

PRESS RELEASE

**THE BOARD OF DIRECTORS
OF PARENT COMPANY “BANCO DI DESIO E DELLA BRIANZA S.P.A.” HAS APPROVED
THE PRELIMINARY RESULTS OF THE CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS AS
AT 31 DECEMBER 2014 AND THE GROUP'S 2015-2017 BUSINESS PLAN**

NOTE: THE COMPARISON OF CONSOLIDATED DATA AS AT 31/12/2014 WITH THE PRIOR YEAR IS NOT UNIFORM AS THE DATA AS AT 31/12/2014 ARE IMPACTED BY THE CONSOLIDATION OF BANCA POPOLARE DI SPOLETO S.P.A.

- ✓ **PRELIMINARY CONSOLIDATED NET PROFIT** (pertaining to the Parent Company): EUR 40.6 million, compared to a net loss of EUR 4.8 million the previous year. Significant net contribution by Finance
- ✓ **OPERATING MARGIN**: EUR 188.6 million, up by 21.3%
- ✓ **INCREASE IN TOTAL DEPOSITS FROM ORDINARY CUSTOMERS**: up to EUR 19 billion, for an increase of EUR 3.7 billion (+24.6%), of which **DIRECT CUSTOMERS' DEPOSITS**: EUR 10.3 billion (+32.2%), with a ratio of “Loans to ordinary customers” to “Direct deposits” standing at 92.2% (previously 88%)
- ✓ **INCREASE IN LOANS**: up to EUR 9.7 billion, for an increase of EUR 2.6 billion (+39%), net of repo transactions with institutional counterparties for EUR 0.2 billion
- ✓ **ADJUSTMENTS TO LOANS**: equal to EUR 150.9 million (December 2013: EUR 136.9 million; +10.2%)
- ✓ **STRONG AND INCREASING CAPITAL SOLIDITY**
 - Shareholders' equity*: EUR 845.9 million (previously EUR 818.7 million);
 - Own Funds* ⁽¹⁾ EUR 984 million ⁽²⁾ (CET1 + AT1 EUR 838 million + T2 EUR 146 million) compared to EUR 815.3 million as at 31 December 2013, data recalculated according to the new regulations (the former Regulatory Capital stood at EUR 823.3 million as at 31 December 2013);
 - Common Equity Tier1* at 10.2% ⁽³⁾
 - Tier1* at 10.4% ⁽³⁾
 - Total capital ratio* at 12.2% ⁽³⁾

⁽¹⁾ current definition of the former Regulatory Capital, according to the new regulations (Circular no. 285 and Circular no. 286 issued by the Bank of Italy, European regulation 575/2013);

⁽²⁾ with an expected pay-out not exceeding 40%, based on profit as at 30 September 2014;

⁽³⁾ equity ratios calculated according to the new regulations (those at 31.12.2013, calculated according to the previous regulations, do not allow for an accurate comparison).

PRELIMINARY KEY BALANCE SHEET DATA FOR 2014

SUMMARY

PRELIMINARY KEY CONSOLIDATED DATA AS AT 31 DECEMBER 2014

Total deposits from ordinary customers: EUR 19 billion (+24.6%)
of which Direct deposits: EUR 10.3 billion (+32.2%)

Net loans to ordinary customers: EUR 9.5 billion (+38.5%) and **Loans to institutional customers,** represented by REPO (repurchase agreements): EUR 0.2 billion (previously 0.1 billion)

“Net non-performing loans / net loans” ratio: 4.20% (previously 3.35%)

% Coverage of non-performing loans at 59.72% ⁽⁴⁾ (previously 39.52%)

% Coverage of non-performing loans gross of write-offs equal to 66.34% ⁽⁴⁾ (previously 59.41%)

Operating margin: EUR 188.6 million (+21.3%)

Net operating profit: EUR 21.1 million (versus a previous loss of EUR 6.4 million), after adjustments to loans for approximately EUR 150.9 million (previously EUR 136.9 million)

Net profit from non-recurring operations: EUR 18.3 million (previously EUR 1.6 million), thanks also to the net contribution of EUR 8.4 million (EUR 12.4 million gross) from the divestiture by the Parent Company of all the financial instruments included in the HTM (Held to Maturity) portfolio

Parent Company's profit for the period: EUR 40.6 million (previously a loss of EUR 4.8 million)

Shareholders' equity pertaining to the Parent Company: EUR 845.6 million (previously EUR 818.7 million)

Own Funds: EUR 984 million (CET1 + AT1 EUR 838 million + T2 EUR 146 million) compared to EUR 815.3 million as at 31 December 2013; this data was recalculated according to the new regulations (the former Regulatory Capital of EUR 823.3 million)

Common Equity Tier1 at 10.2%

Tier1 at 10.4%

Total capital ratio at 12.2%

PRELIMINARY KEY INDIVIDUAL DATA OF THE PARENT COMPANY AS AT 31 DECEMBER 2014

THE INDIVIDUAL FINANCIAL STATEMENTS OF THE PARENT COMPANY FOR THE YEAR, BASED ON IFRS 5, ENVISAGE RESTATEMENT TO THE SPECIFIC BALANCE SHEET AND INCOME STATEMENT ITEMS FOR DISCONTINUED OPERATIONS WITH REGARD TO THE 32 BRANCHES OF THE TUSCANY AND LAZIO REGIONS, WHICH WILL BE TRANSFERRED TO SUBSIDIARY BANCA POPOLARE DI SPOLETO SPA. THIS TRANSFER IS PART OF THE COMMERCIAL REORGANISATION PROJECT FOR THE GROUP'S NETWORK, WHICH WILL SIMULTANEOUSLY GIVE WAY TO DISPOSAL OF THE MILAN BRANCH OF SUBSIDIARY BANCA POPOLARE DI SPOLETO TO THE PARENT COMPANY.

Total deposits from ordinary customers: EUR 13.3 billion
of which Direct Deposits EUR 6.6 billion

Net loans to ordinary customers: EUR 5.9 billion and **Loans to institutional customers,** represented by REPO (repurchase agreements): EUR 0.2 billion

Operating margin: EUR 145.1 million

Net operating profit EUR 9.8 million, after adjustments to loans for EUR 125.6 million

Net profit from non-recurring operations EUR 9.3 million

Profit for the period: EUR 33 million

Shareholders' equity: EUR 817.8 million

Own Funds: EUR 909.2 million

Common Equity Tier1 at 13.6%

Tier1 at 13.7%

⁽⁴⁾ also considering impaired loans of subsidiary Banca Popolare di Spoleto S.p.A., stated gross of their relative write-downs.

Total capital ratio at 15.8%

The Board of Directors of Parent Company Banco di Desio e della Brianza S.p.A., which met on 10 February 2015, approved the preliminary results of the consolidated financial statements as at 31 December 2014, as envisaged by the European supervisory regulations with the new reports on the consolidated financial situation (FINREP) and the individual and consolidated prudential ratios (COREP).

Upon acquisition of control of Banca Popolare di Spoleto S.p.A., which took place on 1 August 2014 (date in which the new Corporate Bodies took office, following the end of the Extraordinary Administration procedure on 31 July 2014), the company was included in the Group's scope of consolidation. In accordance with the provisions of IFRS 3 - Business combinations, the Parent Company recorded the business combination using the acquisition method, measuring the assets acquired and liabilities taken on as at the acquisition date of 1 August 2014 at their respective fair values, calculated based on the balance sheet of the Extraordinary Administration as at 31 July 2014, approved by the Official Receivers and by the Bank of Italy.

Given the addition of Banca Popolare di Spoleto S.p.A., the Group increased the size of its *distribution network*, which at 31 December 2014 comprised 279 branches, of which 180 of Banco di Desio e della Brianza S.p.A. and 99 of subsidiary Banca Popolare di Spoleto S.p.A.

Further to information already provided, a distribution network streamlining will take place during the upcoming months, aimed at a competitive positioning of the Parent Company in the North and concentrating, for the Centre, the Group's branches in the Lazio region and the branches operating in the Tuscany region into Banca Popolare di Spoleto S.p.A.

As at 31 December 2014, the Group's *employees* rose to 2,474, for an increase of 714 resources or 40.6% compared to the previous year's total.

The tables of the consolidated Balance Sheet and Reclassified Income Statement as at 31 December 2014 are herewith attached, along with those of the Parent Company.

The consolidated financial statements and the draft individual financial statements of the Parent Company, which will be definitively approved in a subsequent session of the Parent Company's Board of Directors, have been submitted for auditing by Deloitte & Touche S.p.A, with auditing currently underway.

The Board of Directors of Parent Company Banco di Desio e della Brianza S.p.A. has also approved the Group's 2015-2017 Business Plan.

The Plan focuses on the business model of the banking Group that operates in financial intermediation with regard to deposits by Mass Market, Affluent and Private customers and loans with Retail, SME, PMI and mid-Corporate customers, delegating the management of specialised products and services of some segments of lending, asset management and bancassurance to outside product factories, for which it carries out placement. The only current exception is the disbursement of salary-backed or pension-backed personal loans ("CQS" and "CQP") which is assigned to subsidiary Fides Spa.

In line with the geographical and organisational decisions, the business model is operational through two banks of the Group:

- Parent Company Banco di Desio e della Brianza, covering the regions of Northern Italy;
- subsidiary Banca Popolare di Spoleto, covering the regions of Central Italy.

Given the stagnant development factors, the Plan considers the expected economic and capital impact of strategic measures, some of which already initiated in 2014 and other under implementation based on a specific schedule covering the three-year period.

Briefly, the strategic measures regard:

- streamlining of the distribution network with gradual revision of the network model, based on a "stellar" logic, following the Group's expansion with the introduction of Banca Popolare di Spoleto;
- convergence of the network performance levels to internal best practices;
- rationalisation and expansion of the distribution agreements with product companies outside the Group, with the specific objective of obtaining a gradual increase in the economic component of the services margin;
- relaunching of private banking;
- progressive development of digital and multi-channel strategies;
- further efficiency in administrative expenses;
- development of the non-performing loans management model.

In terms of risk/return, the objectives of the Business Plan can be summarised as follows:

- development of the Group's business model, encouraging the full organisational and cultural integration of Banco di Desio e della Brianza and Banca Popolare di Spoleto;
- respect of the capitalisation and liquidity restrictions, with the appropriate prudential margins;
- progressive increase in Profitability;
- adequate remuneration for all shareholders of the Group.

Notice is hereby given that the Boards of Directors of the Parent Company and of BPS have acknowledged the Council of State ruling filed on 9 February 2015, which pointed out - cancelling the ruling by the TAR (regional administrative court of law) that had rejected the appeals of several former Directors of BPS - omission of the critical examination by the Ministry of Economy and Finance of the Bank of Italy proposal, which resulted, due to the lack of an independent inquiry, in the provision ordering the Extraordinary Administration of BPS at the beginning of 2013. The appropriate technical and legal inquiries have been initiated.

Desio, 10 February 2015

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

The Manager in charge of drawing up the company accounting documents, Mauro Walter Colombo, 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.

Mauro Walter Colombo

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CONSOLIDATED - Balance Sheet

Annex no. 1

Total assets		
<i>Amounts in thousands of EUR</i>		
	31.12.2014	31.12.2013
10 Cash and cash equivalents	62.890	29.848
20 Financial assets held for trading	18.727	2.798
40 Financial assets available for sale	1.877.959	1.423.419
50 Financial assets held to maturity		181.568
60 Due from banks	288.282	275.848
70 Loans to customers	9.666.900	6.955.429
80 Hedging derivatives	8.372	5.052
90 Value adjustment to financial assets subject to macro-hedging (+/-)	2.478	
100 Equity investments	14.806	13.969
120 Property, plant and equipment	185.887	144.417
130 Intangible assets	18.384	25.506
<i>of which: goodwill</i>	15.322	23.533
140 Tax assets	241.040	93.856
<i>a) current</i>	43.865	5.118
<i>b) prepaid</i>	197.175	88.738
- <i>as per law 214/2011</i>	173.730	78.225
160 Other assets	177.945	118.581
Total assets	12.563.670	9.270.291

Total Liabilities and Shareholders' Equity		
<i>Amounts in thousands of EUR</i>		
	31.12.2014	31.12.2013
10 Due to banks	1.017.467	438.026
20 Due to customers	7.444.025	5.489.782
30 Outstanding securities	2.798.752	2.239.092
40 Financial liabilities held for trading	3.259	480
50 Financial liabilities measured at fair value	23.626	38.617
60 Hedging derivatives	6.717	2.894
80 Tax liabilities	36.156	14.832
<i>a) current</i>	2.156	2.825
<i>b) deferred</i>	34.000	12.007
100 Other liabilities	253.959	164.639
110 Employee severance indemnity	34.985	23.971
120 Provisions for risks and charges	44.670	39.021
<i>a) pensions and similar obligations</i>		27
<i>b) other provisions</i>	44.670	38.994
140 Valuation reserves	37.740	30.620
170 Reserves	683.436	709.084
180 Share premium	16.145	16.145
190 Share capital	67.705	67.705
210 Minority interest (+/-)	54.427	221
220 Profit (Loss) for the period (+/-)	40.601	-4.838
Total Liabilities and Shareholders' Equity	12.563.670	9.270.291

CONSOLIDATED - RECLASSIFIED INCOME STATEMENT
Annex no. 2

Items		31.12.2014	31.12.2013	Changes	
				Amount	%
<i>Amounts in thousands of EUR</i>					
10+20	Net interest income	227.699	194.336	33.363	17,2%
70	Dividends and similar income	114	117	-3	-2,6%
	Profits from investments in associated companies	1.061	752	309	41,1%
40+50	Net commissions	133.739	113.234	20.505	18,1%
80+90+100+	Profit/loss on trading, hedging and disposal/repurchase of fin. assets and liabilities measured at fair value	51.534	41.344	10.190	24,6%
110					
220	Other operating income/charges	17.661	17.003	658	3,9%
	Operating income	431.808	366.786	65.022	17,7%
180 a	Personnel expenses	-154.413	-133.625	-20.788	15,6%
180 b	Other administrative expenses	-77.751	-68.449	-9.302	13,6%
200+210	Net adj. to prop., plant and equip. and intangible assets	-11.012	-9.221	-1.792	19,4%
	Operating charges	-243.176	-211.295	-31.881	15,1%
	Operating margin	188.632	155.491	33.140	21,3%
	Profit (loss) on disposal or repurchase of loans	-1.634	-1.402	-232	16,5%
130 a	Net adjustments for impairment of loans	-150.888	-136.932	-13.957	10,2%
130 b	Net adjustments for impairment of financial assets available for sale	-	-601	601	-100,0%
130 d	Net adjustments for impairment of other financial transactions	446	-1.692	2.138	n.d.
190	Net allocations to provisions for risks and charges	160	-10.920	11.081	n.d.
	Operating profit (loss) before tax	36.716	3.944	32.771	830,8%
290	Income taxes for the period	-15.634	-10.316	-5.318	51,5%
	Operating profit (loss) after tax	21.082	-6.372	27.454	n.d.
240+270	Profit (Loss) from investments and disposals of investments	11.818	13.134	-1.316	-10,0%
	Extraordinary provisions for risks and charges, other provisions and expenses / profits from disposal of financial assets held to maturity	10.016	-16.810	26.826	n.d.
	Profit (Loss) from non-recurring operations before tax	21.834	-3.676	25.510	n.d.
	Income taxes from non-recurring components for the period	-3.489	5.312	-8.801	n.d.
	Profit (Loss) from non-recurring operations after tax	18.345	1.636	16.709	n.d.
320	Profit (Loss) for the period	39.427	-4.736	44.163	n.d.
330	Minority interest	1.174	-102	1.276	n.d.
340	Parent Company Profit (Loss) for the period	40.601	-4.838	45.439	n.d.

INDIVIDUAL - Balance Sheet
Annex no. 3

Assets		31.12.2014	31.12.2013
<i>Amounts in thousands of EUR</i>			
10	Cash and cash equivalents	33.788	24.322
20	Financial assets held for trading	3.572	2.798
40	Financial assets available for sale	1.354.097	1.420.453
50	Financial assets held to maturity	0	181.568
60	Due from banks	315.884	229.698
70	Loans to customers	6.074.606	6.141.481
80	Hedging derivatives	2.784	5.052
100	Equity investments	214.379	117.460
110	Property, plant and equipment	137.803	137.285
120	Intangible assets	3.500	8.270
	<i>of which:</i>		
	<i>- goodwill</i>	1.729	6.958
130	Tax assets	110.650	84.399
	<i>a) current</i>	0	3.987
	<i>b) deferred</i>	110.650	80.412
	<i>- as per law 214/2011</i>	110.579	70.516
140	Non-current assets and groups of assets being disposed	1.169.085	0
150	Other assets	70.885	101.764
Total assets		9.491.033	8.454.550

Liabilities		31.12.2014	31.12.2013
<i>Amounts in thousands of EUR</i>			
10	Due to banks	790.090	481.075
20	Due to customers	4.613.805	4.846.469
30	Outstanding securities	1.955.021	2.091.799
40	Financial liabilities held for trading	2.084	480
50	Financial liabilities measured at fair value	23.626	38.617
60	Hedging derivatives	0	2.894
80	Tax liabilities	14.713	13.417
	<i>a) current</i>	1.581	1.852
	<i>b) deferred</i>	13.132	11.565
90	Liabilities related to discontinued operations	1.062.000	0
100	Other liabilities	155.860	144.167
110	Employee severance indemnity	24.342	23.439
120	Provisions for risks and charges	31.722	30.616
	<i>b) other provisions</i>	31.722	30.616
130	Valuation reserves:	24.511	24.879
160	Reserves	676.423	663.274
170	Share premium	16.145	16.145
180	Share capital	67.705	67.705
200	Profit (Loss) for the period (+/-)	32.986	9.574
Total Liabilities and Shareholders' Equity		9.491.033	8.454.550

INDIVIDUAL - RECLASSIFIED INCOME STATEMENT

Annex no. 4

Items <i>Amounts in thousands of EUR</i>		31.12.2014	31.12.2013	Changes	
				Amount	%
10+20	Net interest income	159.858	155.595	4.263	2,7%
70	Dividends and similar income	718	2.117	-1.399	-66,1%
40+50	Net commissions	98.467	94.445	4.022	4,3%
80+90+100 +110	Profit/loss on trading, hedging and disposal/repurchase of loans, fin. assets and liabilities and fin. assets and liabilities measured at fair value	50.277	41.465	8.812	21,3%
190	Other operating income/charges	10.273	11.833	-1.560	-13,2%
Operating income		319.593	305.455	14.138	4,6%
150 a	Personnel expenses	-114.937	-113.496	-1.442	1,3%
150 b	Other administrative expenses	-51.247	-50.494	-754	1,5%
170+180	Net adj. to prop., plant and equip. and intangible assets	-8.277	-7.811	-466	6,0%
Operating charges		-174.461	-171.800	-2.661	1,5%
Operating margin		145.132	133.655	11.477	8,6%
	Profit (loss) on disposal or repurchase of loans	-1.634	-1.229	-405	32,9%
130 a	Net adjustments for impairment of loans	-125.758	-120.251	-5.507	4,6%
130 b	Net adjustments for impairment of financial assets available for sale	0	-574	574	-100,0%
130 d	Net adjustments for impairment of other financial transactions	546	-1.552	2.098	-135,2%
160	Net allocations to provisions for risks and charges	-2.283	-7.577	5.294	-69,9%
	Dividends from investments in subsidiaries	2.457	2.846	-389	-13,7%
Operating profit (loss) before tax		18.460	5.319	13.141	247,1%
260	Income taxes for the period	-8.682	-5.578	-3.104	55,7%
Operating profit (loss) after tax		9.778	-259	10.037	-3874,7%
210	Profit (loss) from investments	2.585	17.466	-14.881	-85,2%
240	Profit (loss) from disposals of investments	217	0	217	
	Provisions for risks and charges on extraordinary transactions	10.025	-16.183	26.208	n.d.
Profit (Loss) from non-recurring operations before tax		12.827	1.283	11.544	899,9%
	Income taxes from non-recurring components for the period	-3.495	4.288	-7.783	-181,5%
Profit (Loss) from non-recurring operations after tax		9.332	5.571	3.760	67,5%
280	Profit (Loss) from non-current assets held for sale after tax	13.877	4.262	9.615	225,6%
290	Profit (Loss) for the period	32.986	9.574	23.412	244,5%