

THE BOARD OF DIRECTORS OF BANCA AKROS (BANCO BPM GROUP)

APPROVED THE RESULTS FOR THE FIRST HALF OF 2022

- In the first half of FY2022, Banca Akros achieved positive operating results, with a net profit of €2.7 million, up by around 17% over the same period in 2021.
- Operating income, amounted to over €50 million, derived mainly from net commissions, contributing about 50% of the total income.
- As at 30 June 2022, the Common Equity Tier 1 ratio was 23.6%, well above the regulatory requirement
- The Bank further strengthened its leading presence in brokerage activities. It confirmed its top position among the leading Italian and foreign brokerage companies on behalf of third parties in bonds listed on the stock market, with a market share of 29.7%. It reached third place in the equity markets ranking with a market share of 10.18%, up from the same period in 2021 (Source: Assosim).
- The Bank supported access to the capital market by corporate and financial institutions, participating in several significant transactions in the *Debt Capital Market*, with an increasing focus on issues with ESG content: *ENEL, Senior Sustainable Linked Bond, Terna, Subordinated Hybrid Green Bond, FIS SpA, Senior Secured Sustainable Linked Bond and the Parent Company Banco BPM for a Green Covered Bond*. Banca Akros also acted as Co-dealer in the placement of the 17th edition of the BTP Italia issued by MEF (Ministry of Economy and Finance) in June for over €9 billion. In the *Equity Capital Market* segment, we note the listing of Generalfinance, the only transaction on the STAR segment of Euronext Milan in the first six months of 2022.
- In M&A activities, the acquisition of buy side and sell side mandates with entrepreneurial families, and Private Equity funds continued positively, with the conclusion of nine transactions during the first half of the year. Following Banca Akros' acquisition of the entire capital of Oaklins Italy Srl last year, the partnership with the Oaklins international network continued positively. These led to the design and execution of important cross-border transactions, enabling the further development of M&A operations in support of the Group's corporate and financial clients.
- The first six months of the year saw a positive continuation of coverage and development of *Corporate & Financial Institutions* customers in relation to the offering of Banca Akros's specialist products and services, in coordination with the Parent Company; in particular, financial risk hedging instrument activities were effectively covered (interest rate, exchange rate and commodity, with notional volumes traded of more than €4 billion), with a special focus on the specific reference target, namely the *Mid Corporate* segment. At the end of the half-year, Banca Akros signed an important partnership with the European Investment Fund (EIF) to promote, exclusively for Italy, their 'closed-end' fund AMUF to institutional investors.

**Milan, 28 July 2022** – The Board of Directors of **Banca Akros – Corporate & Investment Bank of the Banco BPM Group**, chaired by Graziano Tarantini and led by the Chief Executive Officer Marco Turrina – **approved the results as at 30 June 2022**.

In a particularly challenging operating context, the company management ensured positive economic results, the prudent use of regulatory capital and careful risk management.

As at 30 June 2022, Operating Income amounted to €50.0 million while Operating Expenses totalled €42.7 million, down 5.5% over the same period in 2021. Net profit for the period amounted to €2.7 million, up 16.9% over 30 June 2021.

As at 30 June 2022, capitalisation levels remained high: the *Common Equity Tier1 ratio* was 23.6% (20.8% as at 30.06.2021), and the *Leverage ratio* was around 11.7% (11.5% as at 30.06.2021), both well above regulatory limits.

Concerning the trend in ordinary operations, in whose domain the Bank does not carry out financing transactions nor the collection of deposits with non-specific customers, **trading on own behalf and market making** was impacted by the highly uncertain context in the financial markets and the real economy; the *derisking* activity, prudently implemented, was reflected in a reduction of the interest margin contribution.

**The Investment Certificates** business was positively impacted by the trend of widening credit spreads and rising interest rates. In the first six months of the year, total *Investment Certificates* structured by Banca Akros amounted to €613 million, up sharply from 316 million in the first half of 2021. Banca Akros, in cooperation with Anima Sgr, also took part in structuring asset management investment products with quantitative components for approximately €576 million, up from the first half

of 2021. Banca Akros also officially launched the first issue of a series of *Investment Certificates* in *direct listing* mode, supported by both a print and digital advertising campaign. The Bank's entry into this business segment, which accounts for a significant share of the overall *Certificates* market, proved successful, both in terms of the sale of *Certificates* to *retail* investors through their intermediaries and in brand awareness, with a 140% increase in users of the Bank's website specifically dedicated to these products.

The first half-year saw a positive continuation of the **commercial activity of coverage and development of Corporate & Financial Institutions** customers in relation to the offering of the specialist products and services of Banca Akros, in coordination with the Parent Company. In particular, customer financial risk hedging and management instrument activities were effectively managed, with a particular focus on the specific reference *target*, namely the *Mid Corporate* segment. During the half-year, cash flows on interest rate, exchange rate and commodity derivative products totalled approximately €4.4 billion, for exchange rate and *commodity risk* hedges and approximately €2.1 billion for interest rate risk hedges on the underlying loans.

In relation to **trading on the secondary bond market**, cash flows from institutional customers, in the government, *supranational* and *agency* bond segments, and *corporate and financial* issuers, despite feeling the effects of the slowdown in activities that characterised the main reference markets in the half-year, totalled around €3.5 billion. The positive contributions of 'flow business' in the equity and FX segments were also confirmed. Distribution activities on the primary bond markets to institutional investors was also of note, with the participation in the placement of the issues of primary issuers; please also note the major contribution to the placement of the 17<sup>th</sup> issue of the BTP Italia in June, with total funding of more than €9 billion, which saw Banca Akros act as Co-dealer.

In terms of brokerage on behalf of third parties (source: Assosim), the Bank, also thanks to the contribution of **Equity Research**, was ranked:

- **in first place overall** in brokerage on behalf of third parties on the **listed fixed-income market**, with total traded amounts of 29.7%; in particular in first place on the DomesticMOT and HiMTF markets, with shares of 30.9% and 30%, respectively-
- **third place** on **Euronext Milan Domestic**, with a market share of 10.18%, up from 9.29% in the first half of 2021
- **third place** in the **ETF (ETFPLUS) market** and on the **Certificates trading market(SEDEX)**, with a market share of 12% and 18.4%, respectively.

In the **Specialist and Corporate Broker activity** for issuers listed on the Borsa Italiana markets, 35 mandates at the end of the half-year, of which 9 were for companies listed on Euronext Milan Domestic, 12 for companies listed on Euronext STAR Milan and 14 for companies listed on Euronext Growth Milan.

The partnership with the equity research network **ESN LLP**, marking its twentieth anniversary since its establishment, of which Banca Akros is a founding member, continued positively.

**M&A/Corporate Finance activities included** assisting Linkem in the merger of **Linkem Retail into Tiscali**, the acquisition by **the WhiteBridge fund of CEI**, the search for a partner for **Nashi Argan**, advising a shareholder in the sale of shares in **INMAN**, advising **Anthilia** in the transaction with **Banco Desio**, and acting as an intermediary for the **Cassa Depositi e Prestiti** Relaunch Asset.

Regarding the intense activity performed by **Oaklins Italy**, which Banca Akros acquired last year, we would like to point out the conclusion of three sell-side M&A transactions, **Sapici, Fedriani and Crespi**, assisting the respective entrepreneurial families, and the intense cooperation with the Oaklins international network, which led to the design and execution of cross-border transactions and, specifically, the M&A transaction with the company **Stardea**.

With the acquisition of 100% of **Oaklins Italy Srl**, Banca Akros has the exclusive use of the Oaklins brand in Italy and has become part of the international Oaklins network, which includes over 850 professionals dedicated to M&A and Corporate Finance in 45 countries;

In the **Debt Capital Market**, the Bank participated in the placement with institutional investors of the following bond issues in the **Corporate segment**: **ENEL, Senior Sustainable Linked Bond** at a Multi Tranche fixed rate, for a total of €2,750 million, with the role of Joint Bookrunner; **Terna SpA, Subordinated Hybrid Green Bond** at a fixed rate for a total of €1,000 million, with the role of Joint Bookrunner; **FIS SpA, Senior Secured Sustainable Linked Bond** at a fixed rate and maturing in 2027 for a total of €350 million, with the role of Joint Bookrunner; **Autostrade per l'Italia SpA, Senior Secured Bond** at a fixed rate Multi

Tranche for a total of €1,000 million, with the role of *Other Bookrunner*.

In the Financial Institutions sector, Banca Akros participated, as Joint-Bookrunner, in the placement of the following bond issues of the Parent Company **Banco BPM SpA**: *Subordinated Tier 2 Bond*, fixed-rate with maturity 2032, for a total of €400 million, **Green Covered Bond**, fixed-rate with maturity 2027, for a total of €750 million and, as *Other Bookrunner*, in the placement of the *Subordinated AT1 Bond*, fixed-rate, for a total of €300 million.

In the **Equity Capital Markets**, the Bank acted as *Joint-Global Coordinator and Sponsor* in the IPO of **Generalfinance**, the only transaction on Euronext Milan's STAR segment in the first six months of 2022. Banca Akros also acted as *Financial Advisor* to the **Trinity Investments** fund in the voluntary tender offer aimed at the delisting of **Banca Intermobiliare di Investimenti e Gestione** and as the Broker in charge of coordinating the collection of subscriptions in the above-mentioned tender offer and the tender offer launched on **La Doria** by the **Investindustrial** fund.

In the **Securitisation Structuring Solutions** and **performing securitisations segment**, the Bank managed, as *Joint Arranger*, an "STS" securitisation of consumer loans originated by Agos Ducato, for approximately €1,200 million ("Sunrise 2022-1").

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**For information**

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