

Bit Market Services

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| Informazione Regolamentata n. 0278-4-2017 | Data/Ora Ricezione 03 Febbraio 2017 19:42:21 | SeDeX - INV. CERTIFICATES |
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Societa' : BANCA IMI

Identificativo : 84775

Informazione
Regolamentata

Nome utilizzatore : BANCAIMINSS06 - R

Tipologia : IRAG 01

Data/Ora Ricezione : 03 Febbraio 2017 19:42:21

Data/Ora Inizio : 03 Febbraio 2017 19:57:22

Diffusione presunta

Oggetto : Banca IMI: final results as at 31 december
2016 approved

Testo del comunicato

Vedi allegato.

PRESS RELEASE

BANCA IMI: FINAL RESULTS AS AT 31 DECEMBER 2016 APPROVED

- **Consolidated profit for the year of 742 million euro, up 39% from 534 million as at 31 December 2015**
- **Consolidated total income of 1,684 million euro (+16.7% on 31 December 2015)**
- **Operating profit of 1,234 million euro (+24.2% on 31 December 2015)**
- **Profits from continuing operations of 1,115 million euro (+36.4% on 31 December 2015), after discounting the extraordinary charges of 79 million euro for the Italian bank resolution fund in 4Q16**
- **Total Capital Ratio at 12.9%, without taking account of the result of the financial year**

Milan, 03 February 2017 – The Board of Directors of Banca IMI, the investment bank within the Intesa Sanpaolo Group, led by Chief Executive Officer and general manager **Mauro Micillo**, has approved the individual and consolidated final results as at 31 December 2016 in a meeting held today and chaired by **Gaetano Miccichè**.

The end-of-year final balance recorded a consolidated profit of **742 million** euro; this is a remarkable result beating all the previous balances and showing an increase of 39% from **534 million euro** as at 31 December 2015. The profit was driven by the sharp growth in revenues - up more than 240 million euro - and was impacted by the effects, of about 60 million euro after taxes, from the payment of the extraordinary contributions to the national resolution fund.

Net of the latter effects, the consolidated net profit would amount to about 800 million euro.

The **total income** rose to **1,684 million** euro - up 16.7% - driven by the growth in net commissions (+26%), the scope of operations with customers and the profits from financial

transactions, growing in absolute terms by more than 160 million euro compared to the final balance in the previous year.

Consolidated revenues were attributable to the **Global Markets** area, led by Massimo Mocio, in the amount of **1,159 million** euro and the **Corporate & Strategic Finance** area, headed by Raffaello Ruggieri, with **525 million** euro, thanks to 350 million euro from Structured Finance and 175 million euro from Investment Banking.

The **operating profit**, at 1,234 million euro - showing strong growth of 24.2% compared to 2015 - confirmed the focus on structural costs, which totalled 450 million euro, roughly in line with the final balance in the period of comparison. The **cost/income ratio** is remarkable at **26.7%** compared to the previous 31.2%.

Adjustments, provisions and other charges accounted for 119 million euro and include 79 million euro for the extraordinary contributions in 2016 communicated by the Bank of Italy with reference to the resolution procedure of four Italian banks. **Profits from ordinary operations** thus stood at **1,115 million** euro, up by 36% compared to 818 million euro at 31 December 2015.

After the significant growth that had characterised the quarterly reports in 2016, **total assets** dropped to **150 billion** euro; the figure is in line with the 154 billion euro of 31 December 2015 and is reflected in the Risk Weighted Assets, which went from 30.3 billion euro in 3Q2016 to the current 28.6 billion euro.

The capital requirements showed a **Total Capital Ratio** at **12.9%**, a rise compared with the 10.7% at the end of December 2015. The ratio does not take into account the net profit for the year.

Banca IMI Group

Reclassified Income Statement

(in millions of euro)

| | 2016 | 2015 | changes | |
|------------------------------------------------------------------|----------------|----------------|--------------|-------------|
| | | | amount | % |
| Net interest income | 530,9 | 579,5 | (48,6) | -8,4 |
| Net fee and commission income | 474,5 | 376,7 | 97,8 | 26,0 |
| Profits from financial transactions | 646,7 | 479,7 | 167,0 | 34,8 |
| Core business profit | 1.652,1 | 1.435,9 | 216,2 | 15,1 |
| Net non-recurring income (expense) | 31,9 | 7,0 | 24,9 | |
| Total income | 1.684,0 | 1.442,9 | 241,1 | 16,7 |
| Net administrative expenses: | (449,8) | (449,2) | (0,6) | 0,1 |
| of which: - personnel expenses | (164,7) | (159,6) | (5,1) | 3,2 |
| - other administrative expenses | (285,1) | (289,6) | 4,5 | -1,6 |
| Amortisation and depreciation | (0,5) | (0,6) | 0,1 | |
| Operating costs | (450,3) | (449,8) | (0,5) | 0,1 |
| Operating profit | 1.233,7 | 993,1 | 240,6 | 24,2 |
| Impairment losses, provisions, other operating income (expenses) | (118,7) | (175,4) | 56,7 | -32,3 |
| Profits from continuing operations | 1.115,0 | 817,7 | 297,3 | 36,4 |
| Income tax expense | (373,3) | (284,0) | (89,3) | 31,4 |
| Profit for the year | 741,7 | 533,7 | 208,0 | 39,0 |

Banca IMI Group

Quarterly reclassified Income Statement

(in millions of euro)

| | 4Q16 | 3Q16 | 2Q16 | 1Q16 | 4Q15 | 3Q15 | 2Q15 | 1Q15 |
|------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Net interest income | 118,8 | 142,5 | 144,8 | 124,8 | 142,3 | 144,6 | 165,2 | 127,4 |
| Net fee and commission income | 207,8 | 80,9 | 105,4 | 80,4 | 100,4 | 64,1 | 120,6 | 91,6 |
| Profits from financial transactions | 126,6 | 66,5 | 217,6 | 236,0 | 51,1 | 25,3 | 120,2 | 283,1 |
| Core business profit | 453,2 | 289,9 | 467,8 | 441,2 | 293,8 | 234,0 | 406,0 | 502,1 |
| Net non-recurring income (expense) | 5,7 | 4,5 | 20,8 | 0,9 | 2,4 | 1,1 | 2,2 | 1,3 |
| Total income | 458,9 | 294,4 | 488,6 | 442,1 | 296,2 | 235,1 | 408,2 | 503,4 |
| Net administrative expenses: | (123,2) | (104,7) | (113,0) | (108,9) | (125,1) | (105,9) | (108,2) | (110,0) |
| of which: - personnel expenses | (55,6) | (35,7) | (36,9) | (36,5) | (55,8) | (34,9) | (32,2) | (36,7) |
| - other administrative expenses | (67,6) | (69,0) | (76,1) | (72,4) | (69,3) | (71,0) | (76,0) | (73,3) |
| Amortisation and depreciation | (0,1) | (0,1) | (0,2) | (0,1) | (0,1) | (0,1) | (0,2) | (0,2) |
| Operating costs | (123,3) | (104,8) | (113,2) | (109,0) | (125,2) | (106,0) | (108,4) | (110,2) |
| Operating profit | 335,6 | 189,6 | 375,4 | 333,1 | 171,0 | 129,1 | 299,8 | 393,2 |
| Impairment losses, provisions, other operating income (expenses) | (62,3) | (6,6) | (28,3) | (21,5) | (73,2) | (28,5) | (36,9) | (36,8) |
| Profits from continuing operations | 273,3 | 183,0 | 347,1 | 311,6 | 97,8 | 100,6 | 262,9 | 356,4 |
| Income tax expense | (97,7) | (57,5) | (112,5) | (105,6) | (37,2) | (34,1) | (83,9) | (128,8) |
| Profit for the year | 175,6 | 125,5 | 234,6 | 206,0 | 60,6 | 66,5 | 179,0 | 227,6 |

Quarterly reclassified statement of financial position

(in millions of euro)

| ASSETS | 31/12/2016 | 30/09/2016 | 30/06/2016 | 31/03/2016 | 31/12/2015 | 30/09/2015 | 30/06/2015 | 31/03/2015 |
|-------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 1. Due from banks and customers | | | | | | | | |
| - Repurchase agreements | 16.146,3 | 16.299,8 | 15.070,2 | 14.617,7 | 12.587,2 | 11.333,7 | 12.358,1 | 13.635,6 |
| - Securities lending | 2.179,1 | 2.382,6 | 2.570,4 | 2.855,6 | 2.806,6 | 2.780,2 | 2.923,4 | 3.702,6 |
| - Fixed income securities | 462,2 | 475,0 | 483,5 | 679,1 | 693,2 | 505,0 | 549,1 | 1.820,0 |
| - Collateral deposited | 11.456,7 | 14.370,7 | 13.609,9 | 12.474,2 | 9.553,0 | 11.265,8 | 9.908,0 | 14.048,6 |
| - Structured finance assets | 5.666,4 | 6.578,5 | 7.157,6 | 7.143,1 | 6.574,3 | 6.506,8 | 6.414,7 | 5.762,8 |
| - Interbank and other accounts | 45.193,2 | 51.656,5 | 47.828,7 | 51.360,7 | 52.063,2 | 46.207,9 | 45.733,8 | 36.803,3 |
| 2. Financial assets held for trading | | | | | | | | |
| - Fixed income securities | 11.186,8 | 13.442,1 | 13.964,5 | 15.276,3 | 14.864,9 | 14.833,1 | 14.817,3 | 14.637,8 |
| - Shares, quotas and loans | 983,5 | 934,3 | 801,8 | 908,4 | 1.230,3 | 1.184,8 | 1.214,6 | 1.188,7 |
| - Measurement of off-balance sheet transactions | 41.461,7 | 48.905,5 | 49.895,9 | 46.703,9 | 41.062,6 | 43.413,1 | 42.584,7 | 54.412,4 |
| 3. Investments | | | | | | | | |
| - Fixed income AFS securities | 14.560,1 | 12.530,0 | 14.818,0 | 14.916,4 | 11.556,7 | 12.612,6 | 12.235,6 | 11.148,3 |
| - Equity investments, equities and UCIFs | 153,4 | 140,9 | 124,8 | 179,2 | 99,8 | 96,3 | 90,5 | 95,9 |
| 4. Other assets | | | | | | | | |
| - Property, equipment and intangible assets | 1,2 | 1,0 | 1,0 | 1,0 | 1,2 | 1,1 | 1,2 | 1,3 |
| - Other assets | 956,2 | 1.035,9 | 1.073,4 | 1.060,8 | 947,8 | 1.081,2 | 1.320,1 | 1.140,9 |
| Total Assets | 150.406,8 | 168.752,8 | 167.399,7 | 168.176,4 | 154.040,8 | 151.821,6 | 150.151,1 | 158.398,2 |

| LIABILITIES | 31/12/2016 | 30/09/2016 | 30/06/2016 | 31/03/2016 | 31/12/2015 | 30/09/2015 | 30/06/2015 | 31/03/2015 |
|-------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 1. Due to banks and customers | | | | | | | | |
| - Repurchase agreements | 25.287,3 | 24.899,0 | 23.420,1 | 24.447,2 | 20.919,4 | 21.313,0 | 20.800,0 | 22.870,3 |
| - Securities lending | 2.516,2 | 2.788,2 | 2.870,2 | 3.074,8 | 2.900,7 | 3.089,3 | 111,8 | 3.372,8 |
| - Collateral received | 7.396,2 | 9.046,2 | 8.682,1 | 7.615,7 | 5.588,9 | 6.423,5 | 5.604,2 | 6.745,5 |
| - Loans and deposits | 43.728,7 | 51.026,4 | 49.548,7 | 52.771,8 | 53.949,5 | 47.780,7 | 50.806,3 | 38.229,7 |
| - Checking accounts and other accounts | 778,1 | 1.236,4 | 1.429,9 | 866,2 | 742,1 | 488,0 | 931,4 | 875,7 |
| 2. Financial liabilities held for trading | | | | | | | | |
| - Measurement of off-balance sheet transactions | 50.247,8 | 57.763,8 | 58.492,7 | 54.732,2 | 48.857,7 | 50.578,8 | 49.991,5 | 61.488,4 |
| - Short selling | 3.500,4 | 3.257,7 | 4.001,1 | 5.091,6 | 2.960,4 | 3.081,5 | 2.683,7 | 3.867,7 |
| 3. Issues | | | | | | | | |
| - other | 11.282,6 | 13.457,6 | 14.269,0 | 14.599,2 | 13.866,8 | 14.504,7 | 15.070,8 | 15.992,3 |
| 4. Other provisions | 39,6 | 32,7 | 32,8 | 31,5 | 32,8 | 52,2 | 53,3 | 43,5 |
| 5. Other liabilities | 874,9 | 590,3 | 622,0 | 1.130,4 | 929,5 | 1.009,1 | 798,4 | 975,6 |
| 6. Equity | | | | | | | | |
| - Share capital and reserves | 3.013,3 | 3.088,4 | 3.090,5 | 3.109,8 | 2.759,3 | 3.027,7 | 2.893,1 | 3.709,1 |
| - Equity instruments | 1.000,0 | 1.000,0 | 500,0 | 500,0 | - | - | - | - |
| - Profit for the year | 741,7 | 566,1 | 440,6 | 206,0 | 533,7 | 473,1 | 406,6 | 227,6 |
| Total Liabilities and equity | 150.406,8 | 168.752,8 | 167.399,7 | 168.176,4 | 154.040,8 | 151.821,6 | 150.151,1 | 158.398,2 |

| OFF-BALANCE SHEET TRANSACTIONS | 31/12/2016 | 30/09/2016 | 30/06/2016 | 31/03/2016 | 31/12/2015 | 30/09/2015 | 30/06/2015 | 31/03/2015 |
|------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Financial derivatives | 2.968.600,9 | 3.036.855,2 | 2.940.485,4 | 2.675.999,9 | 2.704.872,0 | 2.639.011,2 | 2.682.311,8 | 2.746.181,1 |
| Credit derivatives | 106.906,7 | 119.623,7 | 113.976,5 | 110.286,4 | 111.964,1 | 121.247,6 | 113.921,2 | 120.764,4 |
| Guarantees given and commitments to lend | 6.197,1 | 6.932,8 | 7.705,0 | 9.181,5 | 4.681,8 | 8.077,0 | 5.043,8 | 7.201,7 |

The Manager responsible for preparing the Company's financial reports, Angelo Bonfatti, declares, pursuant to Paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to what appears in the documentary entries, books and accounting entries.

The draft financial statements, the approval of which by the Board of Directors is scheduled by 21 February 2017, will be submitted - together with the Auditing Company's reports - to the Shareholders' Meeting convened for 13 April 2017 on first call and 20 April 2017 on second call.

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Banca IMI is the investment bank of Intesa Sanpaolo, a leading Banking Group in Italy with a strong international presence. Banca IMI's main objective is to assist its customers - institutional investors, financial networks, businesses and public authorities - by offering financial products and services that aim for excellence. Backed by the professionalism and expertise of over 800 professionals, Banca IMI operates in investment banking, structured finance and capital markets on the main national and international markets, via its offices in Milan, its branches in Rome and London and the subsidiary Banca IMI Securities Corporation in New York (*). It is a point of reference for Italian investment banking and M&A Advisory activities with a strong involvement in the placement of shares and securities. Banca IMI is the historical leader in the Italian structured finance market with a solid international track record, utilising the relationships built up by the Intesa Sanpaolo Group in Italy and the rest of the world. Banca IMI is one of the most important players in the brokerage of shares and securities, and has relations with listed companies, providing an efficient Corporate Brokering service and specialist consulting services to customers for the management of financial risks. Banca IMI is known for its expertise in structuring and creating investment products for retail customers and, through its Market Hub, the innovative proprietary market access platform, dynamically searches for the best execution of MiFID-compliant orders, enabling over 350 Italian and international institutional customers to access more than 70 national and international markets (equity, bond and derivatives markets).

Banca IMI has a Moody's rating of Baa1, an S&P rating of BBB- and a Fitch rating of BBB+.

* The entities operating in the United States are invited to contact Banca IMI Securities Corporation directly.

Information for the Press:

Intesa Sanpaolo

Media Relations Corporate & Investment Banking and International Media

Tel: +39 02.87963851 – 02.87962489

Fine Comunicato n.0278-4

Numero di Pagine: 7