

## BANCA AKROS - BOARD APPROVES H1 2013 RESULTS

- **Net income from banking activities of 48.7 million euro (+9 million on H1 2012); income before taxes of 15.3 million euro) (+4%)**
- **Core Tier 1 ratio of 20.4%**
- **Banca Akros maintains its top rankings in market making and in the brokerage of bonds (2nd place on the DomesticMOT, EuroMOT and EuroTLX, 3rd place on the HI-MTF) and equities (4th place on Italian Stock Exchange)**

**Milan, 30 July 2013** - The Board of Directors of **Banca Akros** - the investment and private banking arm of the Banca Popolare di Milano Group - chaired by Graziano Tarantini and led by the Chief Executive Officer Marco Turrina, today approved the interim financial statements at 30 June 2013.

Management of the company is based on prudence, in accordance with the set limits of risk tolerance, and oriented towards monitoring its main markets, protecting its market share and offering customers products and services in the areas on which the company has chosen to focus: *market making* and trading, brokerage, corporate finance/capital markets and private banking. In the first six months of the year, Banca Akros has achieved a positive result in terms of profitability, also in relation to the efficient use of its regulatory capital, and confirmation of adequate capital ratios and liquidity levels.

Over-the-counter **market making in government securities** and corporate bonds continues to be a key activity, with more than 29 billion euro of securities traded, as is market making in **equity derivatives** and **treasury** management; worth mentioning is the Bank's participation as co-dealer and market maker in the placement on the MOT market, in April, of the so-called **inflation-linked BTP-Italy**, which had subscriptions of more than 17 billion euro. The proprietary bond book, mainly represented by Italian government bonds and senior bonds issued by leading domestic banks, provided opportunities for capital gains during the first half, and the outstanding balance at the end of the period was slightly lower than at 31.12.2012. In line with the guidelines of the Group Business Plan, the first half saw the start of the extension national-wide of a project involving joint coverage with the Parent Company in the fields of **corporate banking** and **corporate finance** for business customers; the Bank also has significant operations for the benefit of companies and institutional counterparties in hedging instruments for **interest risk** (with notional trading volumes of more than 13 billion euro), **exchange risk** (49 billion euro) and in **commodities**, especially in the energy sector.

In its **brokerage activity** on financial markets, Banca Akros has (source: Assosim - Conto Terzi):

- strengthened its presence at the top of bond markets, taking **2nd place** in the **DomesticMOT** and **EuroMOT** segments of the Italian Stock Exchange (with *market shares* up to 16.5% and 17.4% respectively) and in the **EuroTLX** market (with a *market share* up to 19.7%), as well as **3rd place** on the HI-MTF **market** (with a market share more than doubled to 25.5%), helped by the contribution of SABE, a proprietary system for dynamic search of best execution, in accordance with MiFID, for the benefit of customers;
- reached **4th place** on the **MTA, the automated screen Equity market** of the Italian Stock Exchange (5th in the first half of 2012), with a substantial increase in market share to 8.4%;

### Banca Akros S.p.A.

### MILAN - ROME - TURIN - LONDON - NEW YORK



EUROPEAN SECURITIES NETWORK

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Milan Companies Register  
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Chamber of Commerce 858967  
Bank codes: ABI 03045 – CAB 01600  
Registered in the Official List of Banks at no. 5328  
Member of the Interbank Guarantee Fund and of the Nation  
Guarantee Fund  
  
- Belonging to the **BPM**  
**Banca Popolare di Milano Group**

Registered in the Official List of Banking Groups  
The company is subject to the  
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of Banca Popolare di Milano  
  
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- confirmed its **5th place** in **futures on the FTSE MIB index** and **1st place** in derivatives on the IDEX power market run by Borsa Italiana.

The offer of brokerage services on foreign stock markets benefits from the Bank's participation to **ESN - European Securities Network**, the partnership in equities research and trading set up by Banca Akros with eight other European investment banks which are independent and active on their respective national stock markets.

In the field of **Equity Capital Markets**, the Bank took part in the listing of Moleskine S.p.A. and in the syndicate for the increase in capital of RCS MediaGroup S.p.A. In the **Debt Capital Market**, the Bank participated as the only Italian bank in the Management Group and with the role of lead manager and bookrunner, for the issue of a fixed-rate three-year institutional senior bond by the Parent Company, which was successfully placed in January for an amount of Euro 750 million, as well as for the placement of various bank issues including four by the European Investment Bank (EIB); the Bank also took part, in the role of co-lead manager in the issuance of an institutional bond placed by El Towers SpA, in the role of placement bank in the public offering of bonds by Mittel SpA and as intermediary appointed to collect acceptances in the public exchange offer launched by Mittel SpA for its bonds.

In the **Advisory and M&A** area, Banca Akros acted, as financial advisor and as the intermediary responsible for coordinating the collection of acceptances, in the takeover bid made by Meridiana SpA for Meridiana Fly SpA; the Bank has continued its securitisation activity on behalf of medium-sized banks and its credit advisory activity for the structuring of commodity loans.

In **Private Banking**, aimed at a select clientele in the affluent and high net-worth segments with an offer that specializes in tailor-made wealth management and administration, the value of assets under management was substantially stable; The value of total assets at the end of the first half comes to approximately 1.9 billion euro. Work continued on the development of custody and settlement services to provide support for the market operations of independent asset management companies.

Banca Akros has not booked any goodwill or other intangible assets with an indefinite life in its balance sheet. At the end of June, the Core Tier 1 ratio comes at 20.4%, the *Total Capital ratio* at 21.5%.

The **income statement** at 30 June 2013 shows net income from banking activities of 48.7 million euro (+9.0% with respect to 30.06.2012), administrative expenses of 26.3 million euro (-5.8%), income before taxes of 15.3 million euro (+4.0%) and net income of 7.6 million euro (-4.6%, after applying an estimated *tax rate* of 50%).

Reclassified income statement <i>(amounts in millions of Euro)</i>	1st half 2013	1st half 2012	Change	
			Amount	%
<b>Net income from banking activities</b>	<b>48.7</b>	<b>44.7</b>	<b>+4.0</b>	<b>+9.0%</b>
<b>Income before taxes</b>	<b>15.3</b>	<b>14.7</b>	<b>+0.6</b>	<b>+4.0%</b>
<b>Net income</b>	<b>7.6</b>	<b>8.0</b>	<b>-0.4</b>	<b>-4.6%</b>

Note that following authorisation from the Bank of Italy, the merger of Akros Alternative Investments SGR SpA with Banca Akros was finalised with effect from 1 May 2013; the merger takes effect for accounting purposes from 1 January 2013.



**Banca Akros is the investment and private banking arm of the Banca Popolare di Milano Group. The Bank is a point of reference for institutions, companies and individuals operating in the financial markets.**

The **strategy** of Banca Akros is based on innovation, specialization and entrenched domestic operations, expanded over the years by strong growth in activities on all major international markets.

Banca Akros' activity in **investment banking** includes the brokerage of stocks and bonds, trading in financial derivatives, the listing of companies on the stock market, underwriting and placement of equity and debt securities, corporate advisory, treasury and forex activities; it also acts directly as a custodian and settlement bank.

Banca Akros' **private banking** activity includes tailor-made portfolio management, order processing for transactions on international financial markets and wealth management on behalf of private high net-worth customers.

Underlying all these activities there is constant financial analysis of domestic and European equity markets.

Investee companies:

**ESN – European Securities Network LLP - London**

Banca Akros is one of the founders of "ESN" (European Securities Network LLP), the company owned jointly by 9 leading European banks and brokers, active in trading and the joint production of equity research on approximately 750 European equities, with distinct characteristics of independence and absence of conflicts of interest. ESN is a multi-local partnership that has 110 analysts and 170 salesmen and traders dedicated to European equity markets.

**GSN North America Inc. – New York**

In the USA, Banca Akros operates through ESN North America Inc., of which it owns 25%, a "broker-dealer" based in New York and a member of the National Association of Securities Dealers Inc. (NASD); this allows it, among other things, to operate on the NASDAQ and NYSE. The activities of GSN North America is geared to U.S. institutional customers, to whom it offers investment ideas on European stocks making use of the research performed by ESN's partners, and to European institutional customers to whom it offers more efficient execution of orders on American stock markets. ESN North America's other shareholders are the France's CM-CIC Securities (69%) and Spain's Bankia Bolsa (6%).

**Group S.r.l. - Milan**

Group S.r.l. is the company owned 14% by Banca Akros, which carries out market research and the provision of services to its partners (seven major Italian banking groups), in view of the latter's participation in loans to companies and/or the placement of securities (stocks and bonds) to the general public. Together, Group's partners have a distribution network of over 7,000 bank branches.

**Contacts**

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