

PERFORMANCE OF THE MAIN GROUP COMPANIES

A summary of the main equity interests in Group companies is presented below, with an indication of the most significant balance sheet, income statement and operating balances as at 31 December 2022.

Banca Aletti

(millions of euro)	2022	2021(*)	Change
Income statement figures			
Net interest income	4.9	0.3	n.s.
Net fee and commission income	100.5	106.9	(6.02%)
Operating income	102.7	105.0	(2.15%)
Operating expenses	(75.9)	(75.3)	0.84%
Profit (loss) from operations	26.8	29.7	(9.73%)
Profit (loss) before tax from continuing operations	21.1	28.2	(25.08%)
Profit (loss) for the year	13.5	14.8	(9.32%)

(*) Some 2021 ratios were restated following the restatement of the reclassified income statement.

(millions of euro)	31/12/2022	31/12/2021	Change
Balance sheet figures			
Total assets	2,607.5	2,940.0	(11.31%)
Loans to customers (net)	491.8	370.0	32.92%
Financial assets and hedging derivatives	5.0	8.8	(43.18%)
Shareholders' equity	371.3	371.3	-
Customers' financial assets			
Direct funding	2,076.6	2,406.2	(13.70%)
Indirect funding	20,237.6	22,775.1	(11.14%)
- Asset management	10,120.5	11,484.0	(11.87%)
- Mutual funds and SICAVs	4,922.8	6,101.1	(19.31%)
- Securities and fund management	3,343.9	3,453.9	(3.19%)
- Insurance policies	1,853.9	1,929.0	(3.89%)
- Administered assets	10,117.0	11,291.1	(10.40%)
Information on the Organisation			
Average number of employees	471.4	485.8	(2.96%)
Number of bank branches	52	55	(5.45%)

	31/12/2022	31/12/2021(*)
Alternative performance measures		
Profitability ratios (%)		
Financial margin/Operating income	4.8%	0.3%
Net fee and commission income/Operating income	97.8%	101.8%
Operating expenses/Operating income	73.9%	71.7%
Return on assets (ROA) ⁽¹⁾	0.52%	0.50%
Return on equity (ROE) ⁽²⁾	3.76%	4.16%
Return on tangible equity (ROTE) ⁽³⁾	4.13%	4.62%
Operational productivity figures (thousands of euro)		
Loans to customers (net) per employee	1,043	762
Operating income per employee	218	216
Operating expenses per employee	161	155
Regulatory capitalisation and liquidity ratios		
Common equity tier 1 ratio (CET1 capital ratio)	87.2%	53.4%
Tier 1 capital ratio	87.2%	53.4%
Total capital ratio	87.2%	53.4%
Leverage ratio	49.1%	51.2%
Other ratios		
Loan to deposit ratio (LTD) ⁽⁴⁾	23.7%	15.4%

⁽¹⁾ Some 2021 ratios were restated following the restatement of the reclassified income statement.

⁽²⁾ Calculated as the ratio of net profit (loss) for the year to total assets.

⁽³⁾ Calculated as the ratio of net profit (loss) for the year to shareholders' equity excluding the profit (loss) for the year.

⁽⁴⁾ Calculated as the ratio of net profit (loss) for the year to shareholders' equity, determined by excluding the profit (loss) for the year and intangible assets, net of the related tax effects, from shareholders' equity.

⁽⁴⁾ Calculated as the ratio of loans to customers to direct funding.

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

Banca Akros

(millions of euro)	2022	2021(**)	change
Income statement figures			
Financial margin	57.3	54.7	4.7%
Net fee and commission income	47.7	41.0	16.3%
Operating income	119.2	110.2	8.2%
Operating expenses	(89.0)	(90.6)	(1.8%)
Profit (loss) from operations	30.3	19.5	54.9%
Profit (loss) before tax from continuing operations (*)	30.2	20.1	50.7%
Profit (loss) after tax from continuing operations	21.3	14.6	46.2%
Net profit for the year	18.7	10.7	74.7%

(*) also gross of contributions to guarantee schemes.

(**) some 2021 ratios were restated to provide a like-for-like comparison with the reclassification criteria adopted in 2022.

<i>(millions of euro)</i>	31/12/2022	31/12/2021	change
Balance sheet figures			
Total assets	9,445.5	8,241.7	14.6%
Loans to customers (net) (*)	1,773.0	1,963.7	(9.7%)
Financial assets	6,222.7	5,685.4	9.5%
Shareholders' equity	728.1	727.2	0.1%
Customers' financial assets			
Direct funding	1,839.0	956.5	92.2%
Information on the organisation			
Average number of employees and other staff	204	203	
Number of bank branches	1	1	

(*) Customers consisting of qualified and professional counterparties.

	31/12/2022	31/12/2021(**)
Alternative performance measures		
Profitability ratios (%)		
Return on Equity (ROE)		1.50%
Return on assets (ROA)		0.13%
Financial margin/Operating income	48.05%	49.68%
Net fee and commission income/Operating income	40.01%	37.23%
Operating expenses/Operating income	74.62%	82.26%
Profit (loss) before tax from continuing operations (*)/Operating income.	25.34%	18.20%
Operational productivity figures (thousands of euro)		
Loans to customers (net) per employee	8,691.3	9,673.4
Operating income per employee	584.5	542.7
Operating expenses per employee	436.1	446.4
Annual average operational VAR (99%, 1 day)	2,100	2,400
Other ratios		
Financial assets/Total assets	65.88%	68.98%
Derivative assets/Total assets	21.76%	16.60%
- trading derivatives/Total assets	21.76%	16.60%
- hedging derivatives/Total assets	-	-
Net trading derivatives/Total assets	0.10%	0.02%
Net loans/Direct funding	96.41%	205.29%
Regulatory capitalisation ratios		
Common equity tier 1 ratio (CET1 capital ratio)	22.42%	18.77%
Tier 1 capital ratio	22.42%	18.77%
Total capital ratio	22.42%	18.77%
Leverage ratio	11.76%	12.04%

(*) also gross of contributions to guarantee schemes.

(**) some 2021 ratios were restated to provide a like-for-like comparison with the reclassification criteria adopted in 2022.

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

Other equity interests

<i>(millions of euro)</i>	Total assets	Shareholders' equity (*)	Direct Funding	Indirect Funding	Net loans	Profit (Loss)
Banks						
Banca Aletti & C. (Suisse)	90.1	27.5	60.4	455.9	16.5	(1.5)
Bipielle Bank (Suisse) in liquidation	23.6	22.0	-	-	-	(0.5)
Insurance companies						
Banco BPM Vita	6,181.4	259.5	5,856.3	-	-	9.3
Banco BPM Assicurazioni (**)	66.1	32.4	-	-	-	2.3
Financial companies						
Aletti Fiduciaria	9.2	7.2	-	907.5	1.3	(0.2)
Oaklins Italy	2.7	1.8	-	-	-	0.8
Other companies						
Tecmarket Servizi	45.6	26.6	-	-	-	9.9
Ge.Se.So.	1.4	0.4	-	-	-	0.04

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

(**) company held for sale pursuant to IFRS 5.

The figures shown in the previous table refer to the balance sheets and income statements as at 31 December 2022 used to prepare the consolidated financial statements; in particular, the result of Banco BPM Vita and Banco BPM Assicurazioni refers to the profit of the second half of 2022.

Relations with subsidiaries and associates

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

Own shares of the Parent Company and of subsidiaries

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

As illustrated in Section 4 - "Events subsequent to the reporting date" contained in Part A of the Notes to the Consolidated Financial Statements, in February 2023, the Parent Company launched a further own shares purchase programme to support existing short and long-term incentive plans.

The programme, carried out between 28 February and 6 March 2023, regarded 2,418,855 Banco BPM ordinary shares for a total value of 10 million.

Consolidated non-financial statement

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

Report on corporate governance and ownership structures

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

Remuneration report

Banco BPM Group prepares the Policy-on-remuneration report and payouts awarded of Banco BPM Group's staff pursuant to the Supervisory Regulations of the Bank of Italy (Circular no. 285/2013, 37th update, Part I, Title IV, Chapter 2 "Remuneration and incentive policies and practices"), of Art. 123-ter of Italian Legislative Decree 58/1998 as amended, of Art. 84-quater of the Issuers' Regulation (CONSOB resolution no. 11971/1999 as amended) and of IVASS Regulation 38/2018 and related Guidelines, in a separate document, published on the website www.gruppo.bancobpm.it, in the "Corporate Governance – Remuneration Policies" section.

Preparation of the financial statements in XBRL format

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

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

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

For further details, please refer to the Notes to the consolidated financial statements - "Part A Accounting policies - Section 5 - Other aspects".