

PERFORMANCE OF THE MAIN GROUP COMPANIES

A summary of the main equity interests in Group companies is presented below, with an indication of the most significant balance sheet, income statement and operating balances as at 31 December 2021.

Banca Aletti

<i>(millions of euro)</i>	2021	2020	Change
Income statement figures			
Net interest income	0.3	(0.2)	(268.23%)
Net fee and commission income	106.9	92.6	15.40%
Operating income	105.0	103.9	1.03%
Operating expenses	(77.6)	(73.1)	6.08%
Profit (loss) from operations	27.4	30.8	(10.97%)
Profit (loss) before tax from continuing operations	25.9	42.2	(38.64%)
Profit (loss) for the year	14.8	23.0	(35.62%)

	31/12/2021	31/12/2020	Change
Balance sheet figures (millions of euro)			
Total assets	2,940.0	2,808.1	4.70%
Loans to customers (net)	370.0	257.9	43.47%
Financial assets and hedging derivatives	8.8	50.0	(82.40%)
Shareholders' equity	371.3	368.3	0.81%
Customers' financial assets (millions of euro)			
Direct funding	2,406.2	2,282.8	5.41%
Indirect funding	22,775.1	22,126.0	2.93%
- Asset management	11,484.0	10,448.7	9.91%
- Mutual funds and SICAVs	6,101.1	5,296.2	15.20%
- Securities and fund management	3,453.9	3,355.3	2.94%
- Insurance policies	1,929.0	1,797.2	7.33%
- Administered assets	11,291.1	11,677.3	(3.31%)
Information on the Organisation			
Average number of employees	485.8	477.9	1.65%
Number of bank branches	55	55	-

	31/12/2021	31/12/2020	Change
Alternative performance measures			
Profitability ratios (%)			
Financial margin / Operating income	0.3%	(0.2%)	(250.00%)
Net fee and commission income / Operating income	101.8%	89.1%	14.25%
Operating expenses / Operating income	73.9%	70.4%	4.97%
ROA	0.5%	0.8%	(37.50%)
ROE	4.0%	6.3%	(36.14%)
Operational productivity figures			
Loans to customers (net) per employee (thousands of euro)	762	540	41.12%
Operating income per employee (thousands of euro)	216	218	(0.64%)
Operating expenses per employee (thousands of euro)	160	153	4.38%
Capitalisation ratios			
Common Equity Tier 1 ratio	53.4%	58.9%	
Tier 1 capital ratio	53.4%	58.9%	
Total capital ratio	53.4%	58.9%	
Leverage ratio	51.2%	64.7%	
Other Ratios			
Net loans / Direct funding	15.4%	11.3%	

For a more detailed analysis of the main events that affected Banca Aletti, please refer to the section in this Report on Operations containing an illustration of the business segments and, specifically, the Private segment.

Banca Akros

<i>(millions of euro)</i>	31/12/2021	31/12/2020	change
Income statement figures			
Financial margin	54.7	73.2	(25.2%)
Net fee and commission income	41.0	41.8	(1.8%)
Operating income	110.2	125.4	(12.2%)
Operating expenses	(86.6)	(84.6)	2.3%
Profit (loss) from operations	23.6	40.8	(42.2%)
Profit (loss) before tax from continuing operations (*)	24.1	41.2	(41.5%)
Profit (loss) after tax from continuing operations	17.3	27.7	(37.7%)
Net profit for the period	10.7	24.2	(55.7%)
Comprehensive income	15.2	25.0	(39.1%)

(*) also gross of contributions to guarantee schemes.

<i>(millions of euro)</i>	31/12/2021	31/12/2020	change
Balance sheet figures			
Total assets	8,241.7	7,905.8	4.2%
Loans to customers (net)	1,963.7	694.8	182.6%
Financial assets	5,685.4	6,425.2	(11.5%)
Shareholders' equity	727.2	735.6	(1.1%)
Customers' financial assets			
Direct funding	956.5	980.5	(2.4%)
Information on the organisation			
Average number of employees and other staff	203	212	
Number of bank branches	1	1	

	31/12/2021	31/12/2020
Alternative performance measures		
Profitability ratios (%)		
Return on Equity (ROE)	1.50%	3.40%
Return on risk adjusted capital (RORAC)	2.75%	9.04%
Return on assets (ROA)	0.13%	0.31%
Financial margin/Operating income	49.68%	58.36%
Net fee and commission income/Operating income	37.23%	33.28%
Operating expenses/Operating income	78.58%	67.43%
Profit (loss) before tax from continuing operations (*)/Operating income.	21.89%	32.86%
Operational productivity figures (thousands of euro)		
Loans to customers (net) per employee	9,673.4	3,277.5
Operating income per employee	542.7	591.7
Operating expenses per employee	426.4	399.0
Annual average operational VAR (99%, 1 day)	2,400	4,800
Other ratios		
Financial assets/Total assets	68.98%	81.27%
Derivative assets/Total assets	16.60%	19.45%
- trading derivatives/Total assets	16.60%	19.45%
- hedging derivatives/Total assets	-	-
Net trading derivatives/Total assets	0.02%	3.47%
Net loans/Direct funding	205.29%	70.86%
Regulatory capitalisation ratios		
Common equity tier 1 ratio (CET1 capital ratio)	18.77%	24.46%
Tier 1 capital ratio	18.77%	24.46%
Total capital ratio	18.77%	24.46%
Leverage ratio	12.04%	23.62%

(*) also gross of contributions to guarantee schemes.

For a more detailed analysis of the main events that affected Banca Akros, please refer to the section in this Report on Operations dedicated to describing the business segments and, specifically, the Investment Banking segment.

Other equity interests

(millions of euro)	Total assets	Shareholders' equity (*)	Direct Funding	Indirect Funding	Net loans	Profit (Loss)
Banks						
Banca Aletti & C. (Suisse)	126.8	27.6	97.1	493.2	19.6	(1.0)
Bipielle Bank (Suisse) in liquidation	23.0	21.4	-	-	-	(0.5)
Financial companies						
Aletti Fiduciaria	9.6	7.4	-	962.8	1.1	0.02
Release	1,295.2	457.8	4.5	-	479.8	(80.4)
Oaklins Italy	2.0	1.0	-	-	-	0.9
Other companies						
Bipielle Real Estate	1,293.4	1,270.8	-	-	4.7	29.1
Tecmarket Servizi	45.5	25.7	-	-	-	9.2
Ge.Se.So.	1.3	0.2	-	-	-	0.01

(*) amount inclusive of the profit (loss) for the year.

Relations with subsidiaries and associates

The disclosure on related party transactions and the description of the significant transactions concluded with related parties during the financial year, as provided for by the Regulation adopted by CONSOB through resolution no. 17221 dated 12 March 2010 and subsequent amendments, are included in the Notes to the Consolidated Financial Statements, Part H, to which reference should be made.

Own shares of the Parent Company and of subsidiaries

The disclosure relating to own shares of the Parent Company and to changes in the year is provided in section 13 - Group Shareholders' Equity in Part B of the Notes to the Consolidated Financial Statements.

As illustrated in Section 4 - "Events subsequent to the reporting date" contained in Part A of the Notes to the Consolidated Financial Statements, in February 2022, the Parent Company implemented the own shares purchase programme to support existing short and long-term incentive plans for staff, implementing the resolution of the Ordinary Shareholders' Meeting of 15 April 2021.

The programme regarded 4,582,640 ordinary Banco BPM shares for a counter value of 16 million.

Consolidated non-financial statement

Banco BPM Group prepares the Consolidated Non-Financial Statement pursuant to Italian Legislative Decree no. 254/2016 and CONSOB Resolution no. 20267 of 18 January 2018 in a separate document, published on the website www.gruppo.bancobpm.it, in the "Sustainability" section.

Report on corporate governance and ownership structure

Banco BPM Group prepares the Report on corporate governance and ownership structure pursuant to Art. 123-bis of Italian Legislative Decree no. 58/1998 in a separate document published on the website www.gruppo.bancobpm.it, in the "Corporate Governance" section.

Remuneration report

Banco BPM Group prepares the Policy-on-remuneration report and payouts awarded of Banco BPM Banking Group's staff pursuant to the Supervisory Regulations of the Bank of Italy (Circular no. 285/2013, 37th update, Part I, Title IV, Chapter 2 "Remuneration and incentive policies and practices"), of Art. 123-ter of Italian Legislative Decree 58/1998 as amended, and of Art. 84-quater of the Issuers' Regulation (CONSOB resolution no. 11971/1999 as amended) in a separate document, published on the website www.gruppo.bancobpm.it, in the "Corporate Governance - Remuneration Policies" section.

Preparation of the financial statements in XBRL format

According to the provisions of European Commission Regulation 815/2019 (European Single Electronic Format Regulation - ESEF), Banco BPM has drawn up this Annual financial report in the new ESEF format, which represents a combination between xHTML language (for the presentation of the financial reports in a legible format for human users) and the XBRL markup (eXtensible Business Reporting Language).

Furthermore, the information contained in the schedules of the consolidated financial statements (balance sheet, income statement, statement of comprehensive income, statement of changes in shareholders' equity and cash flow statement) were mapped according to "inline XBRL" specifications, contained in the basic taxonomy issued by the ESMA (European Securities and Markets Authority).

It should also be noted that, to fulfil the communication obligations envisaged by the Transparency directive (Directive 2004/109/EC), the Annual financial report drawn up by Banco BPM in the format envisaged by the ESEF Regulation will be published within the legal terms.