



**Banco di Desio e della Brianza S.p.A.
("Banco Desio")**

**SOFT-BULLET
COVERED BOND PROGRAMME**

Investor presentation

August 2017

Potential Transaction

Indicative Terms and Conditions	
Issuer	Banco di Desio e della Brianza S.p.A
Expected Rating	[AA-] Fitch
Status	Covered
Amount	EUR [•]million
Maturity type	Soft-bullet/Intermediate
Coupon	Fixed [] %
Coupon payments	Annual
Issue/re-offer Spread:	ms+[•] bps
Redemption price	100% Nominal Amount
Day Count Fraction	Actual/Actual (ICMA) unadjusted
Documentation	Issued off Banco di Desio e della Brianza S.p.A EUR 3bn Covered Bond Programme dated 19 July 2017, unconditionally and irrevocably guaranteed as to payments of interest and principal by DESIO OBG S.r.l
Form of the Notes	Bearer
Governing Law	Italian Law
Listing	Dublin Stock Exchange
Denominations	EUR 100k +1k
Joint Lead Managers	Banca IMI, BNP Paribas , Natixis, SG CIB and UniCredit

Executive Summary

Issuer description

- Conservative business model focused on retail and SMEs banking activities
- Improving asset quality with high coverage ratio well above Italian System avg
- Stable funding and good liquidity (LCR over 100%)
- Strong capital position: CET1 at 11.09% vs SREP requirement at 6.00%
- Banco Desio's investment grade at senior unsecured level (Fitch: BBB-, Stable outlook affirmed on 20th June 2017)

OBG Programme

- Eur 3bn Soft-Bullet Programme aimed at diversifying the sources of funding
- OBG Programme Expected Rating: [AA-] by Fitch (24th July 2017, confirmed on 16th August 2017)
- Support lending activity lengthening the maturity profile

Cover pool

- Cover Pool composed of first lien residential mortgage loans, performing only
- Weighted average current LTV: 44.66%
- Committed Asset Percentage at [AA-] level 75%: the statutory tests are run quarterly to ensure sufficient programme support

Italian Mortgage Market OBG and Covered Bond Market

- The Italian mortgage market is relatively small in Europe, reflecting the low tendency to incur debt
- Low LTV levels compared to Italian peers

Table of contents

1

Issuer description

2

Banco Desio OBG Programme and Cover Pool description

3

Residential mortgage business

4

Contacts

Table of contents

1

Issuer description

2

Banco Desio OBG Programme and Cover Pool description

3

Residential mortgage business

4

Contacts

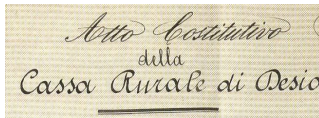
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Banco Desio: a solid and independent bank with strong local roots

Founded in 1909

- Founded in 1909 under the name of «Cassa Rurale», the bank, head-quartered in Desio, was renamed Banco Desio in 1925;
- As of 1989, the bank developed mainly in Lombardy with **639 employees and 29 branches**.

1909: Cassa Rurale di Desio



1926: Banco di Desio



1967: Banco di Desio e della Brianza



1995: listing on the Milan Stock Exchange market

- Following the listing, Banco Desio **developed as multiregional bank**, and started to diversify its business model through:
 - ✓ AM (Rovere Società de Gestion);
 - ✓ Insurance (Chiara Assicurazioni);
 - ✓ Consumer Credit (**FIDES S.p.A., acquired in 2007**).
- As of 2009, operating network increased to **1,774 employees and 161 branches**.

2009: celebrating 100 years of activity



2000s: Banco di Desio group

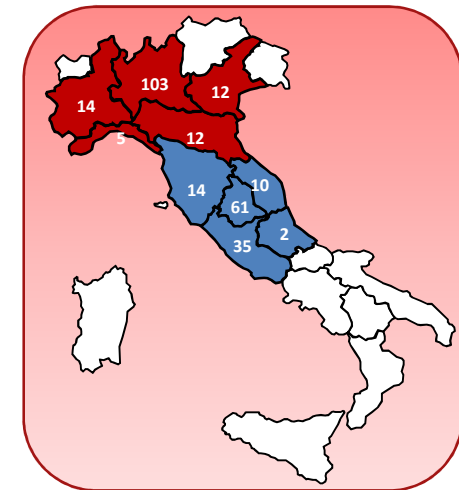
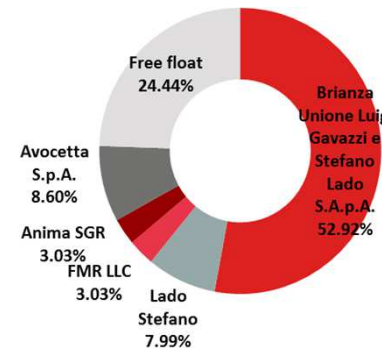


2014: Banco Desio acquisition of Banca Popolare di Spoleto

- **Banco Desio reviewed its bank strategy** with a new three years Business Plan mainly focused on the bank's core business:
- **Sale of non core activities:**
 - ✓ AM activity, Rovere Società de Gestion S.A. liquidated in 2016, following the absorption of nine foreign subfunds by an Italian asset manager;
 - ✓ Insurance activity, Chiara Assicurazioni S.p.A. ceded to the Helvetia Insurance group as of December 2016.
- **Acquisition of Banca Popolare di Spoleto (BPS):** the deal is fully own funded contributing to consolidate BD Desio retail SMEs businesses and geographic presence in Centre of Italy. As of today, Banco Desio relies on **2,351 employees and 268 branches**.

Banco Desio in a nutshell: coherent, conservative, listed and IG rated

- **Business model** mainly providing retail and SMEs banking services;
- **Simple group structure** focused on banking activities;
- **Listed since 1995 on the Milan Stock Exchange** with a market capitalisation of EUR 324.7m (as of 24th Aug-17);
- **Positive market perception**, with Banco Desio's market price trend above the FTSE MIB Index since December 2016;
- A **family owned bank with stable governance** and non-negligible free float (24.44%), traded on the market by both Italian and foreign primary financial institutions;
- **Good geographical diversification** mainly in the North of Italy (39.5% of bank's distribution network in Lombardy) with 146 branches and in the Centre through Banca Popolare di Spoleto with 122 branches;
- **An investment grade bank rated by Fitch at BBB- (Stable Outlook)**, confirming its last assessment thanks to:
 - *Regulatory capital ratios comfortably above minimum requirements (over 5% of CET1 buffer to SREP);*
 - *Gross impaired loans in line with other domestic banks;*
 - *The extension of Desio's prudent underwriting standards to BP Spoleto that has stabilised impaired loans;*
 - *Fitch expectations that the bank should start to benefit from a combination of sales and strengthened workout processes of its non-performing loans;*
 - *Sound liquidity, with liquidity coverage and net stable funding ratios both well above 100%.*



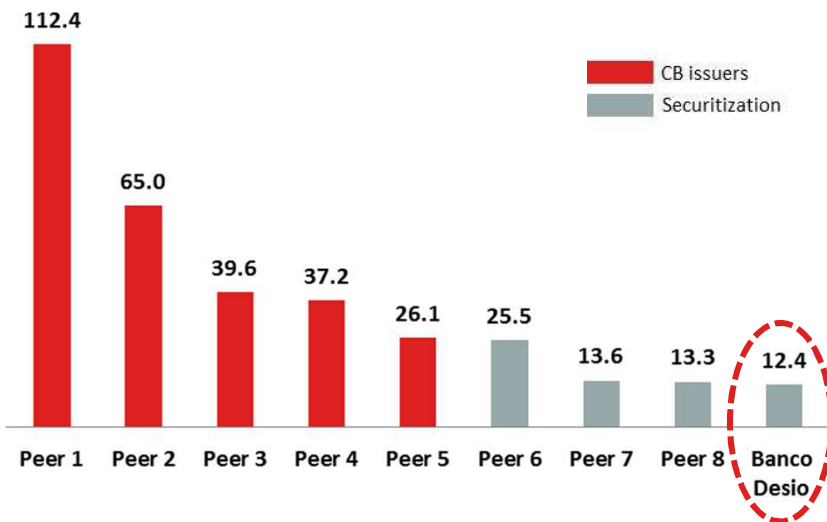
Republic of Italy	ISP	UniCredit	CREDEM	Banco Desio	BPSO	UBI Banca	BPER Banca	CREVAL	Carige
BBB	BBB	BBB	BBB	BBB-	BBB-	BBB-	BB	BB-	B-
F2	F2	F2	F2	F3	F3	F3	B	B	B-
Stable	Stable	Stable	Stable	Stable	Stable	Negative	Stable	Negative	RW Neg

Source: Banco Desio's Fitch ratings compared to Italian competitors

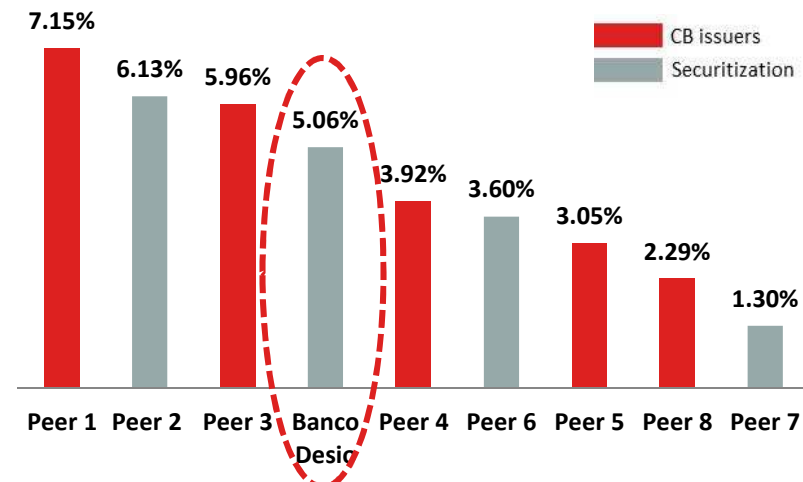
Banco Desio vs Italian issuers

- **Solid fundamentals and ratios makes Banco Desio comparable to Italian CB issuers despite its small BS;**
- **The inaugural CB Programme will be the first market transaction for Banco Desio,** leading the bank also to diversify and extend its potential sources of funding;
- Considering the capital buffer component, Banco Desio is well-positioned compared to some of its most significant and longstanding competitors active in both the covered bond and securitization markets¹;
- As of 1H-17, the Bank registered a buffer improvement to 5.06% following the release of the new SREP in Apr-17.

2016 Ranking by Total Assets (Eur bn)



1H-17 Ranking by Capital buffer (%)



¹ Peers: UBI Banca, BPER, CREDEM, BPSO, Creval, Banca Sella, Banca Carige and BPB.

Source: Companies' Financial Reports as of 2016, 1Q-17 and 1H-17. BPB's and BPSO's SREP and CET1 as of Dec-16 and 1Q-17 respectively.

Business Plan update: from BPS acquisition to CB issuance

Business Plan 2015-2017

Release of a new Business Plan following acquisition of BP Spoleto focusing on:

- Full integration of Banco Desio and BPS ✓
- Appropriate prudential margin to meet liquidity requirements ✓
- Progressive increase in profitability (ROE and RORAC) ✓
- Adequate remuneration for all shareholders ✓
- Rationalisation of the distribution perimeter ✓

Other main strategic measures concerning:

- Revival of Private Banking activities ✓
- Continuous digitalization process ✓
- Further streamlining of administrative costs ✓
- Dynamic impaired loans management (doubtful and UTP), partially outsourced to specialised vehicles ✓
- Strengthening of distribution agreements outside BD consolidation to gradually increase services margin ✓

Business Plan 2018-2020

Release of the new three-year Business Plan after inaugural CB programme :

● **Credit:** continuous focus on core business lending to families (residential mortgages, personal lending products, CQ5) and SMEs (targeting a progressive reduction in capital absorption)

● **Funding:** further development of the full range of direct and indirect funding products, particularly in relation to AM and Wealth Management services

● **Operating income:** consistent growth on the core business revenues coming from enhancement in credit intermediation services as well as in management and advisory services

● **Operating expenses:** in line with previous efficient cost management policies. Progressive economic and management benefits coming from the incentive fund retirement (FY-16) due to careful cost management initiatives

Resilient performance despite the prolonged economic downturn and the re-launch of Banca Pop. Spoleto, acquired in 2014

P&L 2016 (Eur m)

Income statement Eur m	2014*	2015	2016	Δ 2016/2015
Operating income	431.8	470.8	422	-10.40%
Operating costs	-243.2	-278.6	-275.2	-1.20%
Operating margin	188.6	192.2	146.8	-23.60%
<i>Net impairment adj to loans and advances</i>	<i>-150.9</i>	<i>-149.7</i>	<i>-92</i>	<i>-38.60%</i>
<i>Net impairment adj to financial assets</i>	<i>0.4</i>	<i>-1.2</i>	<i>0.3</i>	
<i>Net provisions for risks and charges</i>	<i>0.2</i>	<i>0.2</i>	<i>-4.4</i>	
Adjustments and provisions	-150.3	-150.7	-96.1	-36.20%
Net recurring operating result	21.1	32.6	37.8	16.10%
Net non-recurring operating result	18.3	5	-12.3	
Net profit (loss) to minority interests	1.2	0.6	0	
Net profit (loss)	40.6	38.2	25.6	-32.98%

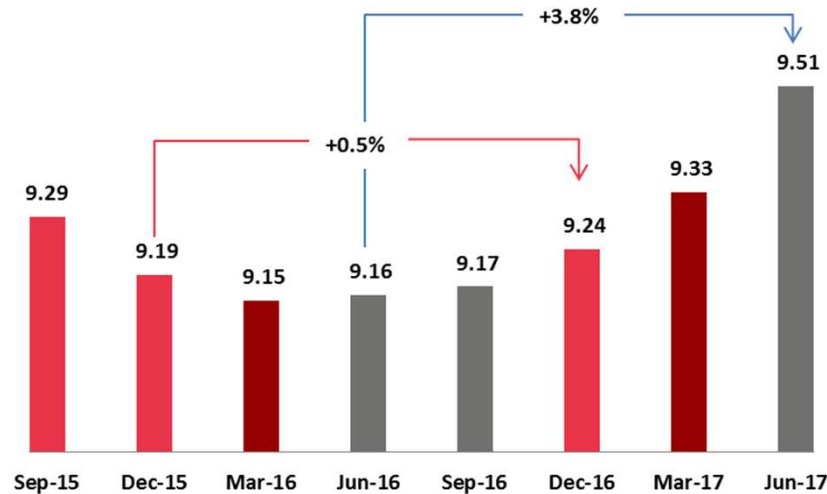
P&L 1H-17 (Eur m)

Income statement Eur m	1H-16	1H-17	Δ Jun -17 / Jun -16
Operating income	211.1	209.4	-0.80%
Operating costs	-141.7	-139.5	-1.50%
Operating margin	69.4	69.9	0.70%
<i>Net impairment adj to loans and advances</i>	<i>-42.6</i>	<i>-30.1</i>	<i>-29.30%</i>
<i>Net impairment adj to financial assets</i>	<i>0.1</i>	<i>-3.1</i>	
<i>Net provisions for risks and charges</i>	<i>-3.3</i>	<i>-2.3</i>	
Adjustments and provisions	-45.8	-35.5	-22.50%
Income taxes on current operations	-5.3	-11.7	118.90%
Net recurring operating result	18.3	22.7	24.40%
Net non-recurring operating result	4.7	-4.1	
Net profit (loss) pertaining to minority interests	-0.7	-0.5	
Net profit (loss)	22.3	18.2	-18.50%

- In a global context of low interest rates, **the Group net recurring operating results showed increased profitability thanks to:**
 - improving trend in **cost efficiency**;
 - decreasing cost of credit**.
- As of 1H-17, the **net recurring result** registered a great improvement (+24.4% y/y), due to increasing operating margin (+0.7% y/y) and **consistent reduction in cost of credit** (-29.3% y/y), represented by the drop of net impairment adjustments to loans, coherently with business expectations;
- Operating result** positively impacted by **falling operating expenses** (-1.5% y/y), due to Banco Desio's contribution to the Interbank Deposit Protection Fund as of 2016;
- Net profitability trend impacted by non recurring operating results. Despite the extraordinary effect, **ROE improved up to 5.0% as of 1H-17**, compared to 3.0% registered in 1H-16².

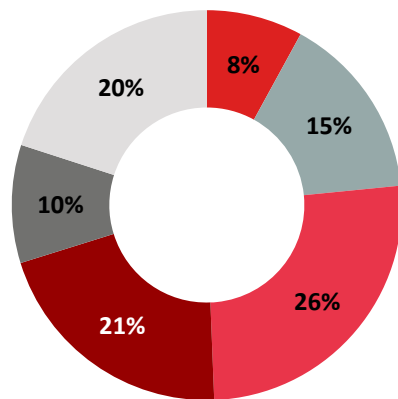
Constant proximity to real economy and well-diversified customer base

Gross customer loans (interest bearing) trend (Eur bn)

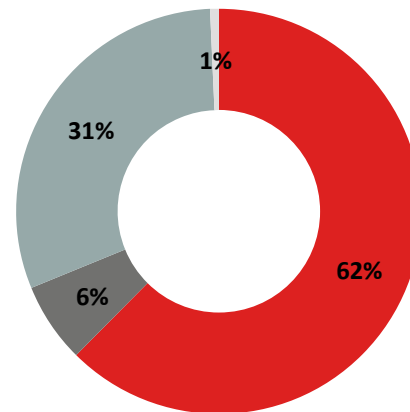


- Good diversification in terms of industrial sectors and individual borrowers, with limited large exposures and increasing loans to customers year on year;
- Gross customers loans (interest bearing) increasing by 3.8% y/y vs 1.3% y/y of the Italian Banking System avg;
- Top 20 clients exposure totalling 2.20% of gross customer loans vs 2.37% in 1H-16, reflecting a good diversified risk.

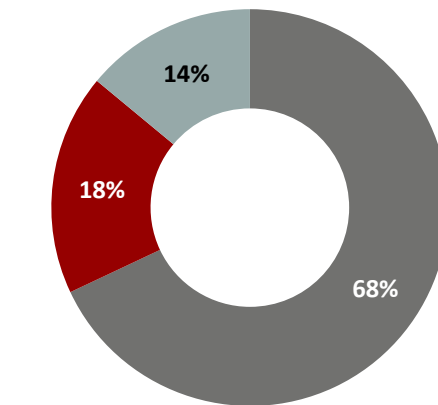
1H-17 Breakdown by sector (%)



1H-17 Breakdown by debtor (%)



FY-16 Breakdown by loan (%)



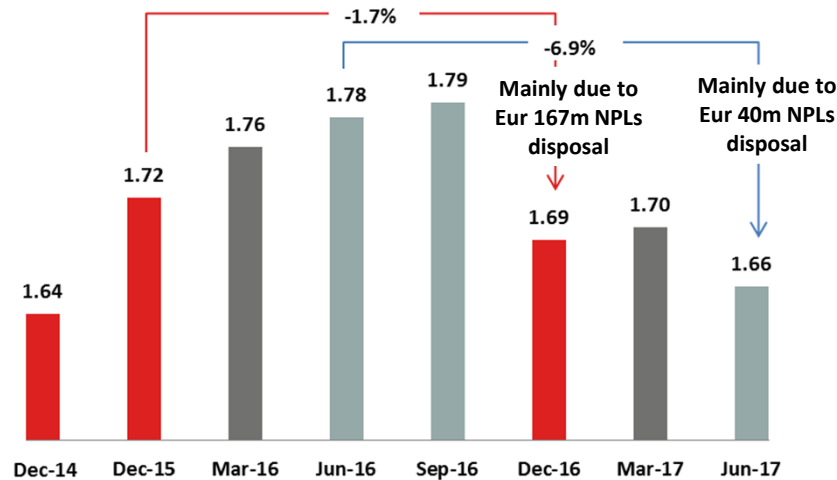
■ Building
■ Customer households
■ Real estate
■ Commerce
■ Manufacturing
■ Services

■ Non financial companies
■ Customer households
■ Financial institutions
■ Other

■ Mortgages
■ Other loans
■ Current accounts

Improving asset quality: decreasing level of NPLs

Gross impaired loans trend (Eur bn)



- Banco Desio is planning further net NPEs disposals by the end of 2017 so to improve its asset quality;
- Eur 167m bad loans disposal was made in Dec-16 and Eur 40m in 2Q-17, implying a significant decrease of gross impaired loans compared to Sep-16, as well as a lower level of NPLs with respect to most of its peers;
- Net impaired loans ratio at 9.0%, o.w. 4.8% bad loans, both showing a decreasing trend compared to Dec-16;
- As of June 2017, NPEs % of gross loans portfolio is shown to be well below the Italian Banking System result³, and also the **aggregated coverage ratio** reflects a positive trend well above the avg of the National Banking System⁴.

1H-17 Impaired loans breakdown (%)

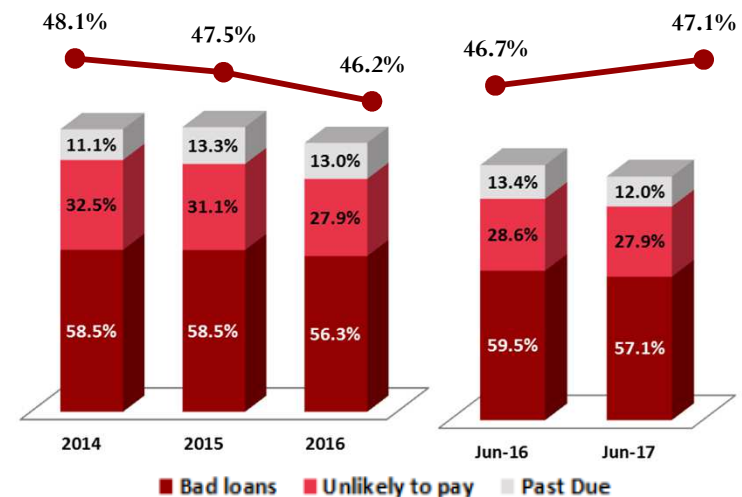
Non Performing Exposures % of Gross customer loans	Dec-16	Jun-17	Italian Banking System avg as of Apr-17
In bonis	84.0%	84.4%	80.6%
Gross impaired loans	16.0%	15.6%	19.4%
o.w. bad loans	10.5%	10.3%	11.5%
o.w. Unlikely to pay and Past Due	5.6%	5.3%	7.9%

Coverage %	Dec-16	Jun-17	Italian Banking System avg as of Apr-17
In bonis	0.5%	0.5%	0.7%
Gross impaired loans	46.2%	47.1%	44.8%
o.w. bad loans	56.3%	57.1%	57.8%
o.w. Unlikely to pay and Past Due	27.4%	27.4%	24.0%

³ Average of Italian banks directly supervised by the Bank of Italy in deep cooperation with the ECB. Gross NPEs average ratio referred to the Italian banks directly supervised by the ECB, accounts for 17.3% (Source: Bank of Italy, April 2017 - "Financial Stability Report");

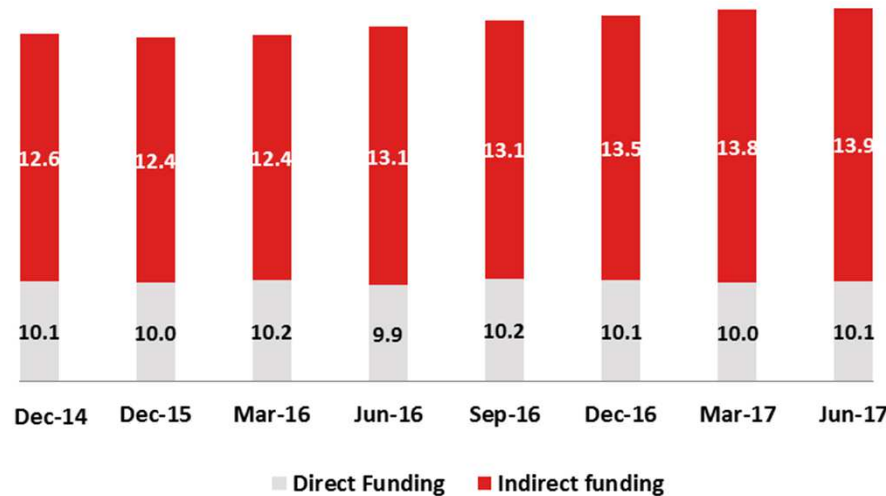
⁴ Average of Italian banks directly supervised by the Bank of Italy in deep cooperation with the ECB. Gross impaired coverage ratio referred to the Italian banks directly supervised by the ECB, accounts for 50.6% (Source: Bank of Italy, April 2017 - "Financial Stability Report").

Coverage ratio trend (%)



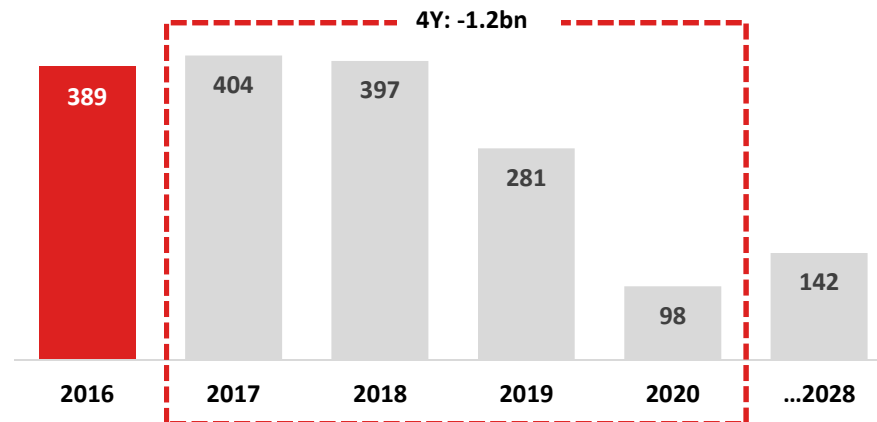
Consistent and resilient funding profile

Total funding breakdown (Eur bn)



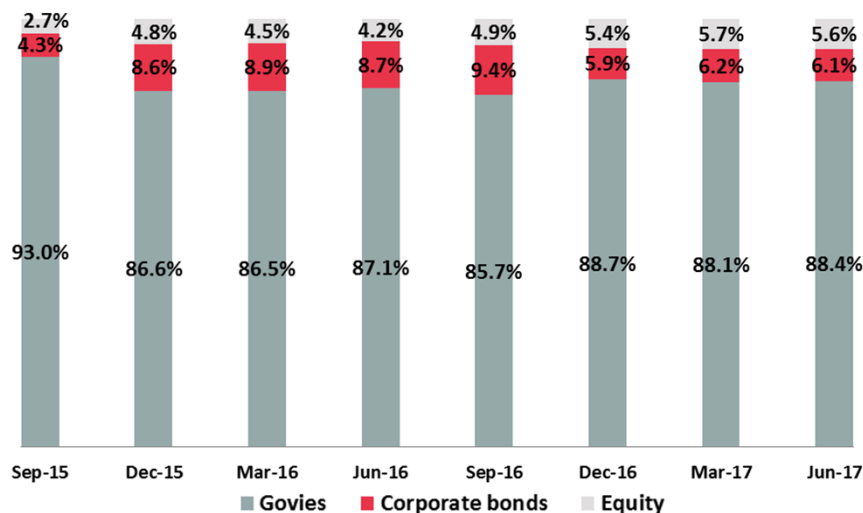
- Banco Desio proved to have a consistent and resilient funding thanks to its large retail clientele and solid relationship with corporate depositors;
- As of Jun-17, total funding amounted to Eur 24.0bn **(+1.6% y/y)** mainly driven by the indirect funding component, which is becoming continuously significant in line with Banco Desio's willingness to grow its AuM (according to the 2015-2017 Business Plan);
- **Total funding** (excluding repos with CC&G) composed of:
 - **Eur 10.1bn traditional direct funding (42% on overall funding)**, represented by 88.8% customer deposits (+6.7% y/y) and 11.2% retail bonds (-24.8% y/y);
 - **Eur 13.9bn indirect funding (57.9% on overall funding)**, represented by 24% AuC (-5.8% y/y) and 76% AuM (+15.9% y/y), the latter recording a sound increase.
- Banco Desio has taken part to the **TLTRO II** auction as of Mar-17, receiving **Eur 800m expiring in 2021**, in addition to the **Eur 800m borrowed in 2016 and expiring in 2020**.

Bonds maturity

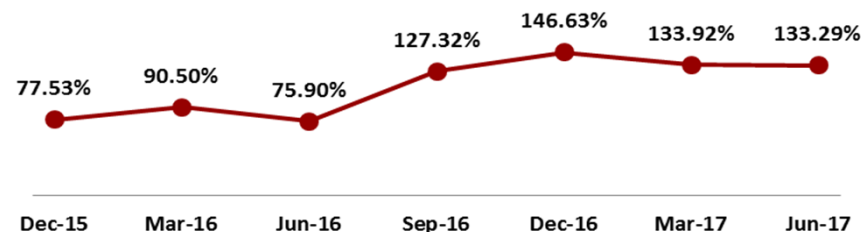


Securities portfolio made of Govies and optimal liquidity position

Financial portfolio breakdown (Eur bn)



Liquidity Coverage ratio (%)



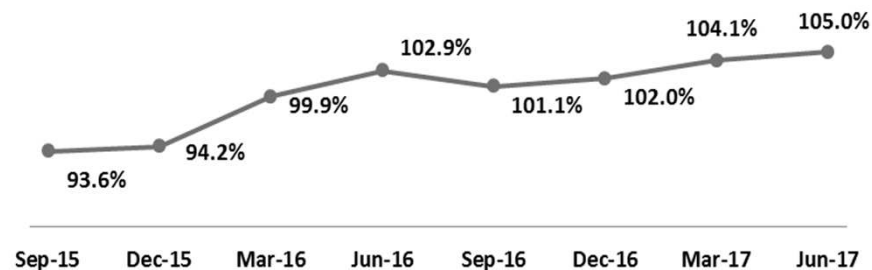
- Liquidity coverage ratio **above required limits**;
- The Bank is **not dependent on the ECB for its liquidity needs** (TLTRO operations only representing ca 14% of its total funding), instead supported by its ample customer funding base.

Financial portfolio allocation (Eur bn)

	Dec-14	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Govies	1.72	1.62	1.69	1.84	1.74	1.64	1.71	1.75
Corporate bonds	0.08	0.16	0.17	0.18	0.19	0.11	0.12	0.12
Equity	0.05	0.09	0.09	0.09	0.10	0.10	0.11	0.11
Total AFS	1.85	1.87	1.96	2.11	2.03	1.85	1.94	1.98
Total FVPL, LR	0.04	0.01	0.01	0.02	0.02	0.02	0.02	0.04
Total Portfolio	1.89	1.88	1.97	2.13	2.05	1.87	1.96	2.02

- Investment strategy remains conservative with AFS almost entirely composed of Govies (ca 86.6% of total securities portfolio), wholly issued by the Italian State;
- As of 2016, portfolio duration was of ca 2.8yrs.

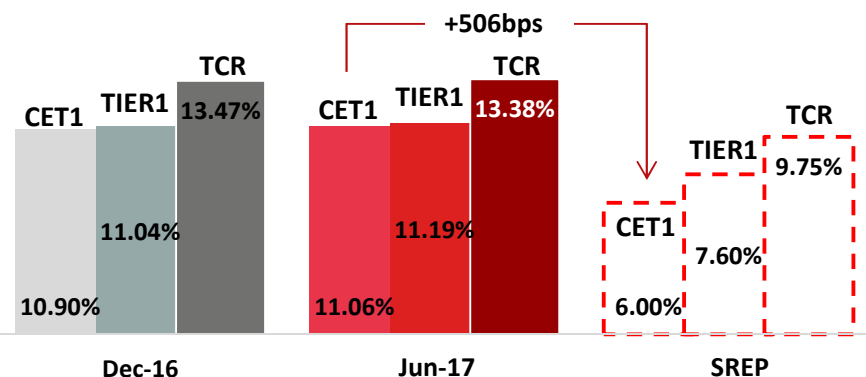
Loan to Deposit ratio (%)*



*Gross LTD: Gross loans on total direct funding

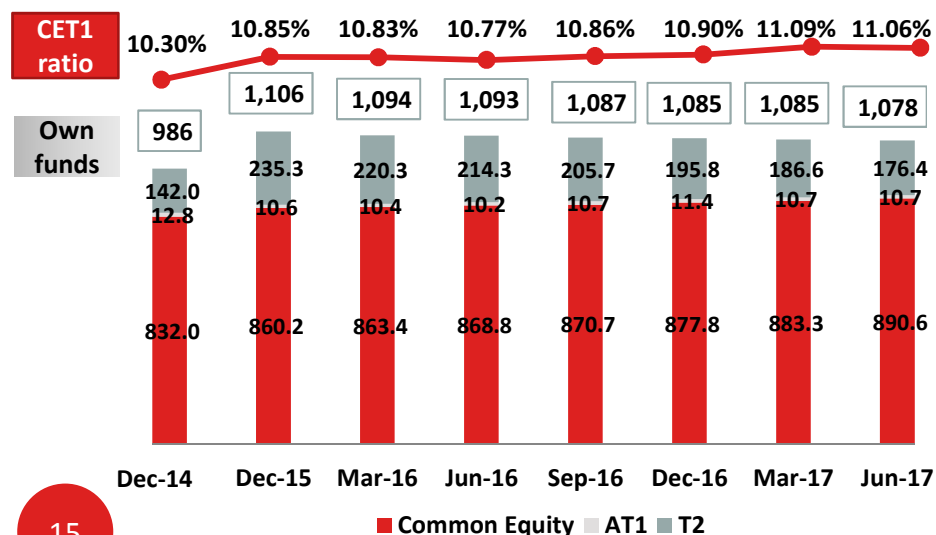
Capital ratios: fully meeting SREP requirements

Capital ratios well above minimum requirements (%)



- As of FY-16, total equity amounted to Eur 918.5m (stable year on year), representing 7% of total assets;
- High and stable capital adequacy with 5.1% buffer**, also considering the new capital requirements released by Bank of Italy in April 2017:
 - 6% Common Equity Tier 1 vs 7.00% in FY-16;
 - 7.6% Tier 1 ratio vs 8.50%;
 - 9.75% Total Capital ratio vs 10.50%.
- Increasing CET1 ratio from 10.77% in Jun -16 to 11.06% as of Jun-17, comfortably above minimum requirements.

Total own funds breakdown (Eur m)



Capital absorption as of FY-16 and 1H-17 (Eur m)

	CET	2016	1H-17
Total Common Equity Tier 1 (CET 1)		877.8	890.6
Total Additional Tier 1 (AT1)		11.4	10.7
Total Tier 2 (T2)		195.8	176.4
Total Own Funds		1,085.0	1,077.7
RWA		8,053.6	8,054.5
Common Equity Tier 1 (CET1)		10.9%	11.1%
SREP ratio		7.0%	6.0%
Buffer SREP		3.9%	5.1%
Tier 1		11.0%	11.2%
Supervisory ratio		8.5%	7.6%
Buffer		204.6	289.1
Total capital ratio		13.47%	13.38%
Supervisory ratio		10.50%	9.75%

Table of contents

1

Issuer description

2

Banco Desio OBG Programme and Cover Pool description

3

Residential mortgage business

4

Contacts

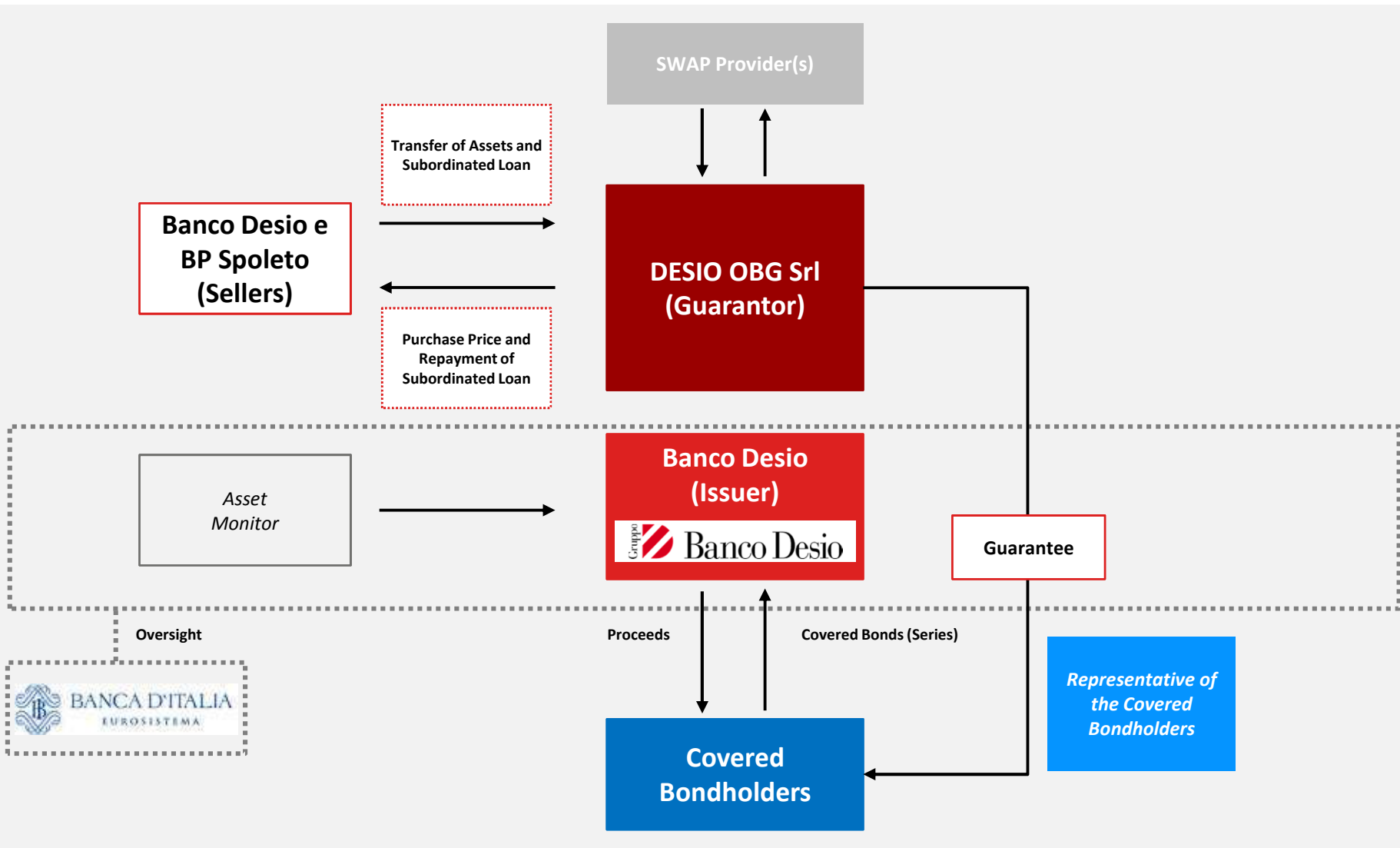
Summary of the programme

Main Terms	
Issuer	Banco Desio
Sellers	Banco Desio e Banca Popolare di Spoleto
Expected Rating	[AA-] (by Fitch)
Programme Size	Eur 3,000,000,000
Programme Structure	Soft-bullet with 12 months of maturity extension
Guarantor	DESIO OBG S.r.l.
Cover Pool	Italian prime, first economic lien residential mortgages originated by the Sellers
Segregation of collateral	Collateral sold to the Guarantor for the benefit of OBG holders and other secured parties in the context of the programme
Contractual Asset %	88%
Committed Asset %	75% for a [AA-] level
Listing	Dublin
Overcollateralization	The statutory tests are run quarterly to ensure sufficient programme support
Governing Law	Italian Law
Programme Set-up	18 July 2017
First asset transfer	July 2017

Summary of the programme

Main Terms	
<u>Counterparties</u>	
Guarantor Calculation Agent	Securitisation Services S.P.A.
Test Calculation Agent	Banco Desio
Representative of OBG holders	Securitisation Services S.P.A.
Arranger	BNP Paribas
Asset Swap Provider	N/A
Liability Swap Provider	BNP Paribas
Asset Monitor	BDO Italia S.p.A.
<u>Compliant to EU directive</u>	
UCITS	Compliant
CRR	Compliant
Solvency	Compliant
CLR Level 1	Compliant
ECB CBPP3	Compliant

Structure diagram



Statutory tests

- The Statutory Tests are designed according to the Italian Regulation Framework and are intended to ensure that the Cover Pool is at all times sufficient to repay the Covered Bonds
- Failure of the asset tests that is not remedied within a stipulated period (3 months) will constitute an Issuer Event of Default and result in the service of an Issuer Default Notice on the Issuer and a notice to pay on the Guarantor
- Any loan classified as “Attività Finanziaria deteriorata” (i.e.: Past Due, Unlikely to pay, Defaulted loan and “Sofferenze”) is excluded from the Covered Pool in the calculation of the Statutory Tests

Nominal Value Test

The outstanding aggregate principal balance* of the Eligible Cover Pool plus the aggregate amounts standing to the credit of the SPV accounts (in relation to the principal component only) shall be at least equal to, or higher than, the aggregate principal notional amount of all Covered Bonds outstanding

Net Present Value Test

The Net Present Value* of the Eligible Cover Pool (taking into consideration the present values of the Guarantor general and administrative expenses and any cash flow expected on derivatives) shall be at least equal to, or higher than, the Net Present Value of the Outstanding Covered Bonds

Interest Coverage Test

The Interest Collections* from the Eligible Cover Pool, including any cost to be borne by the Guarantor and any cash flow expected on derivatives, shall be at least equal to, or higher than, the interest payments scheduled to be due in respect of all the outstanding Covered Bonds

**Considering the percentage limit set forth under Article 2, Paragraph 1 of Decree 310*

Additional tests

- The tests are included in the legal documentation according to the Rating Agency Requirements

Asset Coverage Test

- The Adjusted Aggregate Loan Amount* shall be at least equal to the aggregate Outstanding Balance of the Covered Bonds
- The Adjusted Aggregate Loan Amount is the lower of:
 - (i) the aggregate of the LTV Adjusted Principal Balance of each Mortgage Loan
 - (ii) the aggregate Asset Percentage Adjusted Principal Balance of the Residential Mortgage Loans
- Calculations under the test takes also into consideration any amount standing to the credit of the Guarantor accounts, any aggregate outstanding principal balance related to Top Up assets or any other eligible asset, any principal deferral, any potential set-off amount, any commingling amount and negative carry factor calculation

Amortisation Test

- The Amortisation Test ("AT") is calculated only after an Issuer Event of Default (but prior to service on the Guarantor of a Guarantor Default Notice) in order to ensure that the Cover Pool contains sufficient assets to enable the Guarantor to meet its obligations under the Guarantee
- The AT is failed if the Amortisation Test Aggregate Loan Amount plus other eligible assets owned by the Guarantor is lower than the present value of the Outstanding Principal Amount of the issued Covered Bonds. In this case, a Guarantor Event of Default Notice will be served by the Representative of the Bondholders on the Guarantor causing the acceleration of the Covered Bonds and a demand for enforcement of the Covered Bond Guarantee
- The present value of the outstanding Covered Bonds is calculated by multiplying the aggregate Outstanding Principal Amount of the Covered Bonds by the weighted average remaining maturity of all Covered Bonds then outstanding then multiplied by the Negative Carry Factor

*For each mortgage loan, the outstanding principal balance subject to a maximum balance of 80% LTV for loans not in arrears or less than 3 months in arrears and 40% LTV for delinquent loans and 0%LTV for defaulted loans

Summary

Portfolio of Mortgage Loans		
Number of Loans	8,061	
Number of Loans Banco di Desio e della Brianza Portfolio ("Desio Portfolio")	5,655	70.15%
Number of Loans Banca Popolare di Spoleto Portfolio ("Spoleto Portfolio")	2,406	29.85%
Total Outstanding Credit (Euro)	831,636,996.08	
Outstanding Credit Desio Portfolio	582,954,583.61	70.10%
Outstanding Credit Spoleto Portfolio	248,682,412.47	29.90%
First Economic Lien	831,636,996.08	100.00%
Floating Rate Outstanding Credit (Euro)	589,150,298.84	70.84%
<i>of which Floating Capped Rate Outstanding Credit</i>	71,231,882.94	8.57%
Fixed Rate Outstanding Credit (Euro)	242,486,697.24	29.16%
Floating Rate Portfolio Weighted Average Spread	2.04%	
Floating Rate Portfolio Weighted Average Rate	2.25%	
Fixed Rate Portfolio Weighted Average Rate	2.63%	
Weighted Average Current LTV (%)	44.60%	
Weighted Average Original LTV (%)	60.88%	
Weighted Average Seasoning (years)	4.98	
Weighted Average Residual Life (years)	15.70	

1. Weighted Average Current LTV is the ratio between a) the Outstanding Credit and b) the Property Value weighted by the Outstanding Credit
2. Weighted Average Original LTV is the ratio between a) the Original Loan Amount and b) the Property Value weighted by the Outstanding Credit
3. Weighted Average Seasoning is expressed in years and weighted by the Outstanding Credit
4. Weighted Average Residual Life is expressed in years and weighted by the Outstanding Credit
5. Weighted Average Spread is the spread of the Floating Rate Loans weighted by the Outstanding Credit of the Floating Rate Portfolio

Cover pool features (1/6)

Breakdown by Outstanding Principal

Range (Eur)	Outstanding Principal (Eur)	%
01) 0,000 - 20,000	2,060,252.52	0.25%
02) 20,000 - 50,000	52,093,245.16	6.26%
03) 50,000 - 75,000	107,279,941.56	12.90%
04) 75,000 - 100,000	147,070,519.51	17.68%
05) 100,000 - 125,000	129,463,577.61	15.57%
06) 125,000 - 150,000	104,281,107.09	12.54%
07) 150,000 - 175,000	65,947,242.43	7.93%
08) 175,000 - 200,000	56,622,381.74	6.81%
09) 200,000 - 250,000	56,486,820.78	6.79%
10) 250,000 - 300,000	32,582,367.43	3.92%
11) 300,000 - 500,000	45,522,333.32	5.47%
12) 500,000 - 1,000,000	22,402,361.48	2.69%
13) 1,000,000 - 3,000,000	3,887,538.38	0.47%
14) Over 3,000,000	5,937,307.07	0.71%
Total	831,636,996.08	100.00%

Source: Banco Desio

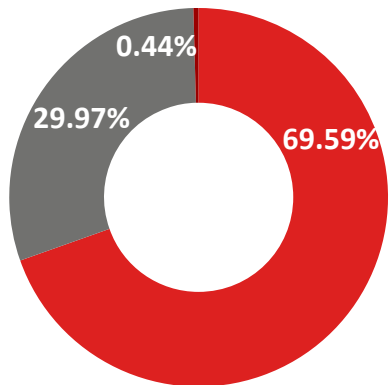
Breakdown by Original Loan amount

Range (Eur)	Outstanding Principal (Eur)	%
01) 0,000 - 20,000	33,181.75	0.00%
02) 20,000 - 50,000	17,152,782.53	2.06%
03) 50,000 - 75,000	50,148,059.68	6.03%
04) 75,000 - 100,000	106,828,881.59	12.85%
05) 100,000 - 125,000	114,045,878.89	13.71%
06) 125,000 - 150,000	126,917,824.48	15.26%
07) 150,000 - 175,000	80,098,169.66	9.63%
08) 175,000 - 200,000	92,662,486.44	11.14%
09) 200,000 - 250,000	82,400,725.80	9.91%
10) 250,000 - 300,000	49,346,077.77	5.93%
11) 300,000 - 500,000	68,135,732.64	8.19%
12) 500,000 - 1,000,000	30,479,822.42	3.67%
13) 1,000,000 - 3,000,000	7,450,065.36	0.90%
14) Over 3,000,000	5,937,307.07	0.71%
Total	831,636,996.08	100.00%

Source: Banco Desio

Cover pool features (2/6)

Geographic breakdown



- North
- Centre
- South

of which →

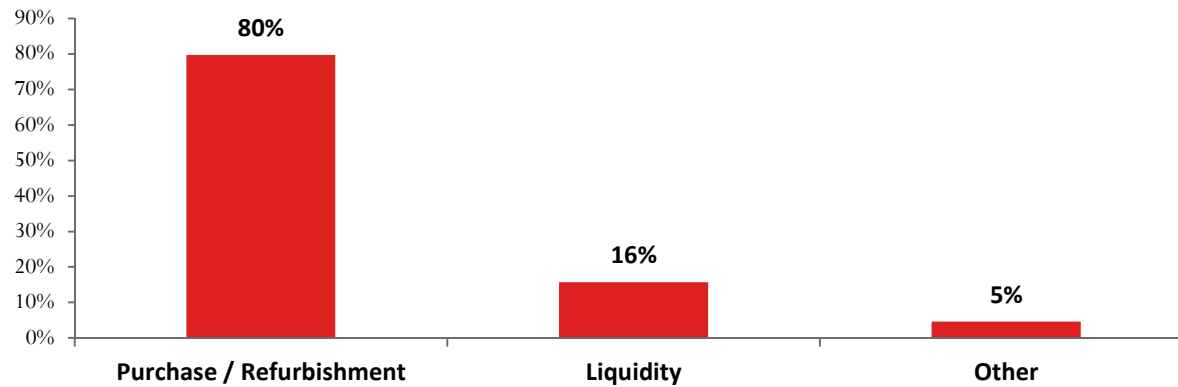
Lombardy 50%

of which →

Lazio 13%

Source: Banco Desio

Financing purpose



Source: Banco Desio

Cover pool features (3/6)

Breakdown by Original Term

Range (years)	Outstanding Principal (Eur)	%	Average Size
01) 0 - 6	1,995,564.47	0.24%	58,693.07
02) 6 - 8	4,725,006.68	0.57%	54,941.94
03) 8 - 10	12,378,239.59	1.49%	61,278.41
04) 10 - 12	46,586,842.54	5.60%	67,419.45
05) 12 - 14	18,933,403.99	2.28%	75,733.62
06) 14 - 16	126,835,245.34	15.25%	78,779.66
07) 16 - 18	26,446,364.18	3.18%	92,794.26
08) 18 - 20	65,811,330.96	7.91%	97,210.24
09) 20 - 22	204,639,378.67	24.61%	108,446.94
10) 22 - 24	35,230,783.88	4.24%	118,622.17
11) 24 - 26	168,610,736.50	20.27%	134,244.22
12) 26 - 28	17,987,723.57	2.16%	133,242.40
13) 28 - 30	29,816,678.25	3.59%	138,682.22
14) > 30	71,639,697.46	8.61%	164,311.23
Total	831,636,996.08	100.0%	103,167.97

Source: Banco Desio

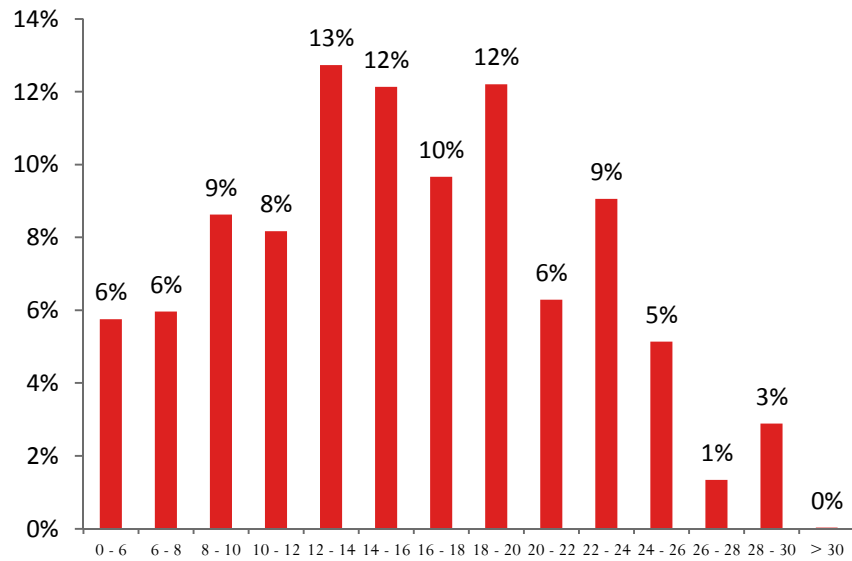
Breakdown by Funding Year

Year	Outstanding Principal (Eur)	%	Average Size
1999	15,573.20	0.00%	15,573.20
2000	21,711.85	0.00%	21,711.85
2001	76,351.79	0.01%	38,175.90
2002	459,813.14	0.06%	76,635.52
2003	2,072,072.65	0.25%	46,046.06
2004	6,029,789.59	0.73%	52,892.89
2005	12,534,682.95	1.51%	63,627.83
2006	26,173,996.77	3.15%	85,816.38
2007	37,553,308.16	4.52%	95,555.49
2008	50,711,708.83	6.10%	104,345.08
2009	74,932,821.43	9.01%	105,837.32
2010	82,066,649.59	9.87%	101,067.30
2011	90,105,326.08	10.83%	103,331.80
2012	67,560,498.95	8.12%	94,622.55
2013	55,366,666.31	6.66%	93,841.81
2014	63,901,728.81	7.68%	99,380.60
2015	101,807,016.96	12.24%	118,105.59
2016	160,247,279.02	19.27%	122,326.17
Total	831,636,996.08	100.00%	103,167.97

Source: Banco Desio

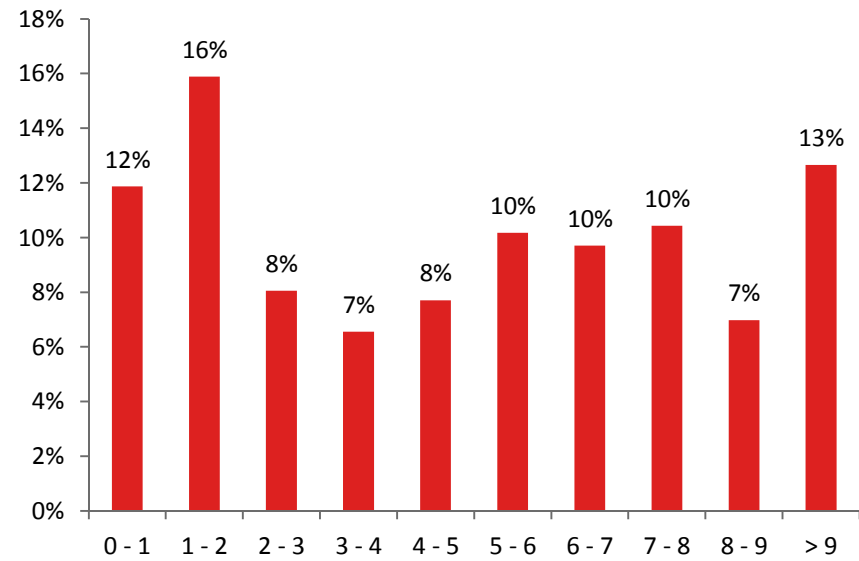
Cover pool features (4/6)

Residual Life



Source: Banco Desio

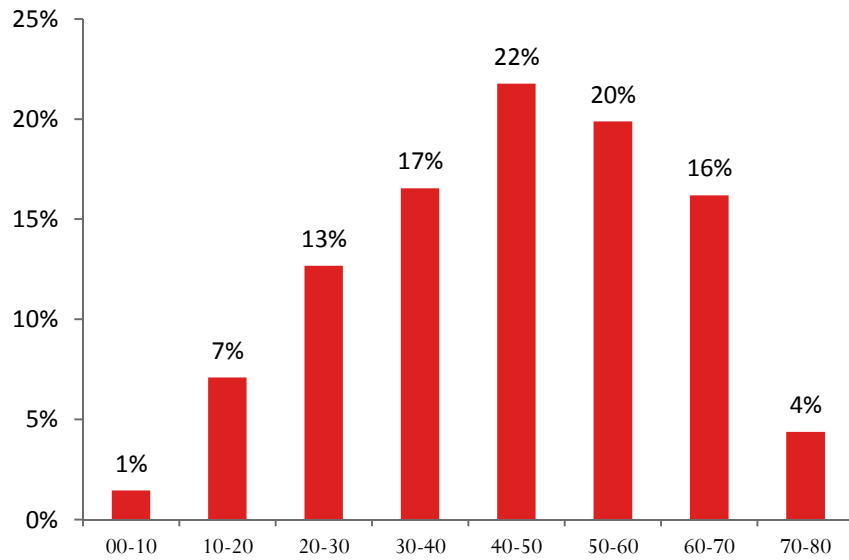
Seasoning



Source: Banco Desio

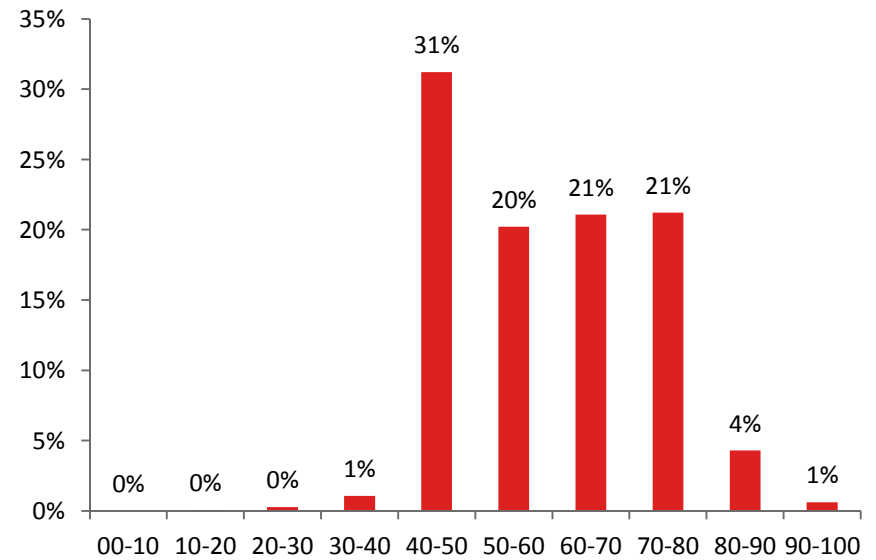
Cover pool features (5/6)

Current LTV



Source: Banco Desio

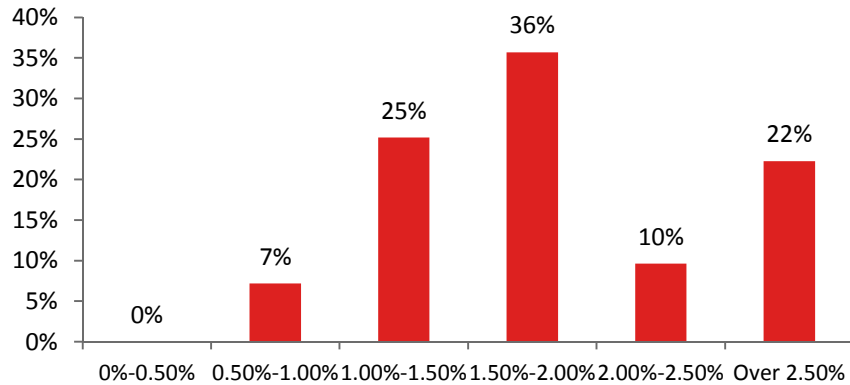
LTV at origination



Source: Banco Desio

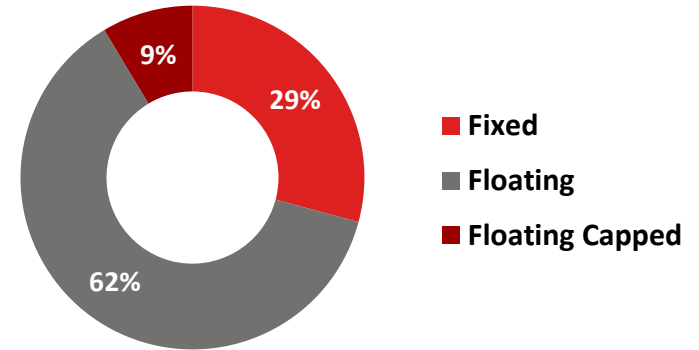
Cover pool features (6/6)

Class of Spread



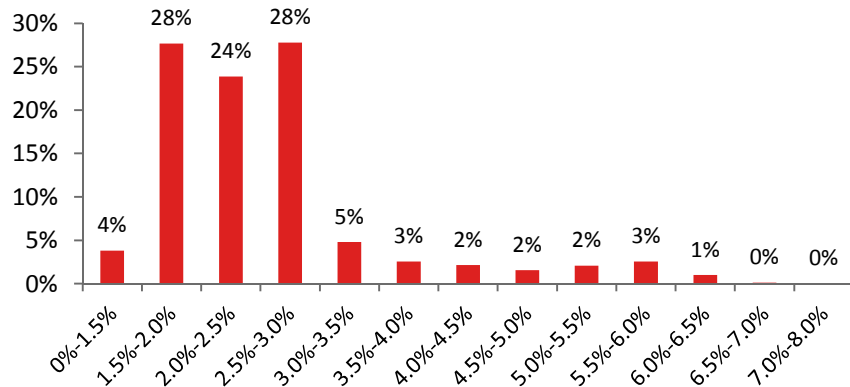
Source: Banco Desio

Current Interest rate breakdown



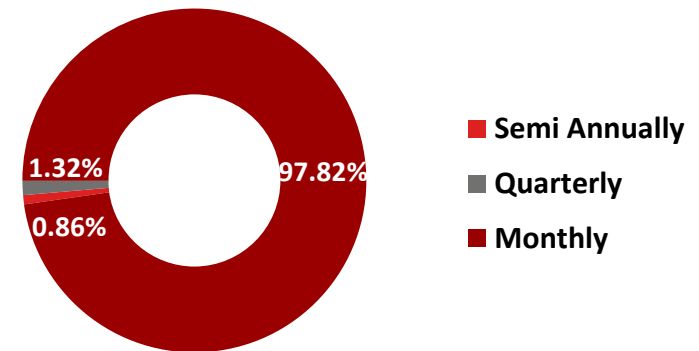
Source: Banco Desio

Class of Rate



Source: Banco Desio

Payment Frequency



Source: Banco Desio

Table of contents

1

Issuer description

2

Banco Desio OBG Programme and Cover Pool description

3

Residential mortgage business

4

Contacts

Origination and Underwriting

Sales force

- All mortgages are originated directly through Banco Desio and BP Spoleto branches :
- 267 branches concentrated in North and Centre of Italy (especially in Lombardy and Umbria)

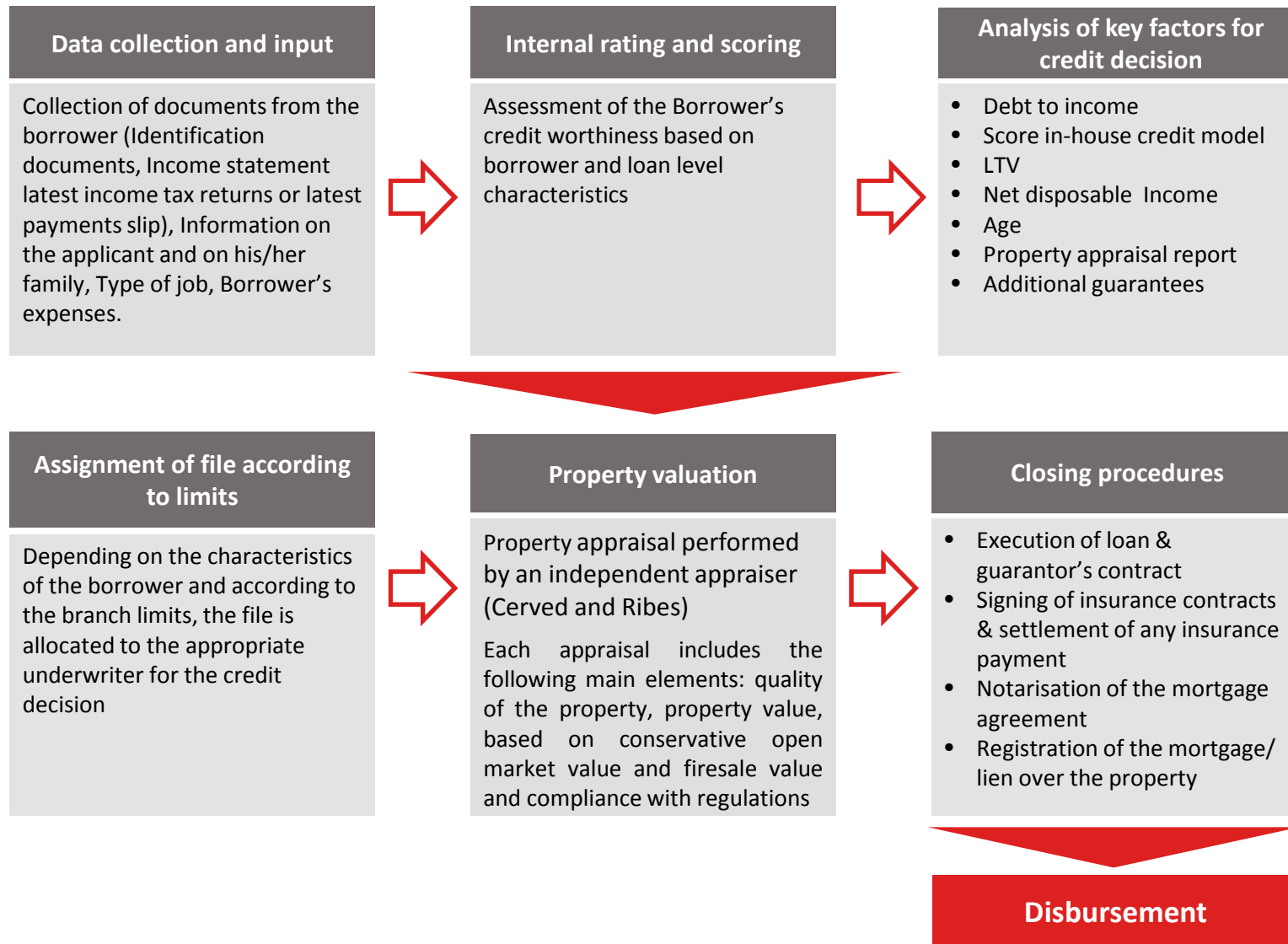
Underwriting

- Most of the approval powers are granted to regional or central offices
- Depending on the characteristics of the borrower and according to the branch limits, the file is allocated to the appropriate underwriter for the credit decision
- Debt to income ratio ("DTI") guidelines are 1/3 or less depending to the income level. The affordability analysis also includes: i) a minimum residual net disposable income depending on other economic commitment, financial or not and ii) interest rate stress fro floating rate mortgages

Property valuation

- All mortgages properties are assessed by Cerved and Ribes

The underwriting process



Arrears management process

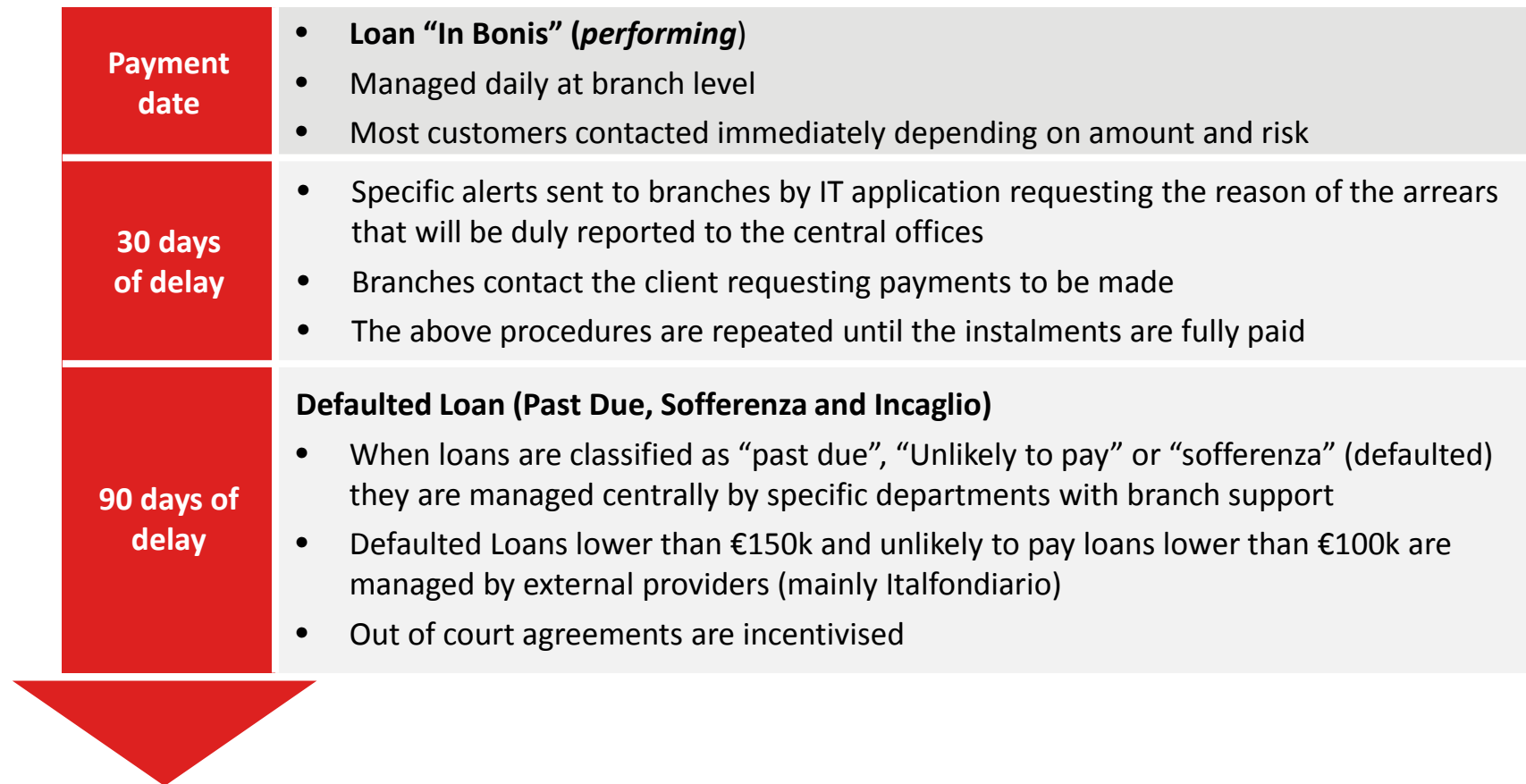


Table of contents

1

Issuer description

2

Banco Desio OBG Programme and Cover Pool description

3

Residential mortgage business

4

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Banco Desio

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