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 2022.

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 2022 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:

   - the consolidated financial statements of Banco BPM S.p.A. as at 31 December 2022:
     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.

   - 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.

Verona, 7 March 2023

Signed by

Giuseppe Castagna

Chief Executive Officer

Signed by

Gianpietro Val

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 2022, 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 2022 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 2022 amount to Euro 105,033 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 133,648 million corresponding to 70 per cent of total assets. Net impairment losses booked in the year for these loans, are positive for a total of Euro 10.3 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, in addition to the recurring process of updating the input data and of refining of risk parameters, the Group made some changes, revised some estimation processes compared to previous year and applied, also, "*post model adjustments/management overlays*". These actions were deemed necessary to improve the predictiveness of the models in use, to consider the uncertainties in the reference context as well as some additional risk factors not adequately captured by models in use, including climate change related credit risk.	In performing our audit procedures, we considered internal control relevant to the financial reporting process. Our audit procedures were defined taking into account the methodological changes introduced during the year, as well as adjustments to existing methodologies and models in use for the valuation of the loan portfolio. 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 the remedial actions undertaken; • testing, 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; • understanding and assessment of the appropriateness of policies, procedures and models used for determining *SICR*, *Staging* and *ECL*. Special attention was paid to the changes introduced during the year to

Key audit matters	*Auditing procedures performed in response to key audit matters*
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.	criteria and models in use, as well as to criteria for determining *"post model adjustments/management overlays"* applied and their reasonableness; • 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, as well as their probabilities weighting, also in the light of the uncertainties arising from the current reference context. 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 market peers; • review of sensitivity analyses of ECL to the macroeconomic scenarios that condition risk parameters of the models used; • testing 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 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 2022 amount to Euro 2,261 million. Net impairment losses booked in the year for these loans, amount to Euro 397.2 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 is also based on the recovery through a 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 cash flows expected from the disposal on the market. 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.	In performing our audit procedures, we considered internal control 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; • testing, 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; • 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 weighted average of future probable cash flows

Key audit matters	*Auditing procedures performed in response to key audit matters*
	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, testing, 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; • testing 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 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*	 In performing our audit procedures, we considered internal control 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:

Key audit matters	*Auditing procedures performed in response to key audit matters*
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 2,787 million and liabilities of Euro 10,001 million, corresponding respectively to about 1.5 per cent of total assets and 5.3 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 mainly attributable to 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 significance 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. 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.	• 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 calculation for a sample of level 2 and level 3 financial instruments, performed 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); • testing of the completeness and adequacy of disclosures closely related to this key matter also considering requirements of the applicable financial reporting standards.

Key audit matters	*Auditing procedures performed in response to key audit matters*
Business combination with insurance companies Banco BPM Vita and Banco BPM Assicurazioni *Notes to the consolidated financial statements:* *Part A – Accounting policies* *Part B – Information on the consolidated balance sheet – Assets, Sections 8 and 12, Liabilities, Sections 7 and 11* *Part C – Information on the consolidated income statement, sections 10 and 11* *Part E – Information on risks and related hedging policies* *Part G – Business Combinations regarding companies or divisions* *Part L – Segment Reporting* During 2022, the Group gained the control of the insurance company Banco BPM Vita SpA (formerly BPM Vita SpA) operating in life insurance business and of its subsidiary Banco BPM Assicurazioni SpA (formerly BPM Assicurazioni SpA) operating in non-life insurance business, which were previously considered associates, given the equity stake held (the "Transaction"). The Transaction is to be considered a business combination in accordance with IFRS 3 "Business Combinations" which requires the application of the purchase method. This acquisition resulted in the need to carry out specific valuation activities in particular with reference to the *fair value* of the equity stakes previously held and the allocation of the acquisition cost (Purchase Price Allocation-PPA) in accordance with IFRS 3. In addition, following the Transaction, the insurance companies were consolidated on a line-by-line basis, determining, therefore, a change in the scope of consolidation with the inclusion, for the first time, of entities having non-similar business activity and heterogeneous assets and liabilities with respect to those attributable to the banking business. This circumstance entailed the need to conduct specific valuations and activities with reference to the classification and measurement of assets and liabilities acquired, their presentation, considering, moreover, that in	To address this key matter, we performed the following relevant procedures: • understanding of the Transaction also through obtaining and analysing supporting documentation, as well as discussions with management; • assessment of the reasonableness of assumptions made and conclusions reached by the directors for the determination of the fair value of equity stakes previously held, as well as compliance with IFRS 3 of the accounting for of business combinations carried out in several stages (so-called step acquisitions); • understanding and critical analysis, also with the support of experts belonging to the PwC network and through discussions with management and the external consultants used by the Group, of the valuation models adopted for the purchase price allocation and the calculation of the fair values of the identifiable assets acquired and liabilities assumed; • assessment of the reasonableness of the main qualitative and quantitative assumptions used by the directors, also considering the characteristics of the assets and liabilities to be evaluated; • assessment of the correctness of classification and of measurement criteria for the assets acquired and liabilities assumed in the light of applicable accounting standards and considering the business activity of the companies; • testing of the correct presentation of the financial position and economic result of the insurance companies in the consolidated financial statements, also in the light of the prospective sale transaction, in accordance with Circular 262 of Bank of Italy and the relevant accounting standards;

Key audit matters	*Auditing procedures performed in response to key audit matters*
December the Group reached an agreement with Crédit Agricole Group to proceed, upon the occurrence of certain conditions, to the sale of non-life and protection insurance businesses, together with the start of a commercial partnership. Furthermore, additional disclosure to the financial statement was provided, where necessary. Considering the complexity of the Transaction and the resulting accounting impacts, the additional required audit activities, as well as the related valuation elements described so far, the Transaction was considered as a key audit matter.	• testing of the completeness and adequacy of disclosures provided in the notes to the financial statements considering the 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, actions taken to eliminate the related risks, or safeguards applied.

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 as of 31 December 2022, 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 as of 31 December 2022 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.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion in accordance with Article 14, paragraph 2, letter e), 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 2022, 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 2022 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 2022 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), 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, 21 March 2023

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 2022

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 (**); 357/2022 (**)
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; 357/2022 (**)
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; 1392/2022 (**)
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	357/2022 (**)
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; 357/2022 (**)
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

Accounting standards		Endorsement Regulation	amendments
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 (**); 1392/2022 (**)
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 (**); 357/2022 (**)
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 (**)	1491/2022 (**)

(*) 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 2023.

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 balance sheet and the reclassified consolidated balance sheet as at 31 December 2022

Asset items (thousands of euro)		31/12/2022
10.	Cash and cash equivalents	13,130,815
	Cash and cash equivalents	**13,130,815**
40. a)	Financial assets at amortised cost: loans to banks	5,492,238
	minus: debt securities due to banks at amortised cost	(1,314,337)
	less: financial assets at amortised cost pertaining to insurance companies - loans to banks	(8)
	Loans at AC: loans to banks	**4,177,893**
40. b)	Financial assets at amortised cost: loans to customers	133,647,528
	plus: senior securities from sales of non-performing loans	1,933,727
	minus: debt securities due to customers at amortised cost	(26,125,530)
	less: financial assets at amortised cost pertaining to insurance companies - loans to customers	(765)
	Loans at AC: loans to customers	**109,454,960**
20.	Financial assets at fair value through profit and loss	8,935,495
50.	Hedging derivatives	1,717,211
	less: financial assets at fair value through profit and loss pertaining to insurance companies	(2,445,825)
	Financial assets and hedging derivatives at FV through Profit and Loss	**8,206,881**
30.	Financial assets measured at fair value through other comprehensive income	12,826,691
	less: financial assets measured at fair value through other comprehensive income pertaining to insurance companies	(3,446,171)
	Financial assets at FV through OCI	**9,380,520**
	plus: debt securities due to banks and customers at amortised cost	27,439,867
	minus: senior securities from sales of non-performing loans	(1,933,727)
	Financial assets at AC	**25,506,140**
	plus: financial assets at amortised cost pertaining to insurance companies - loans to banks	8
	plus: financial assets at amortised pertaining to insurance companies - loans to customers	765
	plus: financial assets at fair value through profit and loss pertaining to insurance companies	2,445,825
	plus: financial assets measured at fair value through other comprehensive income pertaining to insurance companies	3,446,171
	Financial assets pertaining to insurance companies	**5,892,769**
70.	Interests in associates and joint ventures	1,453,955
	Interests in associates and joint ventures	**1,453,955**
90.	Property, plant and equipment	3,034,689
	Property, plant and equipment	**3,034,689**
100.	Intangible assets	1,286,734
	Intangible assets	**1,286,734**
110.	Tax assets	4,622,827
	Tax assets	**4,622,827**
120.	Non-current assets and disposal groups held for sale	214,737
	Non-current assets and disposal groups held for sale	**214,737**
60.	Fair value change of financial assets in macro fair value hedge portfolios (+/-)	(488,403)
130.	Other assets	3,808,291
	Other assets	**3,322,975**
	Total assets	**189,685,895**

Liability items (thousands of euro)		31/12/2022
10. b)	Financial liabilities at amortised cost: due to customers	108,307,067
	minus: lease payables due to customers	(627,238)
	less: due to customers pertaining to insurance companies	(421)
	Due to customers	**107,679,408**
10. c)	Financial liabilities at amortised cost: debt securities in issue	12,930,521
30.	Financial liabilities designated at fair value	3,938,518
	minus: protected capital certificates	(2,467,534)
	less: financial liabilities designated at fair value pertaining to insurance companies	(1,441,830)
	Securities and financial liabilities designated at fair value	**12,959,675**
	Direct bank funding	**120,639,083**
	plus: other financial liabilities designated at fair value pertaining to insurance companies	1,441,830
110.	Technical reserves	4,414,424
	Direct funding from insurance business and technical reserves	**5,856,254**
10. a)	Financial liabilities at amortised cost: due to banks	32,636,506
	minus: lease payables due to banks	(683)
	less: due to banks pertaining to insurance companies	(18)
	Due to banks	**32,635,805**
	plus: lease payables due to banks	683
	plus: lease payables due to customers	627,238
	Lease payables	**627,921**
20.	Financial liabilities held for trading	10,181,692
	plus: protected capital certificates	2,467,534
40.	Hedging derivatives	948,424
	Other financial liabilities designated at fair value	**13,597,650**
	plus: due to customers pertaining to insurance companies	421
	plus: due to banks pertaining to insurance companies	18
	Other financial liabilities pertaining to insurance companies	**439**
90.	Provisions for employee severance pay	258,457
100.	Provisions for risks and charges	730,395
	Liability provisions	**988,852**
60.	Tax liabilities	279,983
	Tax liabilities	**279,983**
70.	Liabilities associated with assets classified as held for sale	31,731
	Liabilities associated with assets classified as held for sale	**31,731**
50.	Fair value change of financial liabilities in macro fair value hedge portfolios (+/-)	(1,173,078)
80.	Other liabilities	3,430,984
	Other liabilities	**2,257,906**
	Total liabilities	**176,915,624**
190.	Non-controlling interests (+/-)	720
	Non-controlling interests	**720**
120.	Valuation reserves	(624,011)
140.	Equity instruments	1,389,794
150.	Reserves	4,219,445
170.	Share capital	7,100,000
180.	Own shares (-)	(18,266)
200.	Profit (loss) for the year (+/-)	702,589
	Group shareholders' equity	**12,769,551**
	Total liabilities and shareholders' equity	**189,685,895**

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 (GACS)	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 (GACS)	(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 items in the consolidated income statement and the reclassified consolidated income statement schedule for 2022

2022	Income statement	Reclassifications		Reclassified income statement
Net interest income				**2,314,409**
10. Interest and similar income	2,937,053	13,679	(a)	
		(40,945)	(i)	
20. Interest and similar expense	(595,587)	209	(i)	
Gains (losses) on interests in associates and joint ventures carried at equity				**157,483**
250. Gains (losses) of associates and joint ventures		157,483	(b)	
Financial margin				**2,471,892**
Net fee and commission income				**1,887,322**
40. Fee and commission income	1,998,389	22,587	(c)	
		(14,502)	(i)	
50. Fee and commission expense	(143,896)	3,273	(d)	
		21,471	(i)	
Other net operating income				**71,602**
230. Other operating expenses/income	345,930	(270,564)	(e)	
		(3,765)	(f)	
		1	(a)	
Net financial result				**242,983**
70. Dividends and similar income	60,840			
80. Net trading income	174,105	(22,587)	(c)	
		(3,273)	(d)	
		(7,197)	(g)	
90. Fair value gains/losses on hedging derivatives	1,402			
100. Gains (Losses) on disposal or repurchase	(165,927)	210,302	(h)	
110. Net gains (losses) from other financial assets and liabilities measured at fair value through profit and loss	(9,146)	4,464	(i)	
Profit (loss) on insurance business				**31,718**
160. -	359,803			
170. -	(357,484)			
		29,399	(i)	
Other operating income				**2,233,625**
Operating income				**4,705,517**
Personnel expenses				**(1,608,901)**
190 a) Personnel expenses	(1,609,881)	(2,785)	(l)	
		3,765	(f)	
Other administrative expenses				**(650,380)**
190 b) Other administrative expenses	(1,148,761)	2,785	(l)	
		270,564	(e)	
		225,032	(m)	
Net value adjustments to property, plant and equipment and intangible assets				**(280,088)**
210. Depreciation and impairment losses on property, plant and equipment	(183,093)			
220. Amortisation and impairment losses on intangible assets	(135,102)	38,107	(a)	
Operating expenses				**(2,539,369)**
Profit (loss) from operations				**2,166,148**

2022	Income statement	Reclassifications		Reclassified income statement
Net adjustments to loans to customers				**(682,281)**
130 a) Net credit impairment losses/recoveries relating to financial assets at amortised cost	(480,574)	632	(n)	
		861	(o)	
		5,389	(p)	
		(210,302)	(h)	
140. Gains (losses) from contractual modification without derecognition	1,713			
Fair value gains (losses) on property, plant and equipment				**(108,347)**
260. Fair value gains (losses) on property, plant and equipment and intangible assets	(108,347)			
Net adjustments to securities and other financial assets				**(9,106)**
130 b) Net credit impairment losses/recoveries relating to financial assets measured at fair value through other comprehensive income	(2,128)	(632)	(n)	
		(861)	(o)	
		(5,389)	(p)	
		(96)	(i)	
Net provisions for risks and charges				**(57,214)**
200. Net provisions for risks and charges	(57,214)			
Gains (losses) on interests in associates and joint ventures and other investments				**2,258**
250. Gains (losses) of associates and joint ventures	146,781	(157,483)	(b)	
		10,702	(a)	
280. Gains (losses) on disposal of investments	2,258			
Profit (loss) before tax from continuing operations				**1,311,458**
Taxation charge related to profit or loss from continuing operations				**(408,931)**
300. Taxation charge related to profit or loss from continuing operations	(321,199)	(73,145)	(m)	
		(16,966)	(a)	
		2,379	(g)	
Profit (loss) after tax from continuing operations		**192,592**		**902,527**
Charges related to the banking system, net of taxes		(151,887)	(m)	**(151,887)**
Goodwill impairment				**(8,132)**
270. Value adjustments to goodwill	(8,132)			
Change in own credit risk on Certificates issued by the Group, net of taxes		4,818	(g)	**4,818**
Purchase Price Allocation net of taxes		(45,523)	(a)	**(45,523)**
Profit (loss) for the year attributable to non-controlling interests				**786**
340. Profit (loss) for the year attributable to non-controlling interests	786			
Parent Company's profit (loss) for the year	**702,589**	**-**		**702,589**

The letters shown in the column "Reclassifications" are provided for easier understanding of the reclassifications made.

With regard to the above statement of reconciliation, the main classifications are illustrated below:

- **"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 13.7 million (a), classified within the new reclassified income statement item "Purchase Price Allocation net of taxes", and of interest income (40.9 million) and expense (0.2 million) pertaining to insurance companies, shown in item "Profit (loss) on insurance business" (i);
- **"Gains (losses) on interests in associates and joint ventures carried at equity"** shows the portion of profits (losses) pertaining to investee companies carried at equity (included in item 250) totalling 157.5 million (b), and together with the net interest income, the aggregate is 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 (22.6 million (c)) and through third-party networks (3.3 million (d)) from item 80 of the official schedule "Net trading income". The item in question is shown net of fee and commission income (14.5 million) and expense (21.5 million) pertaining to insurance companies, shown in "Profit (loss) on insurance business" (i);
- **"Other net operating income"** is represented by the financial statement item "230 Other operating expenses/income", with the recoveries on indirect taxes, legal fees and other expenses, totalling 270.6 million (e), separated out, which, for reclassification purposes are shown in the item "Other administrative expenses" and with the recovery of training costs of 3.8 million (f), classified in "Personnel expenses", also separated out;
- 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 amounts of fees on the placement of Certificates for a total of 22.6 million (c) and 3.3 million (d), re-attributed to net fee and commission income, and the impact deriving from the change in own credit risk on issues of Certificates for 7.2 million (g), 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 210.3 million (h), re-attributed to the management aggregate "Net adjustments to loans to customers". The items of net financial result pertaining to insurance companies are also excluded, corresponding to 4.5 million (i), shown under "Profit (loss) on insurance business";
- **"Profit (loss) on insurance business"** corresponds to financial statement items "160 Net premiums" and "170 Balance of other income/expenses from insurance activities", plus the share relating to interest income and expense, to fee and commission income and expense and to the net financial result pertaining to insurance companies, as illustrated above (i);
- **"Personnel expenses"** is represented by the financial statement item "190 a) Personnel expenses" and by several charges functionally related to personnel, amounting to 2.8 million (l), recognised in the financial statements under item 190 b) "Other administrative expenses" and by the recovery of training costs of 3.8 million (f), 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 270.6 million (e), 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 2.8 million (l). "Banking industry" charges totalling 225.0 million (m) 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 and value of business acquired), allocated to the reclassified income statement item "Purchase Price Allocation net of taxes", amounting to 38.1 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 480.6 million), the negative result of disposals of loans, amounting to 210.3 million (h) (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 5.4 million (p), as well as net impairment losses on exposures classified in the portfolio of financial assets at amortised cost – loans to banks – loans and securities (n) and (o) totalling 1.5 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 (n) and (o) totalling 1.5 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 (p) totalling 5.4 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 157.5 million (b) included in the reclassified aggregate "Gains (losses) on interests in associates and joint ventures carried at equity" and of the effect of the remeasurement at fair value of the interest previously held in Banco BPM Vita of 10.7 million (a) recognised in "Purchase Price Allocation net of taxes";
- "**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 73.1 million (m), the PPA of 17.0 million (a) and the impact of the change in credit risk on Certificates issued of -2.4 million (g);
- the item "**Charges related to the banking system, net of taxes**" includes charges for a total of 225.0 million (m) recognised in the accounts in item 190 b) of the official income statement, net of the related tax effect, amounting to 73.1 million (m);
- the item "**Goodwill impairment**" corresponds to item 270 of the official income statement;
- 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 7.2 million (g), net of the related tax effect, amounting to -2.4 million (g);
- lastly, the item "**Purchase Price Allocation net of taxes**" includes the effects of the PPA relating to loans, amounting to -13.4 million (a) and the client relationship and VoBA, amounting to -38.1 million (a), and the effect of the remeasurement at fair value of the interest previously held in Banco BPM Vita of -10.7 million (a) net of the relative tax effects, amounting to 17.0 million (a).

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)**

2021	Income statement	Reclassifications		Reclassified income statement
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)			
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).

Consolidated balance sheet: contribution of insurance companies

Asset items (thousands of euro)	**31/12/2022**	**of which contribution of insurance companies**
10. Cash and cash equivalents	13,130,815	28,380
20. Financial assets at fair value through profit and loss	8,935,495	2,445,825
a) financial assets held for trading	4,508,497	-
c) other financial assets mandatorily measured at fair value	4,426,998	2,445,825
30. Financial assets measured at fair value through other comprehensive income	12,826,691	3,446,171
40. Financial assets at amortised cost	139,139,766	773
a) loans to banks	5,492,238	8
b) loans to customers	133,647,528	765
50. Hedging derivatives	1,717,211	-
60. Fair value change of financial assets in macro fair value hedge portfolios (+/-)	(488,403)	-
70. Interests in associates and joint ventures	1,453,955	-
80. Technical reserves of reinsurers	3,087	3,087
90. Property, plant and equipment	3,034,689	518
100. Intangible assets	1,286,734	66,329
of which: goodwill	56,709	9,983
110. Tax assets	4,622,827	49,129
a) current	265,552	-
b) deferred	4,357,275	49,129
120. Non-current assets and disposal groups held for sale	214,737	81,907
130. Other assets	3,808,291	115,685 (*)
Total assets	**189,685,895**	**6,237,804**

(*) The item includes the effect of cancellations of intra-group accounts and of other consolidation adjustments in relation to insurance companies.

Liabilities and shareholders' equity items (thousands of euro)	31/12/2022	of which contribution of insurance companies
10. Financial liabilities at amortised cost	153,874,094	439
a) due to banks	32,636,506	18
b) due to customers	108,307,067	421
c) debt securities in issue	12,930,521	-
20. Financial liabilities held for trading	10,181,692	-
30. Financial liabilities designated at fair value	3,938,518	1,441,830
40. Hedging derivatives	948,424	-
50. Fair value change of financial liabilities in macro fair value hedge portfolios (+/-)	(1,173,078)	-
60. Tax liabilities	279,983	19,645
a) current	1,610	23
b) deferred	278,373	19,622
70. Liabilities associated with assets classified as held for sale	31,731	31,731
80. Other liabilities	3,430,984	6,465 (*)
90. Provisions for employee severance pay	258,457	1,267
100. Provisions for risks and charges	730,395	496
a) commitments and guarantees given	144,164	-
b) post-employment benefits and similar obligations	99,330	-
c) other provisions	486,901	496
110. Technical reserves	4,414,424	4,414,424
120. Valuation reserves	(624,011)	(67,366)
140. Equity instruments	1,389,794	-
150. Reserves	4,219,445	381,996
170. Share capital	7,100,000	-
180. Own shares (-)	(18,266)	-
190. Non-controlling interests (+/-)	720	-
200. Profit (loss) for the year (+/-)	702,589	6,877
Total liabilities and shareholders' equity	**189,685,895**	**6,237,804**

(*) The item includes the effect of cancellations of intra-group accounts and of other consolidation adjustments in relation to insurance companies.

It should be noted that the contribution of insurance companies recognised in item 150 "Reserves" conventionally represents the sum of the share capital and reserves of Banco BPM Vita as at 31 December 2022 before the consolidation process.

Consolidated income statement: contribution of insurance companies

Items (thousands of euro)	2022	of which contribution of insurance companies
10. Interest and similar income	2,937,053	40,945
of which: interest income using the effective interest method	2,618,598	40,876
20. Interest and similar expense	(595,587)	(175)
30. Net interest income	**2,341,466**	**40,770**
40. Fee and commission income	1,998,389	14,502
50. Fee and commission expense	(143,896)	(1,499)
60. Net fee and commission income	**1,854,493**	**13,003**
70. Dividends and similar income	60,840	1,032
80. Net trading income	174,105	-
90. Fair value gains/losses on hedging derivatives	1,402	-
100. Gains (losses) on disposal or repurchase of:	(165,927)	(73)
a) financial assets at amortised cost	(60,948)	-
b) financial assets measured at fair value through other comprehensive income	(101,636)	(73)
c) financial liabilities	(3,343)	-
110. Net gains (losses) from other financial assets and liabilities measured at fair value through profit and loss	(9,146)	(5,423)
a) financial assets and liabilities designated at fair value	163,348	-
b) other financial assets mandatorily measured at fair value	(172,494)	(5,423)
120. Operating income	**4,257,233**	**49,309**
130. Net credit impairment losses/recoveries relating to:	(482,702)	96
a) financial assets at amortised cost	(480,574)	95
b) financial assets measured at fair value through other comprehensive income	(2,128)	1
140. Gains (losses) from contractual modification without derecognition	1,713	-
150. Net income from financial activities	**3,776,244**	**49,405**
160. Net premiums	359,803	359,803
170. Balance of other income/expenses from insurance activities	(357,484)	(357,484)
180. Net income from financial and insurance activities	**3,778,563**	**51,724**
190. Administrative expenses:	(2,758,642)	(13,619)
a) personnel expenses	(1,609,881)	(7,726)
b) other administrative expenses	(1,148,761)	(5,893)
200. Net provisions for risks and charges	(57,214)	(3)
a) commitments and guarantees given	(14,407)	-
b) other net provisions	(42,807)	(3)
210. Depreciation and impairment losses on property, plant and equipment	(183,093)	(438)
220. Amortisation and impairment losses on intangible assets	(135,102)	(7,163)
230. Other operating expenses/income	345,930	(19,748) (*)
240. Operating expenses	**(2,788,121)**	**(40,971)**
250. Gains (losses) of associates and joint ventures	146,781	-
260. Fair value gains (losses) on property, plant and equipment and intangible assets	(108,347)	-
270. Value adjustments to goodwill	(8,132)	-
280. Gains (losses) on disposal of investments	2,258	-
290. Profit (loss) before tax from continuing operations	**1,023,002**	**10,753**
300. Taxation charge related to profit or loss from continuing operations	(321,199)	(3,876)
310. Profit (loss) after tax from continuing operations	**701,803**	**6,877**
330. Profit (loss) for the year	**701,803**	**6,877**
340. Profit (loss) for the year attributable to non-controlling interests	786	-
350. Parent Company's profit (loss) for the year	**702,589**	**6,877**

(*) The item includes the effect of cancellations of intra-group accounts and of other consolidation adjustments in relation to insurance companies.

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 Financial Statements as at 31 December 2022).

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**	**Insurance**	**Strategic Partnerships**	**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	✔	✔						

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**	**Insurance**	**Strategic Partnerships**	**Corporate Centre**
	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). Those activities are conducted in an equal amount by the Commercial Network of the Parent Company, for "local institutional" counterparties, and by specialised branches, for "systemically-important institutional" counterparties;
- **"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 the subsidiary 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 by Oaklins Italy;
- **the "Insurance"** segment includes the contribution of the interests held in Vera Vita, Vera Assicurazioni, Banco BPM Vita and Banco BPM Assicurazioni;
- **"Strategic partnerships"** includes the contribution of the interests held in Agos Ducato, Alba Leasing, SelmaBipiemme Leasing, Gardant Liberty Servicing and Anima Holding;
- **"Corporate Centre"**, in addition to governance and support functions, includes the portfolio of owned securities, the treasury and the Group's Asset and Liability Management, the stock of bond issues placed on institutional markets, the activities relating to the Group's leasing business, equity interests not classified as "Strategic Partnerships" and companies operating in the real estate sector.

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 2022, 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 4,257.2 million as at 31 December 2022 (3,936.5 million as at 31 December 2021). Please see the Consolidated Income Statement schedule for 2022.

(C) Number of FTE employees

In terms of full-time equivalent employees, the figure as at 31 December 2022 totalled 19,157, including Co.Co.Pro. (temporary contracts) and internship contracts (19,435 as at 31 December 2021).

(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 +1,023.0 million (+653.7 million as at 31 December 2021). Please see the Consolidated Income Statement schedule for 2022.

(E) Taxes on profit or loss

The tax on the Group's profit for 2022 corresponds to the amount shown in item 300 of the consolidated income statement, which is a negative figure of -321.9 million (-84.9 million as at 31 December 2021). Please see the Consolidated Income Statement schedule for 2022.

As shown in the Notes to the consolidated financial statements, Part C - Information on the consolidated income statement, Section 21 - Taxation charge related to profit or loss from continuing operations - Item 300, note that the only taxes relating to foreign countries refer to the taxes determined according to Swiss tax regulations by the subsidiaries Bipielle Bank (Suisse) S.A. in liquidation and Banca Aletti & C. (Suisse) S.A. based in Switzerland, of 0.2 million (0.1 million as at 31 December 2021).

(F) Public grants received

During 2022, Banco BPM Group received public grants to provide personnel training courses totalling 3.5 million euro (4.8 million as at 31 December 2021).

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.