

PRESS RELEASE**Banco Desio complies with regulatory requirements by
suspending the payment of the 2019 dividend**

Desio, 1 April 2020 – The Board of Directors of Banco di Desio e della Brianza S.p.A. met today following the enactment, on 27 March 2020, of the **Bank of Italy's Recommendation on the distribution of dividends by less significant Italian banks during the COVID-19 pandemic**.

In consideration of the purposes of the Bank of Italy's Recommendation and the efforts made by the Banco Desio Group since the beginning of the emergency to help mitigate the health-social and economic effects of the pandemic, the Board of Directors has decided to implement the indications of the Supervisory Authority by adopting the following resolutions, also in view of the Shareholders' Meeting, which is confirmed to be convened for 23 April 2020 (first call) and 24 April 2020 (second call).

In line with the clarifications given also by the European Central Bank, the Board resolved to maintain the initial proposal of dividend distribution though making the relevant payment subject to the reconsideration of the situation related to the COVID 19 emergency and, in any case, after 1 October 2020.

Therefore, the Board will propose to the afore mentioned Shareholders' Meeting to postpone and condition the effectiveness of the dividend distribution resolution, subjecting it to future assessment by the Board with regard to the compliance of the distribution to the regulatory and economic framework and the guidelines of the Authorities in place after 1 October 2020. This resolution will only concern the following amounts of dividends to shareholders:

Euro 0.1036 for each of the 122,745,289 ordinary shares	Euro 12,716,411.94
Euro 0.1244 for each of the 13,202,000 savings shares	Euro 1,642,328.80
Amount whose payment is differed and subordinated	Euro 14,358,740.74

As a consequence of this choice, **the Bank will continue to deduct, as done so far, the amount allocated as a dividend from the CET1 capital for prudential purposes.**

The suspension relates, as mentioned above, exclusively to the current proposal of profit allocation for the part reserved to dividends (totalling Euro 14,358,740.74).

On the contrary, the proposed allocation of the profit to the Legal Reserve, the Statutory Reserve and the Charity Reserve will follow the *procedure* of approval by the afore mentioned Shareholders' Assembly in accordance with what has already been proposed:

- 10% the profit for the year to be allocated to the legal reserve	Euro 4,488,646.00
- 10% the profit for the year to be allocated to the statutory reserve	Euro 4,488,646.00
- Allocation to the charity reserve	Euro 50,000.00
- Additional allocation to the statutory reserve	Euro 21,500,431.40
Total allocated to the reserve	Euro 30,527,723.40

This amount, net of the Euro 50,000 allocated to the charity reserve (which are allocated exclusively to social and health initiatives related to the Covid-2019 emergency), will continue to be included in the CET1 capital for prudential purposes.

By virtue of the capital strength shown by the coefficients as at 31 December 2019 and summarised below, Banco Desio deems itself capable of effectively continuing its action to support the economy

	Coefficienti al 31 dicembre 2019 ¹	Banco di Desio e della Brianza	Gruppo Banco Desio	Gruppo Brianza Unione
FINANCIAL STRENGTH				
		14,42%	12,97%	9,99%
		14,44%	12,98%	10,73%
		15,21%	13,67%	11,97%
		The consolidated ratios ratios at the level of Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A., the parent company holding 49.88% of Banco di Desio e della Brianza S.p.A. (of which it holds 50.44% of the ordinary shares and 44.69% of the savings shares), were calculated in accordance with the provisions of articles 11, paragraphs 2 and 3 and 13, paragraph 2 of the CRR.		

With regard to the documentation that, in accordance with the law, has already been published and/or is published today on the Bank's *website* at www.bancodesio.it, in the *Home/Bank/Governance/Shareholders' Meetings* section and on the Info storage platform at www.1Info.it, it is specified that:

- no changes are made to the financial statement documentation approved by the Board of Directors on 6 February of this year (financial reports and other documents in accordance with Article 154-ter, Italian Legislative Decree no. 58/98, as well as the Consolidated non-financial statement prepared in accordance with Italian Legislative Decree no. 254/16);
- the report on Point 1.2 placed on the agenda of the Shareholders' Meeting ("*allocation of the profit for the year*") approved by the Board of Directors on 27 February of this year and published on 13 March of this year, is replaced in order to take account of the amendments resulting from the resolutions above. Therefore, a specific Addendum is published.

BANCO DI DESIO E DELLA BRIANZA SpA
The Chairman

¹ According to the Bank of Italy instruction communicated to Banco di Desio e della Brianza S.p.A. and the financial parent company Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A., on 27 June 2019, the "CRR" Brianza Unione Group was assigned the following minimum capital requirements to be met upon conclusion of the *Supervisory Review and Evaluation Process (SREP)*: *CET1 ratio* of 7.25%, binding - pursuant to Art. 67-ter CBL - at the rate of 4.75% (of which 4.5% given the minimum regulatory requirements and 0.25% given additional requirements) and, for the remainder, from the capital conservation reserve component, *Tier1 ratio* of 8.85%, binding at the rate of 6.35% (of which 6.0% against the regulatory minimum requirements and 0.35% against the additional requirements) and the remainder from the capital reserve component and *Total Capital ratio* of 11.0%, binding at 8.5% (of which 8% given the regulatory minimum requirements and 0.5% given the additional requirements) and the remainder from the capital reserve component.

□□ In application of the transitory provisions introduced by (EU) Regulation 2017/2395 of 12 December 2017

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