



SPAFID CONNECT

Informazione Regolamentata n. 0497-2-2018	Data/Ora Ricezione 09 Febbraio 2018 14:19:11	SeDeX - INV. CERTIFICATES
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Societa' : BANCA ALETTI & C

Identificativo : 98951

Informazione
Regolamentata

Nome utilizzatore : BCAALETTIN02 - Zerbino

Tipologia : 1.1

Data/Ora Ricezione : 09 Febbraio 2018 14:19:11

Data/Ora Inizio : 09 Febbraio 2018 14:19:12

Diffusione presunta

Oggetto : BANCA ALETTI (BANCO BPM GROUP) -
APPROVED THE RESULTS FOR 2017

Testo del comunicato

Vedi allegato.

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

APPROVES THE RESULTS FOR 2017

- **Net of the non-recurring item relating to the writedown of goodwill, the financial statements closed with net income of Euro 19.9 million. Without this, net income would have been Euro 33.9 million and income before tax from continuing operations would have amounted to Euro 47.7 million.**
- **Operating income of Euro 161.9 million. Operating expenses come to Euro 110.6 million. The Bank has a headcount of 555 persons.**
- **Assets under management at 31 December 2017 of Euro 37.8 billion (up 14% from Euro 33.1 billion at 31 December 2016).**
- **As far as investment banking is concerned, trading, structuring and OTC derivative hedging activities generated profits of Euro 66 million versus structured product placement of Euro 6.7 billion.**
- **The growth in the domestic stock market has been confirmed: Banca Aletti ranks 5th among the most active intermediaries on the markets with an increase of four positions compared with the previous year and a growth in market share from 4.46% to 5.79% (source: Assosim).**
- **The guidelines of the Banco BPM Group's 2016-2019 Strategic Plan envisaged the concentration of all Group Private Banking and Wealth Management activities in Banca Aletti and, at the same time, the consolidation of all Corporate & Investment Banking (CIB) activities at Banca Akros.**

MILAN, 6 FEBRUARY 2018 - The Board of Directors of Banca Aletti, Private & Investment Bank, which forms part of Banco BPM Group and which is led by the Managing Director, Maurizio Zancanaro, today approved the 2017 financial statements, which closed with a profit for the year of Euro 19.9 million. Without the non-recurring item for the writedown of goodwill, income before tax from continuing operations would have been Euro 47.7 million and net income would have been Euro 33.9 million.

The Bank's operating income came to Euro 161.9 million, while operating expenses came to Euro 110.6 million. Income before tax from continuing operations is Euro 33.4 million.

With regard to the Bank's capital structure, shareholders' equity reached Euro 898 million. The Bank has a headcount of 555 people.

"While 2016 had been marked by unusually high and persistent levels of uncertainty, 2017 was characterised by high positivity, the result of almost constantly expanding financial conditions and a stable consolidation of economic trends on an international scale", commented Maurizio Zancanaro, the Managing Director.

The tenor of the world cycle gradually increased over the course of the year. The pervasiveness of this boost transformed the timid signs of an acceleration into a far-reaching phenomenon able to feed on itself. These positive results must be placed in a context of normalisation of the equity markets - which recorded positive trends - and of greater uncertainty and volatility in the bond and currency markets.

"Overall, the effect on investment services with higher added value, particularly on asset management, was that of growth thanks to a positive net flow, with a balanced mix of management investment choices and risk control", concluded Zancanaro.

At 31 December 2017, Banca Aletti, a provider of private banking services, reports total assets under management of Euro 37.8 billion (up compared with Euro 33.1 billion with respect to 31 December 2016) of which Euro 20.8 billion is attributable to private banking customers and Euro 17 billion is attributable to institutional customers.

As far as investment banking is concerned, trading, structuring and OTC derivative hedging activities was again the business line with the highest value added and which made the largest contribution to total income. The profits generated amount to Euro 66 million on structured product placements of Euro 6.7 billion.

As well as an ideation service, Banca Aletti also provides a threshold placement service for all types of product with the aim of guaranteeing price stability during the placement windows, freeing the distribution networks from the risk of unsold securities.

The annual report published by Assosim confirms the growth in domestic stocks, ranking Banca Aletti 5th among the most active intermediaries on the markets with a gain of four positions compared with the previous year and a growth in market share from 4.46 to 5.79%.

Reorganisation of the Private Banking and Corporate & Investment Banking activities implementing the Group's 2016-2019 Business Plan

In the first half of the year, the reorganisation of the Group's Private Banking and Corporate & Investment Banking activities began as envisaged in the 2016-2019 Strategic Plan. This reorganisation provides for centralisation of the Private Banking and Wealth Management activities in Banca Aletti and that of the Corporate & Investment Banking activities in Banca Akros.

In June, effective from 1 July, BPM S.p.A. and Banca Aletti signed a deed of transfer of BPM's Private Banking and Wealth Management business to Banca Aletti. The business unit transferred from BPM to Aletti consists of a series of assets and relationships that are functional to the Private Banking operations, together with its customers and all of the relationships that are involved in the Private Banking activities. The price paid for the sale was set at Euro 150.1 million, as shown in the balance sheet of the business unit at the effective date of the transaction.

Centralisation of the Group's Private Banking and Wealth Management business in Banca Aletti continued during the second half of the year with the contribution, by way of an increase in the equity of the assignee, by Banco BPM to Banca Aletti, with effect from 1 December 2017, of the "private accredited" business unit for an amount equal to the valuation difference of the business segment (4.6 million).

Following the resolutions adopted by the Board of Directors of Banco BPM at the meeting of 11 May 2017, as the Parent Company, the Boards of Directors of Banca Aletti and of Banca Akros, on 23 and 24 May 2017 respectively, approved two separate "partial" spin-off project. These envisage, on the one hand, the assignment by Banca Akros to Banca Aletti of the business unit consisting of the series of assets and resources organised for the development of the Private Banking activity; and, on the other hand, by Banca Aletti to Banca Akros of the business unit consisting of the series of assets and resources organised to carry on the Corporate & Investment Banking business. These transactions should have legal effect in the first few months of 2018.

In consideration of the transaction described above, the assets and liabilities as at 31 December 2017 referring to the business unit to be assigned to Banca Akros are to be considered as being disposed of and, in line with the provisions of IFRS 5, these assets and liabilities have been included in the balance sheet items "Non-current assets held for sale and discontinued operations" and "Liabilities associated with non-current assets held for sale and discontinued operations"; similarly, the income and expenses associated with the assets and liabilities classified as being disposed of, net of the tax effect, have been

shown in a separate item "Income (loss) after tax from discontinued operations", both for 2017 and for the previous year, in line with the retrospective presentation required by IFRS 5 for discontinued operations.

The reclassified balance sheet and income statement attached to this document have therefore been prepared in line with the items required by the application of IFRS 5. Furthermore, starting from the reclassified income statement format explained previously, another income statement has been drawn up, in which costs and revenues of the segment being sold are disclosed item by item, without the application of IFRS 5, in order to ensure continuity with comments published about the first half.

Proposed distribution of net income

The allocation of profit that will be proposed to the Ordinary General Meeting of Members, to be held at first calling on 6 April 2018 and, if necessary, at second calling on 7 April 2018, envisages, after the allocation of Euro 239,836.08 to reserves, the distribution to shareholders of a total dividend of Euro 19,724,297.04, with a dividend of Euro 0.84 per share.

The dividend (Euro 0.84 per share gross of tax) will be paid (coupon no. 13) on 3 May 2018, with the ex-coupon date set for 30 April 2018, and will be subject to the tax regime based on the nature of the recipients (substitute tax/withholding tax, gross payment), according to the provisions currently in force.

Statement of the Financial Reporting Manager

The Financial Reporting Manager of Banca Aletti S.p.A., Roberto Gori, declares, pursuant to para. 2 of art. 154-bis of the Consolidated Finance Act, that the accounting information contained in this press release agrees with the supporting documentation, balances on the books of account and accounting entries.

Banca Aletti's draft financial statements for the year ended 31 December 2017 will be made available on the website www.alettibank.it within the prescribed time limit.

Banco BPM S.p.A.

Media Relations

Anna Lisa Presicce

Tel +39.02.7700.3784

annalisa.presicce@bancobpm.it

Reclassified balance sheet at 31 December 2017

With the Corporate & Investment Banking assets classified according to IFRS 5

BALANCE SHEET				
Reclassified assets (thousands of Euro)	31/12/2017	31/12/2016	Change (+/-)	% Change
Cash and cash equivalents	9	4	6	162.9%
Financial assets	9,639	5,167,714	(5,158,075)	(99.8%)
Due from banks	474,969	9,147,493	(8,672,523)	(94.8%)
Loans to customers	93,507	1,387,484	(1,293,977)	(93.3%)
Equity investments	47,762	53,345	(5,583)	(10.5%)
Property and equipment	438	401	37	9.2%
Intangible assets	50,088	20,938	29,150	139.2%
of which: goodwill	0	20,938	(20,938)	(100.0%)
Non-current assets held for sale and discontinued operations	13,274,538	0	13,274,538	n.d.
Other asset items	120,622	92,642	27,979	30.2%
Total	14,071,571	15,870,019	(1,798,448)	(11.3%)

BALANCE SHEET				
Reclassified liabilities (thousands of Euro)	31/12/2017	31/12/2016	Change (+/-)	% Change
Due to banks	325,675	5,046,578	(4,720,903)	(93.5%)
Due to customers and securities issued	1,659,188	1,192,833	466,355	39.1%
Financial liabilities	0	8,606,315	(8,606,315)	(100.0%)
Provisions	19,946	16,747	3,199	19.1%
Liabilities associated with non-current assets held for sale and discontinued operations	11,114,899	0	11,114,899	n.d.
Other liability items	53,343	64,532	(11,189)	(17.3%)
Shareholders' equity	898,520	943,014	(44,494)	(4.7%)
- Capital and reserves	878,556	881,254	(2,698)	(0.3%)
- Net income (loss) for the period	19,964	61,760	(41,796)	(67.7%)
Total	14,071,571	15,870,019	(1,798,448)	(11.3%)

Reclassified Income statement at 31 December 2017

With the Corporate & Investment Banking assets not classified according to IFRS 5

Reclassified Income Statement (thousands of Euro)	31/12/2017	31/12/2016	Change (+/-)	% Change
Interest margin	101,295	148,586	(47,291)	(31.8%)
Net fee and commission income	78,898	31,400	47,498	151.3%
Other net operating income	752	305	447	146.6%
Net financial result	(19,019)	21,244	(40,263)	(189.5%)
Other operating income	60,631	52,949	7,682	14.5%
Operating income	161,927	201,534	(39,607)	(19.7%)
Operating expenses	(110,647)	(112,843)	2,196	(1.9%)
Operating profit	51,280	88,691	(37,411)	(42.2%)
Adjustments and provisions	(17,870)	(1,402)	(16,468)	1174.6%
Income (loss) before tax from continuing operations	33,410	87,289	(53,879)	(61.7%)
Income taxes	(13,445)	(25,529)	12,084	(47.3%)
Income (loss) after tax from continuing operations	19,964	61,760	(41,796)	(67.7%)
Net income (loss) for the period	19,964	61,760	(41,796)	(67.7%)

Reclassified Income statement at 31 December 2017

With the Corporate & Investment Banking assets classified according to IFRS 5

Reclassified Income Statement - IFRS 5 - (thousands of Euro)	31/12/2017	31/12/2016	Change (+/-)	% Change
Interest margin	(6,510)	(4,511)	(1,999)	44.3%
Net fee and commission income	78,644	58,628	20,016	34.1%
Other net operating income	752	281	471	167.8%
Net financial result	478	(586)	1,065	(181.6%)
Other operating income	79,874	58,323	21,552	37.0%
Operating income	73,364	53,811	19,553	36.3%
Operating expenses	(69,049)	(67,618)	(1,431)	2.1%
Operating profit	4,315	(13,807)	18,122	(131.3%)
Adjustments and provisions	(17,870)	(1,402)	(16,468)	1174.5%
Income (loss) before tax from continuing operations	(13,555)	(15,209)	15,952	(104.9%)
Income taxes	(1,723)	3,700	(5,772)	(156.0%)
Income (loss) after tax from discontinued operations	35,243	72,996	(37,754)	(51.7%)
Net income (loss) for the period	19,964	61,760	(28,842)	(46.7%)

Fine Comunicato n.0497-2

Numero di Pagine: 7