Declaration of the Chief Executive Officer and the Manager Responsible for Preparing the Company's Financial Reports

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND ADDITIONS

1. The undersigned, Giuseppe Castagna, as Chief Executive Officer of Banco BPM S.p.A. and Gianpietro Val, as Manager responsible for preparing the Company's financial reports of Banco BPM S.p.A., hereby certify, also in consideration of the provisions of Art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 dated 24 February 1998:
    - the adequacy in relation to the characteristics of the company and
    - the effective application

of the administrative and accounting procedures for the formation of the consolidated financial statements of Banco BPM S.p.A. in 2021.

2. The assessment of the adequacy and the verification of the effective application of the administrative and accounting procedures for the formation of the consolidated financial statements of Banco BPM S.p.A. as at 31 December 2021 were based on an internal model set in place by Banco BPM S.p.A., developed on the basis of the "Internal Control – Integrated Framework (COSO)" and, for the IT component, the "Control Objectives for IT and related Technology (COBIT)", which represent the standards for the internal audit system generally accepted at international level.

3. We also hereby certify that:

    3.1 the consolidated financial statements of Banco BPM S.p.A. as at 31 December 2021:
    a) were drawn up in compliance with the applicable international accounting standards recognised in the European Community as per EC Regulation no. 1606/2002 of the European Parliament and Council, dated 19 July 2002;
    b) comply with the results of the accounting records and journal entries;
    c) are suitable for providing a true and fair view of the balance sheet, income statement and financial situation of the issuer and of all the companies included within the scope of consolidation.

    3.2 the report on operations includes a reliable analysis of operating performance and results, as well as the situation of the issuer, Banco BPM S.p.A., and of all of the companies included within the scope of consolidation, together with a description of the main risks and uncertainties to which the same are exposed.

Milan, 1 March 2022

Signed by	Signed by
Giuseppe Castagna	Gianpietro Val
Chief Executive Officer	Manager responsible for preparing the Company's financial reports

Independent Auditors' Report on the consolidated financial statements

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of Banco BPM SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Banco BPM Group (hereinafter the "Group"), which comprise the balance sheet as of 31 December 2021, the income statement, statement of comprehensive income, statement of changes in shareholders' equity, the cash flow statement for the year then ended, and notes thereto, which include a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position as of 31 December 2021 and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and article 43 of Legislative Decree No. 136/15.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Banco BPM SpA (hereinafter the "Bank") pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Key audit matters	*Auditing procedures performed in response to key audit matters*

Valuation of performing loans to customers measured at amortised cost

Notes to the consolidated financial statements:
Part A - Accounting policies
Part B – Information on the consolidated balance sheet – Assets, Sections 4 and 12
Part C – Information on the consolidated income statement, Section 8
Part E – Information on risks and related hedging policies

Performing loans to customers (Stage 1 and Stage 2) as of 31 December 2021 amount to Euro 103,678 million and represent the most relevant part of the financial statements line item 40 b) *"Financial assets at amortised cost – Loans to customers"* which totals Euro 127,674 million corresponding to 64 per cent of total assets. Net impairment losses booked in the year for these loans, amount to Euro 4.7 million and represent directors' best estimate in order to determine expected credit losses at the reporting date on the basis of the applicable reporting standards.

Valuation processes and methods adopted are characterized by a high degree of professional judgement and require the estimation of several variables. The use of significant assumptions is particularly relevant to measure the significant increase in credit risk ("*SICR*"), to allocate loan portfolios to the different risk stages ("*Staging*") and to determine assumptions and inputs to models used for the expected credit loss ("*ECL*") calculation.

In the current year, the above processes were affected by some methodological changes, compared to previous year. Specifically, in addition to the recurring process of updating the input data and of refining of risk parameters (including the adoption of the new regulatory definition of default), the Group also introduced a number of methodological changes, as well as "*post model adjustments/management overlays*" in order to properly take into account the evolution of the macroeconomic context induced

In performing our audit procedures, we considered internal controls relevant to the financial reporting process.

Our audit procedures were defined taking into account the changes in the existing methodologies used for the valuation of the loan portfolio in order to properly consider, among the others, the macroeconomic scenario induced by the Covid-19 pandemic.

To address this key audit matter we performed the following relevant procedures, with the support of the experts of the PwC network as needed:

- assessment of the adequacy of the IT environment and testing of the operating effectiveness of the applicable key controls over the systems and software applications used by the Bank for the valuation of loans to customers;
- understanding and evaluation of the design of key controls related to the monitoring, classification and impairment valuation of loans to customers and testing of their operating effectiveness;
- critical assessment of control activities carried out during the year by internal control functions, of the related outcomes and of remedial actions undertaken;
- check, on a sample basis, of the reasonable classification of these loans as performing (Stage 1 and Stage 2) on the basis of the available information about debtor's status and of other supporting evidences, including external information and paying special attention to debtors who have benefited from payments moratoria;

Key audit matters	*Auditing procedures performed in response to key audit matters*
by the Covid-19 pandemic (including the increased risk for debtors who have benefited from support measures), any improvement area that emerged from the analyses carried out internally, as well as to consider certain valuation elements that are not adequately captured by models in use. Considering the significance of the amount, the high complexity of estimation processes and the high degree of professional judgement, as well as the process of fine-tuning and refinement of criteria and models adopted, we considered valuation of performing loans as a key audit matter.	• understanding and assessment of the appropriateness of policies, procedures and models used for determining *SICR*, *Staging* and *ECL*. Special attention was paid to methodological changes introduced during the year to criteria and models, as well as to criteria applied for determining *"post model adjustments/management overlays"* applied; • understanding and review of the methods used to define the key estimation parameters for models used to determine the ECL and assessment of the updates and refinements introduced during the year. In particular, we assessed the reasonableness of expected macroeconomic scenarios assumed, also by checking their consistency with external sources. Furthermore, for off-balance sheet exposures, we performed specific procedures aimed at verifying the appropriate application of credit conversion factors; • assessment of the correct application of the defined criteria, of the completeness and accuracy of the data used for the *ECL* calculation, as well as of any processing performed outside the IT systems; • assessment of the reasonableness of loans valuation through independent estimates; • comparative and trend analysis on the volumes of loans to customers and on related coverage ratios, also by comparing data of previous years and information related to the main comparable operators; • review of sensitivity analyses of ECL to the macroeconomic scenarios that condition risk parameters of the models used, also taking into consideration subsequent events, including those attributable to the war between Russia and Ukraine;

Key audit matters	*Auditing procedures performed in response to key audit matters*
	• check of the completeness and adequacy of financial statements disclosures in accordance with International Financial Reporting Standards, the applicable regulatory framework and the communications and recommendations issued by the Supervisory Authorities.
Valuation of non-performing loans to customers (unlikely-to-pay and bad loans) measured at amortised cost *Notes to the consolidated financial statements:* *Part A - Accounting policies* *Part B – Information on the consolidated balance sheet – Assets, Sections 4 and 12* *Part C – Information on the consolidated income statement, Section 8* *Part E – Information on risks and related hedging policies* Non-Performing loans to customers (Stage 3) as of 31 December 2021 amount to Euro 3,063 million. Net impairment losses booked in the year for these loans, amount to Euro 625.9 million and represent directors' best estimate in order to determine expected credit losses for these loans at the reporting date on the basis of the applicable reporting standards. Valuation processes and methods applied, both on an individual and on a statistical basis, are characterized by a high degree of professional judgement and require the estimation of several variables. The use of significant assumptions is particularly relevant for the assessment of future cash flows, recovery time and for determining the recoverable amount of any collaterals. In particular, where Group's strategy foresees the recovery through disposal of portfolios, the valuation is performed with a multiple scenarios approach reflecting the cash flows arising from internal work-out activities as well as those expected from the disposal on the market.	In performing our audit procedures, we considered internal controls relevant to the financial reporting process. To address this key audit matter we performed the following relevant procedures: • assessment of the adequacy of the IT environment and testing of the operating effectiveness of the applicable key controls over the systems and software applications used for the valuation of loans to customers; • understanding and evaluation of the design of key controls related to the monitoring, classification and impairment valuation of loans to customers and testing of their operating effectiveness; • understanding and assessment of the appropriateness of policies, procedures and models used for determining the *ECL*; • assessment of the correct application of the defined criteria as well as of the completeness and accuracy of the data used in the *ECL* calculation; • check, on a sample basis, of the reasonable classification of these loans among the different regulatory categories also on the basis of the available information about debtor's status and of other supporting evidences, including external information;

Key audit matters	*Auditing procedures performed in response to key audit matters*
Considering the significance of the non-performing loans amount, the complexity of the valuation process and the high subjectivity of the assumptions and hypotheses required to determine the relevant variables, we considered the valuation of non-performing loans as a key audit matter.	• assessment of the reasonableness of the methodology adopted to define possible alternative recovery scenarios (disposal or work-out scenarios), of their consistency with disposal targets defined by the directors and of the probabilities defined, as well as evaluation of the correct calculation of the *ECL* on the basis of the probability weighted average of future cash flows expected from internal work-out and disposal scenarios. • with specific reference to the work-out scenario, for each category required by the applicable financial and regulatory reporting framework, check, for a sample of loans assessed on an individual basis, of the reasonableness of assumptions used to determine future cash flows from work-out activity, collaterals valuation and recovery time. For non-performing loans assessed on a statistical basis, check of the correct determination of the key parameters used in the model as well as completeness and accuracy of related key data inputs; • comparative and trend analysis on the volumes of loans to customers and on related coverage ratios, performed also by comparing data of previous years and information related to main comparable operators; • analysis of subsequent events occurring after the reference date of financial statements; • check of the completeness and adequacy of financial statements disclosures in accordance with International Financial Reporting Standards, the applicable regulatory framework and the communications and recommendations issued by the Supervisory Authorities.

Key audit matters	*Auditing procedures performed in response to key audit matters*
Valuation of financial instruments held for trading not listed in active markets and measured at fair value on a recurring basis *Notes to the consolidated financial statements:* *Part A – Accounting policies* *Part B – Information on the consolidated balance sheet – Assets, Section 2, Liabilities, Section 2* *Part C – Information on the consolidated income statement, section 4* Financial instruments held for trading and not listed in active markets whose fair values were determined using models with data and parameters both directly observable and not directly observable in the market (instruments with fair value levels 2 and 3 of the fair value hierarchy, respectively) represent assets for a total of Euro 2,020 million and liabilities of Euro 13,747 million, corresponding respectively to about 1 per cent of total assets and 6.9 per cent of total liabilities. The financial instruments carrying amounts, which represent directors' best estimate of the fair value of the instruments at the reporting date determined in accordance with the applicable reporting standards, are primarily originating from the portfolio of the subsidiary Banca Akros SpA. Throughout the course of our audit we paid special attention to the valuation of these financial instruments held by Banca Akros SpA, focusing primarily on those characterised by a high degree of complexity (structured securities and derivatives). This was considered a key audit matter due to the materiality of the amounts, the number and complexity of the valuation models used and the significant estimates and assumptions required. The valuation models used are numerous and different based on the type of instrument requiring specific qualitative and quantitative assumptions that could determine significantly different outcomes.	In performing our audit procedures, we considered internal controls relevant to the financial reporting process. Specifically, to address this key matter, we performed the following relevant procedures with the support of experts of the PwC network as needed: • assessment of the adequacy of the IT environment and testing of the operational effectiveness of key controls over the systems and software applications used for the valuation of financial instruments; • understanding and evaluation of the design of controls relevant to the identification, measurement and monitoring of the risk related to valuation, recognition and measurement of financial instruments, as well as the operational effectiveness of those controls; • understanding and critical assessment of the policies adopted to determine the fair value of financial instruments; • review of the valuation techniques and models used as well as of the criteria applied to determine significant assumptions and data inputs, and verification of their consistency with the market practice and financial sector literature; • specific substantive procedures on the related accounting balances, including independent fair values assessment for a sample of level 2 and level 3 financial instruments, to verify the reasonableness of directors' valuations. Special attention was paid to qualitative and quantitative assumptions and inputs used (interest rate curves, credit and liquidity spreads, adjustments for credit rating, volatility parameters, other market information);

Key audit matters	*Auditing procedures performed in response to key audit matters*
Furthermore, the valuation models used, even if well-known and acknowledged in the practice, could be extremely sensitive to inputs and assumptions and, given their nature, incorporate a risk of incorrect valuation.	• check of the completeness and adequacy of disclosures closely related to this key matter also considering requirements of the applicable financial reporting standards.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and article 43 of Legislative Decree No. 136/15 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern.
In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the parent company Banco BPM SpA or to cease operations or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- we identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- we obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- we concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- we evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- we obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 15 October 2016 the shareholders of Banco Popolare Società Cooperativa and Banca Popolare di Milano Scarl in general meeting engaged us to perform the statutory audit of the Bank's and the consolidated financial statements for the years ending 31 December 2017 to 31 December 2025.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Bank in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Banco BPM SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter and), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Banco BPM SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Banco BPM Group as of 31 December 2021, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements of Banco BPM Group as of 31 December 2021 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of Banco BPM Group as of 31 December 2021 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter and), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Statement in accordance with article 4 of Consob's Regulation implementing Legislative Decree No. 254 of 30 December 2016

The directors of Banco BPM SpA are responsible for the preparation of the non-financial statement pursuant to Legislative Decree No. 254 of 30 December 2016.

We have verified that the directors approved the non-financial statement.

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016, the non-financial statement is the subject of a separate statement of compliance issued by ourselves.

Milan, 16 March 2022

PricewaterhouseCoopers SpA

Signed by

Pierfrancesco Anglani
(Partner)

As disclosed by the Directors, the accompanying consolidated financial statements of Banco BPM SpA constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Attachments

List of IAS/IFRS endorsed by the European Commission as at 31 December 2021

Accounting standards		Endorsement Regulation	
			amendments
IAS 1	Presentation of Financial Statements	1126/2008	1274/2008; 53/2009; 70/2009; 494/2009; 243/2010; 149/2011; 475/2012; 1254/2012; 1255/2012; 301/2013; 2113/2015; 2406/2015; 1905/2016; 2067/2016; 1986/2017; 2075/2019; 2104/2019; 2036/2021 (**)
IAS 2	Inventories	1126/2008	70/2009; 1255/2012; 1905/2016; 2067/2016; 1986/2017
IAS 7	Statement of Cash Flows	1126/2008	1260/2008; 1274/2008; 70/2009; 494/2009; 243/2010; 1254/2012; 1174/2013; 1986/2017; 1990/2017; 2036/2021 (**)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	1126/2008	1274/2008; 70/2009; 1255/2012; 2067/2016; 2075/2019; 2104/2019
IAS 10	Events After the Reporting Period	1126/2008	1274/2008; 70/2009; 1142/2009; 1255/2012; 2067/2016; 2104/2019
IAS 12	Income Taxes	1126/2008	1274/2008; 495/2009; 475/2012; 1254/2012; 1255/2012; 1174/2013; 1905/2016; 2067/2016; 1986/2017; 1989/2017; 412/2019
IAS 16	Property, Plant and Equipment	1126/2008	1260/2008; 1274/2008; 70/2009; 495/2009; 1255/2012; 301/2013, 28/2015; 2113/2015; 2231/2015; 1905/2016; 1986/2017; 1080/2021 (**); 2036/2021 (**)
IAS 19	Employee Benefits	1126/2008	1274/2008; 70/2009; 475/2012; 1255/2012; 29/2015; 2343/2015; 402/2019; 2036/2021 (**)
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1126/2008	1274/2008; 70/2009; 475/2012; 1255/2012; 2067/2016
IAS 21	The Effects of Changes in Foreign Exchange Rates	1126/2008	1274/2008; 69/2009; 494/2009; 149/2011; 475/2012; 1254/2012; 1255/2012; 2067/2016; 1986/2017
IAS 23	Borrowing Costs	1126/2008	1260/2008; 70/2009; 2113/2015; 2067/2016; 1986/2017; 412/2019
IAS 24	Related Party Disclosures	1126/2008	1274/2008, 632/2010; 475/2012; 1254/2012; 1174/2013; 28/2015
IAS 26	Accounting and Reporting by Retirement Benefit Plans	1126/2008	
IAS 27	Separate Financial Statements	1126/2008	1274/2008; 69/2009; 70/2009; 494/2009; 1254/2012; 1174/2013; 2441/2015
IAS 28	Investments in Associates and Joint Ventures	1126/2008	1274/2008; 70/2009, 494/2009, 495/2009; 1254/2012; 1255/2012; 2441/2015; 1703/2016; 2067/2016; 182/2018; 237/2019; 2036/2021 (**)
IAS 29	Financial Reporting in Hyperinflationary Economies	1126/2008	1274/2008; 70/2009
IAS 32	Financial Instruments: Presentation	1126/2008	1274/2008; 53/2009; 70/2009, 494/2009; 495/2009; 1293/2009; 149/2011; 475/2012; 1254/2012; 1255/2012; 1256/2012; 301/2013; 1174/2013; 1905/2016; 2067/2016; 1986/2017; 2036/2021 (**)
IAS 33	Earnings per Share	1126/2008	1274/2008; 494/2009; 495/2009; 475/2012; 1254/2012; 1255/2012; 2067/2016
IAS 34	Interim Financial Reporting	1126/2008	1274/2008; 70/2009; 495/2009; 149/2011; 475/2012; 1255/2012; 301/2013; 1174/2013; 2343/2015; 2406/2015; 1905/2016; 2075/2019; 2104/2019
IAS 36	Impairment of Assets	1126/2008	1274/2008; 69/2009; 70/2009; 495/2009; 243/2010; 1254/2012; 1255/2012; 1374/2013; 2113/2015; 1905/2016; 2067/2016; 2036/2021 (**)
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	1126/2008	1274/2008; 495/2009; 28/2015; 1905/2016; 2067/2016; 1986/2017; 2075/2019; 2104/2019; 1080/2021 (**); 2036/2021 (**)
IAS 38	Intangible Assets	1126/2008	1260/2008; 1274/2008; 70/2009; 495/2009; 243/2010; 1254/2012; 1255/2012; 28/2015; 2231/2015; 1905/2016; 1986/2017; 2075/2019; 2036/2021 (**)
IAS 39	Financial Instruments: Recognition and Measurement (with the exception of several provisions relating to accounting for hedging transactions) (*)	1126/2008	1274/2008; 53/2009; 70/2009; 494/2009; 495/2009; 824/2009; 839/2009; 1171/2009; 243/2010; 149/2011; 1254/2012; 1255/2012; 1174/2013; 1375/2013; 28/2015; 1905/2016; 2067/2016; 1986/2017; 34/2020; 25/2021
IAS 40	Investment Property	1126/2008	1274/2008; 70/2009; 1255/2012; 1361/2014; 2113/2015; 1905/2016; 1986/2017; 400/2018; 2036/2021 (**)
IAS 41	Agriculture	1126/2008	1274/2008; 70/2009; 1255/2012; 2113/2015; 1986/2017; 1080/2021 (**)
IFRS 1	First-time Adoption of International Financial Reporting Standards	1126/2008	1260/2008; 1274/2008; 69/2009; 70/2009; 254/2009; 494/2009; 495/2009; 1136/2009; 1164/2009; 550/2010; 574/2010; 662/2010; 149/2011; 1205/2011; 475/2012; 1254/2012; 1255/2012; 183/2013; 301/2013; 313/2013; 1174/2013; 2173/2015; 2343/2015; 2441/2015; 1905/2016; 2067/2016; 1986/2017; 182/2018; 519/2018; 1595/2018; 1080/2021 (**); 2036/2021 (**)

Accounting standards		Endorsement Regulation	amendments
IFRS 2	Share-based Payments	1126/2008	1261/2008; 495/2009; 243/2010; 244/2010; 1254/2012; 1255/2012; 28/2015; 2067/2016; 289/2018; 2075/2019
IFRS 3	Business Combinations	1126/2008	495/2009; 149/2011; 1254/2012; 1255/2012; 1174/2013; 1361/2014; 28/2015; 1905/2016; 2067/2016; 1986/2017; 412/2019; 2075/2019; 551/2020; 1080/2021 (**); 2036/2021 (**)
IFRS 4	Insurance Contracts	1126/2008	1274/2008; 494/2009; 1165/2009; 1255/2012; 1905/2016; 2067/2016; 1986/2017; 1988/2017; 2097/2020; 25/2021
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1126/2008	1274/2008; 70/2009; 494/2009; 1142/2009; 243/2010; 475/2012; 1254/2012; 1255/2012; 2343/2015; 2067/2016; 2036/2021 (**)
IFRS 6	Exploration for and Evaluation of Mineral Resources	1126/2008	2075/2019
IFRS 7	Financial Instruments: Disclosures	1126/2008	1274/2008; 53/2009; 70/2009; 495/2009; 824/2009; 1165/2009; 574/2010; 149/2011; 1205/2011; 475/2012; 1254/2012; 1255/2012; 1256/2012; 1174/2013; 2343/2015; 2406/2015; 2067/2016; 1986/2017; 34/2020; 25/2021; 2036/2021 (**)
IFRS 8	Operating Segments	1126/2008	1274/2008; 243/2010; 632/2010; 475/2012; 28/2015
IFRS 9	Financial Instruments	2067/2016	1986/2017; 498/2018; 34/2020; 25/2021; 1080/2021 (**); 2036/2021 (**)
IFRS 10	Consolidated Financial Statements	1254/2012	313/2013; 1174/2013; 1703/2016
IFRS 11	Joint Arrangements	1254/2012	313/2013; 2173/2015; 412/2019
IFRS 12	Disclosure of Interests in Other Entities	1254/2012	313/2013; 1174/2013; 1703/2016; 182/2018
IFRS 13	Fair Value Measurement	1255/2012	1361/2014; 2067/2016; 1986/2017
IFRS 15	Revenue from Contracts with Customers	1905/2016	1986/2017; 1987/2017; 2036/2021 (**)
IFRS 16	Leases	1986/2017	1434/2020; 25/2021; 1421/2021
IFRS 17	Insurance Contracts	2036/2021 (**)	

(*) With the entry into force of IFRS 9 "Financial Instruments", only the portion of IAS 39 regarding accounting for fair value hedging transactions remains in force.
(**) Regulations endorsed at the date of approval of the financial statements, but applicable following 1 January 2022.

Interpretations		Endorsement Regulation	Amendments
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1126/2008	1260/2008; 1274/2008; 1986/2017
IFRIC 2	Members' Shares in Co-operative Entities and Similar Instruments	1126/2008	53/2009; 1255/2012; 301/2013; 2067/2016
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1126/2008	1254/2012; 2067/2016
IFRIC 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	1126/2008	
IFRIC 7	Applying the Restatement Approach under IAS 29 - Financial Reporting in Hyperinflationary Economies	1126/2008	1274/2008
IFRIC 10	Interim Financial Reporting and Impairment	1126/2008	1274/2008; 2067/2016
IFRIC 12	Service Concession Arrangements	254/2009	1905/2016; 2067/2016; 1986/2017; 2075/2019
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1263/2008	1274/2008; 633/2010; 475/2012
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	460/2009	243/2010; 1254/2012; 2067/2016
IFRIC 17	Distributions of Non-Cash Assets to Owners	1142/2009	1254/2012; 1255/2012
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	662/2010	1255/2012; 2067/2016; 2075/2019
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	1255/2012	2075/2019
IFRIC 21	Levies	634/2014	
IFRIC 22	Foreign Currency Transactions and Advance Consideration	519/2018	2075/2019
IFRIC 23	Uncertainty over Income Tax Treatments	1595/2018	
SIC 7	Introduction of the Euro	1126/2008	1274/2008; 494/2009
SIC 10	Government Assistance – No Specific Relation to Operating Activities	1126/2008	1274/2008
SIC 15	*Operating Leases – Incentives*	1126/2008	1274/2008
SIC 25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders	1126/2008	1274/2008
SIC 29	Service Concession Arrangements: Disclosures	1126/2008	1274/2008; 254/2009; 1986/2017
SIC 32	Intangible Assets – Web Site Costs	1126/2008	1274/2008; 1905/2016; 1986/2017; 2075/2019

Reconciliation between the items in the consolidated income statement and the reclassified consolidated income statement schedule for 2021

2021	Income statement	Reclassifications		Reclassified income statement
Net interest income				**2,041,628**
10. Interest and similar income	2,425,188	25,488	(a)	
20. Interest and similar expense	(409,048)			
Gains (losses) on interests in associates and joint ventures carried at equity				**231,940**
250. Gains (losses) of associates and joint ventures		231,940	(b)	
Financial margin				**2,273,568**
Net fee and commission income				**1,911,203**
40. Fee and commission income	2,018,601	10,508	(c)	
50. Fee and commission expense	(117,906)			
Other net operating income				**75,280**
230. Other operating expenses/income	363,082	(282,519)	(d)	
		(5,283)	(e)	
Net financial result				**250,695**
70. Dividends and similar income	53,718			
80. Net trading income	79,523	(10,508)	(c)	
		(6,504)	(f)	
90. Fair value gains/losses on hedging derivatives	(848)			
100. Gains (Losses) on disposal or repurchase	(129,080)	248,052	(g)	
110. Net gains (losses) from other financial assets and liabilities measured at fair value through profit and loss	16,342			
Other operating income				**2,237,178**
Operating income				**4,510,746**
Personnel expenses				**(1,667,799)**
190 a) Personnel expenses	(1,670,739)	(2,343)	(h)	
		5,283	(e)	
Other administrative expenses				**(601,151)**
190 b) Other administrative expenses	(1,100,834)	2,343	(h)	
		282,519	(d)	
		214,821	(i)	
Net value adjustments to property, plant and equipment and intangible assets				**(246,825)**
210. Depreciation and impairment losses on property, plant and equipment	(165,828)			
220. Amortisation and impairment losses on intangible assets	(114,457)	33,460	(a)	
230. Other operating expenses/income				
Operating expenses				**(2,515,775)**
Profit (loss) from operations				**1,994,971**
Net adjustments to loans to customers				**(887,199)**
130 a) Net credit impairment losses/recoveries relating to financial assets at amortised cost	(629,997)	(582)	(l)	
		274	(m)	
		(321)	(n)	
		(248,052)	(g)	
140. Gains (losses) from contractual modification without derecognition	(8,521)			
Fair value gains (losses) on property, plant and equipment				**(141,633)**
260. Fair value gains (losses) on property, plant and equipment and intangible assets	(141,633)			
Net adjustments to securities and other financial assets				**(328)**
130 b) Net credit impairment losses/recoveries relating to financial assets measured at fair value through other comprehensive income	(957)	582	(l)	
		(274)	(m)	
		321	(n)	
Net provisions for risks and charges				**(26,039)**
200. Net provisions for risks and charges	(26,039)	-	(l)	
Gains (losses) on interests in associates and joint ventures and other investments				**(18,768)**
250. Gains (losses) of associates and joint ventures	213,314	(231,940)	(b)	
280. Gains (losses) on disposal of investments	(142)			

2021	Income statement	Reclassifications		Reclassified income statement
Profit (loss) before tax from continuing operations				**921,004**
Taxation charge related to profit or loss from continuing operations				**(253,828)**
300. Taxation charge related to profit or loss from continuing operations	(84,955)	(69,826)	(i)	
		(19,488)	(a)	
		2,150	(f)	
		(81,709)	(o)	
Profit (loss) after tax from continuing operations		**98,392**		**667,176**
Charges related to the banking system, net of taxes		(144,995)	(i)	**(144,995)**
Impact of the realignment of tax values to book values		81,709	(o)	**81,709**
Change in own credit risk on Certificates issued by the Group, net of taxes		4,354	(f)	**4,354**
Purchase Price Allocation net of taxes		(39,460)	(a)	**(39,460)**
Profit (loss) for the year attributable to non-controlling interests				**284**
340. Profit (loss) for the year attributable to non-controlling interests	284			
Parent Company's profit (loss) for the year	**569,068**	**-**		**569,068**

The letters shown in the column "Reclassifications" are provided for easier understanding of the reclassifications made.
With regard to the above statement of reconciliation, note that:

- **"Net interest income"** is represented by the algebraic balance of interest and similar income (item 10) and interest and similar expense (item 20), net of the PPA relating to loans to customers, amounting to 25.5 million (a), classified within the reclassified income statement item "Purchase Price Allocation net of taxes";
- **"Gains (losses) on interests in associates and joint ventures carried at equity"** shows the portion of the economic results pertaining to investee companies carried at equity (included in item 250), positive overall and amounting to 231.9 million (b) and together with the "Net interest income", it represents the aggregate defined as the **"Financial margin"**;
- **"Net fee and commission income"** is represented by the algebraic balance of fee and commission income (item 40) and fee and commission expense (item 50); it also includes the reclassification of the upfront fees relating to the placement of Certificates through the Group network (10.5 million (c)) from item 80 of the official schedule "Net trading income";
- "**Other net operating income**" is represented by the financial statement item 230 "Other operating expenses/income", net of recoveries on indirect taxes, legal fees and other expenses, totalling 282.5 million (d), which for the purpose of the reclassification, are shown net of "Other administrative expenses", and of the recovery of training costs of 5.3 million (e) reclassified net of "Personnel expenses";
- the income statement item **"Net financial result"** includes "Dividends and similar income " (item 70), "Net trading income" (item 80), net of both the reclassification of the amount of upfront fees on the placement of Certificates for a total of 10.5 million (c), re-attributed to net fee and commission income, and the impact deriving from the change in own credit risk on issues of Certificates for 6.5 million (f), re-attributed to the customised item of the reclassified income statement called "Change in own credit risk on Certificates issued by the Group, net of taxes". The aggregate in question also includes the "Fair value gains/losses on hedging derivatives" (item 90), the "Net gains (losses) from other financial assets and liabilities measured at fair value through profit and loss" (item 110) and the "gains/losses on disposal or repurchase" (item 100) net of the gains/losses from the assignment of receivables not represented by debt securities, of 248.1 million (g), re-attributed to the management aggregate "Net adjustments to loans to customers";
- "**Personnel expenses**" is represented by the financial statement item "190 a) Personnel expenses" and by several charges functionally related to personnel, amounting to 2.3 million (h), recognised in the financial statements under item 190 b) "Other administrative expenses" and by the recovery of training costs of 5.3 million (e), recorded under item "230 Other operating expenses/income", as described above;
- "**Other administrative expenses**" is represented by the financial statement item 190 b), net of recoveries on indirect taxes, legal fees and other expenses, totalling 282.5 million (d), included in the item "230 Other operating expenses/income", as described above, and of several charges connected to personnel, recognised in the reclassified item "Personnel expenses" for 2.3 million (h). Ordinary and extraordinary charges totalling 214.8 million (i) introduced for banks under the single and national

resolution funds (SRF and NRF) are also excluded and are shown, net of the related tax effect, in the separate item "Charges related to the banking system, net of taxes";

- "**Net value adjustments to property, plant and equipment and intangible assets**" corresponds to the accounting items 210 and 220, net of adjustments to intangibles with a finite useful life (client relationships), allocated to the reclassified income statement item "Purchase Price Allocation net of taxes", amounting to 33.5 million (a);
- the total of "**Net adjustments to loans to customers**" and "**Net adjustments to securities and other financial assets**" starts from income statement items 130 "Net credit impairment losses/recoveries" and 140 "Gains (losses) from contractual modification without derecognition". Specifically, "Net adjustments to loans to customers" include adjustments to exposures classified in the portfolio of financial assets at amortised cost - loans to customers - loans (amounting to 630.0 million), the negative result of disposals of loans, amounting to 248.1 million (g) (included in item 100), as well as gains (losses) from contractual modification without derecognition (item 140 of the income statement). Instead, this excludes net impairment losses on exposures classified in the portfolio of financial assets at amortised cost represented by debt securities, totalling 0.3 million (n), as well as net impairment losses on exposures classified in the portfolio of financial assets at amortised cost – loans to banks – loans and securities (l) and (m) totalling 0.3 million, all fully presented in the item of the reclassified income statement "Net adjustments to securities and other financial assets";
- "**Fair value gains (losses) on property, plant and equipment**" correspond to item 260 of the official income statement;
- the aggregate of "**Net adjustments to securities and other financial assets**" includes net impairment losses on exposures classified in the portfolio of financial assets at amortised cost – loans to banks - loans and securities (l) and (m) totalling 0.3 million, as well as net impairment losses on exposures classified in the portfolio of financial assets at amortised cost consisting of debt securities (included in item 130) issued by customers (n) totalling 0.3 million;
- **"Net provisions for risks and charges"** correspond to item 200 of the official income statement;
- "**Gains (losses) on interests in associates and joint ventures and other investments**" correspond to item 280 of the official income statement and to the gains (losses) on disposal of interests in associates and joint ventures and other investments carried at equity (item 250 of the official income statement), net of the portion of gains (losses) of the investees carried at equity, overall a positive 231.9 million (b) included in the reclassified aggregate "Gains (losses) on interests in associates and joint ventures carried at equity";
- "**Taxation charge related to profit or loss from continuing operations**" corresponds to item 300 of the official income statement, net of the negative tax effects relating to "banking industry charges" of 69.8 million (i), the PPA of 19.5 million (a) and the impact of the change in credit risk on Certificates issued of 2.1 million (f). The item in question is also shown net of the positive impact of 81.7 million (o) deriving from the realignment of tax values to book values of Group property used in operations, shown in a separate item of the reclassified income statement called "Impact of the realignment of tax values to book values";
- the item **"Charges related to the banking system, net of taxes"** includes ordinary and extraordinary charges for a total of 214.8 million (i) recognised in the accounts in item 190 b) of the official income statement, net of the related tax effect, amounting to 69.8 million (i);
- the item "**Impact of the realignment of tax values to book values**" shows the amount recognised in item 300 of the official income statement, positive for 81.7 million (o), deriving from the exercise of the option to realign the tax values of properties to their book values, as illustrated above;
- the item "**Change in own credit risk on Certificates issued by the Group, net of taxes**" shows the economic impact of a change in own credit risk related to the issue of Certificates, recognised in the accounts in item 80 of the official income statement for -6.5 million (f), net of the related tax effect, amounting to 2.1 million (f);
- lastly, the item "**Purchase Price Allocation net of taxes**" includes the effects of the PPA relating to loans, amounting to -25.5 million (a) and the client relationship, amounting to -33.5 million (a), net of the relative tax effects, amounting to 19.5 million (a).

Reconciliation between the items in the consolidated balance sheet and the reclassified consolidated balance sheet as at 31 December 2021

Asset items ***(thousands of euro)***		**31/12/2021**
10.	Cash and cash equivalents	29,153,316
	Cash and cash equivalents	**29,153,316**
40. a)	Financial assets at amortised cost: loans to banks	12,773,990
	minus: debt securities due to banks at amortised cost	(896,112)
	Loans at AC: loans to banks	**11,877,878**
40. b)	Financial assets at amortised cost: loans to customers	127,674,398
	plus: senior securities from sales of non-performing loans	2,297,560
	minus: debt securities due to customers at amortised cost	(20,588,576)
	Loans at AC: loans to customers	**109,383,382**
20.	Financial assets at fair value through profit and loss	6,337,110
50.	Hedging derivatives	127,076
	Financial assets and hedging derivatives at FV through Profit and Loss	**6,464,186**
30.	Financial assets measured at fair value through other comprehensive income	10,675,079
	Financial assets at FV through OCI	**10,675,079**
	plus: debt securities due to banks and customers at amortised cost	21,484,688
	minus: senior securities from sales of non-performing loans	(2,297,560)
	Financial assets at AC	**19,187,128**
70.	Interests in associates and joint ventures	1,794,116
	Interests in associates and joint ventures	**1,794,116**
90.	Property, plant and equipment	3,278,245
	Property, plant and equipment	**3,278,245**
100.	Intangible assets	1,213,722
	Intangible assets	**1,213,722**
110.	Tax assets	4,540,229
	Tax assets	**4,540,229**
120.	Non-current assets and disposal groups held for sale	229,971
	Non-current assets and disposal groups held for sale	**229,971**
60.	Fair value change of financial assets in macro fair value hedge portfolios (+/-)	2,875
130.	Other assets	2,689,089
	Other assets	**2,691,964**
	Total assets	**200,489,216**

Liability items ***(thousands of euro)***		**31/12/2021**
10. b)	Financial liabilities at amortised cost: due to customers	107,788,219
	minus: lease payables due to customers	(667,326)
10. c)	Financial liabilities at amortised cost: debt securities in issue	13,081,349
30.	Financial liabilities designated at fair value	1,405,190
	minus: protected capital certificates	(1,394,416)
	Direct funding	**120,213,016**
10. a)	Financial liabilities at amortised cost: due to banks	45,691,578
	minus: lease payables due to banks	(6,546)
	Due to banks	**45,685,032**
	plus: lease payables due to banks	6,546
	plus: lease payables due to customers	667,326
	Lease payables	**673,872**
20.	Financial liabilities held for trading	14,132,931
	plus: protected capital certificates	1,394,416
40.	Hedging derivatives	227,972
	Other financial liabilities designated at fair value	**15,755,319**
90.	Provisions for employee severance pay	320,303
100.	Provisions for risks and charges	876,643
	Liability provisions	**1,196,946**
60.	Tax liabilities	302,816
	Tax liabilities	**302,816**
50.	Fair value change of financial liabilities in macro fair value hedge portfolios (+/-)	(47,812)
80.	Other liabilities	3,613,968
	Other liabilities	**3,566,156**
	Total liabilities	**187,393,157**
190.	Non-controlling interests (+/-)	1,108
	Non-controlling interests	**1,108**
120.	Valuation reserves	341,360
140.	Equity instruments	1,092,832
150.	Reserves	3,999,850
170.	Share capital	7,100,000
180.	Own shares (-)	(8,159)
200.	Profit (loss) for the year (+/-)	569,068
	Group shareholders' equity	**13,094,951**
	Total liabilities and shareholders' equity	**200,489,216**

Reconciliation between the reclassified consolidated balance sheet as at 31 December 2020 and the same restated for comparative purposes

Asset items (thousands of euro)	31/12/2020	Reclassifications	31/12/2020 restated
10. Cash and cash equivalents	8,858,079	552,608	9,410,687
20. Financial assets at fair value through profit and loss	9,043,525	-	9,043,525
a) financial assets held for trading	7,248,348		7,248,348
c) other financial assets mandatorily measured at fair value	1,795,177		1,795,177
30. Financial assets measured at fair value through other comprehensive income	10,710,796		10,710,796
40. Financial assets at amortised cost	141,801,931	(552,608)	141,249,323
a) loans to banks	11,974,822	(552,608)	11,422,214
b) loans to customers	129,827,109		129,827,109
50. Hedging derivatives	75,046		75,046
60. Fair value change of financial assets in macro fair value hedge portfolios (+/-)	52,288		52,288
70. Interests in associates and joint ventures	1,664,772		1,664,772
90. Property, plant and equipment	3,552,482		3,552,482
100. Intangible assets	1,218,632		1,218,632
of which: goodwill	51,100		51,100
110. Tax assets	4,704,196	-	4,704,196
a) current	236,993		236,993
b) deferred	4,467,203		4,467,203
120. Non-current assets and disposal groups held for sale	72,823		72,823
130. Other assets	1,930,612		1,930,612
Total assets	**183,685,182**	**-**	**183,685,182**

Liabilities and shareholders' equity items (in thousands of euro)	31/12/2020	Reclassifications	31/12/2020 restated
10. Financial liabilities at amortised cost	151,420,894	-	151,420,894
a) due to banks	33,944,598		33,944,598
b) due to customers	102,915,666		102,915,666
c) debt securities in issue	14,560,630		14,560,630
20. Financial liabilities held for trading	12,687,544		12,687,544
30. Financial liabilities designated at fair value	955,781		955,781
40. Hedging derivatives	585,680		585,680
50. Fair value change of financial liabilities in macro fair value hedge portfolios (+/-)	130,912		130,912
60. Tax liabilities	464,570	-	464,570
a) current	5,672		5,672
b) deferred	458,898		458,898
80. Other liabilities	3,797,227		3,797,227
90. Provisions for employee severance pay	369,498		369,498
100. Provisions for risks and charges	1,045,975	-	1,045,975
a) commitments and guarantees given	127,442		127,442
b) post-employment benefits and similar obligations	133,654		133,654
c) other provisions	784,879		784,879
120. Valuation reserves	310,412		310,412
140. Equity instruments	695,417		695,417
150. Reserves	4,112,500		4,112,500
170. Share capital	7,100,000		7,100,000
180. Own shares (-)	(14,002)		(14,002)
190. Non-controlling interests (+/-)	1,894		1,894
200. Profit (loss) for the year (+/-)	20,880		20,880
Total liabilities and shareholders' equity	**183,685,182**	**-**	**183,685,182**

Reconciliation between the reclassified consolidated balance sheet as at 31 December 2020 and the same restated for comparative purposes

(thousands of euro)	31/12/2020	Reclassifications	31/12/2020 restated
Cash and cash equivalents	8,858,079	552,608	9,410,687
Loans at AC	120,455,666	(552,608)	119,903,058
- Loans to banks	11,120,681	(552,608)	10,568,073
- Loans to customers	109,334,985		109,334,985
Other financial assets and hedging derivatives	41,175,632	-	41,175,632
- At FV through Profit and Loss	9,118,571		9,118,571
- At FV through OCI	10,710,796		10,710,796
- At AC	21,346,265		21,346,265
Interests in associates and joint ventures	1,664,772		1,664,772
Property, plant and equipment	3,552,482		3,552,482
Intangible assets	1,218,632		1,218,632
Tax assets	4,704,196		4,704,196
Non-current assets and disposal groups held for sale	72,823		72,823
Other assets	1,982,900		1,982,900
Total assets	**183,685,182**	**-**	**183,685,182**
Direct funding	116,936,669	-	116,936,669
- Due to customers	102,162,461		102,162,461
- Securities and financial liabilities designated at FV	14,774,208		14,774,208
Due to banks	33,937,523		33,937,523
Lease payables	760,280		760,280
Other financial liabilities designated at fair value	14,015,427		14,015,427
Liability provisions	1,415,473		1,415,473
Tax liabilities	464,570		464,570
Other liabilities	3,928,139		3,928,139
Total liabilities	**171,458,081**	**-**	**171,458,081**
Non-controlling interests	1,894		1,894
Group shareholders' equity	12,225,207		12,225,207
Consolidated shareholders’ equity	**12,227,101**	**-**	**12,227,101**
Total liabilities and shareholders’ equity	**183,685,182**	**-**	**183,685,182**

Country by Country Reporting

The regulations for country by country reporting, introduced with Art. 89 of Directive 2013/36/EU (CRD IV), implemented in Italy with the 4th update to Bank of Italy Circular 285 of 17 December 2013 (Part One, Title III, Chapter 2), involves an annual obligation to publish the information set out in letters a), b), c), d), e) and f) of Art. 89 of CRD IV.

To that end, the required information is provided, broken down by individual letter.

(A) Name of companies and nature of business

The activities carried out by Banco BPM Group are indicated in the following table, which refers to that indicated in Art. 317 of Regulation 575/2013 of the European Parliament and of the Council (CRR), integrated with additional specific business activities.
These activities are grouped, based on criteria of prevalence, with the “business segments” which, in brief, refer to the Group's internal management structure and are referred to in the Report on Operations (section “Results by business segment”, as well as in “Part L - Segment Reporting” in the Notes to the Consolidated Annual Report as at 31 December 2021).

Taken from the CRR: par. 4, Art. 317, Table 2		Banco BPM Group business segments							
Business line	**List of activities**	**Retail**	**Corporate**	**Institutional**	**Private**	**Investment Banking**	**Strategic Partnerships**	**Leases**	**Corporate Centre**
Corporate Finance	Underwriting commitments of financial instruments or placement of financial instruments on the basis of an irrevocable commitment		✔			✔			
	Services associated with underwriting commitments		✔			✔			
	Investment advisory		✔			✔			
	Investment research and financial analysis and other forms of general advisory activities involving transactions in financial instruments		✔			✔			
Trading and sales	Own account trading					✔			✔
	Receipt and transmission of orders regarding one or more financial instruments	✔			✔	✔			
	Execution of orders for customers	✔			✔	✔			
	Placement of financial instruments without irrevocable commitments	✔			✔	✔			
	Management of multilateral trading facilities								
Retail brokerage (with natural persons or SMEs meeting the criteria set under Art. 123 for the retail exposures class)	Receipt and transmission of orders regarding one or more financial instruments	✔			✔	✔			
	Execution of orders for customers	✔			✔	✔			
	Placement of financial instruments without irrevocable commitments	✔			✔	✔			
Commercial banking	Collection of deposits or other repayable funds	✔	✔	✔					
	Lending transactions	✔	✔	✔					
	Finance leases						✔	✔	
	Issuing of guarantees and unsecured guarantees	✔	✔	✔					
Retail banking (with natural persons or SMEs meeting the criteria set under Art. 123 for the retail exposures class)	Collection of deposits or other repayable funds	✔			✔				
	Lending transactions	✔					✔		
	Finance leases	✔					✔	✔	
	Issuing of guarantees and unsecured guarantees	✔							
Payment and settlement	Payment services	✔	✔						
	Issuing and management of means of payment	✔	✔						
Agency services	Custody and administration of financial instruments for customers, including custody and associated services such as management of cash/collateral					✔			✔
Asset management	Portfolio management						✔		
	UCITS management								✔
	Other forms of portfolio management						✔		
Other services and support activity	Treasury management and own account funding								✔
	Equity interest portfolio management								✔
	IT asset management								✔
	Real estate asset management and maintenance								✔

With reference to the main content, the business segment:

- **"Retail"** includes management and marketing of banking and financial products/services and loan brokering mainly aimed at private customers and small businesses. These activities are for the most part carried out by the Parent Company's Commercial Network;
- **"Corporate"** includes management and marketing of banking and financial products/services and loan

brokering aimed at medium and large-sized companies. These activities are for the most part carried out by the Parent Company's Commercial Network;

- **"Institutional"** includes management and marketing of banking and financial products/services and loan brokering aimed at bodies and institutions (UCITs, SICAVs, insurance companies, pension funds, banking foundations). These activities are for the most part carried out by the Parent Company's Commercial Network;
- **"Private"** includes management and marketing of banking and financial products/services and loan brokering aimed at private customers with assets that, individually and/or within their business, amount to at least 1 million. These activities are carried out by Banca Aletti;
- **"Investment banking"** includes the structuring of financial products, access to regulated markets, support and development of specialised financial services. These activities are carried out by Banca Akros, and to a lesser extent, by Oaklins Italy, a subsidiary of Banca Akros;
- "**Strategic partnerships**" includes shareholdings in certain companies (Vera Assicurazioni, Vera Vita, Bipiemme Vita, Agos Ducato, Alba Leasing, SelmaBipiemme Leasing, Factorit, Gardant Liberty Servicing and Anima Holding);
- **"Leases"** includes management and administration of finance lease contracts established by the Parent Company Banco BPM and the subsidiary Release;
- **"Corporate Centre"** includes activities falling within the context of the process used to govern the various entities within the Group and for business support. These activities are mainly performed by the centralised structures of the Parent Company and the Group's real estate companies.

To a marginal extent with respect to the Group’s total volumes, certain retail activities included in the above classifications are also conducted by the foreign subsidiary Banca Aletti & C. (Suisse) S.A. (specialised financial services for private customers). With reference to 31 December 2021, the impact of foreign business can be considered negligible, both in terms of total consolidated assets and total consolidated income.

(B) Turnover

Turnover refers to Operating income, as under item 120 of the consolidated income statement, which amounted to 3,936.5 million as at 31 December 2021 (3,634.4 million as at 31 December 2020). Please see the Consolidated Income Statement schedule for 2021.

(C) Number of FTE employees

In terms of full-time equivalent employees, the figure as at 31 December 2021 totalled 19,435, including Co.Co.Pro. (temporary contracts) and internship contracts (20,616 as at 31 December 2020).

(D) Profit or loss before tax

The Group’s profit (loss) before tax corresponds to the sum of items 290 and 320 of the consolidated income statement, which is +653.7 million (-249.3 million as at 31 December 2020). Please see the Consolidated Income Statement schedule for 2021.

(E) Taxes on profit or loss

The tax on the Group’s profit for 2021 corresponds to the amount shown in item 300 of the consolidated income statement, which is a negative figure of -84.9 million (+265.9 million as at 31 December 2020). Please see the Consolidated Income Statement schedule for 2021.

(F) Public grants received

During 2021, Banco BPM Group received public grants to provide personnel training courses totalling 4.8 million (73 thousand euro as at 31 December 2020).

To that end, note that in the listing of these grants, in compliance with the provisions established for preparing the disclosure in question, transactions carried out with central banks for the purposes of financial stability are excluded, as are operations with the objective of facilitating the mechanism used to transmit monetary policy.

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