

THE BOARD OF DIRECTORS OF BANCA AKROS HAS APPROVED THE 2010 DRAFT FINANCIAL STATEMENTS

- **Net interest and other banking income exceeds 102 million euro;**
- **Profit before taxes of 31.1 million euro, net profit of 20.1 million euro;**
- **ROE of 13% and Core Tier 1 of 22%;**
- **Market share rising in equities; retained leadership in bonds (MOT), OTC equity options and power derivatives (IDEX).**

Milan, 16 March 2011 - The Board of Directors of Banca Akros - investment bank and private banking unit of the Banca Popolare di Milano Group - chairman Graziano Tarantini and managing director Marco Turrina, today approved the financial statements at 31.12.2010.

"In a context featuring highly volatile security prices, important regulatory changes at an international level and pressures on banking system margins, Banca Akros confirmed its strategy of human capital enhancement, specialisation, customer diversification and international operations; characteristics that associated with constant control of risks and attention to costs have turned out to be vital for achieving good levels of profitability, higher than estimated (net interest and other banking income +7% and profit before taxes +9% versus budget) and in line with the results achieved in the years prior to 2009, a year that saw exceptional performances due to the bond markets" declared Marco Turrina, managing director of Banca Akros.

"Understanding customers' needs and the quality of the Services offered have made it possible to improve our market shares in equities and bonds and to increase our private banking deposits (funds under management +12%). During the course of the year, the systematic internaliser was launched successfully. This is a continuous trading system to ensure the liquidity of the bonds issued by the BPM Group and by third-party commercial banks and the "Covered Warrant Euribor Cap" issue programme to hedge the risk of rising interest rates, which is listed on Borsa Italiana's SEDEX market. The new order collection service with on-line access to financial markets, created on behalf of Webank (the BPM Group bank that specialises in on-line trading), is an initiative of strategic value that entailed considerable investment in technology and resources; however, the result is a high level of customer satisfaction in terms of system performance and quality of service."

As regards the activities of **market making and trade intermediation**, Banca Akros:

- retains its international leadership in **OTC options on Italian equities** for the seventh year running (source: "Risk Magazine");
- retains its no. 1 position in bond trading on the **DomesticMOT** of the Italian Stock Exchange with a market share of 21% for operations on third-party account (source: Assosim based on Borsa Italiana data); ranks 2nd on the **EuroMOT** market with a share of 15%;
- retains 1st place in trading volumes on the **IDEX**, the regulated market for power derivatives;
- has increased its **market making** in eurobonds, with around 700 bonds traded for more than 100 billion euro; turnover rising in swaps and options on interest rates (47 billion euro) and exchange rates (200 billion euro);
- plays an important role as **liquidity provider** for bonds;



EUROPEAN SECURITIES NETWORK

Banca Akros S.p.A.

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R.E.A. 858967
Bank codes: ABI 03045 - CA 01600

Registered Bank 5328
Member of the Interbank Guarantee Fund and of the National Guarantee Fund
Member of the **BPM Group**
Banca Popolare di Milano
Registered Banking Group
The company is subject to the management control and coordination of Banca Popolare di Milano

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- consolidates at 5% its market share in trading **Italian equities** on third-party account with 48 billion euro of business, reaching 5th place in the ranking of Italian and foreign operators active on the Italian Stock Exchange (source: Assosim based on Borsa Italiana data);
- has increased its turnover in foreign equities as well, with trades worth more than 20 billion euro (+86%) thanks to the contribution made by **ESN**, the European equity research partnership set up together with eight other investment banks;
- in the **institutional underwriting and placement** of new bond issues, Banca Akros, acting in various roles, has taken part in 50 issues, mainly of securities being issued by banks and supranational entities, leading eight placements on behalf of the European Investment Bank (EIB); of particular note is the Bank's contribution to the success of the ENEL bond issue.

As regards operations in **equity capital markets**, Banca Akros, in various roles, took part in two listings on the Italian Stock Exchange during the year. The Bank assisted Banca IFIS in its increase in capital, acting as Advisor and Underwriter, and contributed to the success of the Enel Green Power's IPO and listing; Thanks to the Group's contribution, the consortium company for the distribution of securities to retail customers, owned together with six other banking groups, placed more than 22% of offerings to the retail market.

During 2010, the **Private Banking** business (with offices in Milan, Rome and Turin) achieved positive net deposit flows, higher valuations of customers' funds under management, which came in at 2.9 billion euro (+12% on 2009) and average funds per customer of more than 1.5 million euro. Also of note is the start-up of the new custodian bank, offering services that include safe-keeping of securities and market trading on behalf of independent fund management companies.

The **2010 income statement** shows net interest and other banking income of 102.3 million euro and a net profit for the year of 20.1 million euro. The Bank closes 2010 with an ROE of 13% and a Core Tier 1 ratio of 22%, which is higher than the minimum requirement. Earnings per share (EPS) amounts to 0.51 euro (on a par value of 1 euro).

The Company's performance in the **opening months of 2011** is positive and in line with budget.

Banca Akros S.p.A.

Reclassified income statement	2010	2009	Change	
			amount	%
(millions of euro)				
Net interest and other banking income	102.3	119.3	-17.0	-14%
Profit before taxes	31.1	46.7	-15.6	-33%
Net profit for the year	20.1	31.7	-11.6	-37%

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

Banca Akros is the investment bank and private banking unit of the Banca Popolare di Milano Group, with a long-term credit rating from Standard & Poor's of A-. The Bank acts as a point of reference for institutions, companies and individuals that operate on financial markets.

The **strategy** of Banca Akros is based on innovation and specialisation, with deep roots in the domestic market, expanded over the years to cover all of the main international markets.

Banca Akros' activity in **investment banking** includes equity and bond intermediation, derivative trading, stock exchange listings, equity and bond underwriting and placement, corporate advisory, treasury and forex desk; it also acts directly as a custodian and settlement bank.

The **private banking** side of Banca Akros includes personalised fund management, order collection for operations on international financial markets, and wealth management on behalf of high net worth private customers.

Underlying it all is constant financial analysis of domestic and European equity markets.

Banca Akros has received a long-term credit rating from Standard & Poor's of A- .

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

Subsidiaries and other companies in which investments held:

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

Banca Akros set up Akros Alternative Investments in 2001 as an SGR (asset management company) offering funds of Italian hedge funds and single manager hedge funds to institutional investors and high net worth individuals. A particular characteristic of the SGR is the transparency of its operations. The company is a wholly-owned subsidiary of Banca Akros.

ESN – European Securities Network LLP - London

Banca Akros is one of the founders of "ESN" (European Securities Network LLP), which is jointly owned by nine leading European banks and intermediaries that are active in trading and in the joint production of financial research and analyses of around 800 European equities with distinctive characteristics of independence and a lack of conflicts of interest. ESN is a multi-local partnership with 120 analysts and 200 sales staff and traders devoted 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%; it is 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. ESN North America's activity is geared to US institutional customers, to which it offers ideas for investments in European equities, taking advantage of the research provided by ESN's partners. It is also geared to European institutional customers to which it offers efficient execution of orders on US equity markets. ESN North America's other shareholders are CM-CIC Securities (France) with 51% and Caja Madrid Bolsa (Spain) with 10%.

Group S.r.l. - Milan

Group S.r.l. is the company, held 14% by Banca Akros, which does market research and provides services to its partners (seven leading Italian banking groups) with a view to them participating in loans to businesses and/or placing financial instruments (equities and bonds) with the general public. Together, Group's partners are able to use a distribution network of more than 7,000 bank windows.

Contacts

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