

THE BOARD OF DIRECTORS OF BANCA AKROS APPROVED THE 2011 DRAFT FINANCIAL STATEMENTS

- Net income from banking activities amounts to 60.7 million euro;
- income before taxes comes to 5.1 million euro, net income to 1.5 million euro;
- core Tier 1 ratio of 17%;
- market share risen in the equity business; the Bank's top rankings positions were confirmed in bonds brokerage activity, OTC equities options and electricity derivatives on the Power Exchange (IDEX).

Milan, 7 March 2012 - 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 CEO Marco Turrina, today approved the draft financial statements at 31.12.2011.

With reference to dealer intermediation in financial markets, Banca Akros has:

- strengthened its leading position in bond markets with **2nd place** on the **Domestic MOT** and **EuroMOT** segments of the Italian Stock Exchange (with a market share of 18.8% in both) and **3rd place** on the **EuroTLX** market (with a market share of 17.1%) (source: Assosim - Conto Terzi);
- confirmed its ranking in **5th place** on the **Electronic Cash Equities Market (MTA)** of the Italian Stock Exchange, with a substantial increase in market share to 6.6% (+1.7%) also thanks to execution activity generated by Webank, the online bank of the BPM Group (source: Assosim - Conto Terzi);
- achieved **5th place** on the **FTSE MIB index futures** and **3rd place** in **single stock equity futures**, and has confirmed its **1st place** in derivatives on the **IDEX** energy market run by Borsa Italiana (source: Assosim - Conto Terzi).

As far as the **international initiatives to improve the service to the institutional client base** is concerned, the Bank confirmed the strategic activities of **ESN - European Securities Network**, the partnership on equities research, sales and execution set up by Banca Akros with nine other European investment banks which are independent among them and active in their respective stock markets. ESN is leader in terms of the coverage of listed Mid & Small Cap companies in Europe (Source: StarMine - Thomson-Reuters).

Considerable were the **market making** activity in **Eurobonds** with trading volumes during the year of more than 78 billion euro, the **spot, forward and options forex activity**, with more than 130 billion euro transected, and the **equity derivatives activity** where the Bank has again confirmed its internationally recognized leadership in OTC transactions (Source: "Risk Italia").

The Bank holds no Greek, Portuguese or Irish sovereign bonds in its portfolio.

The activity in **interest rate derivatives** reports a growth of 26% in notional volumes traded, also thanks to the increase in transactions by institutional and corporate customers favoured by very low interest rates.

Banca Akros S.p.A.

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EUROPEAN SECURITIES NETWORK

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Chamber of Commerce 858967
Bank codes: ABI 03045 - CA 01600

Registered in the Official List of Banks at no. 5328
Member of the Interbank Guarantee Fund and of the National 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 management control and coordination of Banca Popolare di Milano

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As regards operations on **capital markets (Equity Capital Markets)**, Banca Akros took part in the right issue of the Parent Bank BPM as Joint Global Coordinator, and in the one of Intesa San Paolo bank, as Co-Lead Manager, as well as in Ferragamo's IPO and the capital increase of Bioera's for the re-admission to be listed on the Stock Exchange. Among the **M&A and Advisory** activities, Akros acted as consultant for Banca IFIS in the acquisition and M&A for Toscana Finanza and for Cassa di Risparmio di San Miniato in the sale of Banca Sintesi.

The **Debt Capital Market** activity was significant, with the placement to institutional investors of various bank primary issues, including important issues by the European Investment Bank (EIB), as well as participation as Joint Lead Manager in Terna's 10-year bond issue worth 1.25 billion euro .

At the end of 2011, the **Private Banking** activity dedicated to a select customer base in the affluent and high net-worth individuals market segment which offers specialist services and tailor-made asset administration and management, reached a total asset value of around 2.3 billion euro. Banca Akros took part in the BTP Day on Borsa Italiana's MOT market, a strong signal of confidence in the country.

An analysis of the **principal balance sheet aggregates** shows:

- the **Core Tier 1 Ratio** comes to **17%** at the year-end, higher than the regulatory requirements;
- the balance sheet does not contain any **goodwill** or other **intangible assets** with an indefinite useful life.

An analysis of the **principal income statement aggregates** shows (figures rounded):

- **net income from banking activities** of 60.7 million euro, down by 40% on 2010. Bonds suffered from the negative performance of government securities and the widening of credit spreads, following the crisis of the peripheral sovereign states, while the drop in demand for options on equities and indices resulted in an average reduction of the equity portfolio used for "delta hedging" and of income elements associated with it, such as dividend income;
- a positive **interest margin**, due to an efficient portfolio composition of financial instruments and the development of repo and securities lending;
- **net commission flows** up by 6% compared with 2010 primarily for the successful subscription and placement of securities during the year, for the positive contribution of individual asset management and the high volumes of fixed income securities traded by the Bank, in part thanks to SABE, Banca Akros' proprietary system for the dynamic search of best execution conditions for customers in Government and corporate bonds;
- an **income before taxes** which stood at 5.1 million euro; After income taxes, which take account of the increase in the rate of IRAP from the beginning of 2011, **net income** amounts to Euro 1.5 million.

Business performance in **early 2012** is positive.

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Reclassified income statement (amounts in millions of euro)	2011	2010	Change	
			Amount	%
Net income from banking activities	60.7	100.8	-40.1	-40%
Income before taxes	5.1	31.1	-26.0	-84%
Net income	1.5	20.1	-18.6	-92%

The Financial Reporting Manager declares that the accounting information contained in this press release is in line with the supporting documentation, balances on the books of account and accounting entries.

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 desk; 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.

The Chairman of Banca Akros is **Graziano Tarantini**, the Managing Director is **Marco Turrina**.

Subsidiaries and equity investments

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

In 2001 Banca Akros created Akros Alternative Investments, the SGR dedicated to offering Italian funds of hedge funds and "single manager" hedge funds to institutional investors and high net-worth individuals. The SGR operates with a particularly high level of management transparency. The company is owned 100% by Banca Akros.

ESN – European Securities Network LLP - London

Banca Akros is one of the founders of "ESN" (European Securities Network LLP), the company owned jointly by 10 leading European banks and brokers, active in research, sales and execution and in the joint production of equity research on approximately 800 European equities, with distinct characteristics of independence and absence of conflicts of interest. ESN is a multi-local partnership that has 120 analysts and 200 salesmen and traders dedicated to European equity markets.

ESN North America Inc. – New York

In the USA, Banca Akros operates through ESN North America Inc., of which it owns 39%, 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 ESN 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 (51%) and Spain's Bankia Bolsa (10%).

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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