 54.9 million (+131.7%), operating margin up (+40.4%) and a net reduction in the cost/income ratio (61.4% vs 68.4%)<sup>1</sup>. Continuous improvement in the risk profile with the NPL ratio<sup>2</sup> at 4.1% (vs 5.4%), coverage of impaired loans<sup>2</sup> at 50.8% (vs 47.5%) and of performing loans at 0.94% (vs 0.72%), and capital strengthening (CET1 of the Banco Desio Group +96 bps compared with 31.12.20).**

**Proposed allocation of net profit to shareholders of Euro 0.1365 per share with a dividend yield<sup>3</sup> of 4.5%.**

<b>PROFITABILITY</b>	<ul style="list-style-type: none"> <li>✓ <b>CONSOLIDATED NET PROFIT</b> of Euro 54.9 million with an ROE of 5.3% (vs 2.4%) confirming the Group's commercial strength and resilience. Result of operations on the rise (+40.4%) thanks to the positive trend in income (+13.9%). Cost/income ratio of 61.4% (vs 68.4%)<sup>1</sup></li> <li>✓ <b>Contribution from net commission income +19.2%</b>, thanks above all to asset management and bancassurance (+31.6% on distribution of UCITS and +22.7% on insurance products)</li> <li>✓ <b>Solid increase in profitability by the subsidiary Fides (+149.4%)</b></li> </ul>																
<b>DIVIDENDS</b>	<ul style="list-style-type: none"> <li>✓ <b>Proposed allocation of net profit to shareholders of €0.1365 per share with a dividend yield<sup>3</sup> of 4.5%.</b></li> </ul>																
<b>CAPITAL SOLIDITY<sup>4</sup></b>	<ul style="list-style-type: none"> <li>✓ <b>SIGNIFICANT CAPITAL STRENGTHENING (CET1 of the Banco Desio Group +96 bps YoY)</b> supported by profitability for the period and the current approach to derisking the portfolio.</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Ratios<sup>5</sup></th> <th style="text-align: center;">Banco Desio Brianza</th> <th style="text-align: center;">Banco Desio Group</th> <th style="text-align: center;">Brianza Unione Group<sup>6</sup></th> </tr> </thead> <tbody> <tr> <td>CET 1</td> <td style="text-align: center;">16.51%</td> <td style="text-align: center;">15.62%</td> <td style="text-align: center;">11.65%</td> </tr> <tr> <td>TIER 1</td> <td style="text-align: center;">16.51%</td> <td style="text-align: center;">15.62%</td> <td style="text-align: center;">12.45%</td> </tr> <tr> <td>Total Capital</td> <td style="text-align: center;">16.57%</td> <td style="text-align: center;">15.68%</td> <td style="text-align: center;">13.48%</td> </tr> </tbody> </table>	Ratios <sup>5</sup>	Banco Desio Brianza	Banco Desio Group	Brianza Unione Group <sup>6</sup>	CET 1	16.51%	15.62%	11.65%	TIER 1	16.51%	15.62%	12.45%	Total Capital	16.57%	15.68%	13.48%
Ratios <sup>5</sup>	Banco Desio Brianza	Banco Desio Group	Brianza Unione Group <sup>6</sup>														
CET 1	16.51%	15.62%	11.65%														
TIER 1	16.51%	15.62%	12.45%														
Total Capital	16.57%	15.68%	13.48%														
<b>GROWTH</b>	<ul style="list-style-type: none"> <li>✓ <b>LOANS TO ORDINARY CUSTOMERS</b> up to Euro 11.1 billion (+6.2%) mainly due to the additional disbursements to households and businesses and the boost given to consumer lending.</li> <li>✓ <b>DIRECT DEPOSITS</b> of Euro 12.4 billion (+5.4%) and <b>INDIRECT DEPOSITS</b> of Euro 18.0 billion (+9.1%, of which <b>ORDINARY CUSTOMERS +8.6%</b>) confirming the strong relationship with customers.</li> <li>✓ <b>Ratio of Ordinary customer loans/Direct deposits</b> of 89.4% (vs 88.7%)</li> </ul>																
<b>LIQUIDITY AND ASSET QUALITY</b>	<ul style="list-style-type: none"> <li>✓ <b>LIQUIDITY</b> well under control with a coverage ratio (LCR) of 199.9% (vs 206.7% at 31.12.2020)</li> <li>✓ <b>PROPORTION OF NPLs<sup>2</sup> down:</b>  <ul style="list-style-type: none"> <li><i>Net doubtful loans/Net loans</i> of 0.8% (vs 1.1% at 31.12.2020)</li> <li><i>Gross doubtful loans/Gross loans</i> of 2.2% (vs 2.8%)</li> <li><i>Net non-performing loans/Net loans</i> of 2.1% (vs 2.9%)</li> <li><i>Gross non-performing loans/Gross loans</i> of 4.1% (vs 5.4%)</li> </ul> </li> <li>✓ <b>LEVELS OF COVERAGE</b> of non-performing<sup>2</sup> and performing loans increasing  <ul style="list-style-type: none"> <li><i>Doubtful loans</i> at 63.3%, 64.3% gross of write-offs (vs 61.0% and 62.2% at 31.12.2020)</li> <li><i>Unlikely to pay loans</i> at 36.8% (vs 33.1%)</li> <li><i>Non-performing loans</i> at 50.8% (vs 47.5%), 51.5% gross of write-offs (vs 48.4%)</li> <li><i>Performing loans</i> at 0.94% (vs 0.72%)</li> </ul> </li> </ul>																

<sup>1</sup> Including ordinary contributions relating to the banking system.

<sup>2</sup> Net of NPLs classified as assets held for sale for Euro 24.4 million of nominal value (Euro 13.1 million net of write-downs)

<sup>3</sup> Calculated as the ratio between the proposed dividend per share and the average market value of the stock in 2021.

<sup>4</sup> Based on the Bank of Italy's instructions sent to Banco di Desio e della Brianza S.p.A. and to the Parent Company Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A. on 21 May 2020, the following minimum capital requirements were assigned to the Brianza Unione Group for CRR purposes, following completion of the Supervisory Review and Evaluation Process (SREP): CET1 ratio of 7.35%, binding for 4.85% as per art. 67-ter TUB (minimum regulatory requirement of 4.5% and additional requirements of 0.35%) with the difference represented by the capital conservation buffer, Tier 1 ratio of 8.95%, binding for 6.45% (minimum regulatory requirement of 6.0% and additional requirements of 0.45%) with the difference represented by the capital conservation buffer, and Total Capital Ratio of 11.1%, binding for 8.6% (minimum regulatory requirement of 8% and additional requirements of 0.6%) with the difference represented by the capital conservation buffer.

<sup>5</sup> In application of the transitional arrangements introduced by Regulation (EU) 2017/2395 of 12 December 2017 and subsequent amendments.

<sup>6</sup> The consolidated ratios at the level of Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A., the parent company that controls 50.08% of Banco di Desio e della Brianza S.p.A., have been calculated on the basis of articles 11, paragraphs 2 and 3 and 13, paragraph 2, of the CRR Regulation.

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**KEY FIGURES OF THE SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2021 OF THE PARENT COMPANY BANCO DI DESIO E DELLA BRIANZA S.P.A.**

- ✓ "Net profit for the year" of Euro 52.4 million, an increase of Euro 28.5 million (+119.4%) which benefits from the positive trend in operations (+39.3%), partially offset by a higher cost of credit of Euro 13.7 million and increased charges relating to the banking system up by Euro 5.2 million with reference to the ordinary component. There is also a non-recurring loss of Euro 0.7 million (loss of Euro 10.4 million in the comparative period when a Euro 12.0 million charge was taken for the staff redundancy plan).
- ✓ The "Result of operations" of Euro 184.1 million is up by Euro 52.0 million on the prior year (+39.3%). Core revenues have increased by about Euro 52.9 million (+13.5%) on the comparative period to Euro 444.3 million. "Operating costs", which include payroll costs, other administrative expenses and net adjustments to property, plant and equipment and intangible assets amount to Euro 260.1 million (+0.3%).
- ✓ Loans to ordinary customers come to Euro 11.1 billion, up on the previous year's balance (+6.2%) due to further growth in medium/long-term loans linked to the ongoing derisking of the portfolio, thanks to the disbursements of new liquidity (mortgages and medium/long-term loans) to businesses with guarantees from Medio Credito Centrale and SACE, and to the disbursement of mortgage loans to private customers.
  - Gross non-performing loans/Gross loans of 4.1% (vs 5.3%)
  - Net non-performing loans/Net loans of 2.0% (vs 2.9%)
  - Gross doubtful loans/Gross loans of 2.2% (vs 2.7%)
  - Net doubtful loans/Net loans of 0.8% (vs 1.1%)
  - Coverage of doubtful loans at 63.3% (vs 61.0%), 64.3% gross of write-offs (vs 62.2%)
  - Coverage of total non-performing loans of 51.4% (vs 47.6%), 52.1% gross of write-offs (vs 48.5%)
  - Coverage of performing loans of 0.93% (vs 0.72%)
- ✓ Total customer deposits of Euro 30.5 billion (+7.5%)
  - of which Direct deposits Euro 12.4 billion (+5.4%)
  - Indirect deposits Euro 18.0 billion (+9.1%)
- ✓ Capital ratios well above the minimum individual requirements

Capital ratios	Banco Desio Brianza	Minimum individual requirements at 31.12.2021
CET 1	16.51%	7.0%
TIER 1	16.51%	8.5%
Total Capital Ratio	16.57%	10.5%

Shareholders' equity of Euro 1,078.2 million

Own Funds of Euro 1,127.1 million (CET 1 + AT1 1,122.9 million euro + T2 4.2 million euro)

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The Board of Directors of the Parent Company Banco di Desio e della Brianza S.p.A. met on 10 February 2022 and approved the draft separate and consolidated financial statements at 31 December 2021.

The Ordinary Shareholders' Meeting is expected to be convened at 14 April 2022 at 1st calling and, if necessary, on 15 April 2022 at 2nd calling.

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### Consolidated balance sheet

Total customer *funds under management* reached Euro 30.5 billion, an increase with respect to the 2020 year-end balance (+7.5%), attributable to both direct deposits (+5.4%) and indirect deposits (+9.1%).

*Direct deposits* amount to Euro 12.4 billion, up 5.4% compared with 31 December 2020, due to the trend in amounts due to customers (+7.1%)<sup>7</sup>; debt securities in issue have decreased compared with the end of the previous year (-5.4%).

Indirect deposits show a balance of Euro 18.0 billion (+9.1%). Deposits from ordinary customers amounts to Euro 11.0 billion, an increase of 8.6% compared with the end of the previous year, mainly attributable to the trend in assets under management (+11.7%).

*Indirect deposits from institutional customers*, equal to 38.8%, show a balance of Euro 7.0 billion, an increase of Euro 0.6 billion.

*Loans to ordinary customers* at 31 December 2021 come to Euro 11.1 billion, up on the previous year's balance (+6.2%). The Credit Department, with the support of the Risk Management Department, continued to implement the initiatives to support the financial needs of businesses and households, including the extensive public credit guarantee programmes and granting legislative moratoria. Loans to customers classified at performing have increased by 7.2% on the previous year due to further growth in medium/long-term loans linked to the ongoing derisking of the portfolio, thanks to the disbursements of new liquidity (mortgages and medium/long-term loans) to businesses with guarantees from Medio Credito Centrale and SACE for Euro 2.4 billion (+0.6% billion compared with 1.8 billion at 31 December 2020) and to the disbursement of mortgage loans to private customers; there has also been a boost to consumer lending.

*Financial assets* at the end of the year amounted to Euro 3.8 billion, 7.2% up on the end of the previous year and mainly allocated to the Held to Collect business model for Euro 3.1 billion.

The *net interbank position* at year-end is negative for Euro 1.7 billion, compared with the position at the end of the previous year, which was also negative for Euro 1.4 billion.

*Shareholders' equity pertaining to the Parent Company* at 31 December 2021, including net profit for the period, amounts to Euro 1,088.7 million, compared with Euro 995.1 million at the end of the previous year. The positive change of Euro 93.6 million is attributable to the result for the period and the effect on reserves of the sale of the investment in Cedacri S.p.A., partially offset by the decrease due to the decision to distribute the 2020 dividend.

On 25 January 2018, the Board of Directors of the Bank resolved to adopt the transitional arrangements introduced by Regulation (EU) 2017/2395 of 12 December 2017, aimed at mitigating the impact of IFRS 9 on own funds and capital ratios. At the board meeting on 30 July 2020, the Directors also decided to make use of the option provided for by Regulation 2020/873 i.e. the temporary treatment of unrealised profits and losses measured at fair value recognised in other comprehensive income for Government debt securities for the period 2020-2022 (exclusion factor of 1 in 2020, 0.70 in 2021 and 0.40 in 2022).

With reference to the Banco Desio Group, *Own Funds* at 31 December 2021 - after a pay-out that takes account of the proposed allocation of the net profits of Group companies subject to authorisation by their respective shareholders' meetings - amounted to Euro 1,131.5 million (CET1 + AT1 Euro 1,127.4 + T2 of Euro 4.1 million), compared with the balance at the end of the previous year of Euro 1,057.1 million. The Common Equity Tier 1 ratio comes to 15.6% (14.7%

<sup>7</sup> At the reference date, it includes Euro 0.2 billion of repurchase agreements with institutional customers.

at 31 December 2020). The Tier 1 ratio amounts to 15.6% (14.7% at 31 December 2020), while the Total Capital ratio is 15.7% (15.1% at 31 December 2020).

The calculation of *Own Funds* and of the *consolidated prudential requirements* at 31 December 2021, which are transmitted to the Bank of Italy in relation to the prudential supervisory reports (COREP) and statistical reports (FINREP), was made with reference to Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A. as it is the financial parent company of the banking group according to European legislation.

Consolidated *Own Funds* calculated by the *financial parent company Brianza Unione* at 31 December 2021 amount to Euro 973.0 million (CET1 + AT1 of Euro 898.1 million + T2 of Euro 74.9 million), compared with Euro 927.1 million at the end of the previous year. The *Common Equity Tier 1 ratio* comes to 11.6% (11.2% at 31 December 2020). The *Tier 1 ratio* amounts to 12.4% (12.0% at 31 December 2020), while the *Total Capital ratio* is 13.5% (13.2% at 31 December 2020).

Following the periodic Supervisory Review and Evaluation Process (SREP), on 21 May 2020, the Bank of Italy informed Banco di Desio e della Brianza S.p.A. and its financial parent company Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A. of its decision regarding capital, ordering that, from the next report on own funds, the Brianza Unione Group was to adopt the following consolidated capital ratios:

- CET1 ratio of 7.35%, binding for 4.85% (minimum regulatory requirement of 4.5% and additional requirements of 0.35% as a result of the SREP), while the remainder is represented by the capital conservation buffer;
- Tier 1 ratio of 8.95%, binding for 6.45% (minimum regulatory requirement of 6% and additional requirements of 0.45% as a result of the SREP), while the remainder is represented by the capital conservation buffer;
- Total Capital Ratio of 11.10%, binding for 8.60% (minimum regulatory requirement of 8% and additional requirements of 0.60% as a result of the SREP), while the remainder is represented by the capital conservation buffer.

As a result, at 31 December 2021 the Group again had capital ratios above the minimum requirements.

### **Consolidated income statement**

The net profit for the year of Euro 31.2 million (+131.7%) benefits from the positive trend in operations (+40.4%), partially offset by a higher cost of credit of Euro 14.3 million and increased charges relating to the banking system up by Euro 5.2 million with reference to the ordinary component. There is also a non-recurring loss of Euro 1.1 million (loss of Euro 10.4 million in the comparative period when a Euro 12.0 million charge was taken for the staff redundancy plan).

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

#### *Operating income*

Core revenues increased by about Euro 55.9 million with respect to the comparative period (+13.9%), coming in at Euro 458.2 million. The trend is mainly attributable to growth in net interest income of Euro 30.8 million (+14.3%) and net commission income of Euro 32.4 million (+19.2%), partly offset by the decrease in *other operating income/expense* of Euro 0.8 million (-25.4%), the net result of financial assets and liabilities of Euro 5.4 million (-38.8%) and dividends of Euro 0.7 million (vs Euro 1.8 million).

#### *Operating costs*

Operating costs, which include *payroll costs*, *other administrative expenses* and *net adjustments to property, plant and equipment and intangible assets* come to Euro 267.8 million and have increased with respect to the comparative period by Euro 1.1 million (+0.4%).

Other administrative costs have decreased by Euro 4.4 million (-5.1%), whereas payroll costs have increased by 5.8 million (+3.4%) versus the comparative period, which saw a considerable reduction in the variable component in compliance with the Supervisory Authorities' instructions. The balance of *net adjustments to property, plant and equipment and intangible assets* is down compared with the comparative period (-2.7%).

#### *Result of operations*

The result of operations at 31 December 2021 therefore amounts to Euro 190.4 million, up by Euro 54.8 million compared with the prior year (+40.4%).

### *Net profit (loss) from operations after tax*

The result of operations of Euro 190.4 million leads to a *net profit (loss) from operations after tax* of Euro 53.8 million, 57.6% up on the Euro 34.1 million in the comparative period, mainly because of:

- higher cost of credit (*net impairment adjustments to loans and advances from customers and gains (losses) on disposal or repurchase of loans*) of Euro 91.3 million, compared with Euro 77.1 million in the prior period;
- negative net adjustments to proprietary securities of Euro 1.2 million (positive for Euro 0.9 million in the comparative period);
- *net provisions for risks and charges* of Euro 4.1 million euro (vs Euro 6.1 million in the comparative period);
- *charges relating to the banking system* for ordinary contributions of Euro 13.5 million (vs Euro 8.3 million);
- income taxes on continuing operations of Euro 26.4 million (vs Euro 11.2 million).

### *Result of non-recurring items after tax*

At 31 December 2021 there was a non-recurring profit after tax of Euro 1.1 million (vs a loss of Euro 10.4 million).

The item essentially consists of non-recurring items that are negative overall for Euro 11.1 million and the related positive tax effect of Euro 2.9 million. *Income taxes from non-recurring items* also include the positive economic effect of Euro 9.4 million deriving from the realignment of goodwill and properties (so-called "step-up") in accordance with art. 110, para. 8 and para. 8-bis, of Legislative Decree 104/2020 (the "August Decree"), which made it possible to realign fiscal values to the higher statutory carrying amounts of operating assets by subjecting the difference to a flat-rate substitute tax of 3%.

### **More specifically, three non-recurring items include:**

- the Euro 1.0 million of costs connected with the sale of the investment in Cedacri S.p.A.;
- the Euro 2.2 million charge for the extraordinary contribution to the Single Resolution Mechanism (SRM) requested by the National Resolution Authority in June 2021;
- the Euro 2.2 million charge for the additional contribution to the Deposit Guarantee Scheme requested by the FITD in December;
- the revenue of approximately Euro 0.9 million recognised to adjust the liability recorded in 2020 for access to the "Income support solidarity fund" following the negotiations with all the previously identified resources;
- the partial release of Euro 2.7 million from the provision at the end of the previous year for operational risks linked to the situation of legal uncertainty relating to operations with customers in the consumer credit sector, which compared with the previous year was subject to a different regulatory context following the enactment of new primary legislation (Decree Law no. 73/2021, the so-called "Sostegni-Bis");
- the provision of Euro 9.3 million as a precautionary measure following the preventive seizure of tax credits acquired from a financial intermediary.

With reference to this last point, in the context of operations linked to the "Cura Italia" and "Rilancio" Decrees, the Bank signed a contract with a financial intermediary for the purchase of a package of tax credits of approximately Euro 46.5 million transferred to the intermediary by the SGAI Consortium (general contractor in private building renovation contracts); it is involved in an investigation which resulted in the seizure order of the aforementioned amount in January 2022, despite the fact that it was already recognised by the Revenue Agency and included in the Bank's so-called "fiscal drawer" in 2021.

In the urgent preventive seizure order, which has various financial intermediaries as recipients for a total amount of Euro 85 million, express reference is made to the fact that the Bank appears to be among the "unsuspecting third parties" induced "into error... about the existence of the tax credit". In light of the regulatory provisions as well as the interpretative circulars issued by the Revenue Agency, believing that it had legitimately acquired full ownership of the credits by having purchased them in good faith, the Bank promptly initiated contacts with the competent Authorities for timely resolution of the matter.

While reaffirming its right to offset the credit subject to seizure by virtue of the provisions regarding the rights of transferees in good faith, the Bank assessed with the utmost care the possibility that it may not be able to make use of the portion of the tax credit due to it (one-fifth) by 31 December 2022; as a result of this analysis, it made a charge of Euro 9.3 million in 2021 which is of a precautionary nature due to the preventive seizure and the time required for the

investigations and legal actions currently in progress, but this has no effect on the existence and hence the validity of the credit that the Bank is prepared to defend in court at any level.

For the comparison period, the *result of non-recurring items after tax* was a loss of Euro 10.4 million. This item basically consists of:

- the revenue component of Euro 0.4 million relating to a substantial change in a financial instrument subscribed by the Bank as part of the interventions made to support the banking system,
- the Euro 3.2 million charge for the extraordinary contributions to the Single Resolution Mechanism (SRM) and the Deposit Guarantee Scheme (DGS),
- the charge of 12.0 million recognised for access to the "Income Support Solidarity Fund" as a result of the Agreement signed during the year with the trade unions regarding the voluntary redundancy plan,
- interest income of Euro 1.0 million on the tax credit relating to the reimbursement requested by Banco Desio in 2012 regarding the deductibility for corporation tax (Ires) purposes of the Irap due on the payroll costs of employees and similar personnel, which was reimbursed in December 2020,

net of the positive tax effect of non-recurring items (Euro 3.4 million).

Net profit (loss) pertaining to the Parent Company

The total of the *profit from operations after tax* and the *non-recurring profit after tax* leads to a net profit pertaining to the Parent Company at 31 December 2021 of Euro 54.9 million.

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The Group's distribution network at 31 December 2021 consists of 232 branches.

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At 31 December 2021, the Group had 2,141 employees, a decrease of 38 (-1.7%) since the end of the previous year.

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### **Proposal for allocation of the net profit shown in the Parent Company's separate financial statements approved by the Board of Directors**

The Board of Directors intends to propose to the Ordinary Shareholders' Meeting the allocation of net profit to the shareholders as follows:

- Euro 0.1365 for each of the 134,363,049 ordinary shares.

If approved, the proposed allocation of net profit, with a pay out of 34.99%, will mean allocating Euro 34.1 million to reserves.

In compliance with the stock exchange calendar, the dividend will be paid on 27 April 2022, while the ex-coupon date for stock pricing purposes and the record date<sup>8</sup> will be 25 April and 26 April 2022, respectively.

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The Financial Reporting Manager, Mauro Walter Colombo, declares pursuant to paragraph 2 of Article 154-bis of the Consolidated Finance Act that the accounting information contained in this press release agrees with the supporting documents, books of account and accounting records.

Desio, 10 February 2022

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

Financial Reporting Manager  
Mauro Walter Colombo

<sup>8</sup> Date of entitlement to payment of the dividend introduced by art. 83-terdecies of Legislative Decree 91/2012 (TUF)



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The tables relating to the consolidated reclassified balance sheet and income statement of the Banco Desio Group are attached together with the separate balance sheet and income statement of the Parent Company Banco di Desio e della Brianza S.p.A.

The consolidated and separate financial statements of the Parent Company are subject to audit by KPMG S.p.A., who are currently completing their work.

Desio, 10 February 2022

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

The Chairman  
Stefano Lado

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## Banco Desio Group

### Consolidated balance sheet

Assets	31.12.2021	31.12.2020	Change	
			absolute	%
10. Cash and cash equivalents	84,412	120,342	(35,930)	-29.9%
20. Financial assets at fair value through profit or loss	85,544	56,702	28,842	50.9%
a) Financial assets held for trading	11,034	6,239	4,795	76.9%
c) Other financial assets mandatorily at fair value	74,510	50,463	24,047	47.7%
30. Financial assets at fair value through other comprehensive income	593,360	662,646	(69,286)	-10.5%
40. Financial assets at amortised cost	16,330,175	14,268,528	2,061,647	14.4%
a) Due from banks	2,445,253	1,301,942	1,143,311	87.8%
b) Loans to customers	13,884,922	12,966,586	918,336	7.1%
60. Adjustment to financial assets with generic hedge (+/-)	502	563	(61)	-10.8%
90. Property, plant and equipment	218,420	222,483	(4,063)	-1.8%
100. Intangible assets	19,119	18,513	606	3.3%
of which:				
- goodwill	15,322	15,322		
110. Tax assets	170,080	205,131	(35,051)	-17.1%
a) current	14,587	18,306	(3,719)	-20.3%
b) deferred	155,493	186,825	(31,332)	-16.8%
120. Non-current assets and disposal groups held for sale	13,080	-	13,080	0.0%
130. Other assets	290,089	108,614	181,475	167.1%
<b>Total assets</b>	<b>17,804,781</b>	<b>15,663,522</b>	<b>2,141,259</b>	<b>13.7%</b>

NB: to reflect inclusion in item 10. Cash and cash equivalents of current accounts and sight deposits with banks and central banks (with the exception of the Mandatory Reserve account) required by the 7th Update of Circular 262 published in October 2021, the balance for the comparative period was restated by reclassifying Euro 63,817 from item 40.a) Due from banks to item 10) Cash and cash equivalents.

Liabilities and shareholders' equity	31.12.2021	31.12.2020	Change	
			absolute	%
10. Financial liabilities at amortised cost	16,316,377	14,276,954	2,039,423	14.3%
a) Due to banks	3,815,695	2,412,244	1,403,451	58.2%
b) Due to customers	10,978,417	10,255,783	722,634	7.0%
c) Debt securities in issue	1,522,265	1,608,927	(86,662)	-5.4%
20. Financial liabilities held for trading	5,901	7,527	(1,626)	-21.6%
40. Hedging derivatives	365	1,540	(1,175)	-76.3%
60. Tax liabilities	3,972	13,491	(9,519)	-70.6%
a) current	2,011		2,011	0.0%
b) deferred	1,961	13,491	(11,530)	-85.5%
80. Other liabilities	320,685	297,233	23,452	7.9%
90. Provision for termination indemnities	21,960	24,740	(2,780)	-11.2%
100. Provisions for risks and charges	46,776	46,962	(186)	-0.4%
a) commitments and guarantees given	4,058	4,947	(889)	-18.0%
c) other provisions for risks and charges	42,718	42,015	703	1.7%
120. Valuation reserves	15,762	66,096	(50,334)	-76.2%
150. Reserves	931,240	818,447	112,793	13.8%
160. Share premium reserve	16,145	16,145		
170. Share capital	70,693	70,693		
190. Minority interests (+/-)	4	4		
200. Net profit (loss) for the period (+/-)	54,901	23,690	31,211	131.7%
<b>Total liabilities and shareholders' equity</b>	<b>17,804,781</b>	<b>15,663,522</b>	<b>2,141,259</b>	<b>13.7%</b>



**Reclassified consolidated income statement**

Captions				Change	
<i>Amounts in thousands of Euro</i>		31.12.2021	31.12.2020	Amount	%
10+20	Net interest income	245,106	214,352	30,754	14.3%
70	Dividends and similar income	690	1,765	-1,075	-60.9%
40+50	Net commission income	201,523	169,114	32,409	19.2%
80+90+100 +110	Net result of financial assets and liabilities	8,486	13,861	-5,375	-38.8%
230	Other operating income/expense	2,372	3,178	-806	-25.4%
	<b>Operating income</b>	<b>458,177</b>	<b>402,270</b>	<b>55,907</b>	<b>13.9%</b>
190 a	Payroll costs	-175,439	-169,635	-5,804	3.4%
190 b	Other administrative costs	-82,996	-87,438	4,442	-5.1%
210+220	Net adjustments to property, plant and equipment and intangible assets	-9,320	-9,577	257	-2.7%
	<b>Operating costs</b>	<b>-267,755</b>	<b>-266,650</b>	<b>-1,105</b>	<b>0.4%</b>
	<b>Result of operations</b>	<b>190,422</b>	<b>135,620</b>	<b>54,802</b>	<b>40.4%</b>
130a+100a	Cost of credit	-91,320	-77,055	-14,265	18.5%
130 b	Net adjustments to securities owned	-1,178	942	-2,120	n.s.
140	Profit/losses from contractual changes without write-offs	-71	267	-338	n.s.
200 a	Net provisions for risks and charges - commitments and guarantees given	889	-2,234	3,123	n.s.
200 b	Net provisions for risks and charges - other	-5,026	-3,838	-1,188	31.0%
	Charges relating to the banking system	-13,498	-8,343	-5,155	61.8%
	<b>Profit (loss) from continuing operations before tax</b>	<b>80,218</b>	<b>45,359</b>	<b>34,859</b>	<b>76.9%</b>
300	Income taxes on continuing operations	-26,438	-11,242	-15,196	135.2%
	<b>Profit (loss) from continuing operations after tax</b>	<b>53,780</b>	<b>34,117</b>	<b>19,663</b>	<b>57.6%</b>
260	Net result of the measurement at fair value of property, plant and equipment and intangible assets	-123	0	-123	n.s.
	Provisions for risks and charges, other provisions, one-off expenses and revenue	-11,015	-13,815	2,800	-20.3%
	<b>Non-recurring result before tax</b>	<b>-11,138</b>	<b>-13,815</b>	<b>2,677</b>	<b>-19.4%</b>
	Income taxes from non-recurring items	12,259	3,388	8,871	261.8%
	<b>Non-recurring profit (loss) after tax</b>	<b>1,121</b>	<b>-10,427</b>	<b>11,548</b>	<b>n.s.</b>
<b>330</b>	<b>Net profit (loss) for the period</b>	<b>54,901</b>	<b>23,690</b>	<b>31,211</b>	<b>131.7%</b>
340	Net profit (loss) pertaining to minority interests	0	0	0	n.s.
<b>350</b>	<b>Net profit (loss) pertaining to the Parent Company</b>	<b>54,901</b>	<b>23,690</b>	<b>31,211</b>	<b>131.7%</b>

## Banco di Desio e della Brianza

### Separate balance sheet

Amounts in thousands of Euro

Assets	31.12.2021	31.12.2020	Change	
			absolute	%
10. Cash and cash equivalents	84,295	120,206	(35,911)	-29.9%
20. Financial assets at fair value through profit or loss	85,546	56,702	28,844	50.9%
a) Financial assets held for trading	11,035	6,239	4,796	76.9%
c) Other financial assets mandatorily at fair value	74,511	50,463	24,048	47.7%
30. Financial assets at fair value through other comprehensive income	593,361	662,633	(69,272)	-10.5%
40. Financial assets at amortised cost	16,270,181	14,214,693	2,055,488	14.5%
a) Due from banks	2,445,249	1,301,894	1,143,355	87.8%
b) Loans to customers	13,824,932	12,912,799	912,133	7.1%
60. Adjustment to financial assets with generic hedge (+/-)	502	563	(61)	-10.8%
70. Equity investments	42,200	42,200	-	-
80. Property, plant and equipment	218,018	221,535	(3,517)	-1.6%
90. Intangible assets	12,455	11,772	683	5.8%
of which:				
- Goodwill	9,796	9,796	-	-
100. Tax assets	167,976	201,113	(33,137)	-16.5%
a) current	13,982	16,900	(2,918)	-17.3%
b) deferred	153,994	184,213	(30,219)	-16.4%
110. Non-current assets and disposal groups held for sale	13,080	-	13,080	-
120. Other assets	287,704	107,383	180,321	167.9%
<b>Total assets</b>	<b>17,775,318</b>	<b>15,638,800</b>	<b>2,136,518</b>	<b>13.7%</b>

NB: to reflect inclusion in item 10. Cash and cash equivalents of current accounts and sight deposits with banks and central banks (with the exception of the Mandatory Reserve account) required by the 7th Update of Circular 262 published in October 2021, the balance for the comparative period was restated by reclassifying Euro 63,682 from item 40.a) Due from banks to item 10) Cash and cash equivalents.

Liabilities and shareholders' equity	31.12.2021	31.12.2020	Change	
			absolute	%
10. Financial liabilities at amortised cost	16,314,213	14,278,176	2,036,037	14.3%
a) Due to banks	3,815,695	2,412,244	1,403,451	58.2%
b) Due to customers	10,976,253	10,257,005	719,248	7.0%
c) Debt securities in issue	1,522,265	1,608,927	(86,662)	-5.4%
20. Financial liabilities held for trading	5,901	7,527	(1,626)	-21.6%
40. Hedging derivatives	365	1,540	(1,175)	-76.3%
60. Tax liabilities	3,770	13,490	(9,720)	-72.1%
a) current	1,809	-	1,809	-
b) deferred	1,961	13,490	(11,529)	-85.5%
80. Other liabilities	308,065	286,646	21,419	7.5%
90. Provision for termination indemnities	21,702	24,482	(2,780)	-11.4%
100. Provisions for risks and charges	43,078	39,893	3,185	8.0%
a) commitments and guarantees given	4,058	4,947	(889)	-18.0%
c) other provisions for risks and charges	39,020	34,946	4,074	11.7%
110. Valuation reserves	15,776	66,113	(50,337)	-76.1%
140. Reserves	923,195	810,200	112,995	13.9%
150. Share premium reserve	16,145	16,145	-	-
160. Share capital	70,693	70,693	-	-
180. Net profit (loss) for the period (+/-)	52,415	23,895	28,520	119.4%
<b>Total liabilities and shareholders' equity</b>	<b>17,775,318</b>	<b>15,638,800</b>	<b>2,136,518</b>	<b>13.7%</b>

## Reclassified separate income statement

Captions		31.12.2021	31.12.2020	Change	
Amounts in thousands of Euro				Amount	%
10+20	Net interest income	226,494	200,480	26,014	13.0%
70	Dividends and similar income	690	1,765	-1,075	-60.9%
40+50	Net commission income	206,124	171,973	34,151	19.9%
80+90+100 +110	Net result of financial assets and liabilities	8,487	13,861	-5,374	-38.8%
200	Other operating income/expense	2,458	3,316	-858	-25.9%
	<b>Operating income</b>	<b>444,253</b>	<b>391,395</b>	<b>52,858</b>	<b>13.5%</b>
160 a	Payroll costs	-171,494	-165,764	-5,730	3.5%
160 b	Other administrative costs	-79,837	-84,346	4,509	-5.3%
180+190	Net adjustments to property, plant and equipment and intangible assets	-8,780	-9,094	314	-3.5%
	<b>Operating costs</b>	<b>-260,111</b>	<b>-259,204</b>	<b>-907</b>	<b>0.3%</b>
	<b>Result of operations</b>	<b>184,142</b>	<b>132,191</b>	<b>51,951</b>	<b>39.3%</b>
100a+130a	Cost of credit	-90,294	-76,589	-13,705	17.9%
130 b	Net adjustments to securities owned	-1,178	942	-2,120	n.s.
140	Profit/losses from contractual changes without write-offs	-71	267	-338	n.s.
170 a	Net provisions for risks and charges - commitments and guarantees given	889	-2,234	3,123	n.s.
170 b	Net provisions for risks and charges - other	-5,026	-3,576	-1,450	40.5%
	Charges relating to the banking system	-13,498	-8,343	-5,155	61.8%
	Dividends from equity investments in subsidiaries	2,204	1,625	579	35.6%
	<b>Profit (loss) from continuing operations before tax</b>	<b>77,168</b>	<b>44,283</b>	<b>32,885</b>	<b>74.3%</b>
270	Income taxes on continuing operations	-24,059	-9,961	-14,098	141.5%
	<b>Profit (loss) from continuing operations after tax</b>	<b>53,109</b>	<b>34,322</b>	<b>18,787</b>	<b>54.7%</b>
240	Net result of the measurement at fair value of property, plant and equipment and intangible assets	-123	0	-123	
	Provisions for risks and charges, other provisions, one-off expenses and revenue	-13,728	-13,815	87	-0.6%
	<b>Non-recurring result before tax</b>	<b>-13,851</b>	<b>-13,815</b>	<b>-36</b>	<b>0.3%</b>
	Income taxes from non-recurring items	13,157	3,388	9,769	288.3%
	<b>Non-recurring profit (loss) after tax</b>	<b>-694</b>	<b>-10,427</b>	<b>9,733</b>	<b>-93.3%</b>
300	<b>Net profit (loss) for the period</b>	<b>52,415</b>	<b>23,895</b>	<b>28,520</b>	<b>119.4%</b>