

**THE BOARD OF DIRECTORS OF BANCA AKROS (BANCO BPM GROUP)
APPROVES THE RESULTS FOR THE FIRST HALF OF 2017**

- Net income from banking activities amounts to Euro 34.8 million (Euro 34.7 million at 30 June 2016); net income comes to Euro 4.5 million (Euro 4.1 million at 30 June 2016, +9%),
The Common Equity Tier 1 ratio is equal to 22.5%
- Banca Akros has confirmed its leading position in market making and in the brokerage of bonds and equities, coming 2nd in the ranking of intermediaries operating on behalf of third parties on the Italian bond markets, with a market share of 14.4%, and in 4th place on the MTA, with a market share of 7% (Source: Assosim)
- The Bank took part in Unicredit's capital increase in the role of co-bookrunner and in Indel B's IPO in the role of joint-bookrunner, as well as in placement of bonds issued by Atlantia and Iccrea Banca, in the role of joint-lead manager and bookrunner; Banca Akros also helped place the eleventh issue of BTP-Italia in the role of co-dealer and market maker. In the Advisory business, the Bank also acted as co-arranger in the sale of a Euro 693 million portfolio of NPLs belonging to the Parent Company (the so-called "Rainbow Project").
- In Private Banking, assets under management and administration come to a total of around Euro 1.2 billion.
- Preparations are underway to concentrate the Corporate & Investment Banking activities of the Banco BPM Group at Banca Akros, in accordance with the guidelines laid down in the 2016-2019 Business Plan.

Milan, 28 July 2017 – The Board of Directors of **Banca Akros** - the investment and private banking arm of the **Banco BPM Group** - chaired by Graziano Tarantini and led by the Managing Director Marco Turrina, today approved the results at 30 June 2017.

"At a time when the main markets on which we operate have been firming up generally, even though volatility continues to be particularly low, also in long-term comparative terms, the Bank has been managed in such a way as to ensure rising profitability and high levels of capitalisation and liquidity. The period just ended saw the Bank expand its supply of goods and services, while continuing sales and marketing efforts versus its customers. The Bank is also involved in heading up the "CIB Integration Project" to concentrate the Group's Corporate & Investment Banking activities at Banca Akros, in accordance with the guidelines laid down in the 2016-2019 Business Plan", commented Marco Turrina, Managing Director.

The Bank made net income from banking activities of Euro 34.8 million (Euro 34.7 million in 2016). After accounting for an impairment adjustment of Euro 1.8 million - for the estimated decline in the useful life of various items of software as a consequence of the Group's IT reorganization - and for the Euro 1.2 million contribution paid to the Single Resolution Fund, net income comes to around Euro 4.5 million, 9% up on the Euro 4.1 million made in the first half of 2016.

At 30 June 2017, the Common Equity Tier 1 ratio comes to 22.5% (18.6% at 31 December 2016); The Leverage ratio is 13.6% (11.1% at 31 December 2016).

Banca Akros S.p.A.

MILANO • ROMA • TORINO • LONDRA



EUROPEAN SECURITIES NETWORK

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R.E.A. MI 858967
Codice ABI 03045
CAB 01600
Iscritta nell'Albo delle Banche al n. 5328
Aderente al Fondo Interbancario

di Tutela dei Depositi e al Fondo
Nazionale di Garanzia
Appartenente al **Gruppo BANCO BPM**
Iscritto all'Albo dei Gruppi Bancari
La società è soggetta all'attività di
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A positive contribution has again been made in **market making** and **trading** by the Bank's activities in **equity derivatives, government bonds, domestic bonds** and **Eurobonds**; in May, the Bank took part as co-dealer and market maker on behalf of the Ministry of Economy and Finance in the placement on Borsa Italiana's MOT market of the eleventh issue of **BTP-Italia** (Italian long-term treasury bonds), maturing in 2023. Work continued on the development of hedging and financial risk management instruments (for **interest rate, exchange rate** and **commodity risk**) for the benefit of institutional and corporate customers, also as part of the coverage activities carried out jointly with the Parent Company, with particular attention to the Mid Corporate segment as a specific target.

In the business of **dealing on behalf of third parties** (Source: Assosim), the Bank:

- has consolidated its presence in the bond markets, ranking **2nd** for intermediaries acting on behalf of third parties on the Italian bond market and, in particular, **4th** in the **DomesticMOT** segment and **2nd** in Borsa Italiana's **EuroMOT** segment (with market shares of 11.9% and 19.9% respectively), **3rd** in the **EuroTLX** market (with a 16.5% share) and **1st** in the **Hi-MTF** and **ExtraMOT** markets (with shares of 26.1% and 27.5% respectively). These results were facilitated by **SABE**, the proprietary system that automatically seeks dynamic best execution in compliance with the **MiFID** regulations;
- it has confirmed its **4th position** on Borsa Italiana's **Mercato Telematico Azionario** (with a market share of 7%), as well as its **4th position** on the **ETF Plus** market (with a share of 5.9%) and 2nd position on the **SeDeX** market (with a share of 20.2%);
- it came **3rd** in options on the FTSE MIB index (with a market share of 5.6%).

Customers are offered brokerage services on stock markets through **ESN – European Securities Network LLP**, the European partnership in equities research and trading set up by Banca Akros with seven other European investment banks, which are independent and active on their respective national stock markets; it offers broad corporate access to investors in individual countries thanks to the coverage of around 600 listed companies by 90 analysts and 130 sales people and traders.

In the **Equity Capital Market** Banca Akros acted as **co-bookrunner** for the underwriting consortium at **Unicredit's** increase in capital for a total of Euro 13 billion, which was successfully completed in February. The Bank also acted as **joint-bookrunner** in the institutional offering to list **Indel B** on Borsa Italiana's MTA market and coordinated takeover bids for **Mediacontech, Best Union Company** and **Meridie**.

In the field of **Non-Performing Loan** disposals, Banca Akros was **co-arranger** in the auction for a Euro 693 million NPL portfolio (the "Rainbow Project") put on the market by Banco BPM, the Parent Company.

In the **Debt Capital Market**, the Bank took part as **Joint-Lead Manager** and **Bookrunner** in the placement with institutional investors of a bond issue by Atlantia for a total of Euro 750 million at a fixed rate, maturing in 2025. In the **Financial Institutions** sector, Banca Akros participated as **Joint-Lead Manager** and **Bookrunner** in an institutional issue by Iccrea Banca, for a total of Euro 600 million at a fixed rate, maturing in 2020. The Bank also participated in another fourteen issues of leading Italian and foreign issuers, including the **European Investment Bank** (EIB) and **KfW**, a German company.

In the **Advisory** business, the Bank successfully continued, among other things, the Credit Advisory activity which sees Banca Akros involved in origination as part of the collaboration agreement with **SACE** (Cassa Depositi e Prestiti Group) for a total of Euro 150 million, in which Banca Akros acts as arranger, advisor and agent in guaranteed inventory financing operations with SACE as the guarantor.

In **Private Banking**, which is carried on at the head office in Milan and at the branches in Rome and Turin, operations continued with the primary objective of managing customers and supporting their specific needs, also with a view to the planned spin-off of the business in favour of Banca Aletti, in accordance with the guidelines of the Group's 2016-2019 Business Plan. The total value of assets under management and administration at the end of the year comes to **Euro 1.2 billion**.

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Spin-offs approved to implement the Group's 2016-2019 Business Plan

The 2016-2019 Business Plan of the Banco BPM Group envisaged the consolidation of the Bank's Corporate & Investment Banking (CIB) activities at Banca Akros and, at the same time, concentration of the Group's Private Banking customers at Banca Aletti. Following the resolutions passed by the Board of Directors of Banco BPM (as

the Parent Company) at its meeting of 11 May 2017, the Boards of Directors of Banca Aletti and Banca Akros therefore took steps to approve two separate partial spin-off plans, on 23 and 24 May 2017 respectively, involving the assignment:

- by Banca Aletti to Banca Akros, of a business unit consisting of the assets and resources needed to carry on the Corporate & Investment Banking activity;
- by Banca Akros to Banca Aletti, of a business unit consisting of the assets and resources needed to carry on the Private Banking activity.

The Parent Company has sent the required authorisation request to the Supervisory Authority pursuant to art. 57 of the Consolidated Banking Act; based on the expected timing for this authorisation to be given and taking into account the additional deadlines laid down by the rules applicable in spin-offs, the current feeling is that these two operations will take effect for legal purposes in early 2018.

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Statement of the Financial Reporting Manager

The Financial Reporting Manager, Luigi Lanzaolo, declares, pursuant to para. 2 of art. 154-bis of the CFA, that the accounting information contained in this press release agrees with the supporting documentation, balances on the books of account and accounting entries.

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The half-yearly report at 30 June 2017 will be made available by the legal deadline.

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A.1 - STATO PATRIMONIALE
(in unità di euro)

Voci dell'attivo	30.06.2017	31.12.2016	30.06.2016
10. Cassa e disponibilità liquide	129.311	108.962	68.685
20. Attività finanziarie detenute per la negoziazione	1.344.254.225	1.689.122.517	1.943.937.208
40. Attività finanziarie disponibili per la vendita	234.457.544	158.941.301	384.730.701
60. Crediti verso banche	686.585.526	745.208.921	649.808.133
70. Crediti verso clientela	289.259.745	459.878.493	427.187.434
110. Attività materiali	31.575.355	32.363.838	32.942.956
120. Attività immateriali	5.261.838	7.072.183	5.864.177
130. Attività fiscali	5.120.602	5.421.585	6.049.995
a) correnti	885.587	1.302.031	1.256.123
b) anticipate	4.235.015	4.119.554	4.793.872
- di cui alla L. 214/2011	559.434	584.025	599.394
150. Altre attività	17.474.785	18.017.702	13.777.181
Totale dell'attivo	<u>2.614.118.931</u>	<u>3.116.135.502</u>	<u>3.464.366.470</u>
Voci del passivo e del patrimonio netto	30.06.2017	31.12.2016	30.06.2016
10. Debiti verso banche	392.472.916	563.534.195	894.284.285
20. Debiti verso clientela	1.044.696.168	1.110.395.029	827.314.490
40. Passività finanziarie di negoziazione	937.292.090	1.201.493.716	1.502.320.408
80. Passività fiscali	567.647	208.020	625.528
a) correnti	221.364	0	0
b) differite	346.283	208.020	625.528
100. Altre passività	22.313.026	22.731.707	20.323.414
110. Trattamento di fine rapporto del personale	6.399.530	6.974.441	7.552.621
120. Fondi per rischi e oneri:	8.948.512	10.591.215	12.156.826
a) quiescenza e obblighi simili	904.687	1.039.001	1.000.244
b) altri fondi	8.043.825	9.552.214	11.156.582
130. Riserve da valutazione	(1.817.848)	(1.613.114)	(62.755)
160. Riserve	144.983.890	141.973.353	141.973.353
170. Sovrapprezzi di emissione	14.366.197	14.366.197	14.366.197
180. Capitale	39.433.803	39.433.803	39.433.803
200. Utile del periodo	4.463.000	6.046.940	4.078.300
Totale del passivo e del patrimonio netto	<u>2.614.118.931</u>	<u>3.116.135.502</u>	<u>3.464.366.470</u>

A.2 – Conto Economico
(in unità di Euro)

Voci del Conto economico	Primo semestre 2017	Primo semestre 2016
10. Interessi attivi e proventi assimilati	18.649.369	19.705.639
20. Interessi passivi e oneri assimilati	(10.637.823)	(14.840.129)
30. Margine di interesse	8.011.546	4.865.510
40. Commissioni attive	23.358.230	21.070.903
50. Commissioni passive	(9.688.193)	(10.442.712)
60. Commissioni nette	13.670.037	10.628.191
70. Dividendi e proventi simili	3.468.994	6.148.140
80. Risultato netto dell'attività di negoziazione	6.394.750	7.909.448
100. Utile/perdita da cessione o riacquisto di:	2.096.993	4.027.374
b) attività finanziarie disponibili per la vendita	2.096.993	4.027.374
120. Margine di intermediazione	33.642.320	33.578.663
130. Rettifiche/Riprese di valore nette per deterioramento di:	1.119.452	1.081.096
a) crediti	1.096.892	798.010
b) attività finanziarie disponibili per la vendita	0	(433.594)
d) altre operazioni finanziarie	22.560	716.680
140. Risultato netto della gestione finanziaria	34.761.772	34.659.759
150. Spese amministrative	(24.651.746)	(26.016.197)
a) spese per il personale	(13.525.292)	(15.005.300)
b) altre spese amministrative	(11.126.454)	(11.010.897)
160. Accantonamenti netti ai fondi per rischi e oneri	1.119.268	(151.831)
170. Rettifiche di valore nette su attività materiali	(798.416)	(824.845)
180. Rettifiche di valore nette su attività immateriali	(4.008.226)	(1.698.127)
190. Altri oneri/proventi di gestione	245.938	305.660
200. Costi operativi	(28.093.182)	(28.385.340)
240. Utili (Perdite) da cessione di investimenti	(9)	0
250. Utile della operatività corrente al lordo delle imposte	6.668.581	6.274.419
260. Imposte sul reddito di periodo dell'operatività corrente	(2.205.581)	(2.196.119)
270. Utile della operatività corrente al netto delle imposte	4.463.000	4.078.300
290. Utile (perdita) di periodo	4.463.000	4.078.300