

Milan, 6 March 2008

BANCA AKROS' BOARD OF DIRECTORS APPROVES THE 2007 RESULTS

Banca Akros, the Bipiemme Group's investment bank and private banking entity, closed 2007 with growing market shares and record-breaking profit for the year:

- net trading income is up 0.3% to € 93.7 million;
- profit for the year is up 35.5% to € 46.1 million;
- ROE rose to 63% at 31 December 2007 (31 December 2006: 61%), also considering greater equity following the € 20 million share capital increase in the first half of 2007;
- total private client assets total over € 2,300 million (in line with 31 December 2006);

In November 2007, Standard & Poor's rated Banca Akros "A-" in the long-term with stable outlook.

Today, the Board of Directors of Banca Akros approved the 2007 draft financial statements. In 2007, under the management of Chairman Graziano Tarantini and CEO Marco Turrina, the bank reported growth in market shares and the highest profit for the year in the ten years since its inception.

The **investment banking** results are mainly due to the following:

- the bank's international leadership in market making for OTC options on Italian equities, confirmed for the fourth year in a row (1st place according to *Risk Magazine*);
- foreign and Italian equities brokering, where the bank retained its 5th-place ranking for dealings in Italian shares on behalf of third parties, with growing market shares (5.25% in equities trading on the Italian Stock Exchange according to Assosim);
- brokering bonds traded on the Stock Exchange, ranked 1st in trading on the MOT (the bonds and government stocks market) on behalf of third parties and 2nd on the EuroMOT (the eurobond and government stocks market), with growing market shares (17.23% on the MOT and 15.94% on the EuroMOT according to Assosim);
- market making on over 500 eurobonds;
- financial market transactions, where Banca Akros participated in 20 underwriting syndicates and IPO placements, in addition to five take-over bids and the institutional placement of over 50 bond issues.

In the **private banking division**, private client assets total over € 2,300 million (in line with the figure at 31 December 2006), with assets per client averaging to some € 1.6 million.

The bank's **2007 income statement** shows net trading income of € 93.7 million (+0.3%) and profit for the year of approximately € 46.1 million (+35.5%), partly due to the effect of non-recurring income. Its return on equity (R.O.E.) of 63% (31 December 2006: 61%) also considers the bolstering of equity following the € 20 million share capital increase in the first half of the year.

Banca Akros S.p.A.

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Appartenente al **Gruppo Bipiemme**
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Reclassified income statement (in millions of Euros)	2007	2006	Variation	
			in figures	in %
Net trading income	93.7	93.4	0.3	0.3%
Profit for the year	46.1	34.0	12.1	35.5%

"The financial crisis that began in the summer of 2007 is still underway," noted Marco Turrina, CEO of Banca Akros. "It is particularly far-reaching and intense. However, there have never been – nor are there now – subprime mortgages in Banca Akros' portfolio or asset management schemes. The bank has maintained tight control over market, liquidity, credit/counterparty and operating risks, and this has enabled it to insulate profitability from market fluctuations. Both the Bank of Italy and Standard & Poor's have confirmed Banca Akros' effective risk management, the former in its assessment of the bank's internal market risk management model and the latter in its rating of November 2007."

Significant events of 2007

In late June 2007, Banca Akros acquired the property in Viale Eginardo 29, Milan where its registered offices are located.

At the end of the following month, the bank acquired 49% of Akros Alternative Investments, the asset management company specialising in Italian hedge funds. Banca Akros now owns 100%.

Banca Akros strengthened its presence in the US by increasing its investment in ESN North America Inc. to 35.8% and selling Akros Securities Inc. to ESN North America Inc.

At 1 November 2007, Banca Akros updated its structures and operating procedures to Mifid regulations. Its development of the innovative "SABE" interconnection system was particularly significant, with the aim of achieving the best execution in the trading of bonds for its clients and those of third parties.

In 2007, "StarMine" ranked equity research by ESN (European Securities Network LLP), of which Banca Akros is a founding member, third among major European brokers for its recommendations on FTSE Eurotop 300 securities.



Banca Akros is the investment bank and private banking entity of the Banca Popolare di Milano Group. Rated "A- long term" with stable outlook by Standard & Poor's, the bank is an important frame of reference for institutions, companies and private investors on financial markets.

Banca Akros' **strategy** hinges on innovation and specialisation, based on well-established domestic operations which have expanded over the years to encompass sound development on all major International markets.

The bank's **investment banking** business includes brokerage services in equities and bonds, derivatives trading, public listings, underwriting and placement of equities and bonds, corporate advisory services, and treasury and forex desk services. It also offers direct custodian and settlement services.

Its **private banking** business includes customised asset management schemes, order collection for dealings on international financial markets and wealth management services for high net worth individuals.

Constant financial analyses on Italian and European equity markets underpin these services.

Standard & Poor's has rated Banca Akros "A-" in the long-term, with stable outlook.

Graziano Tarantini is Chairman of Banca Akros and Marco Turina is CEO.

Subsidiaries and investees

ESN – European Securities Network LLP - London

Banca Akros is one of the founders of "ESN" (European Securities Network LLP), which is held in equal shares by ten leading European banks and brokerage firms active in equities trading and the collaborative preparation of financial research and analyses on roughly one thousand European equities, with a high degree of independence and no conflicts of interest. ESN is a multi-local partnership with 150 analysts and a sales team of 200 dedicated to European equity markets.

ESN North America Inc. – New York

Banca Akros operates in the US through ESN North America Inc., in which it holds a 36% interest. ESN North America is a broker-dealer based in New York and member of the National Association of Securities Dealers Inc. (NASD), allowing it to perform transactions on NASDAQ and the NYSE. ESN North America services institutional clients throughout the US, offering European equity investment proposals based on research by ESN partners, while executing equity orders for European institutions on US equity markets. Other ESN North America shareholders are the French CM-CIC Securities (54%) and Spanish Caja Madrid Bolsa (10%).

Akros SGR - Akros Alternative Investments SGR S.p.A. - Milan

In 2001, Banca Akros set up Akros Alternative Investments, an asset management company specialising in Italian hedge funds and single manager hedge funds for institutional investors and high net worth individuals. This asset management company boasts highly transparent management. It is wholly owned by Banca Akros, with Banca Popolare di Milano serving as its custodian bank.

Group S.r.l. - Milan

Group S.r.l. is 22.5% owned by Banca Akros. It conducts market research and provides services to its quotaholders (five of Italy's top credit society groups), in relation to their participation in the public placement of financial instruments (equities and bonds). Group's quotaholders enjoy a distribution network of approximately 6,000 bank branches.

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