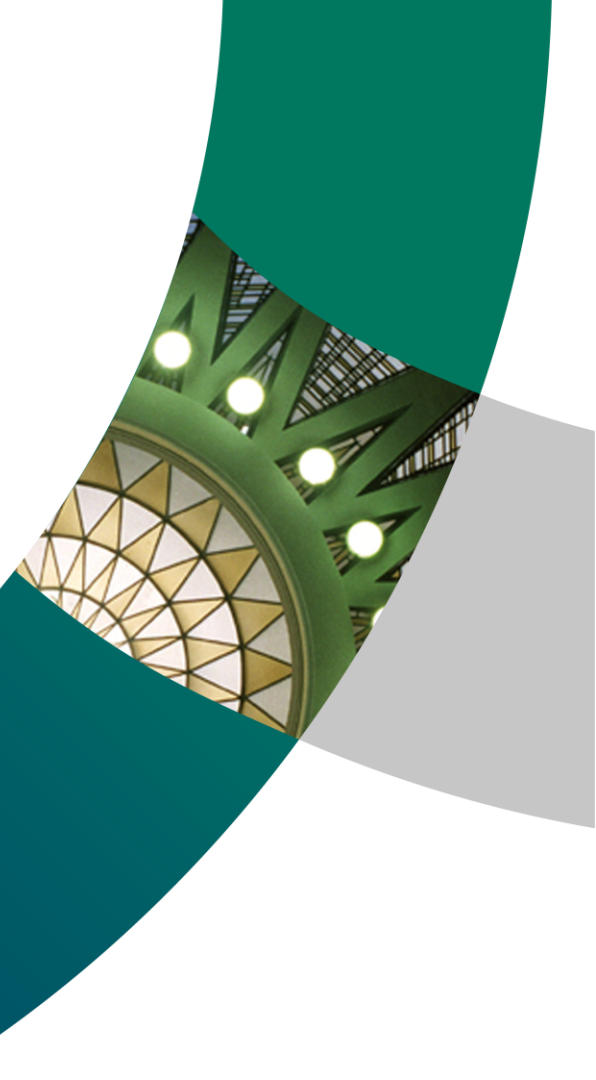




# Group FY 2022 Results Presentation

07 February 2023



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This presentation includes both accounting data (based on financial accounts) and internal management data (which are also based on estimates).

Mr. Gianpietro Val, as the manager responsible for preparing the Bank's accounts, hereby states pursuant to Article 154-bis, paragraph 2 of the Financial Consolidated Act that the accounting data contained in this presentation correspond to the documentary evidence, corporate books and accounting records.

# Methodological Notes

- Starting from 1 July 2022 Banco BPM Vita & Banco BPM Assicurazioni, previously held at 19%, have been consolidated 100% line-by-line. As a consequence:
  - with regard to the balance sheet scheme, as of 31/12/22, the items relating to the portfolios of financial assets and liabilities held by these insurance companies, measured in accordance with IFRS 9, were introduced ("Financial assets of insurance companies", "Insurance Direct funding and technical reserves", "Financial liabilities of insurance companies measured at amortised cost"). The previous periods remained unchanged;
  - with regard to the P&L scheme, starting in the third quarter of 2022, the new item 'Net income from insurance business' was introduced, which includes all income components (interest, dividends, realised gains/losses, valuation gains/losses) relating to the IAS 39 financial assets and liabilities portfolio of these insurance companies and the items attributable to the insurance business represented by net premium and the balance of income and expenses from insurance operations (net change in technical provisions, claims incurred and other income and expenses from insurance operations). It should also be noted that the placement commissions paid by these consolidated insurance companies to Banco BPM's distribution network are shown under the item "Net commissions" for commissions received by the distribution network and under the item "Result from insurance business" for those paid by the companies; the contribution of the above items in the third quarter of 2022, as well as that of the other income statement items relating to these wholly-owned companies, is included, line-by-line, in the consolidated income statement. On the other hand, the total net contribution of these companies in the preceding quarters of 2022 and 2021, when the companies were 19% owned, is shown in the item "Income (loss) from investments in associates carried at equity", for the previous 19% stake held.
- It is also noted that Balance sheet and P&L balances as at 30 September 2022 have been restated compared to the figures published on 8 November 2022 in order to reflect in retrospect the effect of the Purchase Price Allocation process following the acquisition of the two insurance companies, which was fully completed for the 2022 financial statements, on one side, and to measure the insurers' portfolios of financial assets and liabilities under IFRS9, on the other side. As a matter of fact, the Group has not been identified as a "financial conglomerate" yet, which implied the need to apply the recognition and measurement criteria under IFRS 9 for these assets and liabilities already for the financial statements as at 31/12/2022 and calling for the restatement of the P&L balances as at 30 September 2022.
- Under the agreements between Banco BPM and Crédit Agricole Assurances S.A. entered in December 2022 – covering, among others, the disposal of the 65% controlling stake in Banco BPM Assicurazione – as of 31 December 2022 the assets and liabilities of the above insurance company are not shown on a "line-by-line" basis, whereas they are aggregated in the reclassified balance sheet line items "Non-current assets held for sale and discontinued operations" and "Liabilities associated with assets held for sale", in accordance with IFRS 5. Conversely, in the income statement the associate's contribution is shown on a "line-by-line" basis, as the disposal of the company under examination does not fall within the "discontinued operations" criteria provided under IFRS 5.
- 2022 Group capital ratios included in this presentation are calculated including the interim profit, subject to ECB authorization, and deducting the amount of the dividend pay-out determined according to the current regulation (see the methodological note number 6 included in the FY 2022 results press release published on 7 February 2023 for further details).
- Starting from 30 June 2022, Banco BPM has chosen to adopt the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income (FVOCI), according to art. 468 of the CRR, as amended by Regulation (EU) 2020/873 (so called "CRR Quick-fix"). During the period of temporary treatment (from 1 January 2020 to 31 December 2022), this treatment allows the institutions to remove from the calculation of their Common Equity Tier 1 an amount of unrealised gains and losses accumulated since 31 December 2019 accounted for as "fair value changes of debt instruments measured at fair value through other comprehensive income" in the balance sheet, corresponding to exposures to central governments, to regional governments or to local authorities referred to in Article 115(2) and to public sector entities referred to in Article 116(4) of the CRR, excluding those financial assets that are credit-impaired. During the last period from 1 January 2022 to 31 December 2022 the institutions shall apply a factor of 40%. Therefore, starting from 30 June 2022, the Group has excluded from the calculation of Common Equity Tier 1 (CET1) an amount equal to 40% of the unrealised gains and losses accumulated from 31 December 2019 and accounted for as changes in the fair value of debt instruments towards the afore mentioned counterparties measured at fair value with an impact on the comprehensive income in the balance sheet. **The above-mentioned temporary treatment is considered only for the calculation of phase-in capital ratios while it is not applied to the fully-phased capital ratios.**

# Agenda

1	Executive Summary	5
2	Key Highlights	14
3	FY 2022 Performance Details	27

# Executive Summary

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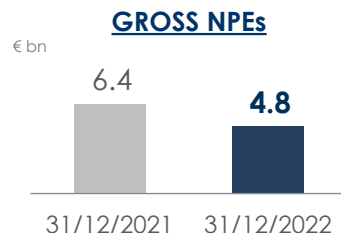
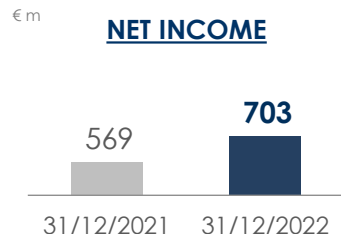
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# Solid delivery track record confirmed, beating the 2022 guidance

## 2022: STRONG Y/Y IMPROVEMENT IN ALL KEY FIGURES

### BEST FY RESULT EVER ACHIEVED

ADJ. NET INCOME: € 886m +25% Y/Y



### ROTE<sup>1</sup>

5.5% → 7.4%

31/12/2021 31/12/2022

### COST/ INCOME RATIO

56% → 54%

31/12/2021 31/12/2022

### GROSS NPE RATIO

5.6% → 4.2%

31/12/2021 31/12/2022

## 2022: ACTUAL RESULTS BEYOND GUIDANCE

	ACTUAL €m	GUIDANCE €bn
TOTAL REVENUES	4,706	~4.6
O/W NII	2,314	~2.2
OPERATING COSTS	(2,539)	>(2.5)
PRE-PROVISION INCOME	2,166	>2.0
LLPs	(682)	~(0.7)
EPS	~46 cents	~45 cents
GROSS NPE RATIO	4.2%	<4.7%
CET1 FL	13.3% <sup>2</sup>	>13% <sup>2</sup>

**Proposed DPS: €23 cents (+21% Y/Y)**

# On the road towards excellence...

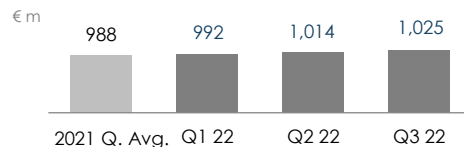
## 2017-2019: restructuring

Starting point: YE 2016

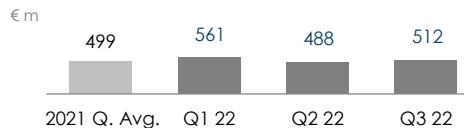
- ❑ **Gross NPE Ratio to 9.1%** from 24.1%<sup>1</sup>
- ❑ **Branches (#)<sup>2</sup> -25%** (-568 to 1,727 from 2,295)
- ❑ **Total Savings: ~€0.4bn**  
Operating costs to €2,604m from €2,971m<sup>3</sup>

## 2021-Q3 2022: steady improvement

### NII + Net Commissions



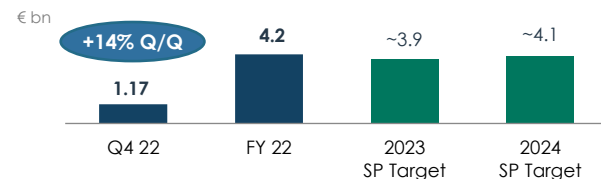
### Pre-provision income



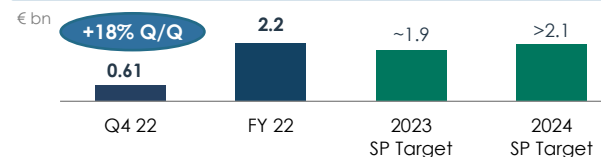
- **New Bancassurance set-up**
- **Digital-based customer service model**
- **ESG-focused approach**

## Q4 2022: a new accelerated trajectory

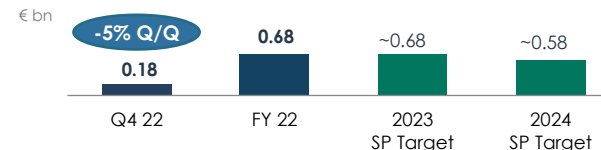
### NII + Net Commissions



### Pre-Provision Income



### Loan Loss Provisions



**2023 EPS**

**Guidance: >60 cents**

**CONFIRMED**

(vs. ~49 cents originally targeted in the Strategic Plan)

# ...laying the foundations for a strengthened business model

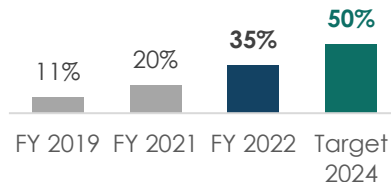
## New Bancassurance set-up

- 100% of former BPM Vita, rebranded **Banco BPM Vita**, consolidated line-by-line starting from Q3 2022
- Process for the recognition of **Financial Conglomerate** and **Danish Compromise** well under way
- Strategic partnership agreed with Crédit Agricole Assurances in the P&C sector in Dec. 2022:** disposal of a 65% stake in BBPM Assicurazioni and of Vera Assicurazioni, subject to the repurchase by BBPM
- Exercise of call options on 65% of Vera Vita and Vera Assicurazioni expected to come in H1 2023,** with closing in H2 2023

## Digital-based customer service model

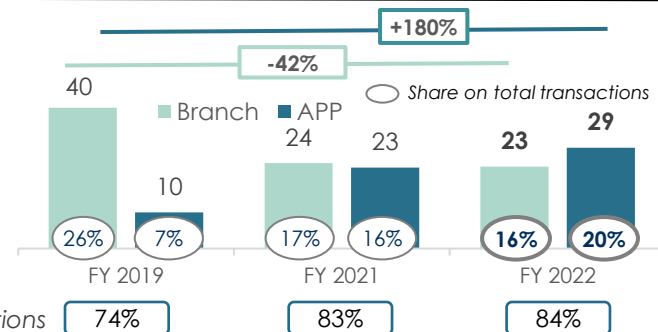
### Steady Growth in Remote & Omnichannel Sales driven by Analytics

#### % Remote & Omnichannel Sales



### APP-based exceeding Branch-based transactions

#### # Branch and APP-based transactions (m)



## ESG-focused approach

### Business & Environment

- «Green» new lending in 2022<sup>1</sup>: €10.9bn
- Significant issuance activity of **Social & Green bonds: €3.3bn in the period 2021-Jan. 2023** (o/w €2.05bn in 2022, #1 issuer among Italian banks), already above the target for 2021-2024
- Scope 1&2 net emissions** (market-based): > -50% Y/Y, with compensation of ~8,000 t. of CO2 eq. in 2022

### People & Community

- BBPM confirmed in the **Bloomberg Gender Equality Index in 2023**
- New hirings** in the period 2021-2022: 743<sup>2</sup>, o/w 89.5% <30 years of age
- Women in managerial positions: +15% Y/Y**
- ESG training for employees: >174,000 hours**

- Corporate volunteering:** >2,700 hours
- ESG education for SME clients:** 1,175 hours
- Donations and sponsorship** for social & environmental projects at **€4.6m** (€3.7m in 2021)



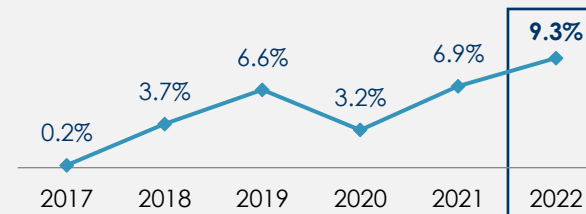
# Excellent performance, with Net Income +93.1% Q/Q and +23.5% Y/Y

€ m

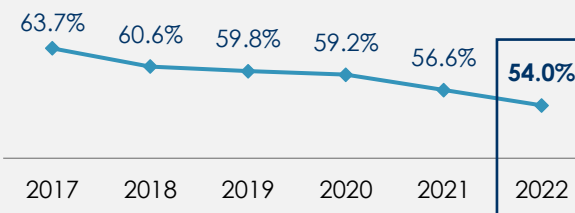
	P&L						
	Q4 2021	Q3 2022 Restated	Q4 2022	Chg. Q/Q	FY 2021	FY 2022	Chg. Y/Y
Net interest income	506	551	724	31.3%	2,042	2,314	13.4%
Net fees and commissions	486	473	447		1,911	1,887	
<b>NII + Net fees and commissions</b>	<b>992</b>	<b>1,025</b>	<b>1,171</b>	<b>14.3%</b>	<b>3,953</b>	<b>4,202</b>	<b>6.3%</b>
Income from associates	87	32	35		232	157	
Other revenues	9	20	20		75	72	
Net financial result	-1	75	-9		251	243	
Income from insurance business	-	-9	40		-	32	
<b>Total revenues</b>	<b>1,087</b>	<b>1,143</b>	<b>1,257</b>	<b>10.0%</b>	<b>4,511</b>	<b>4,706</b>	<b>4.3%</b>
Operating costs	-625	-631	-651		-2,516	-2,539	
<b>Pre-Provision income</b>	<b>462</b>	<b>512</b>	<b>606</b>	<b>18.4%</b>	<b>1,995</b>	<b>2,166</b>	<b>8.6%</b>
Loan loss provisions	-214	-194	-185		-887	-682	
Profit (loss) on FV measurement of tangible assets	-97	-8	-60		-142	-108	
Other <sup>1</sup>	-18	-19	-28		-45	-64	
<b>Profit from Continuing operations (pre-tax)</b>	<b>133</b>	<b>291</b>	<b>333</b>	<b>14.3%</b>	<b>921</b>	<b>1,311</b>	<b>42.4%</b>
Taxes	-37	-84	-93		-254	-409	
<b>Net profit from continuing operations</b>	<b>96</b>	<b>207</b>	<b>239</b>	<b>15.8%</b>	<b>667</b>	<b>903</b>	<b>35.3%</b>
Systemic charges and other <sup>2</sup>	1	-98	-29		-98	-200	
<b>Net income</b>	<b>97</b>	<b>109</b>	<b>210</b>	<b>93.1%</b>	<b>569</b>	<b>703</b>	<b>23.5%</b>
<b>Adj. Net income</b>	<b>145</b>	<b>138</b>	<b>252</b>	<b>82.9%</b>	<b>710</b>	<b>886</b>	<b>24.8%</b>

## Long-term trend (Adjusted data)

### Evolution of ROTE



### Evolution of Cost / Income ratio

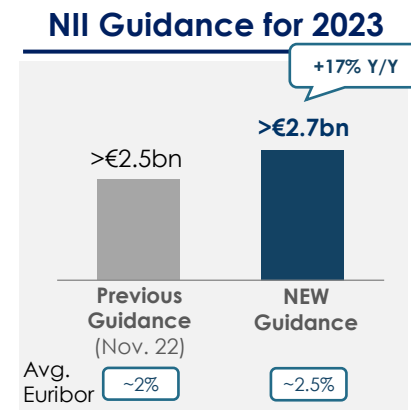
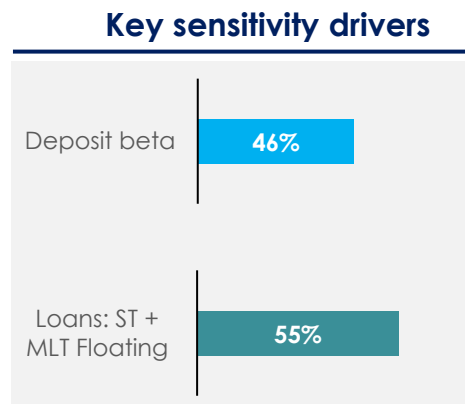
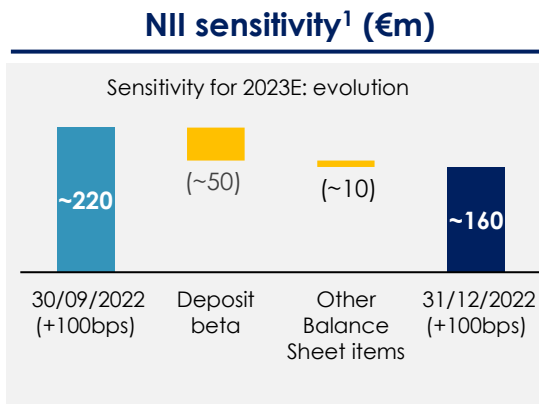
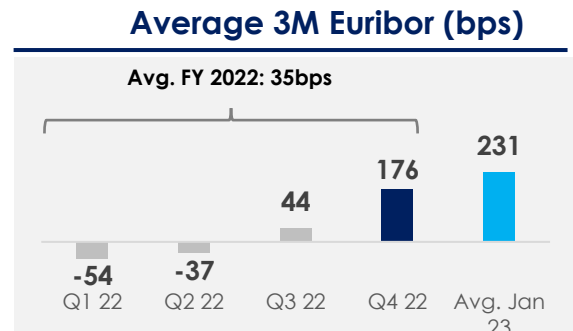
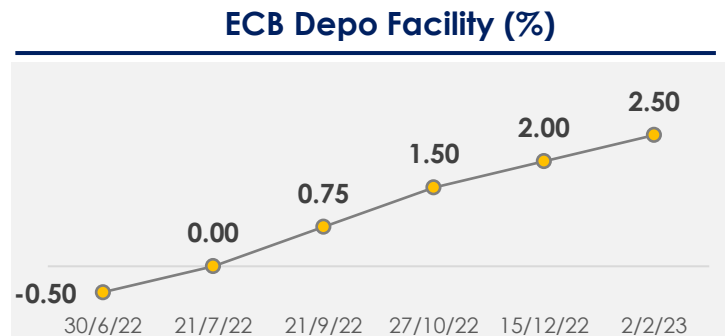


Notes: 1. Includes: Net adj. on other financial assets, Net provisions for risks & charges, Profit (loss) on the disposal of equity, other elements (pre-tax). 2. Other includes: PPA and other elements (after tax).

NB. 2017 and 2018 P&L data are not fully comparable, due to different accounting standards (2017) and reclassification schemes (2017 & 2018). ROTE calculated as Net Profit from P&L (year x) / Tangible Shareholders' Equity end of period (excluding FY Net Profit, AT1 instruments and Intangible assets net of fiscal effect).

# Strong rate sensitivity to support further growth in NII guidance

In the new  
interest rate  
environment...



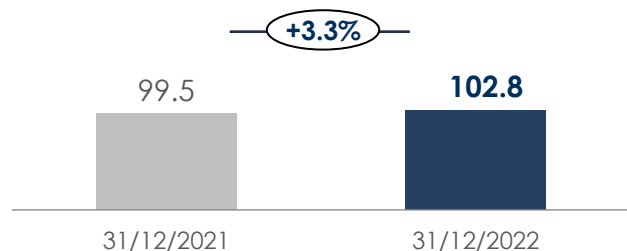
Note: 1. Managerial data, based on average balance sheet figures of Dec. 2022, including the partial TLTRO repayment.

# Supporting our clients while maintaining a high-quality lending portfolio

Top quality franchise, rooted in the wealthiest areas of the country

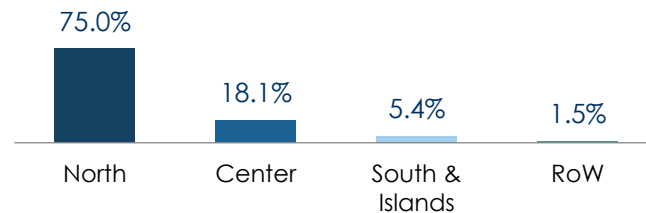
## Growth in “Core” Net Performing Customer Loans<sup>1</sup>

€ bn



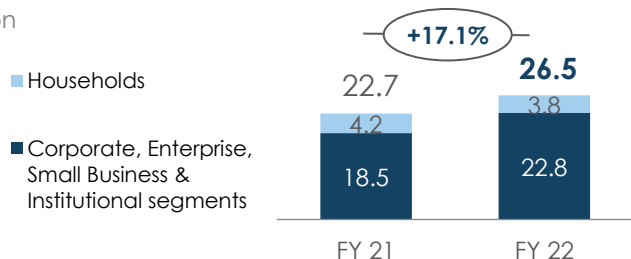
## Customer Loans concentrated in the wealthiest areas of the country

Geographical breakdown



## New lending<sup>2</sup>: trend and composition

€ bn



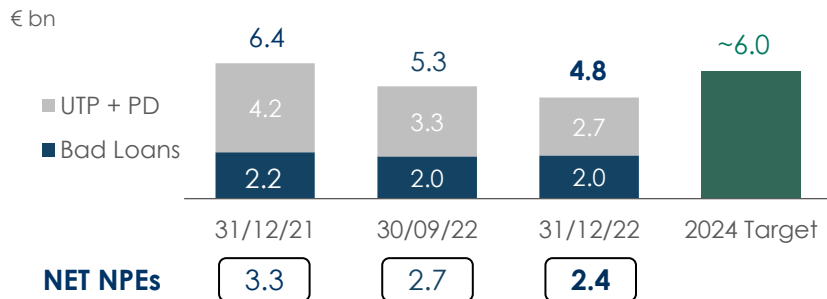
Safe profile of new lending to feed positively into asset quality outlook

## FY 2022 new lending: Composition by rating classes<sup>3</sup>

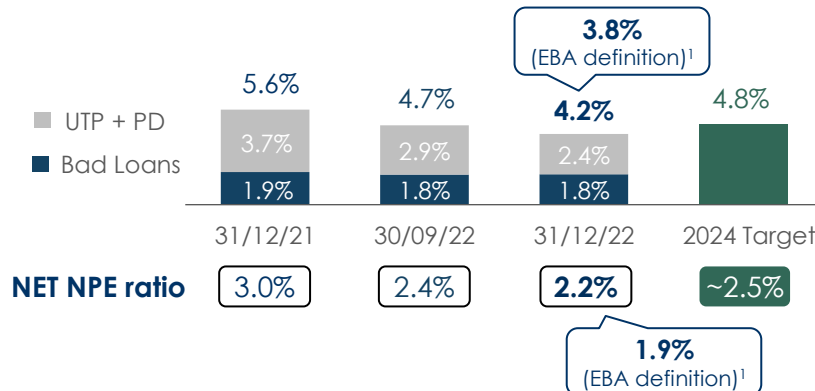


# Gross NPE ratio down to 4.2% from 5.6%: already ahead of 2024 Strategic Plan target

Gross NPE stock down by €1.6bn Y/Y: -25.2%



Gross NPE Ratio down to 4.2% from 5.6% at YE 2021

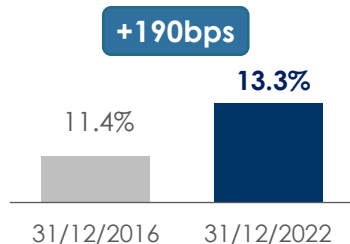


- **Total derisking** in 2022<sup>2</sup> (incl. Project Argo, finalised in Q2 2022): **€2.6bn, outperforming the guidance of >€2bn**
- **UTP big ticket single name transaction perfected in Q4 2022, with no impact on LLPs**
- Additional disposals of **>€0.5bn targeted over the Plan horizon** (mainly bad loans), with CoR already frontloaded
- **Overlays at €163m at YE 2022**, from €125m end-September 2022

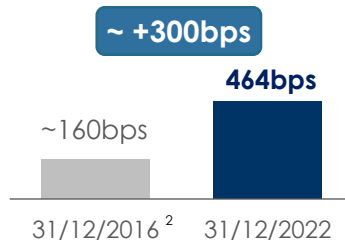
# Solid capital position, coupled with impressive derisking track record

Significant organic capital generation, even more valuable given the ~€33bn derisking performed

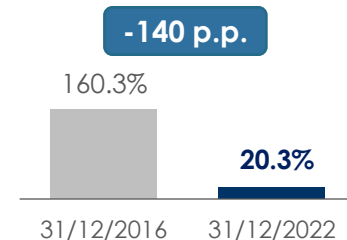
## CET1 Ratio FL<sup>1</sup>



## CET1 Buffer vs. Min. Req. FL<sup>1</sup>

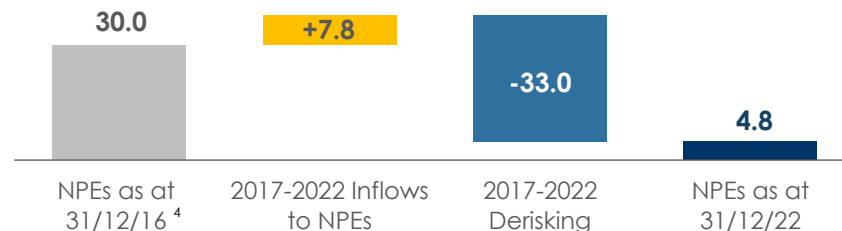


## Texas Ratio<sup>3</sup>



GBV in €bn

## NPE dynamics



Note: 1. CET 1 ratio and CET 1 buffer as at 31/12/2022 adjusted including Danish Compromise. 2. Calculated with different regulatory criteria than those applied starting from 2020. 3. Net NPEs over Tangible Net Equity (Shareholders' Net Equity less Intangible assets). 4. Includes a restatement for managerial purposes (inclusion of a portion of write-offs, in coherence with the restatement done in 2017).

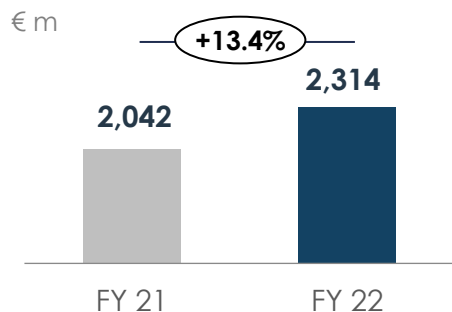
# Key Highlights

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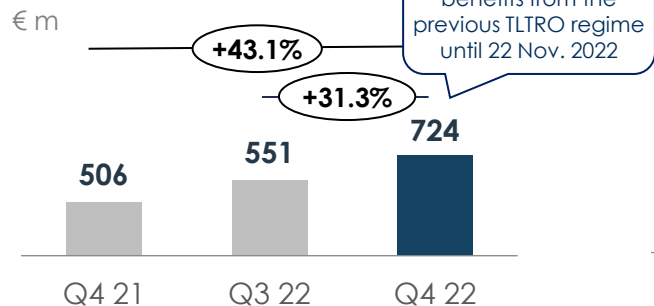
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# NII: strong growth in Q4 2022 supported by commercial spread

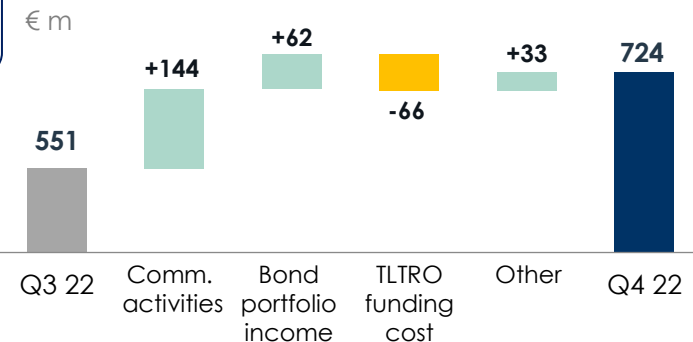
## Y/Y trend



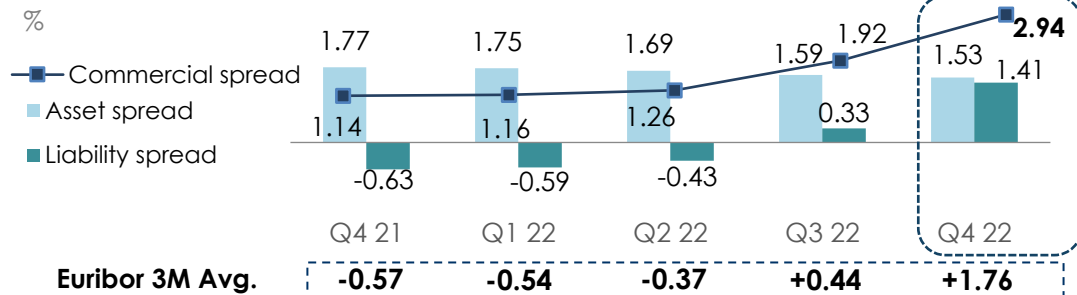
## Quarterly trend



## NII Evolution Bridge



## Commercial spread: +102bps Q/Q

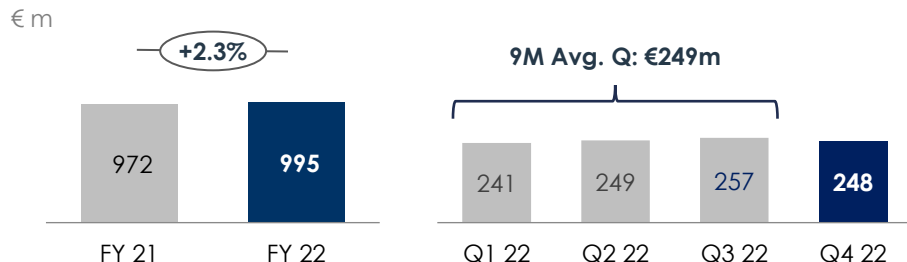


### Increase in Commercial spread: at 2.94% in Q4

- **Resilient asset spread**, thanks to commercial discipline and backbook repricing
- **Acceleration in liability spread: +108bps Q/Q**, driven by stable deposit rates

# Net Fees and Commissions at €1.9bn, sustained by commercial banking

## Commercial Banking fees

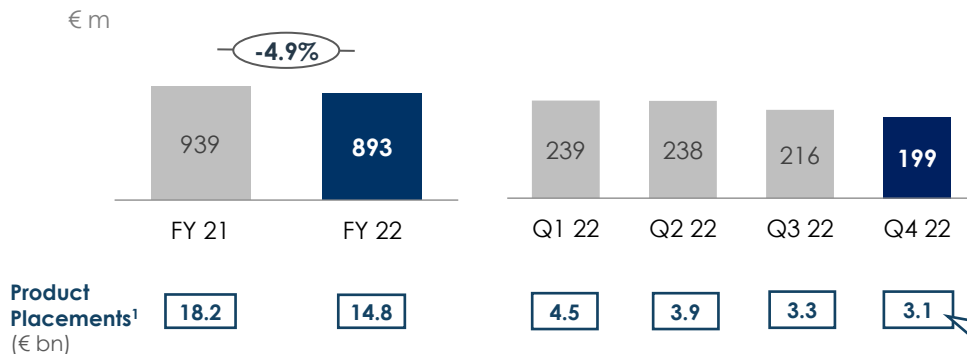


### • Solid Y/Y trend: +2.3%

- Fees on lending **+€21m (+15%)**,
- Payment services **+€14m (+9%)**
- Credit cards **+€10m (+18%)**

... more than offsetting higher costs on synthetic securitization **-€21m**

## Management, Intermediation and Advisory fees



- **Positive Y/Y performance** from **credit card placements, +€21m (+€3m Q/Q)** and from **intermediation of consumer credit, +€14m (-€2m Q/Q)**
- **Stable contribution from insurance products Y/Y (+€2m Q/Q)**
- **Funds & Sicav (-€93m Y/Y, -€16m Q/Q)** affected by **volatile market scenario mainly on placement activities, with resilient running component<sup>2</sup>**

€1.3bn in Jan. 2023



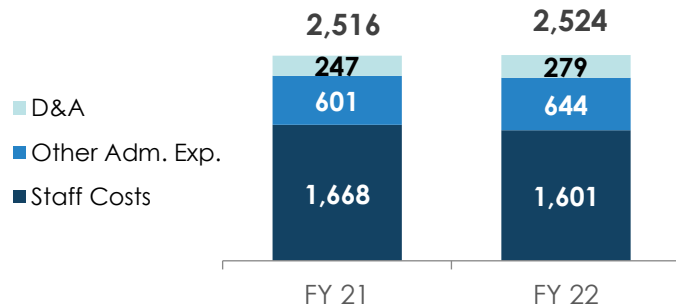
# Operating costs under control

Y/Y increase in energy costs and other inflation dynamics compensated by decrease in staff costs

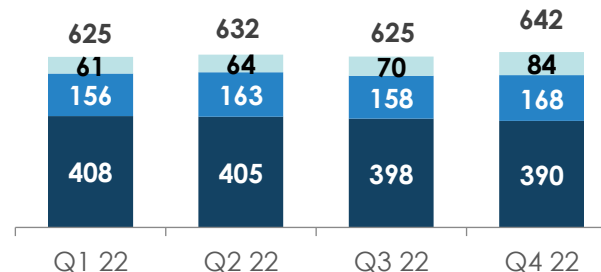
## Banking business costs<sup>1</sup>

€ m

### Y/Y trend



### Quarterly trend



D&A in Q4 include a €12m component not replicable in future quarters

Including Insurance Costs in H2 2022: **2,539**

**631**

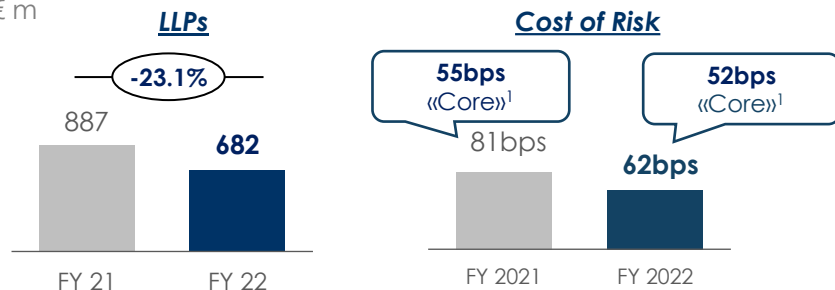
**651**

- **Q4 2022 banking costs** mainly impacted by **seasonality in Other Administrative Expenses (+6.3% Q/Q)** and by **non-replicable elements in D&A (+20.9% Q/Q)**
- **Insurance business costs** at €15.3m in H2 2022, o/w: €7.9m Staff costs, €6.4m Other Adm. Exp. and €0.9m D&A
- **Headcount:** 20,157 employees, -280 vs. 31/12/2021, including 143 employees of Banco BPM Vita & Assicurazioni

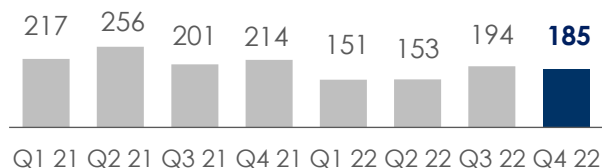
# Declining trend in Cost of Risk with strengthened coverage ratios

## LLPs & Cost of Risk: Y/Y trend

€ m



## Quarterly trend of LLPs



## Comforting migration rates

	FY 21	FY 22
<b>Default rate</b> (from Performing to NPEs)	0.98%	0.94%
<b>Danger rate</b> (from UTP to Bad Loans)	9.3%	10.1%
<b>Workout rate</b> (Cancellations, Write-offs, Recoveries, Cure & Other) <sup>1</sup>	20.2%	29.9%

## Strengthening of NPE coverage ratios in H2 2022

Coverage ratios indicated in brackets include write-offs

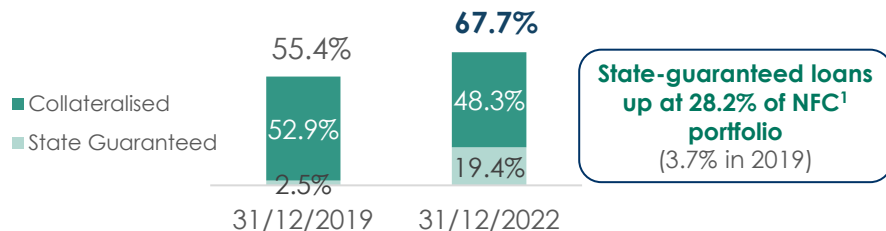
	31/12/21	30/06/22	30/09/22	31/12/22
<b>BAD LOANS</b>	58.6% (67.8%)	61.5% (70.3%)	62.7% (71.3%)	64.8% (72.4%)
<b>UTP</b>	44.0%	40.3%	41.7%	40.3%
<b>TOTAL NPEs</b>	48.9% (53.4%)	47.8% (52.9%)	49.4% (54.5%)	50.6% (55.8%)
<b>% Share of Secured NPE</b> (GBV)	66%	62%	64%	63%

# Asset Quality drivers: active management of a highly guaranteed loan portfolio

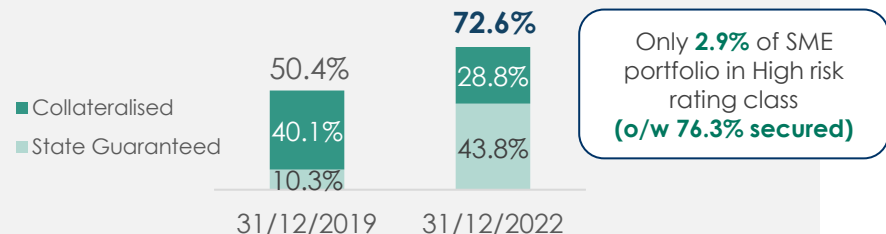
## Customer loans: increased share of secured exposure, mainly in the SME segment

% share of secured positions on total loans (Stock of Performing, GBV)

### Total Customer Loans to Households and Non-financial Companies at €91.3bn



### Focus on Customer Loans to SMEs<sup>2</sup> at €18.9bn



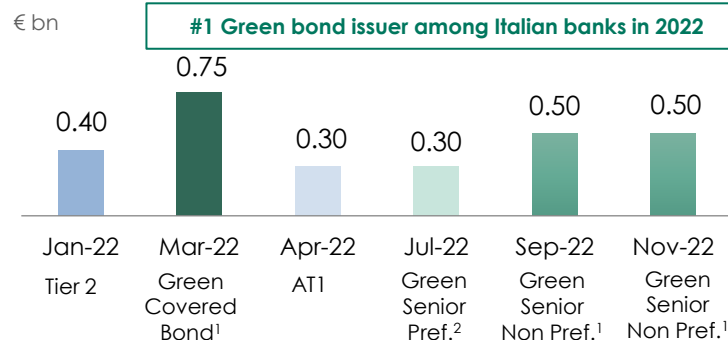
## Engagement campaigns: positive results

### Early engagement campaigns activated in Q2-Q4 2022 on borrowers particularly exposed to energy/raw material-intensive sectors

- **Total exposure of >€10bn** (>7,400 clients contacted)
- **Reassuring feedback**, with limited evidence of financial distress and need for credit intervention:
  - **>90%** (€9.4bn) of total portfolio concentrated on low to medium risk classes
  - **€1.8bn classified as Stage 2** as of 31/12/22 (vs. €2.5bn as at 30/09/22)
  - only **€95m** classified as NPEs in H2 2022, on top of **€55m** already classified in Q2

# Strong funding & liquidity position

**Successful issuance activity: €2.75bn wholesale bonds issued, o/w: €2.05bn with Green features**



**Additional €750m Green Senior Pref. bond issued in Jan. 2023** under the Green, Social and Sustainability Bonds Framework, **confirming the strong funding plan commitment**

## Improvement in credit ratings

	LT Senior	LT Deposits	Outlook
DBRS	BBB	BBB (high)	Stable
Fitch	BBB-	BBB	Stable
Moody's	Ba1	Baa2	Stable

**All main ratings upgraded by 1 notch in Oct. 2022**

**All main ratings upgraded by 1 notch in May 2022**

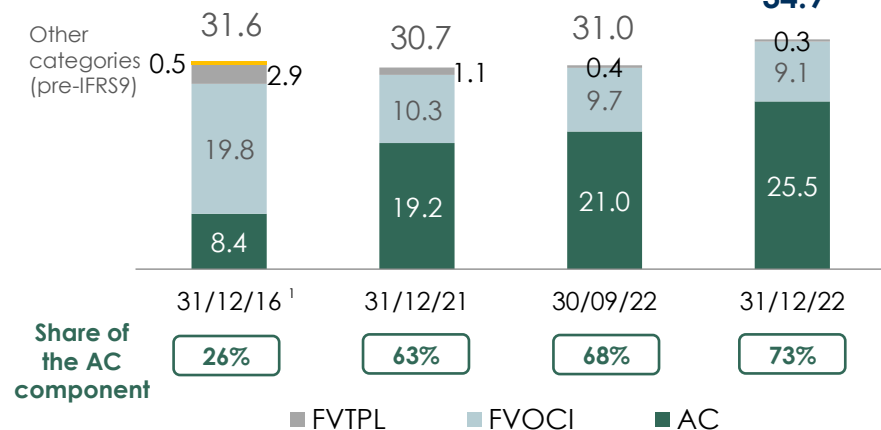
- **€103.7bn of C/A and Deposits (84% of total Direct Funding)**
- **TLTRO III down to €26.7bn**, after an anticipated reimbursement of €12.5bn in Dec. 2022 (**net ECB position at €14.5bn**)
- **Solid liquidity position: €37.9bn** Cash + Unencumbered Liquid Assets³ (**+€1.5bn in Q4**)
- **Strong Liquidity & Funding ratios**, significantly above minimum requirements and above the targets of the Strategic Plan 2021-2024:
  - **LCR at 191%** vs. 179% as at 30/09/22, higher than pre-pandemic level (>165% as at 31/12/2019)
  - **NSFR >100%**
- **Solid profile recognized also by Rating agencies**

# Optimization and higher diversification of Debt securities portfolio

Italian Govies: reduction in the share on total Govies and mostly concentrated in AC

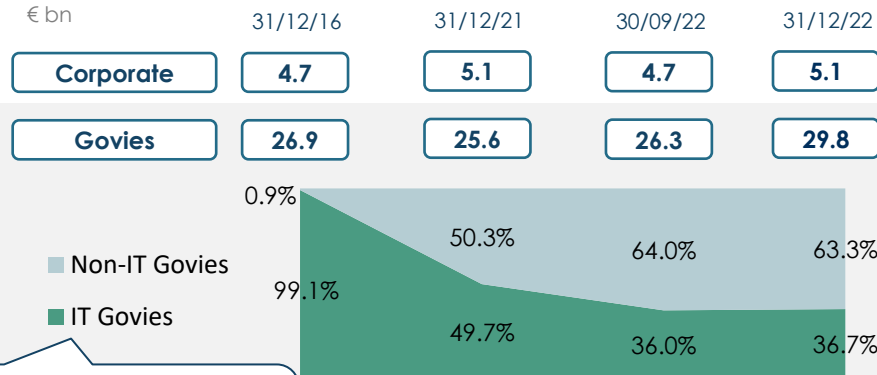
## Debt securities portfolio: accounting classification

€ bn



## Debt securities portfolio: composition by counterparty

€ bn

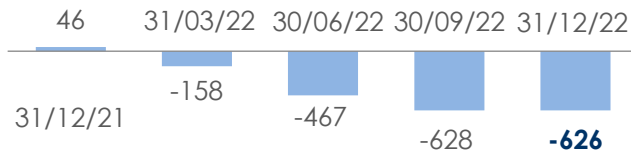


Share of Italian Govies classified at FVOCI down from 64% at YE 2016 to **16% as at 31/12/22**

# Debt securities portfolio at FVOCI: contribution to NFR and limited impact from Italian Govies

## Reserves of debt securities at FVOCI

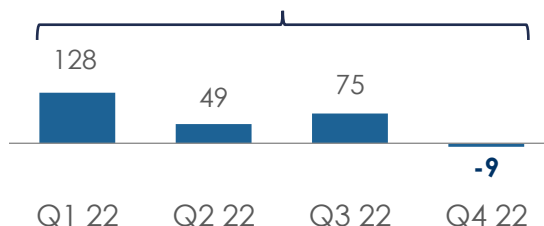
Post-tax  
€ m



## NFR

€ m

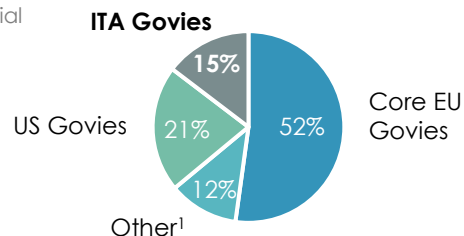
FY 2022: €243m



## LIMITED IMPACT FROM ITALIAN GOVIES

Breakdown of FVOCI reserves impact in FY 2022

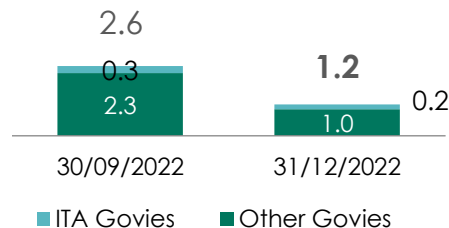
Managerial  
analysis



## MANAGEABLE CAPITAL SENSITIVITY

BPV of Total Govies at FVOCI<sup>2</sup>

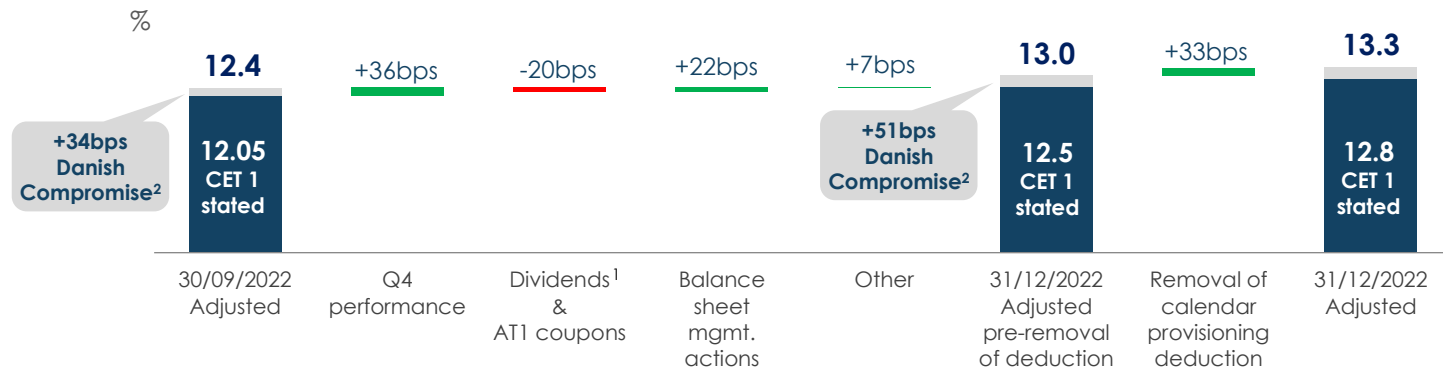
€ m



- Yearly trend of FVOCI reserves mitigated by the **contribution to NFR** of FVOCI-related components (**>€200m in FY, largely attributable to option hedging**)
- In Q4 2022:
  - Stable reserves** of debt securities at FVOCI
  - Improved capital sensitivity** from Govies at FVOCI, **with negligible impact from Italian govies confirmed**

# Capital position: strengthened ratios and buffers

## Fully Loaded CET1 Ratio: evolution



## Fully Loaded Capital Ratios

%	30/09/22 Adjusted	31/12/22 Adjusted
TIER 1	14.6	15.6
Total	17.5	18.6
RWA (€/bn)	61.7	60.5

## Fully Loaded Capital Buffers

	30/09/22 Adjusted	31/12/22 Adjusted
Buffer vs. Min. CET1Req.	387bps	464bps
MDA Buffer	387bps	464bps

- Wide and strengthened MDA buffer, up at **464bps Adjusted**
- **All buckets filled**, with capital efficiency benefitting from AT1 and T2 capital issues during 2022<sup>3</sup>

# FY 2022 in a nutshell: ahead of Strategic Plan and beating 2022 guidance

## Operating performance: solid delivery

- ❑ NET INCOME AT RECORD LEVEL: €886m Adj. (+24.8% Y/Y), €703m Stated (+23.5%)
- ❑ ACCELERATED TRAJECTORY IN NII & NET COMMISSIONS (UP AT €4,202m): +6.3% Y/Y, +14.3% Q/Q
- ❑ INCREASE IN PRE-PROVISION INCOME: €2,166m vs. €1,995m in FY 2021 (+8.6% Y/Y)
- ❑ C/I RATIO FURTHER DOWN: TO 54% (vs. 56% in FY 2021)
- ❑ COST OF RISK: 62 BPS (81 BPS IN FY 2021), WITH "CORE" AT 52 BPS

## Asset quality: further derisking

- ❑ GROSS NPE STOCK DOWN BY €1.6BN IN 2022 (-25.2% Y/Y)
- ❑ GROSS NPE RATIO DOWN TO 4.2% (from 5.6% at YE 2021)
- ❑ NET NPE RATIO DOWN TO 2.2% (from 3.0% at YE 2021)

## Capital: solid position and buffers

- ❑ CET 1 FULLY LOADED<sup>1</sup> at 13.3% (from 12.4% as at 30/09/2022)
- ❑ MDA BUFFER<sup>1</sup> up at 464 bps (from 387bps as at 30/09/2022)

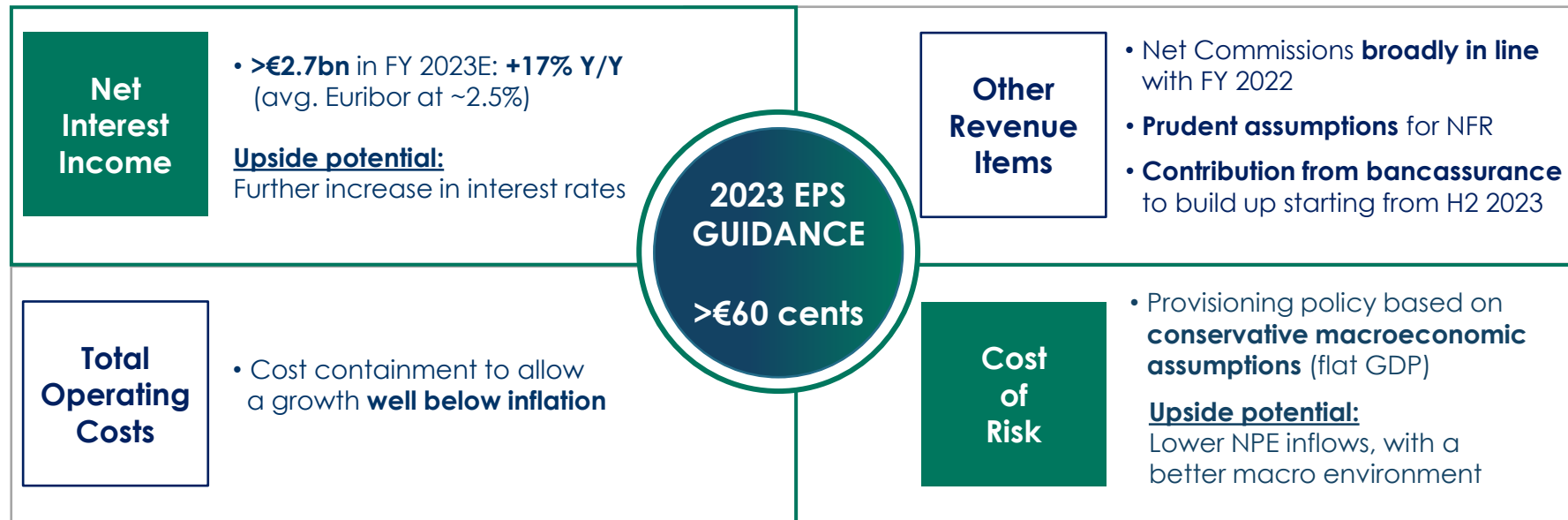
Reaching **EPS of €46 cents** (vs. November guidance of ~€45 cents)...

... maintaining a **50% dividend payout ratio** (DPS proposal of €23 cents for FY 2022)



# Performance Outlook 2023: key drivers

## MAIN AREAS OF POTENTIAL UPSIDE



**A new, accelerated and long-term sustainable P&L pace of growth**

# Confident to increase profitability also beyond 2023

## EPS TRACK RECORD AND 2023 GUIDANCE

### Increased guidance

(vs. ~ €49 cents  
Strategic Plan)

>€60  
cents

2023

€46  
cents

2022

€38  
cents

2021

## LONG-TERM OUTLOOK: new pace of growth supported by current macro scenario

### KEY DRIVERS:

- Strong NII
- CoR normalization
- Full bancassurance deployment

### EPS Ambition for 2024

~ €75  
cents

(vs. ~ €69 cents  
Strategic Plan)

### Continuing EPS increase:

+ €15 cents Y/Y  
expected also for 2025

**FY 2022**

# **Performance Details**

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**3**

# Quarterly Stated P&L results

Reclassified income statement (€m)	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 2022 Restated	Q4 22	Chg. Q/Q	Chg. Q/Q %
Net interest income	496.8	522.4	516.4	506.0	511.5	527.6	551.3	724.0	172.6	31.3%
Income (loss) from invest. in associates carried at equity	41.5	56.5	46.8	87.1	49.6	41.5	31.6	34.8	3.2	10.3%
<b>Net interest, dividend and similar income</b>	<b>538.4</b>	<b>578.9</b>	<b>563.2</b>	<b>593.1</b>	<b>561.2</b>	<b>569.1</b>	<b>582.9</b>	<b>758.8</b>	<b>175.9</b>	<b>30.2%</b>
Net fee and commission income	471.4	478.7	475.3	485.8	480.1	486.8	473.2	447.3	-25.9	-5.5%
Other net operating income	18.2	21.7	26.3	9.1	16.7	15.0	20.4	19.5	-0.9	-4.3%
Net financial result	99.7	116.5	35.9	-1.4	127.9	48.9	75.1	-9.0	-84.1	n.m
Income from insurance business	-	-	-	-	-	-	-8.7	40.5	49.2	n.m
<b>Other operating income</b>	<b>589.3</b>	<b>617.0</b>	<b>537.5</b>	<b>493.4</b>	<b>624.7</b>	<b>550.7</b>	<b>560.0</b>	<b>498.3</b>	<b>-61.7</b>	<b>-11.0%</b>
<b>Total income</b>	<b>1,127.7</b>	<b>1,195.9</b>	<b>1,100.7</b>	<b>1,086.5</b>	<b>1,185.9</b>	<b>1,119.7</b>	<b>1,142.9</b>	<b>1,257.0</b>	<b>114.2</b>	<b>10.0%</b>
Personnel expenses	-426.9	-417.1	-409.8	-413.9	-407.9	-405.3	-400.5	-395.2	5.4	-1.3%
Other administrative expenses	-154.1	-153.9	-144.0	-149.1	-155.6	-162.7	-160.7	-171.5	-10.8	6.7%
Amortization and depreciation	-62.9	-60.6	-61.8	-61.6	-61.2	-64.1	-70.1	-84.7	-14.7	20.9%
<b>Operating costs</b>	<b>-643.9</b>	<b>-631.6</b>	<b>-615.6</b>	<b>-624.7</b>	<b>-624.7</b>	<b>-632.1</b>	<b>-631.3</b>	<b>-651.4</b>	<b>-20.1</b>	<b>3.2%</b>
<b>Profit (loss) from operations</b>	<b>483.8</b>	<b>564.2</b>	<b>485.1</b>	<b>461.9</b>	<b>561.2</b>	<b>487.7</b>	<b>511.6</b>	<b>605.7</b>	<b>94.1</b>	<b>18.4%</b>
Net adjustments on loans to customers	-217.1	-255.5	-200.6	-214.0	-151.1	-152.6	-193.9	-184.7	9.2	-4.8%
Profit (loss) on FV measurement of tangible assets	0.1	-37.0	-7.8	-96.9	-1.2	-39.6	-7.5	-60.0	-52.5	n.m.
Net adjustments on other financial assets	-0.4	0.9	0.2	-1.1	-3.2	-2.3	-3.0	-0.5	2.5	-82.2%
Net provisions for risks and charges	-7.2	-5.6	-15.5	2.3	-8.1	-4.6	-16.3	-28.2	-12.0	73.6%
Profit (loss) on the disposal of equity and other invest.	0.0	-0.4	0.4	-18.7	1.5	-0.1	0.3	0.5	0.2	85.9%
<b>Income (loss) before tax from continuing operations</b>	<b>259.1</b>	<b>266.7</b>	<b>261.8</b>	<b>133.4</b>	<b>399.1</b>	<b>288.5</b>	<b>291.2</b>	<b>332.7</b>	<b>41.6</b>	<b>14.3%</b>
Tax on income from continuing operations	-82.7	-50.6	-83.3	-37.2	-138.4	-92.6	-84.5	-93.4	-9.0	10.6%
<b>Income (loss) after tax from continuing operations</b>	<b>176.4</b>	<b>216.0</b>	<b>178.5</b>	<b>96.2</b>	<b>260.6</b>	<b>195.9</b>	<b>206.7</b>	<b>239.3</b>	<b>32.6</b>	<b>15.8%</b>
Systemic charges after tax	-59.2	-19.3	-61.7	-4.8	-74.6	0.0	-77.3	0.0	77.2	-99.9%
Realignment of fiscal values to accounting values	0.0	79.2	0.0	2.5	0.0	0.0	0.0	0.0	0.0	
Goodwill impairment	0.0	0.0	0.0	0.0	0.0	-8.1	0.0	0.0	0.0	
Income (loss) attributable to minority interests	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.6	0.6	n.m.
Purchase Price Allocation after tax	-10.3	-9.7	-10.2	-9.3	-8.5	-7.2	-20.4	-9.4	11.0	-53.8%
Fair value on own liabilities after Taxes	-6.8	-5.1	4.0	12.3	0.2	25.5	-0.3	-20.5	-20.2	n.m.
<b>Net income (loss) for the period</b>	<b>100.1</b>	<b>261.2</b>	<b>110.7</b>	<b>97.1</b>	<b>177.8</b>	<b>206.1</b>	<b>108.7</b>	<b>209.9</b>	<b>101.2</b>	<b>93.1%</b>

# FY 2022 income statement: stated and adjusted comparison

Reclassified income statement (€m)	FY 21	FY 22	Chg. Y/Y %	FY 21 adjusted	FY 22 adjusted	Chg. Y/Y %
Net interest income	2,041.6	2,314.4	13.4%	2,041.6	2,314.4	13.4%
Income (loss) from invest. in associates carried at equity	231.9	157.5	-32.1%	189.8	157.5	-17.0%
<b>Net interest, dividend and similar income</b>	<b>2,273.6</b>	<b>2,471.9</b>	<b>8.7%</b>	<b>2,231.4</b>	<b>2,471.9</b>	<b>10.8%</b>
Net fee and commission income	1,911.2	1,887.3	-1.2%	1,911.2	1,887.3	-1.2%
Other net operating income	75.3	71.6	-4.9%	75.3	71.6	-4.9%
Net financial result	250.7	243.0	-3.1%	250.7	247.7	-1.2%
Income from insurance business	-	31.7		-	31.7	
<b>Other operating income</b>	<b>2,237.2</b>	<b>2,233.6</b>	<b>-0.2%</b>	<b>2,237.2</b>	<b>2,238.3</b>	<b>0.1%</b>
<b>Total income</b>	<b>4,510.7</b>	<b>4,705.5</b>	<b>4.3%</b>	<b>4,468.6</b>	<b>4,710.2</b>	<b>5.4%</b>
Personnel expenses	-1,667.8	-1,608.9	-3.5%	-1,682.2	-1,620.8	-3.6%
Other administrative expenses	-601.2	-650.4	8.2%	-601.2	-650.4	8.2%
Amortization and depreciation	-246.8	-280.1	13.5%	-244.8	-273.0	11.5%
<b>Operating costs</b>	<b>-2,515.8</b>	<b>-2,539.4</b>	<b>0.9%</b>	<b>-2,528.1</b>	<b>-2,544.2</b>	<b>0.6%</b>
<b>Profit (loss) from operations</b>	<b>1,995.0</b>	<b>2,166.1</b>	<b>8.6%</b>	<b>1,940.5</b>	<b>2,166.0</b>	<b>11.6%</b>
Net adjustments on loans to customers	-887.2	-682.3	-23.1%	-693.2	-569.6	-17.8%
Profit (loss) on FV measurement of tangible assets	-141.6	-108.3	-23.5%			
Net adjustments on other financial assets	-0.3	-9.1	n.m.	-0.3	-9.1	n.m.
Net provisions for risks and charges	-26.0	-57.2	n.m.	-26.0	-30.4	16.7%
Profit (loss) on the disposal of equity and other invest.	-18.8	2.3	n.m.			
<b>Income (loss) before tax from continuing operations</b>	<b>921.0</b>	<b>1,311.5</b>	<b>42.4%</b>	<b>1,221.0</b>	<b>1,557.0</b>	<b>27.5%</b>
Tax on income from continuing operations	-253.8	-408.9	61.1%	-350.4	-489.6	39.7%
<b>Income (loss) after tax from continuing operations</b>	<b>667.2</b>	<b>902.5</b>	<b>35.3%</b>	<b>870.6</b>	<b>1,067.4</b>	<b>22.6%</b>
Systemic charges after tax	-145.0	-151.9	4.8%	-125.7	-151.9	20.8%
Realignment of fiscal values to accounting values	81.7	0.0	n.m.			n.m.
Goodwill impairment	0.0	-8.1	n.m.			n.m.
Income (loss) attributable to minority interests	0.3	0.8	n.m.	0.3	0.8	n.m.
Purchase Price Allocation after tax	-39.5	-45.5	n.m.	-39.5	-34.8	-11.8%
Fair value on own liabilities after Taxes	4.4	4.8	10.7%	4.4	4.8	10.7%
<b>Net income (loss) for the period</b>	<b>569.1</b>	<b>702.6</b>	<b>23.5%</b>	<b>710.1</b>	<b>886.3</b>	<b>24.8%</b>

# P&L: FY 2022 stated and adjusted comparison with one-off details

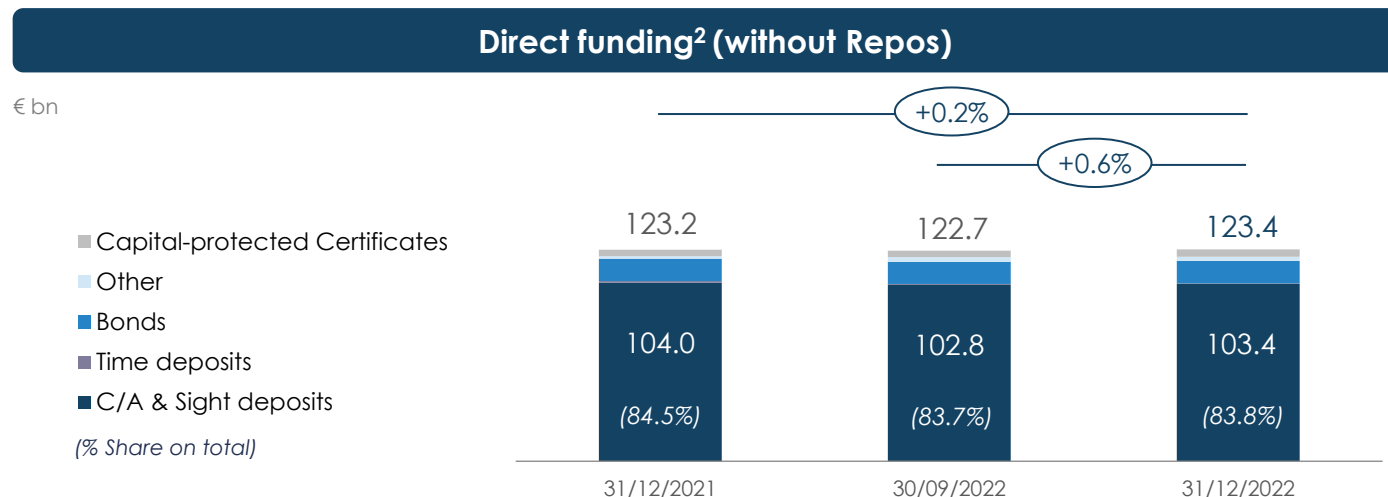
Reclassified income statement (€m)	FY 2022	FY 2022 adjusted	One-off	Non-recurring items
Net interest income	2,314.4	2,314.4	0.0	
Income (loss) from invest. in associates carried at equity	157.5	157.5	0.0	
<b>Net interest, dividend and similar income</b>	<b>2,471.9</b>	<b>2,471.9</b>	<b>0.0</b>	
Net fee and commission income	1,887.3	1,887.3	0.0	
Other net operating income	71.6	71.6	0.0	
Net financial result	243.0	247.7	-4.7	FV adjustments on Financial Assets
Income from insurance business	31.7	31.7	0.0	
<b>Other operating income</b>	<b>2,233.6</b>	<b>2,238.3</b>	<b>-4.7</b>	
<b>Total income</b>	<b>4,705.5</b>	<b>4,710.2</b>	<b>-4.7</b>	
Personnel expenses	-1,608.9	-1,620.8	11.9	Release of early retirement fund and one-off remuneration <sup>1</sup>
Other administrative expenses	-650.4	-650.4	0.0	
Amortization and depreciation	-280.1	-273.0	-7.1	Software write-offs
<b>Operating costs</b>	<b>-2,539.4</b>	<b>-2,544.2</b>	<b>4.8</b>	
<b>Profit (loss) from operations</b>	<b>2,166.1</b>	<b>2,166.0</b>	<b>0.1</b>	
Net adjustments on loans to customers	-682.3	-569.6	-112.7	Additional NPE disposals
Profit (loss) on FV of tangible assets	-108.3	0.0	-108.3	Adjustments on tangible assets
Net adjustments on other financial assets	-9.1	-9.1	0.0	
Net provisions for risks and charges	-57.2	-30.4	-26.8	Prudential provisions related to contractual duties
Profit (loss) on the disposal of equity and other invest.	2.3	0.0	2.3	Disposal of tangible assets
<b>Income (loss) before tax from continuing operations</b>	<b>1,311.5</b>	<b>1,557.0</b>	<b>-245.5</b>	
Tax on income from continuing operations	-408.9	-489.6	80.6	
<b>Income (loss) after tax from continuing operations</b>	<b>902.5</b>	<b>1,067.4</b>	<b>-164.9</b>	
Systemic charges after tax	-151.9	-151.9	0.0	
Goodwill impairment	-8.1	0.0	-8.1	Goodwill impairment
Income (loss) attributable to minority interests	0.8	0.8	0.0	
Purchase Price Allocation after tax	-45.5	-34.8	-10.7	Effects from consolidation of insurance business
Fair value on own liabilities after Taxes	4.8	4.8	0.0	
<b>Net income (loss) for the period</b>	<b>702.6</b>	<b>886.3</b>	<b>-183.7</b>	

# Reclassified Balance Sheet

Reclassified assets (€ m)	Restated				Chg. Y/Y		Chg. Q/Q	
	31/12/21	30/06/22	30/09/22	31/12/22	Value	%	Value	%
Cash and cash equivalents	29,153	33,109	24,370	13,131	-16,023	-55.0%	-11,239	-46.1%
Loans and advances measured at AC	121,261	120,540	113,234	113,633	-7,628	-6.3%	399	0.4%
- Loans and advances to banks	11,878	9,732	3,857	4,178	-7,700	-64.8%	321	8.3%
- Loans and advances to customers <sup>(1)</sup>	109,383	110,808	109,377	109,455	72	0.1%	77	0.1%
Other financial assets	36,326	40,964	40,486	43,094	6,767	18.6%	2,607	6.4%
- Assets measured at FV through PL	6,464	8,486	9,521	8,207	1,743	27.0%	-1,314	-13.8%
- Assets measured at FV through OCI	10,675	10,594	10,012	9,381	-1,295	-12.1%	-631	-6.3%
- Assets measured at AC	19,187	21,883	20,954	25,506	6,319	32.9%	4,553	21.7%
Financial assets pertaining to insurance companies			5,948	5,893	5,893	n.m.	-55	-0.9%
Equity investments	1,794	1,538	1,427	1,454	-340	-19.0%	27	1.9%
Property and equipment	3,278	3,192	3,137	3,035	-244	-7.4%	-102	-3.3%
Intangible assets	1,214	1,203	1,309	1,287	73	6.0%	-22	-1.7%
Tax assets	4,540	4,582	4,685	4,623	83	1.8%	-62	-1.3%
Non-current assets held for sale and discont. operations	230	103	170	215	-15	-6.6%	45	26.4%
Other assets	2,692	3,431	3,319	3,323	631	23.4%	4	0.1%
<b>Total</b>	<b>200,489</b>	<b>208,662</b>	<b>198,086</b>	<b>189,686</b>	<b>-10,803</b>	<b>-5.4%</b>	<b>-8,400</b>	<b>-4.2%</b>
Reclassified liabilities (€ m)	Restated				Chg. Y/Y		Chg. Q/Q	
	31/12/21	30/06/22	30/09/22	31/12/22	Value	%	Value	%
Banking Direct Funding	120,213	123,907	119,508	120,639	426	0.4%	1,131	0.9%
- Due from customers	107,121	110,705	106,576	107,679	559	0.5%	1,103	1.0%
- Debt securities and financial liabilities designed at FV	13,092	13,202	12,932	12,960	-132	-1.0%	28	0.2%
Insurance Direct Funding and technical reserves			5,947	5,856	5,856	n.m.	-90	-1.5%
- Financial liabilities measured at FV pertaining to insurance companies			1,494	1,442	1,442	n.m.	-52	-3.5%
- Technical reserves pertaining to insurance companies			4,453	4,414	4,414	n.m.	-38	-0.9%
Due to banks	45,685	46,224	44,151	32,636	-13,049	-28.6%	-11,515	-26.1%
Debts for Leasing	674	679	644	628	-46	-6.8%	-16	-2.5%
Other financial liabilities designated at FV	15,755	17,248	9,351	13,598	-2,158	-13.7%	4,247	45.4%
Other Financial liabilities pertaining to insurance companies			2	0.4	0	n.m.	-1	n.m.
Liability provisions	1,197	1,021	999	989	-208	-17.4%	-10	-1.0%
Tax liabilities	303	287	331	280	-23	-7.5%	-51	-15.4%
Liabilities associated with assets held for sale	0	0	0	32	32	n.m.	32	n.m.
Other liabilities	3,566	6,486	4,577	2,258	-1,308	-36.7%	-2,319	-50.7%
Minority interests	1	1	1	1	0	-35.0%	-1	-46.8%
Shareholders' equity	13,095	12,808	12,576	12,770	-325	-2.5%	194	1.5%
<b>Total</b>	<b>200,489</b>	<b>208,662</b>	<b>198,086</b>	<b>189,686</b>	<b>-10,803</b>	<b>-5.4%</b>	<b>-8,400</b>	<b>-4.2%</b>

Note: 1. "Customer loans" include the Senior Notes of the three GACS transactions.

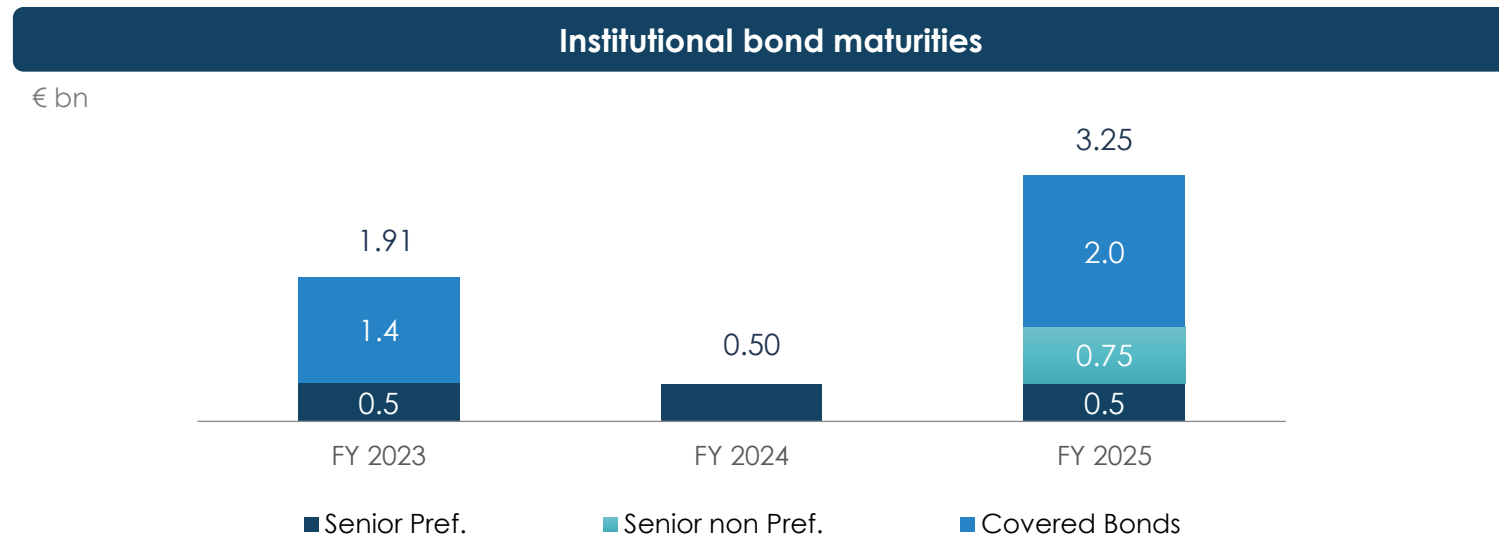
# Direct funding from the Banking business<sup>1</sup>



	31/12/21	30/09/22	31/12/22	% chg. Y/Y	% chg. Q/Q
C/A & Sight deposits	104.0	102.8	103.4	-0.6%	0.6%
Time deposits	1.0	0.5	0.3	-70.9%	-47.0%
Bonds	13.1	12.9	12.9	-1.1%	0.1%
Other	1.5	2.7	2.5	71.4%	-6.1%
Capital-protected Certificates	3.6	3.8	4.3	19.2%	12.8%
<b>Direct Funding (excl. Repos)</b>	<b>123.2</b>	<b>122.7</b>	<b>123.4</b>	<b>0.2%</b>	<b>0.6%</b>



# Bond maturities: limited and manageable amounts

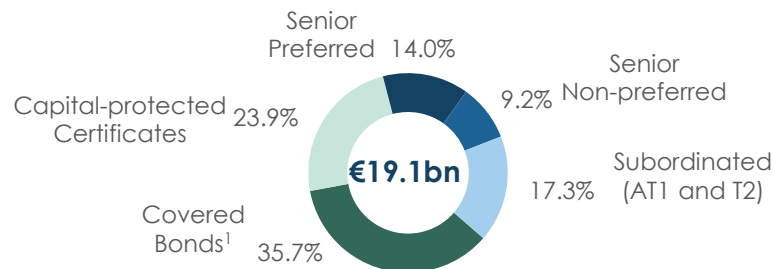


- €3.9bn institutional bonds reimbursed in FY 2022

# Liability profile: Bonds outstanding and issues

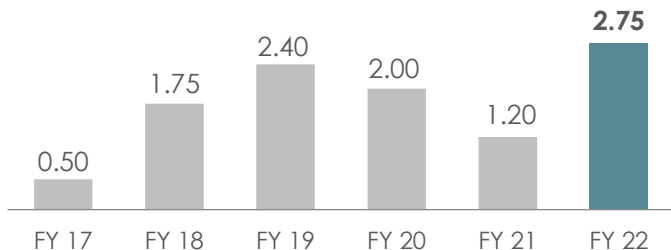
## Bonds Outstanding as at 31/12/2022

Nominal amounts



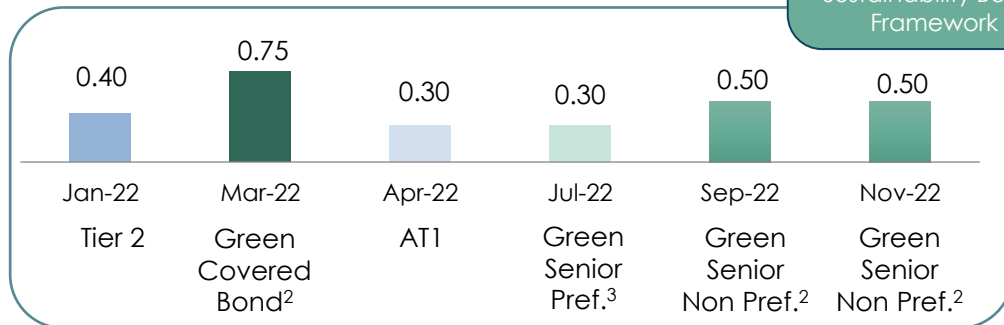
## Wholesale bonds issued since 2017

€ bn



€ bn

### Focus on Wholesale bonds issued in 2022

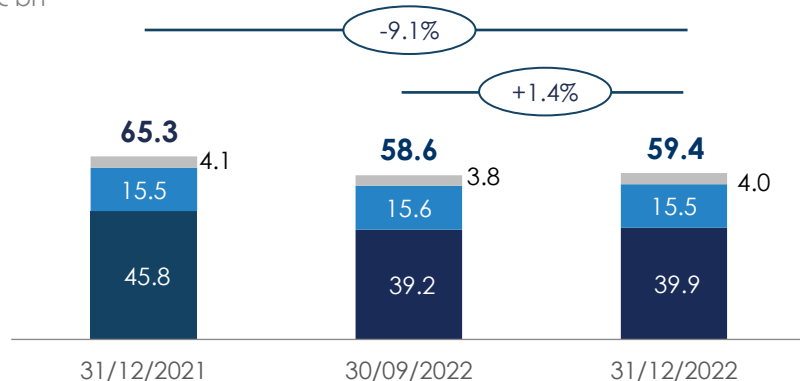


**€750m Green Senior Pref. bond issued in Jan. 2023** under the Green, Social and Sustainability Bonds Framework

# Indirect customer funding at €91.3bn

## Assets under Management (AuM)

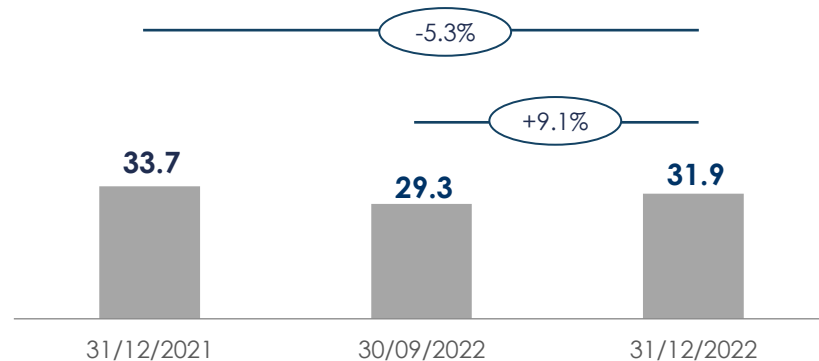
€ bn



■ Funds & Sicav ■ Bancassurance ■ Managed Accounts and Funds of Funds

## Assets under Custody (AuC)<sup>1</sup>

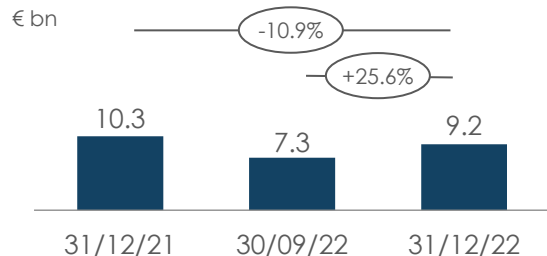
€ bn



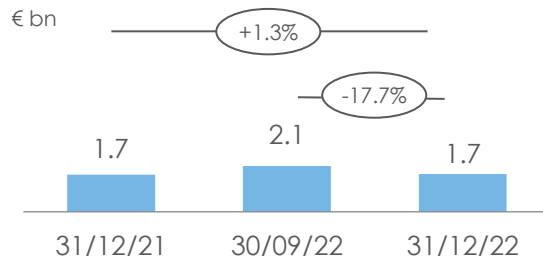
Total Indirect Customer Funding at €91.3bn, from €87.8bn as at 30/09/2022 and €99.1bn as at 31/12/2021

# Focus on Govies portfolio

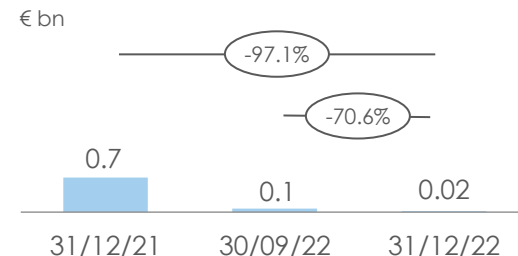
## Italian Govies at AC



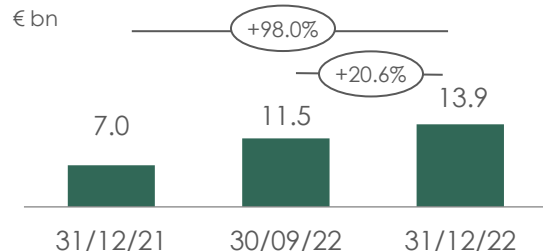
## Italian Govies at FVOCI



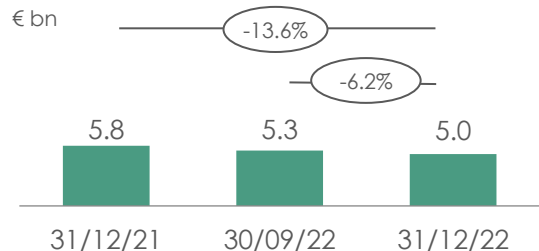
## Italian Govies at FVTPL



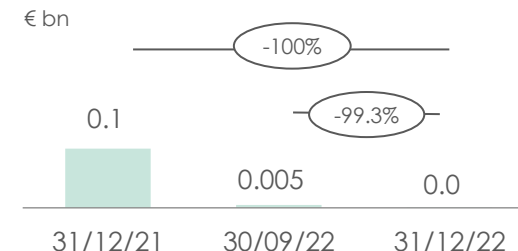
## Non-Italian Govies at AC



## Non-Italian Govies at FVOCI



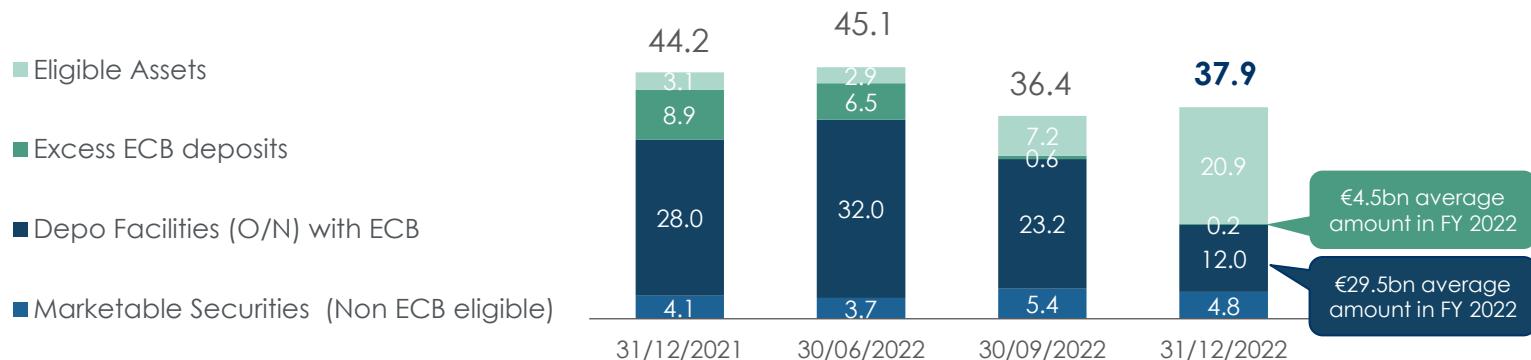
## Non-Italian Govies at FVTPL



# Solid liquidity position: LCR at 191% & NSFR >100% as at 31/12/2022

## Cash + Unencumbered Assets<sup>1</sup>

€ bn



- **Total Encumbered Eligible Assets at €35.3bn<sup>2</sup> at end of December 2022**
- **TLTRO III nominal exposure down to €26.7bn**, after an anticipated reimbursement of €12.5bn in Dec. 2022.
- **Net ECB position at €14.5bn**

# New lending at €26.5bn in 2022: +17.1% Y/Y

New lending guaranteed by the State at €5.9bn in 2022

## New lending<sup>1</sup>: trend and composition

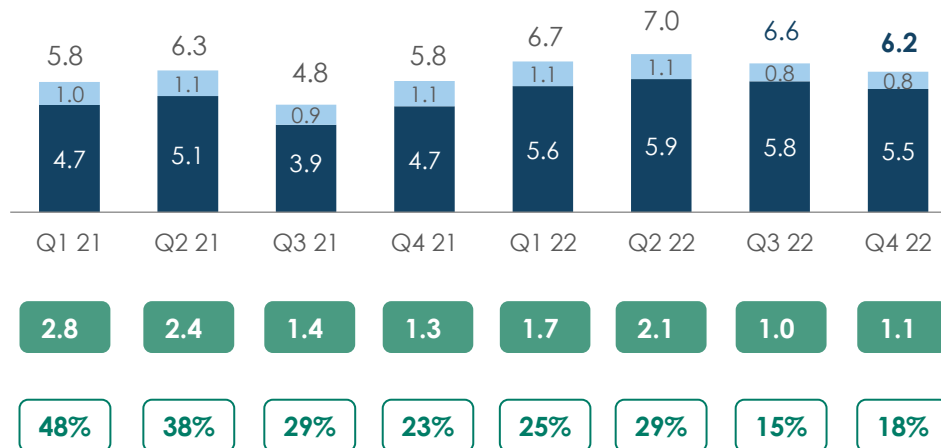
Management data  
€ bn

■ Households

■ Corporate, Enterprise,  
Small Business segments  
& Institutional

**o/w: State-  
guaranteed new  
lending**

**As a % of total  
new lending**

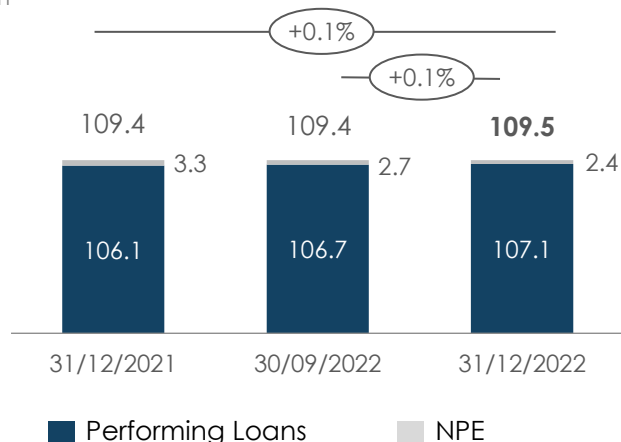


# Net Customer Loans

## Sound increase in Performing Loans

### Net Customer Loans<sup>1</sup>

€ bn



Net Performing Customer Loans	31/12/21	30/09/22	31/12/22	Change	
				In % Y/Y	In % Q/Q
<b>Core customer loans</b>	<b>99.5</b>	<b>102.9</b>	<b>102.8</b>	<b>3.3%</b>	<b>-0.1%</b>
- Medium/Long-Term loans	77.3	80.6	80.4	4.1%	-0.2%
- Current Accounts	8.2	8.9	8.4	1.7%	-6.2%
- Cards & Personal Loans	1.3	1.0	1.0	-28.5%	-5.8%
- Other loans	12.6	12.3	13.0	3.0%	5.5%
<b>GACS Senior Notes</b>	<b>2.3</b>	<b>2.0</b>	<b>1.9</b>	<b>-15.8%</b>	<b>-4.5%</b>
<b>Repos</b>	<b>3.7</b>	<b>1.2</b>	<b>1.9</b>	<b>-48.5%</b>	<b>54.8%</b>
<b>Leasing</b>	<b>0.7</b>	<b>0.6</b>	<b>0.5</b>	<b>-24.2%</b>	<b>-7.9%</b>
<b>Total Net Performing Loans</b>	<b>106.1</b>	<b>106.7</b>	<b>107.1</b>	<b>0.9%</b>	<b>0.4%</b>

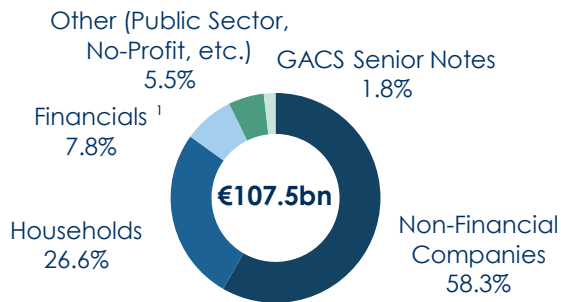
# Analysis of gross Performing loan portfolio

## Performing customer loan breakdown as at 31/12/2022

Management data, GBV

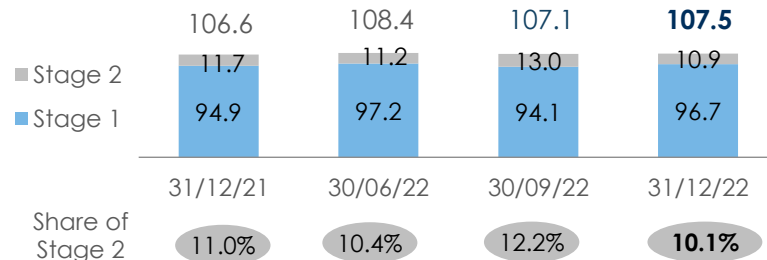
### Breakdown by customer segments

(including GACS Senior Notes)



## Stage classification of Performing Loans: evolution

GBV in € bn



### Stage 2 reduction in Q4:

- **Improving portfolio quality** (lower average PD, following historical series update in 2022 and strengthened financial performance of Italian corporates vs. 2020)
- **Positive results of the early engagement campaign** activated on borrowers particularly exposed to energy/raw material-intensive sectors



# NPE migration dynamics

## Inflows from Performing to NPEs

€ m

-3.6%

1,014

978

FY 2021

FY 2022

Default rate 0.98%

0.94%

## Outflows from NPEs to Perf. Loans

€ m

-6.8%

158

147

FY 2021

FY 2022

Cure rate  
(from UTP to  
Perf. Loans)

2.9%

3.3%

## Flows from UTP to Bad Loans

€ m

-10.0%

462

416

FY 2021

FY 2022

Danger rate 9.3%

10.1%

# Asset Quality details

## Loans to Customers at AC<sup>1</sup>

Gross exposures €/m and %	31/12/2021	30/06/2022	30/09/2022	31/12/2022	Chg. Y/Y		Chg. Q/Q	
					Value	%	Value	%
Bad Loans	2,190	1,996	1,997	2,047	-143	-6.5%	50	2.5%
UTP	4,126	3,405	3,218	2,639	-1,487	-36.0%	-578	-18.0%
Past Due	60	84	78	82	22	37.6%	4	5.2%
<b>NPE</b>	<b>6,376</b>	<b>5,485</b>	<b>5,293</b>	<b>4,769</b>	<b>-1,608</b>	<b>-25.2%</b>	<b>-524</b>	<b>-9.9%</b>
Performing Loans	106,577	108,392	107,139	107,520	943	0.9%	382	0.4%
<b>TOTAL CUSTOMER LOANS</b>	<b>112,953</b>	<b>113,876</b>	<b>112,432</b>	<b>112,289</b>	<b>-664</b>	<b>-0.6%</b>	<b>-143</b>	<b>-0.1%</b>

Net exposures €/m and %	31/12/2021	30/06/2022	30/09/2022	31/12/2022	Chg. Y/Y		Chg. Q/Q	
					Value	%	Value	%
Bad Loans	906	769	744	721	-186	-20.5%	-23	-3.1%
UTP	2,309	2,034	1,876	1,575	-735	-31.8%	-301	-16.1%
Past Due	45	59	56	60	15	34.7%	4	6.9%
<b>NPE</b>	<b>3,261</b>	<b>2,862</b>	<b>2,676</b>	<b>2,356</b>	<b>-905</b>	<b>-27.8%</b>	<b>-321</b>	<b>-12.0%</b>
Performing Loans	106,123	107,947	106,701	107,099	977	0.9%	398	0.4%
<b>TOTAL CUSTOMER LOANS</b>	<b>109,383</b>	<b>110,808</b>	<b>109,377</b>	<b>109,455</b>	<b>72</b>	<b>0.1%</b>	<b>77</b>	<b>0.1%</b>

Coverage ratios %	31/12/2021	30/06/2022	30/09/2022	31/12/2022
Bad Loans	58.6%	61.5%	62.7%	64.8%
UTP	44.0%	40.3%	41.7%	40.3%
Past Due	25.3%	29.8%	28.1%	26.9%
<b>NPE</b>	<b>48.9%</b>	<b>47.8%</b>	<b>49.4%</b>	<b>50.6%</b>
Performing Loans	0.43%	0.41%	0.41%	0.39%
<b>TOTAL CUSTOMER LOANS</b>	<b>3.2%</b>	<b>2.7%</b>	<b>2.7%</b>	<b>2.5%</b>

# Details on Insurance business consolidated starting from 1 July 2022

Banco BPM Vita & Banco BPM Assicurazioni portfolio fully consolidated starting from 1 July 2022

## P&L contribution of Banco BPM Vita & Assicurazioni<sup>1</sup>

	H2 22
Fees and other net operating income	1.2
Income from insurance business	31.7
<b>Total income</b>	<b>32.9</b>
Personnel expenses	-7.9
Other administrative expenses	-6.4
Amortization and depreciation	-0.9
<b>Operating costs</b>	<b>-15.3</b>
<b>Profit (loss) from operations</b>	<b>17.7</b>
Tax on income from continuing operations	-6.0
<b>Net income (loss) for the period (before PPA)<sup>3</sup></b>	<b>11.7</b>

## Technical reserves & Financial liabilities from insurance business

	31/12/22
<b>Technical reserves</b>	<b>4,414</b>
<b>Life business</b>	<b>4,412</b>
- Mathematical reserves	4,579
- Reserves for amounts payable	46
- Other reserves	-212
<b>Non-life business</b>	<b>2</b>
- Premium reserves	1
- Claims reserves	1
<b>Financial liabilities of the insurance companies</b>	<b>1,442</b>
- Unit-linked products	1,442
<b>TOTAL<sup>2</sup></b>	<b>5,856</b>

# Capital position in detail<sup>1</sup>

PHASED IN CAPITAL POSITION (€/m and %)	31/12/2021	30/09/2022	31/12/2022
CET 1 Capital	9,387	8,316	8,618
T1 Capital	10,564	9,705	10,008
Total Capital	12,524	11,496	11,789
<b>RWA</b>	<b>63,931</b>	<b>61,606</b>	<b>60,200</b>
<b>CET 1 Ratio</b>	<b>14.68%</b>	<b>13.50%</b>	<b>14.32%</b>
<b>AT1</b>	<b>1.84%</b>	<b>2.26%</b>	<b>2.31%</b>
<b>T1 Ratio</b>	<b>16.52%</b>	<b>15.75%</b>	<b>16.62%</b>
<b>Tier 2</b>	<b>3.07%</b>	<b>2.91%</b>	<b>2.96%</b>
<b>Total Capital Ratio</b>	<b>19.59%</b>	<b>18.66%</b>	<b>19.58%</b>
Leverage ratio Phased In as at 31/12/2022: 5.21%			

FULLY LOADED CAPITAL POSITION (€/m and %)	31/12/2021	30/09/2022	31/12/2022
CET 1 Capital	8,559	7,397	7,700
T1 Capital	9,652	8,786	9,089
Total Capital	11,613	10,576	10,871
<b>RWA</b>	<b>63,729</b>	<b>61,399</b>	<b>59,996</b>
<b>CET 1 Ratio</b>	<b>13.43%</b>	<b>12.05%</b>	<b>12.83%</b>
<b>AT1</b>	<b>1.71%</b>	<b>2.26%</b>	<b>2.32%</b>
<b>T1 Ratio</b>	<b>15.15%</b>	<b>14.31%</b>	<b>15.15%</b>
<b>Tier 2</b>	<b>3.08%</b>	<b>2.92%</b>	<b>2.97%</b>
<b>Total Capital Ratio</b>	<b>18.22%</b>	<b>17.23%</b>	<b>18.12%</b>
Leverage ratio Fully Loaded as at 31/12/2022: 4.76%			

PHASED IN RWA COMPOSITION (€/bn)	31/12/2021	30/09/2022	31/12/2022
CREDIT & COUNTERPARTY RISK	54.1	53.1	51.2
of which: Standard	29.7	27.9	26.3
MARKET RISK	2.5	1.4	1.4
OPERATIONAL RISK	7.1	6.9	7.4
CVA	0.3	0.2	0.3
<b>TOTAL</b>	<b>63.9</b>	<b>61.6</b>	<b>60.2</b>

FULLY LOADED RWA COMPOSITION (€/bn)	31/12/2021	30/09/2022	31/12/2022
CREDIT & COUNTERPARTY RISK	53.9	52.9	51.0
of which: Standard	29.5	27.7	26.1
MARKET RISK	2.5	1.4	1.4
OPERATIONAL RISK	7.1	6.9	7.4
CVA	0.3	0.2	0.3
<b>TOTAL</b>	<b>63.7</b>	<b>61.4</b>	<b>60.0</b>

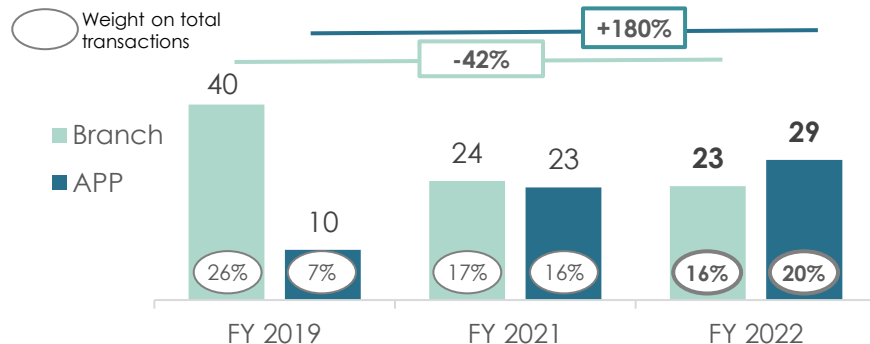
Notes: 1. Data are indicated without application of the Danish Compromise.

- All data include also the profit of the period, subject to ECB authorization, net of the amount of dividend determined by the Board of Directors (based on a dividend payout ratio of 50%).
- Starting from 30 June 2022, Banco BPM has chosen to adopt the temporary treatment of unrealised gains and losses measured at FVOCI, according to art. 468 of the CRR, as amended by Regulation (EU) 2020/873 (so called "CRR Quick-fix"). The above-mentioned temporary treatment is considered only for the calculation of the phase-in capital ratios while it is not applied to the fully-loaded capital ratios. See Methodological Notes for further details.

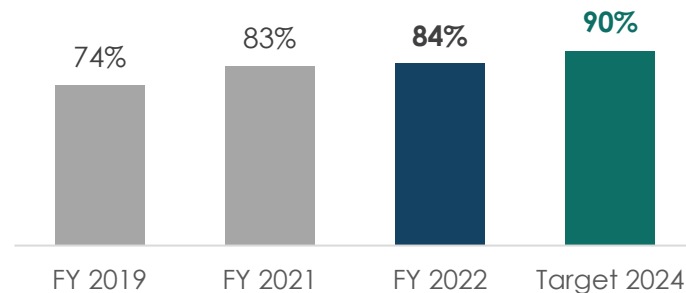
# Further progress in new digital-driven distribution model

## Main digital-enabled achievements

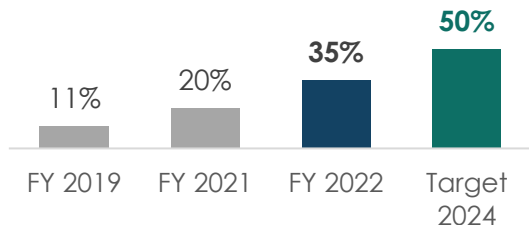
# Branch and APP-based transactions (m)



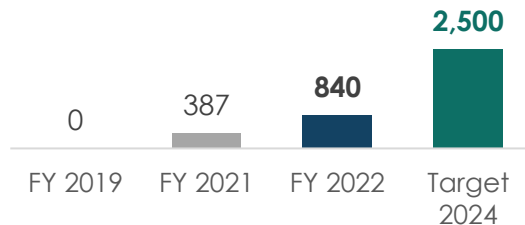
% Remote-based transaction



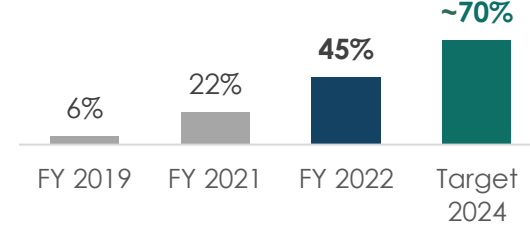
% Remote & Omnichannel Sales







# Customers enrolled in Digital Identity<sup>1</sup> (k)



% Commercial contacts on total Digital Branch



# ESG integration update: Key results & selected KPIs

		2021	2022
 BUSINESS	Green & Social Bonds issued	€0.5bn	€2.05bn <sup>1</sup>
	Share of ESG corporate bonds in the proprietary portfolio	14.3%	24.2%
	ESG bond issues assisted by Banca Akros	€8.0bn	€8.1bn
 ENVIRONMENT	Net Scope 1&2 emissions (market based) <sup>2</sup> (% chg. y/y)	-3.4%	> -50%
	Total consumptions (% chg. y/y)	-0.9%	> -10%
	Consumption of energy from renewable sources	100%	100%
 PEOPLE	Share of women in managerial positions	23.4%	26.1%
	Hours of ESG training courses	105,300	174,200
	Share of new hirings between 20-30 years (cumulated, since Jan.21)	85.0%	89.5%
 COMMUNITY	Donations and sponsorship for social & environmental projects	€3.7m	€4.6m
	Hours of corporate community services, ESG awareness and financial education	9,600	14,600

## 2022 ESG commercial data

Green new lending to corporate and enterprise segments<sup>3</sup>

€10.3bn  
55.6% of total new lending to corporate & enterprises

Green residential mortgages (new lending)

€620m

New lending to third sector

€180m

# Key 2022 achievements of the ESG Action Plan (1/2)

## Environment

- Maintenance of the ISO Environmental, Energy and Occupational Health and Safety certifications
- Compensation Project (Tanzania Project, REED + certified – Zimbabwe Project REED + certified – India Project) → compensating ~8,000 t. of CO2 eq.

## People

- Gender Program: a tailor-made paths of female empowerment with ~300 women involved → Assessment step to support development actions on a first tranche of >100 women
- ESG training for all employees, with a more specialized focus on resources involved in the workstreams of our ESG Action Plan
- Respect Project: ~8,000 people involved
- Development of the corporate volunteering "Volontariato" (> 2,700 hours)

## Stakeholder Engagement & Measurement

- Development of a social impact investing questionnaire intended for Corporate and SMEs clients
- Completion of the gap analysis vs. TCFD requirements and definition of the remediation plan
- Improvement of the materiality analysis for 2022, with the involvement of a broader panel of stakeholders (financial market, customers, employees, local committees)

## Governance

- New Code of Ethics
- Expanding the pool of the ESG Ambassadors, from 52 to 75

# Key 2022 achievements of the ESG Action Plan (2/2)

## Risk & Credit

- Completion of the climate and environmental risk scoring for the Materiality Assessment
- Inclusion of the ESG risk within the Reputational Risk Framework
- Deployment of the first ESG RAF KPIs
- Activities aimed at developing the first new ESG disclosure to be included in Pillar III
- ESG questionnaire for Corporate and Business segments
- Evolution of the ESG Credit Policy Framework:
  - ✓ ESG assessment inclusion
  - ✓ Evolution of the transition risk methodology classification, with greater relevance of emissions
  - ✓ Inclusion of physical risk assessment
  - ✓ Dedicated strategies on sectors with high environmental impact
  - ✓ Extension to Large Corporate segment

## Business: Lending

- New products: "Obiettivo Sostenibilità" and "SACE Green" to support ESG transition of Corporate & SMEs, with dedicated training for Corporate salesforce on "Obiettivo Sostenibilità": >2,000 Relationship Managers involved
- Strengthening the central support to commercial network for technical / operational issues in the ESG area
- Improving CRM tools and development of new algorithms for analysis of the potential green/ESG growth of Corporate & SMEs
- Financing the production of energy from renewables: ~€900m project finance facilities granted; identification of 5,000 agri-food companies potentially interested in installing photovoltaic panels on their buildings

## Business: Wealth Management & Finance

- Issuance of 3 green bonds under the Green Social & Sustainability Bonds Framework, with proceeds used to refinance green mortgages and renewable energy projects
- Private placement of a Green Senior Preferred for the financing of green loans
- WM: Proprietary Due Diligence and Product Classification Model in order to match client sustainability preferences and manage greenwashing risks
- ESG Training initiatives also on regulatory framework of sustainable investments: acquisition of EFPA ESG Advisor Certification for about 200 colleagues (Private Banking, WM, Advisory and Banca Akros)



# Contacts for Investors and Financial Analysts

Roberto Peronaglio		+39 02 9477.2090
Tom Lucassen		+39 045 867.5537
Arne Riscassi		+39 02 9477.2091
Silvia Leoni		+39 045 867.5613
Carmine Padulese		+39 02 9477.2092

## Banco BPM

Registered Offices: Piazza Meda 4, I-20121 Milano, Italy

Corporate Offices: Piazza Nogara 2, I-37121 Verona, Italy

[investor.relations@bancobpm.it](mailto:investor.relations@bancobpm.it)

[www.gruppo.bancobpm.it](http://www.gruppo.bancobpm.it) (IR section)