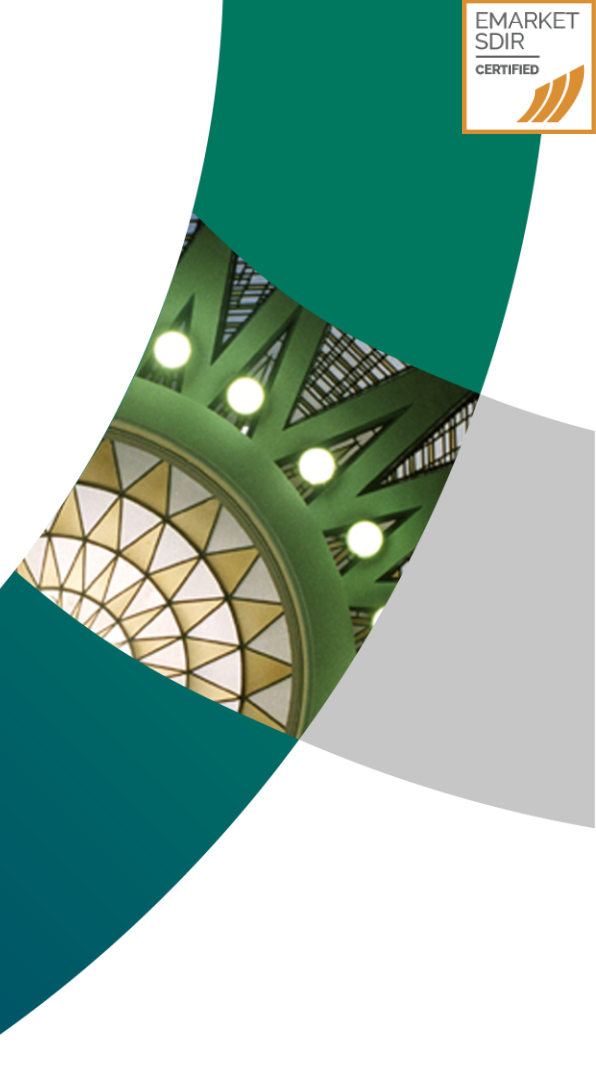




Group FY 2022 Results Presentation

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 premia 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



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Executive Summary

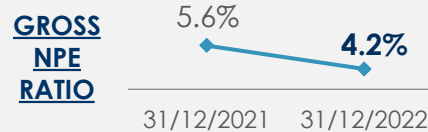
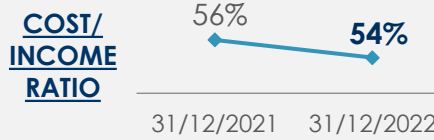
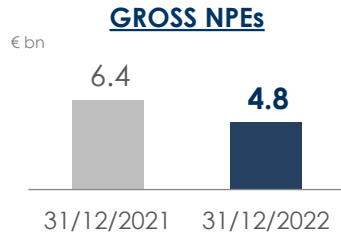
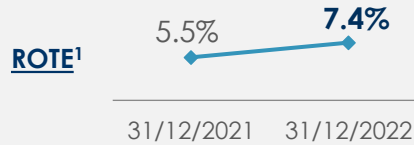
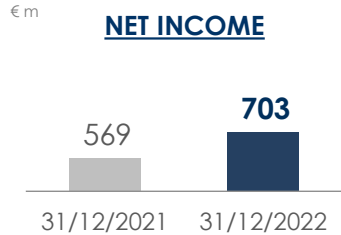
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Solid delivery track record confirmed, beating the 2022 guidance

2022: STRONG Y/Y IMPROVEMENT IN ALL KEY FIGURES

BEST FY RESULT EVER ACHIEVED

ADJ. NET INCOME: € 886m +25% Y/Y



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% ²	>13% ²

Proposed DPS: €23 cents (+21% Y/Y)

On the road towards excellence...

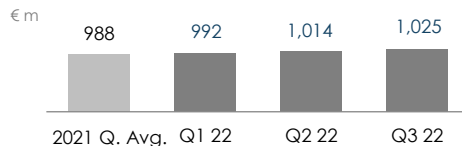
2017-2019: restructuring

Starting point: YE 2016

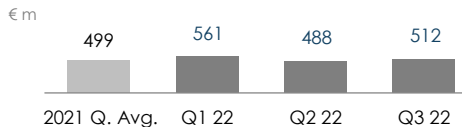
- ❑ **Gross NPE Ratio to 9.1%** from 24.1%¹
- ❑ **Branches (#)² -25%** (-568 to 1,727 from 2,295)
- ❑ **Total Savings: ~€0.4bn**
Operating costs to €2,604m from €2,971m³

2021-Q3 2022: steady improvement

NII + Net Commissions



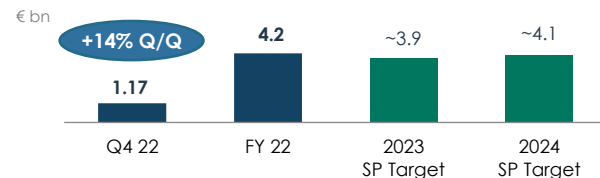
Pre-provision income



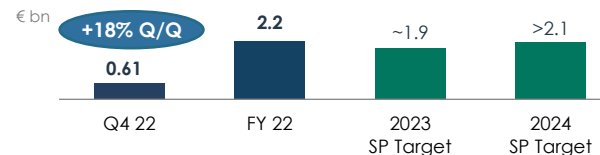
- **New Bancassurance set-up**
- **Digital-based customer service model**
- **ESG-focused approach**

Q4 2022: a new accelerated trajectory

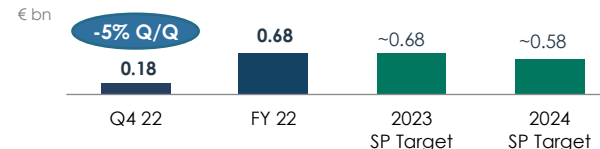
NII + Net Commissions



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

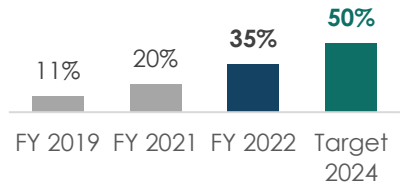
New Bancassurance set-up

- 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

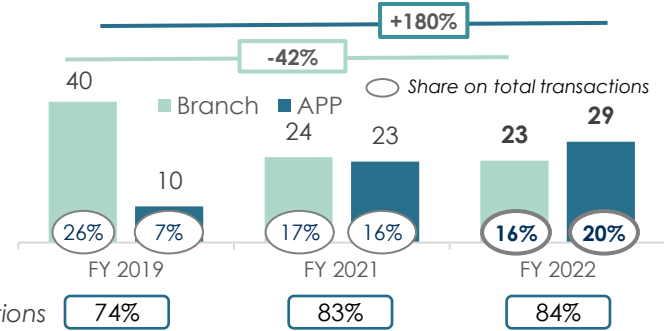
Steady Growth in Remote & Omnichannel Sales driven by Analytics

% Remote & Omnichannel Sales



APP-based exceeding Branch-based transactions

Branch and APP-based transactions (m)



ESG-focused approach

Business & Environment

- «Green» new lending in 2022¹: €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: 743², 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)

Note 1. Green lending to corporate and enterprise segments (excluding small business & institutional segments) and green residential mortgages. 2. Considering only hirings related to the Solidarity Plan perimeter.

See slide 46 for further details on ESG data.

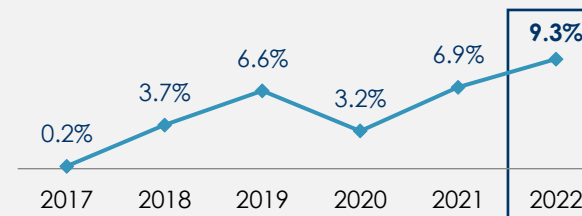
Excellent performance, with Net Income +93.1% Q/Q and +23.5% Y/Y



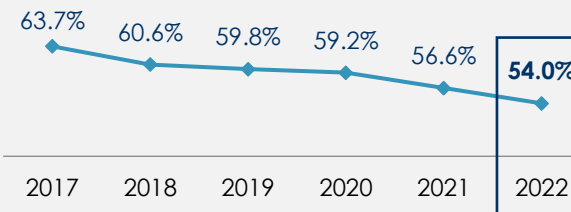
€ m	P&L						
	Q4 2021	Q3 2022 Restated	Q4 2022	Chg. Q/Q	FY 2021	FY 2022	Chg. Y/Y
Net interest income	506	551	724	31.3%	2,042	2,314	13.4%
Net fees and commissions	486	473	447		1,911	1,887	
NII + Net fees and commissions	992	1,025	1,171	14.3%	3,953	4,202	6.3%
Income from associates	87	32	35		232	157	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

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

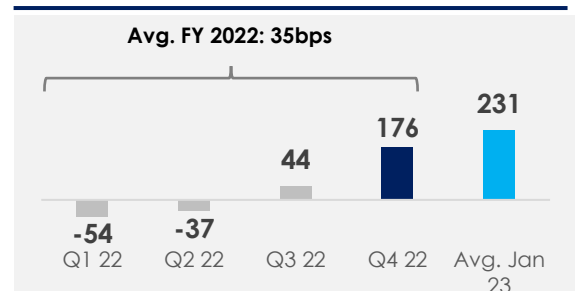


In the new interest rate environment...

ECB Depo Facility (%)

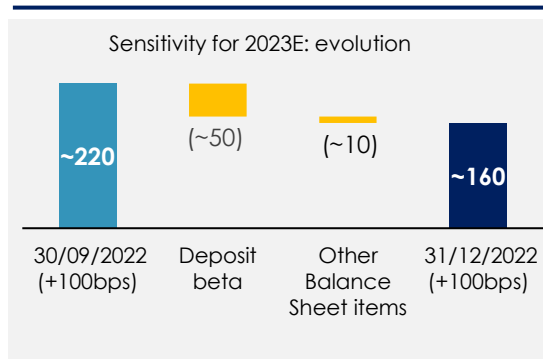


Average 3M Euribor (bps)

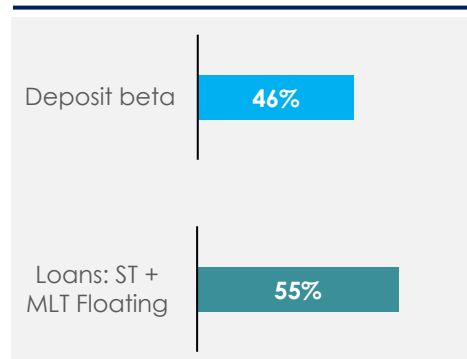


... the bank maintains positive momentum to further improve NII

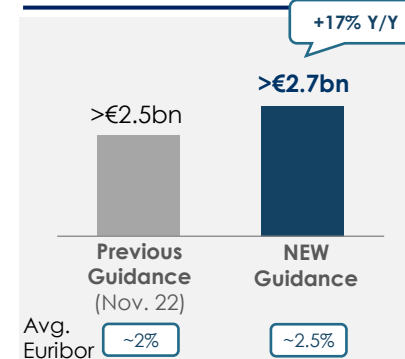
NII sensitivity¹ (€m)



Key sensitivity drivers



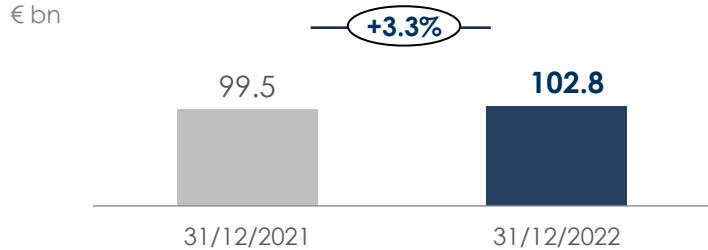
NII Guidance for 2023



Supporting our clients while maintaining a high-quality lending portfolio

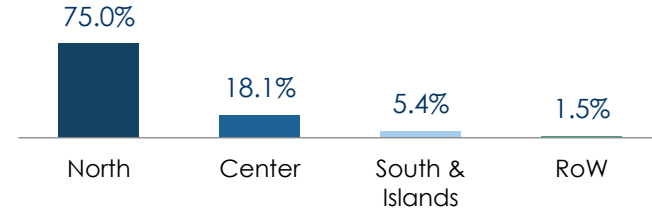
Top quality franchise, rooted in the wealthiest areas of the country

Growth in “Core” Net Performing Customer Loans¹

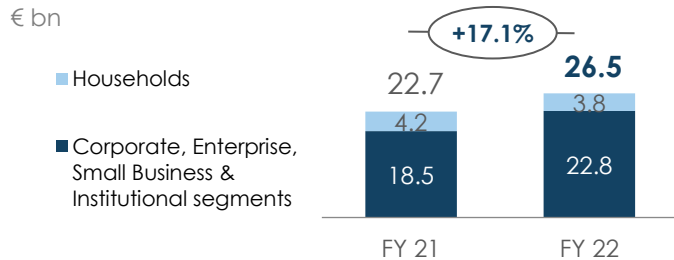


Customer Loans concentrated in the wealthiest areas of the country

Geographical breakdown



New lending²: trend and composition



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

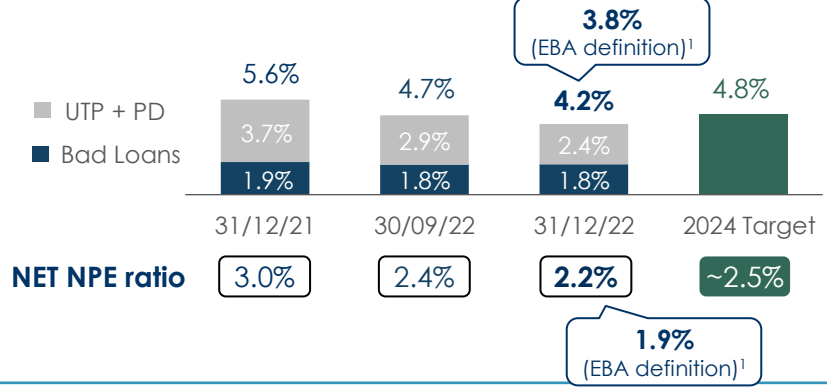
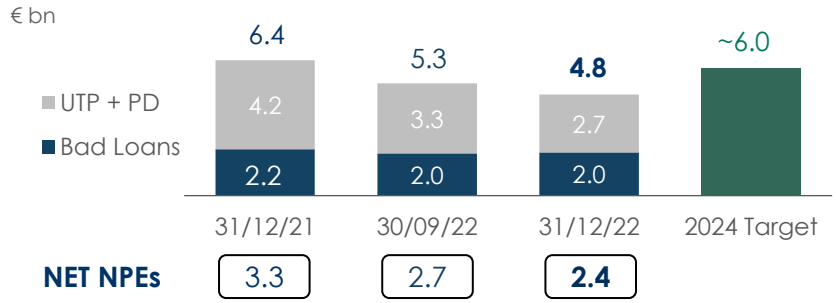
FY 2022 new lending: Composition by rating classes³



Gross NPE ratio down to 4.2% from 5.6%: already ahead of 2024 Strategic P 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

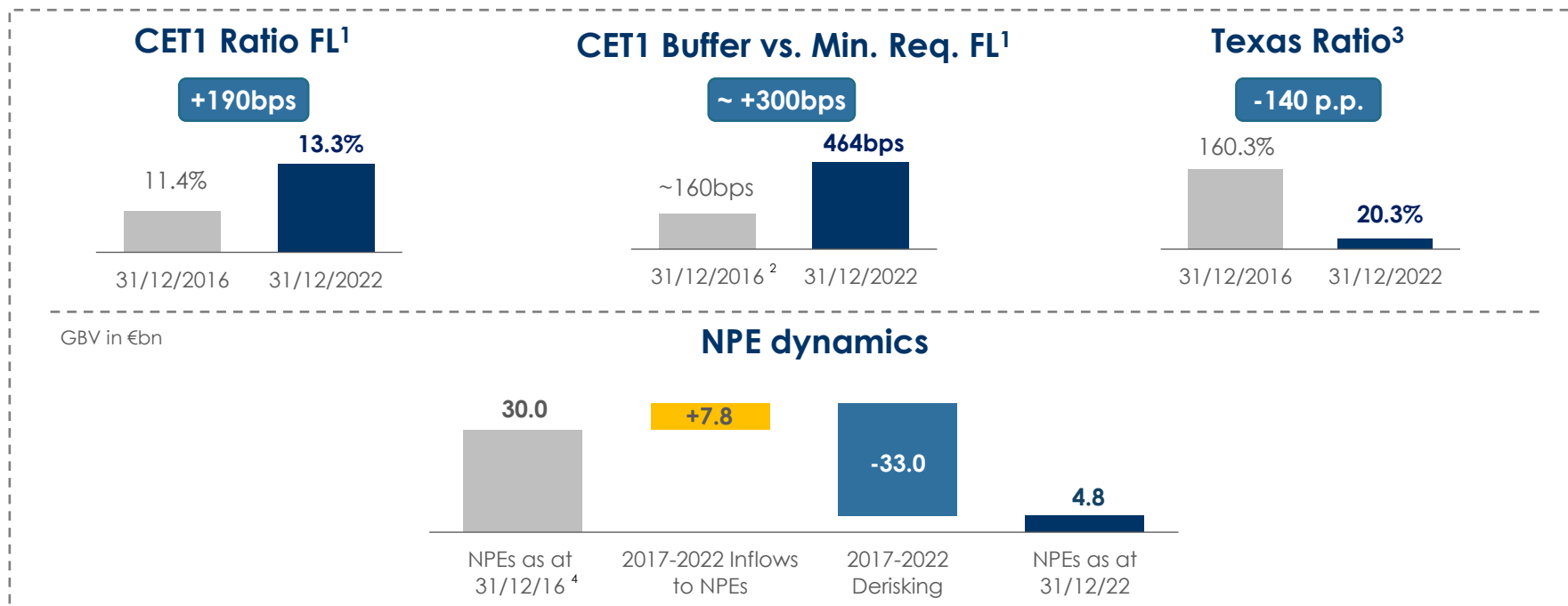


- **Total derisking** in 2022² (incl. Project Argo, finalised in Q2 2022): **€2.6bn, outperforming the guidance of >€2bn**
- **UTP big ticket single name transaction perfected in Q4 2022, with no impact on LLPs**
- Additional disposals of **>€0.5bn targeted over the Plan horizon** (mainly bad loans), 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

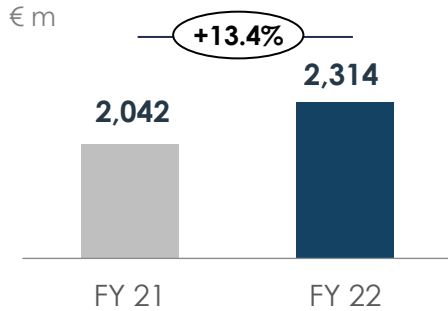


Key Highlights

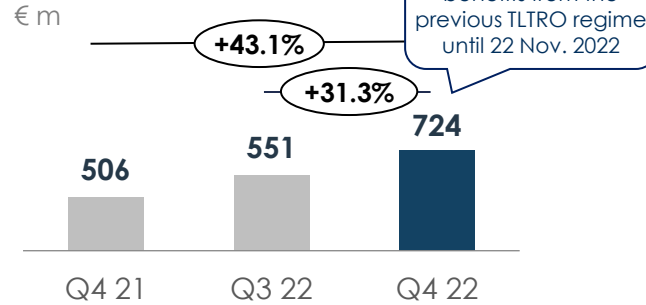
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NII: strong growth in Q4 2022 supported by commercial spread

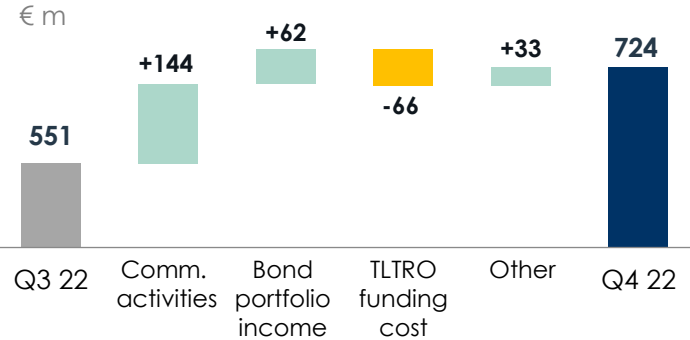
Y/Y trend



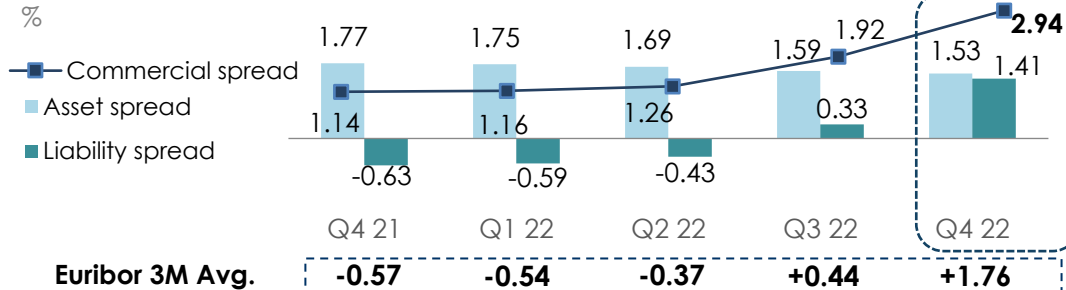
Quarterly trend



NII Evolution Bridge



Commercial spread: +102bps Q/Q

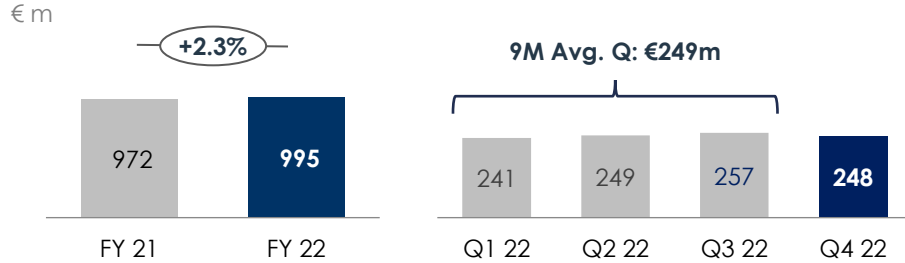


Increase in Commercial spread: at 2.94% in Q4

- **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

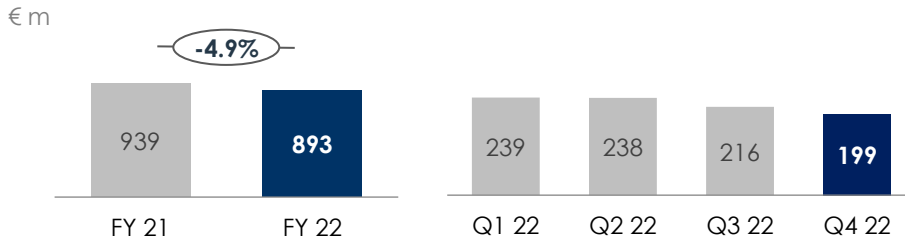
Commercial Banking fees



- **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 component²**



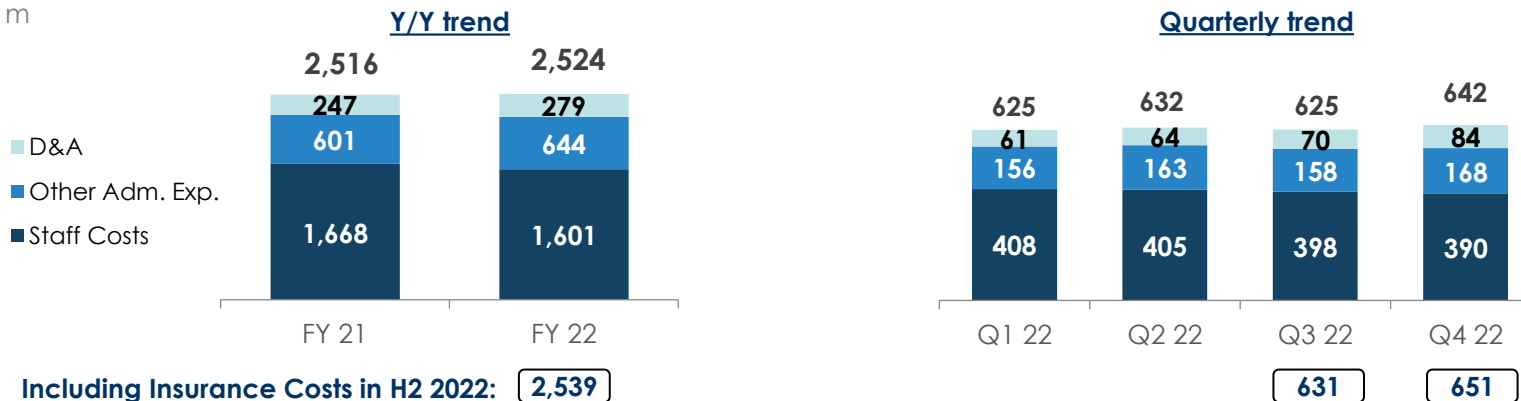
€1.3bn in Jan. 2023

Operating costs under control

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

Banking business costs¹

€ m

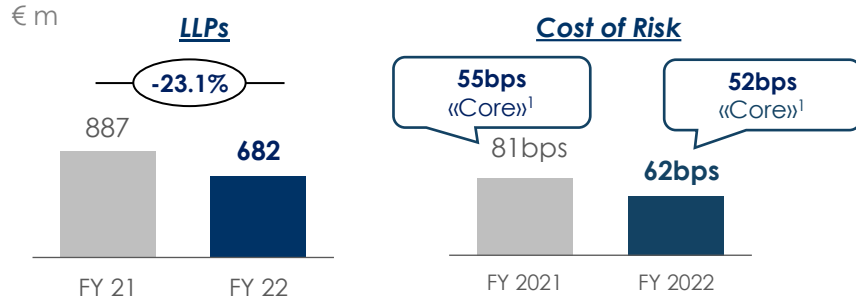


D&A in Q4 include a €12m component not replicable in future quarters

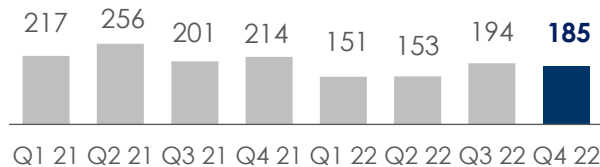
- **Q4 2022 banking costs** mainly impacted by **seasonality in Other Administrative Expenses (+6.3% Q/Q)** and by **non-replicable elements in D&A (+20.9% Q/Q)**
- **Insurance business costs** at €15.3m in H2 2022, o/w: €7.9m Staff costs, €6.4m Other Adm. Exp. and €0.9m D&A
- **Headcount:** 20,157 employees,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



Quarterly trend of LLPs



Comforting migration rates

	FY 21	FY 22
Default rate (from Performing to NPEs)	0.98%	0.94%
Danger rate (from UTP to Bad Loans)	9.3%	10.1%
Workout rate (Cancellations, Write-offs, Recoveries, Cure & Other) ¹	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
BAD LOANS	58.6% (67.8%)	61.5% (70.3%)	62.7% (71.3%)	64.8% (72.4%)
UTP	44.0%	40.3%	41.7%	40.3%
TOTAL NPEs	48.9% (53.4%)	47.8% (52.9%)	49.4% (54.5%)	50.6% (55.8%)
% Share of Secured NPE (GBV)	66%	62%	64%	63%

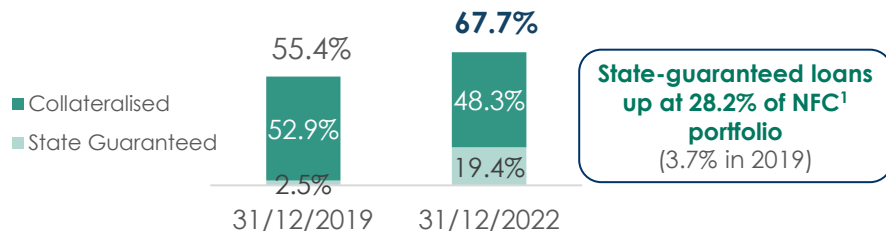
Asset Quality drivers: active management of a highly guaranteed loan portfolio



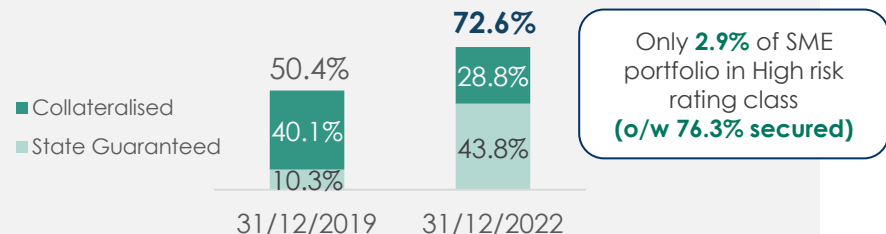
Customer loans: increased share of secured exposure, mainly in the SME segment

% 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 SMEs² at €18.9bn



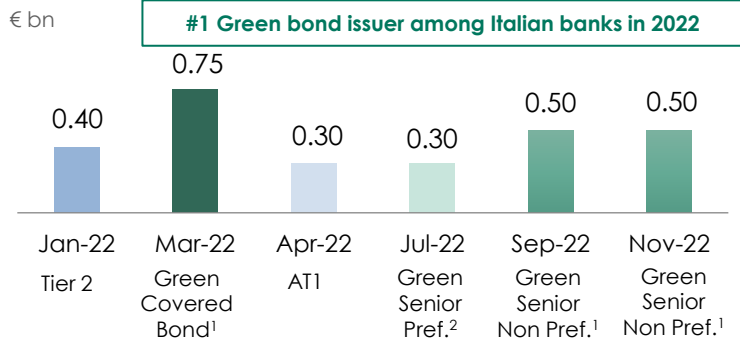
Engagement campaigns: positive results

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	All main ratings upgraded by 1 notch in Oct. 2022
Fitch	BBB-	BBB	Stable	
Moody's	Ba1	Baa2	Stable	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**

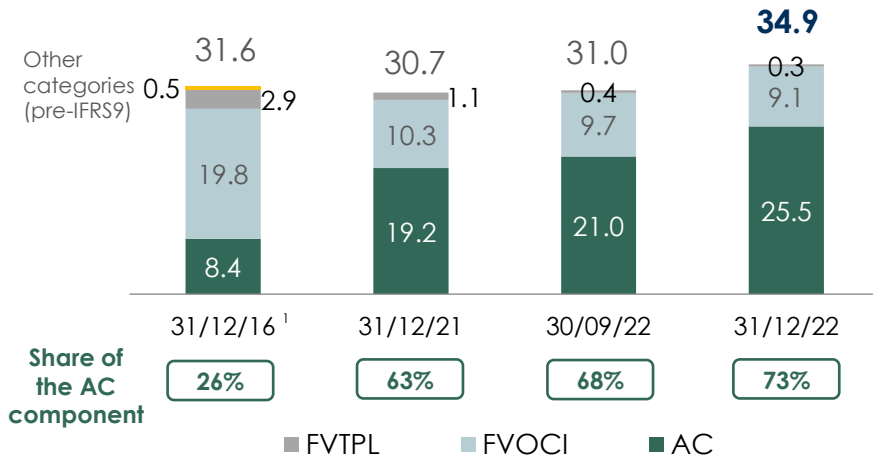
Optimization and higher diversification of Debt securities portfolio

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

Debt securities portfolio: accounting classification

€ bn

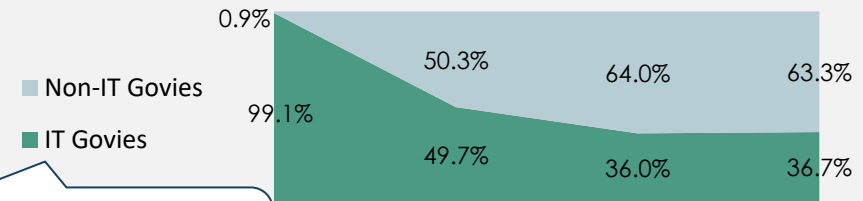
Other categories (pre-IFRS9)



Debt securities portfolio: composition by counterparty

€ bn

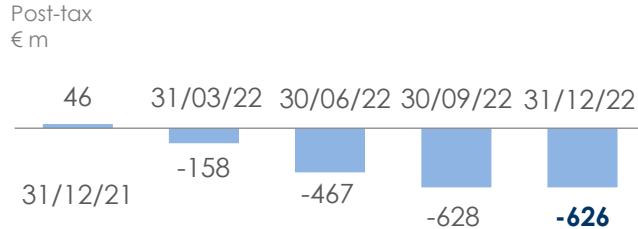
	31/12/16	31/12/21	30/09/22	31/12/22
Corporate	4.7	5.1	4.7	5.1
Govies	26.9	25.6	26.3	29.8



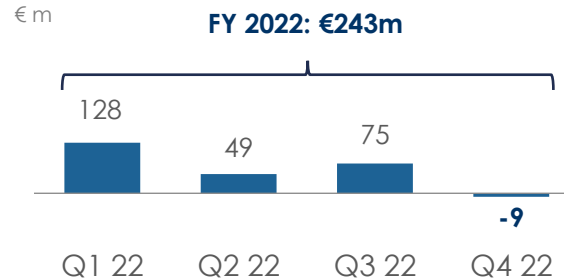
Share of Italian Govies classified at FVOCI down from 64% at YE 2016 to **16% as at 31/12/22**

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

Reserves of debt securities at FVOCI

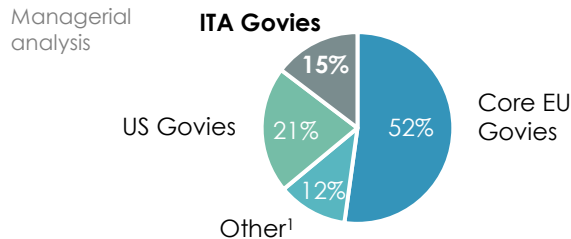


NFR



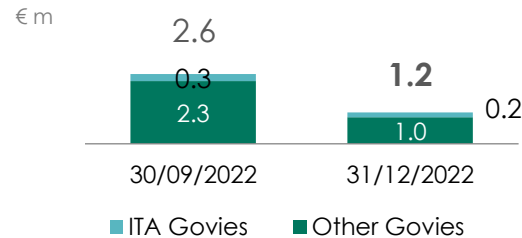
LIMITED IMPACT FROM ITALIAN GOVIES

Breakdown of FVOCI reserves impact in FY 2022



MANAGEABLE CAPITAL SENSITIVITY

BPV of Total Govies at FVOCI²



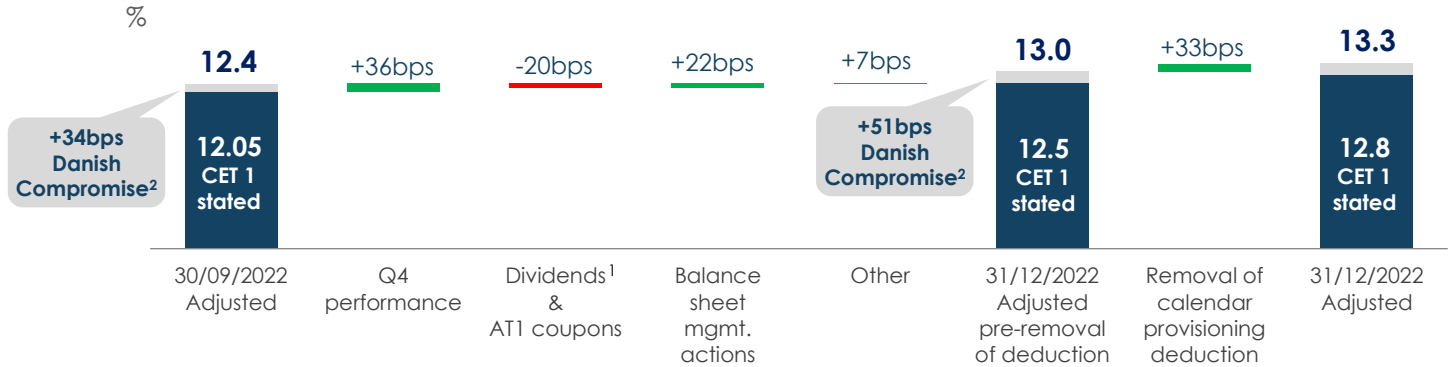
- Yearly trend of FVOCI reserves mitigated by the **contribution to NFR** of FVOCI-related components (**>€200m in FY, largely attributable to option hedging**)

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 2022³

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)

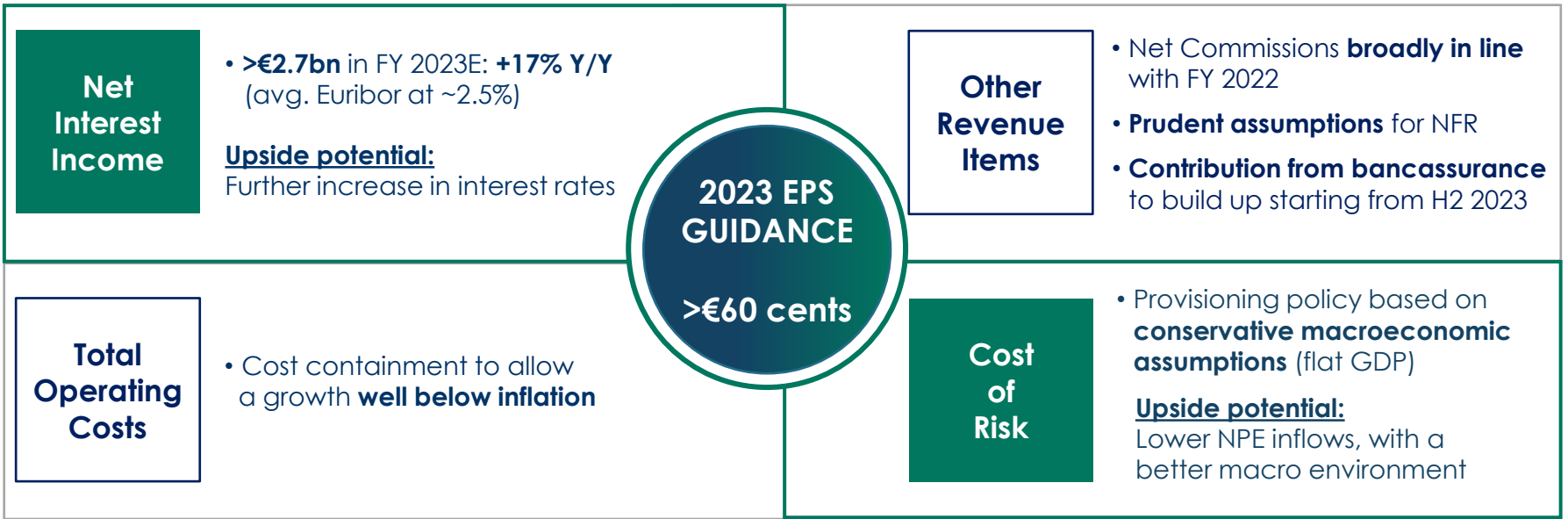
Capital: solid position and buffers

- ❑ **CET 1 FULLY LOADED¹ at 13.3%**
(from 12.4% as at 30/09/2022)
- ❑ **MDA BUFFER¹ 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

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%
Net interest, dividend and similar income	538.4	578.9	563.2	593.1	561.2	569.1	582.9	758.8	175.9	30.2%
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
Other operating income	589.3	617.0	537.5	493.4	624.7	550.7	560.0	498.3	-61.7	-11.0%
Total income	1,127.7	1,195.9	1,100.7	1,086.5	1,185.9	1,119.7	1,142.9	1,257.0	114.2	10.0%
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%
Operating costs	-643.9	-631.6	-615.6	-624.7	-624.7	-632.1	-631.3	-651.4	-20.1	3.2%
Profit (loss) from operations	483.8	564.2	485.1	461.9	561.2	487.7	511.6	605.7	94.1	18.4%
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%
Income (loss) before tax from continuing operations	259.1	266.7	261.8	133.4	399.1	288.5	291.2	332.7	41.6	14.3%
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%
Income (loss) after tax from continuing operations	176.4	216.0	178.5	96.2	260.6	195.9	206.7	239.3	32.6	15.8%
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.
Net income (loss) for the period	100.1	261.2	110.7	97.1	177.8	206.1	108.7	209.9	101.2	93.1%

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%
Net interest, dividend and similar income	2,273.6	2,471.9	8.7%	2,231.4	2,471.9	10.8%
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	
Other operating income	2,237.2	2,233.6	-0.2%	2,237.2	2,238.3	0.1%
Total income	4,510.7	4,705.5	4.3%	4,468.6	4,710.2	5.4%
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%
Operating costs	-2,515.8	-2,539.4	0.9%	-2,528.1	-2,544.2	0.6%
Profit (loss) from operations	1,995.0	2,166.1	8.6%	1,940.5	2,166.0	11.6%
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.			
Income (loss) before tax from continuing operations	921.0	1,311.5	42.4%	1,221.0	1,557.0	27.5%
Tax on income from continuing operations	-253.8	-408.9	61.1%	-350.4	-489.6	39.7%
Income (loss) after tax from continuing operations	667.2	902.5	35.3%	870.6	1,067.4	22.6%
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%
Net income (loss) for the period	569.1	702.6	23.5%	710.1	886.3	24.8%

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	
Net interest, dividend and similar income	2,471.9	2,471.9	0.0	
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	
Other operating income	2,233.6	2,238.3	-4.7	
Total income	4,705.5	4,710.2	-4.7	
Personnel expenses	-1,608.9	-1,620.8	11.9	Release of early retirement fund and one-off remuneration ¹
Other administrative expenses	-650.4	-650.4	0.0	
Amortization and depreciation	-280.1	-273.0	-7.1	Software write-offs
Operating costs	-2,539.4	-2,544.2	4.8	
Profit (loss) from operations	2,166.1	2,166.0	0.1	
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
Income (loss) before tax from continuing operations	1,311.5	1,557.0	-245.5	
Tax on income from continuing operations	-408.9	-489.6	80.6	
Income (loss) after tax from continuing operations	902.5	1,067.4	-164.9	
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	
Net income (loss) for the period	702.6	886.3	-183.7	

Reclassified Balance Sheet

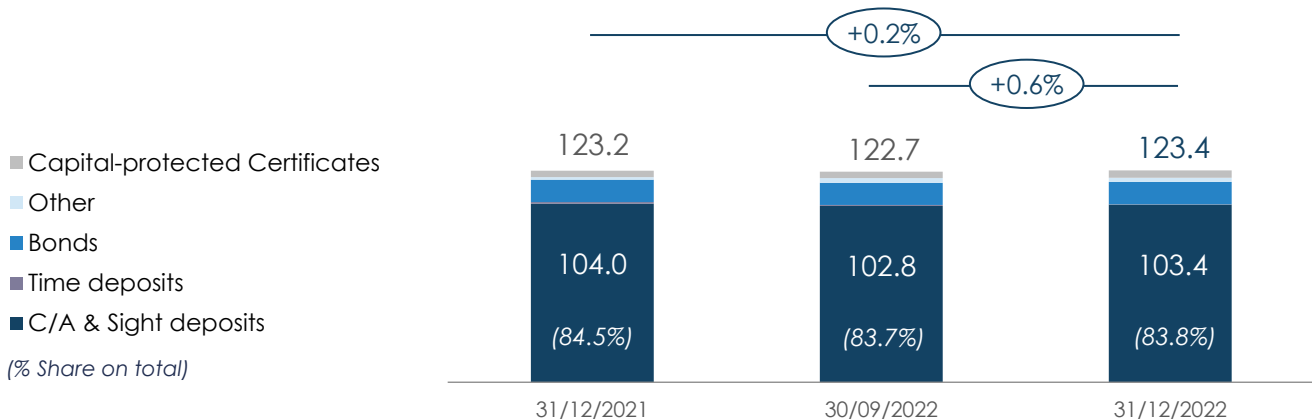
Reclassified assets (€ m)	Restated				Chg. Y/Y		Chg. Q/Q	
	31/12/21	30/06/22	30/09/22	31/12/22	Value	%	Value	%
Cash and cash equivalents	29,153	33,109	24,370	13,131	-16,023	-55.0%	-11,239	-46.1%
Loans and advances measured at AC	121,261	120,540	113,234	113,633	-7,628	-6.3%	399	0.4%
- Loans and advances to banks	11,878	9,732	3,857	4,178	-7,700	-64.8%	321	8.3%
- Loans and advances to customers ⁽¹⁾	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%
Total	200,489	208,662	198,086	189,686	-10,803	-5.4%	-8,400	-4.2%
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%
Total	200,489	208,662	198,086	189,686	-10,803	-5.4%	-8,400	-4.2%

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

Direct funding from the Banking business¹

Direct funding² (without Repos)

€ bn



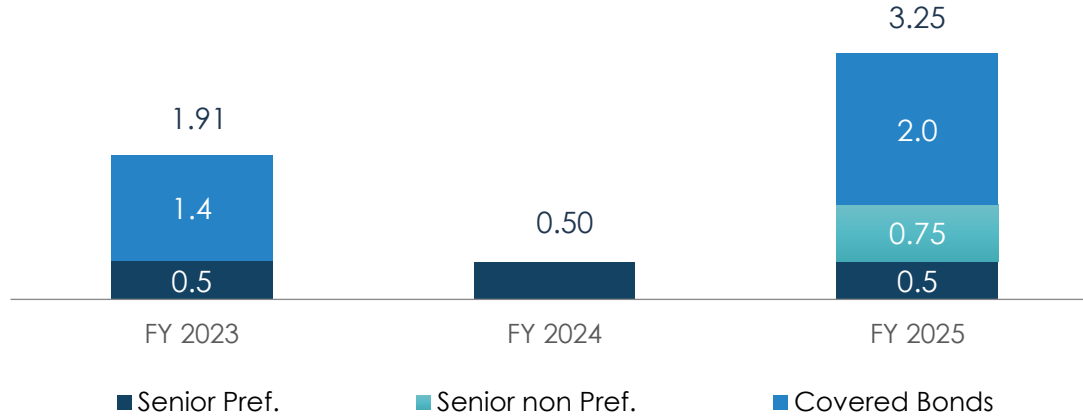
- Capital-protected Certificates
 - Other
 - Bonds
 - Time deposits
 - C/A & Sight deposits
- (% Share on total)

	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%
Direct Funding (excl. Repos)	123.2	122.7	123.4	0.2%	0.6%

Bond maturities: limited and manageable amounts

Institutional bond maturities

€ bn

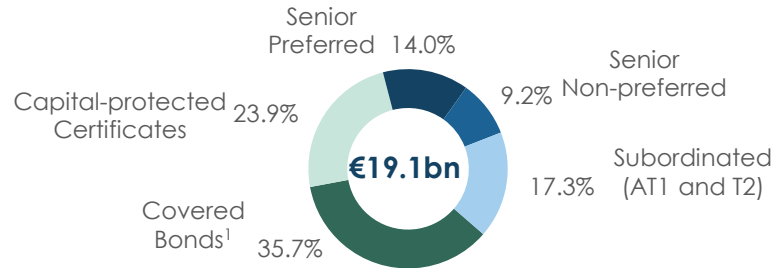


- €3.9bn institutional bonds reimbursed in FY 2022

Liability profile: Bonds outstanding and issues

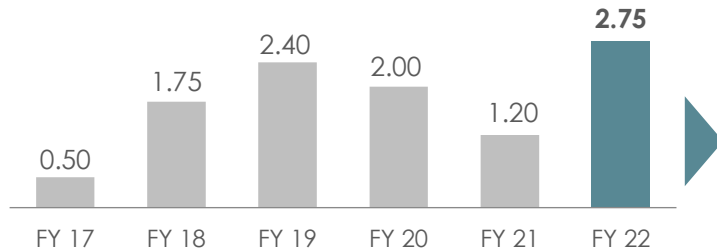
Bonds Outstanding as at 31/12/2022

Nominal amounts



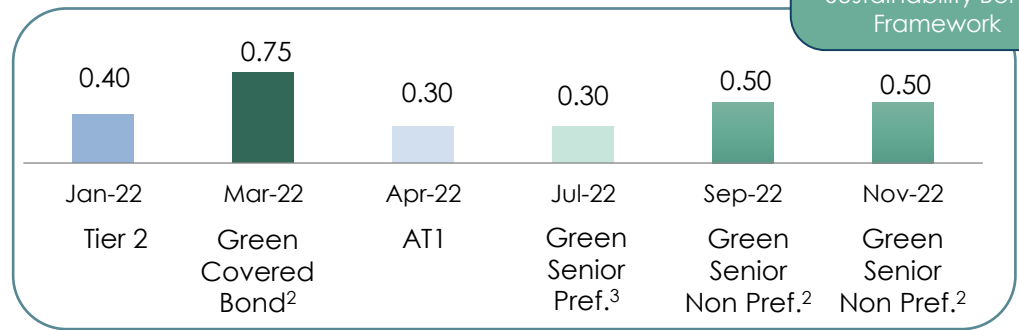
Wholesale bonds issued since 2017

€ bn



€ bn

Focus on Wholesale bonds issued in 2022

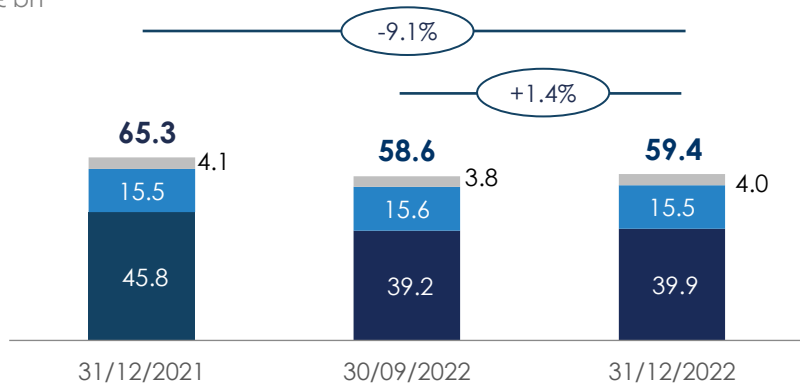


€750m Green Senior Pref. bond issued in Jan. 2023 under the Green, Social and Sustainability Bonds Framework

Indirect customer funding at €91.3bn

Assets under Management (AuM)

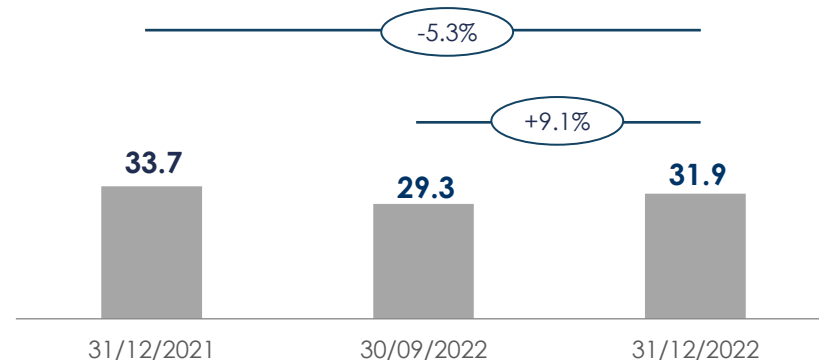
€ bn



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

Assets under Custody (AuC)¹

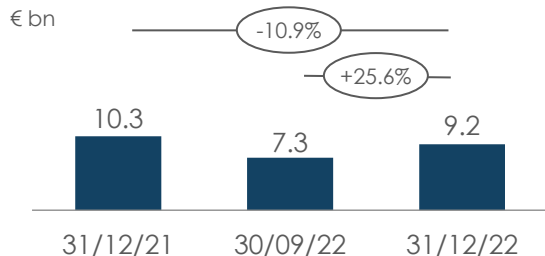
€ bn



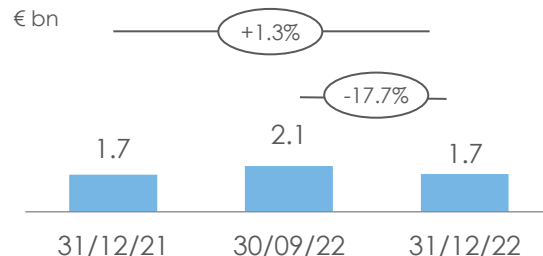
Total Indirect Customer Funding at €91.3bn, from €87.8bn as at 30/09/2022 and €99.1bn as at 31/12/2021

Focus on Govies portfolio

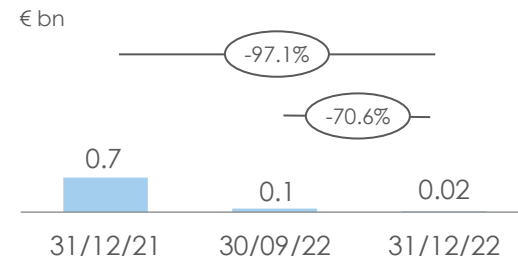
Italian Govies at AC



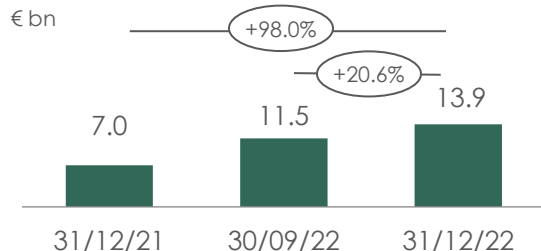
Italian Govies at FVOCI



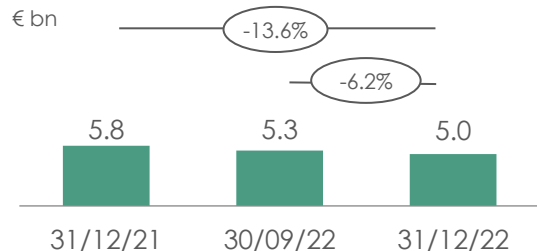
Italian Govies at FVTPL



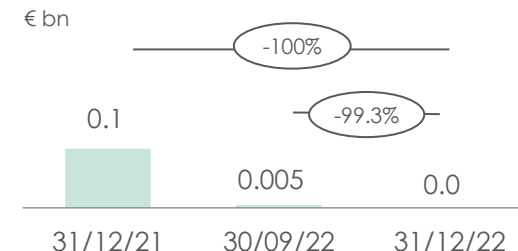
Non-Italian Govies at AC



Non-Italian Govies at FVOCI



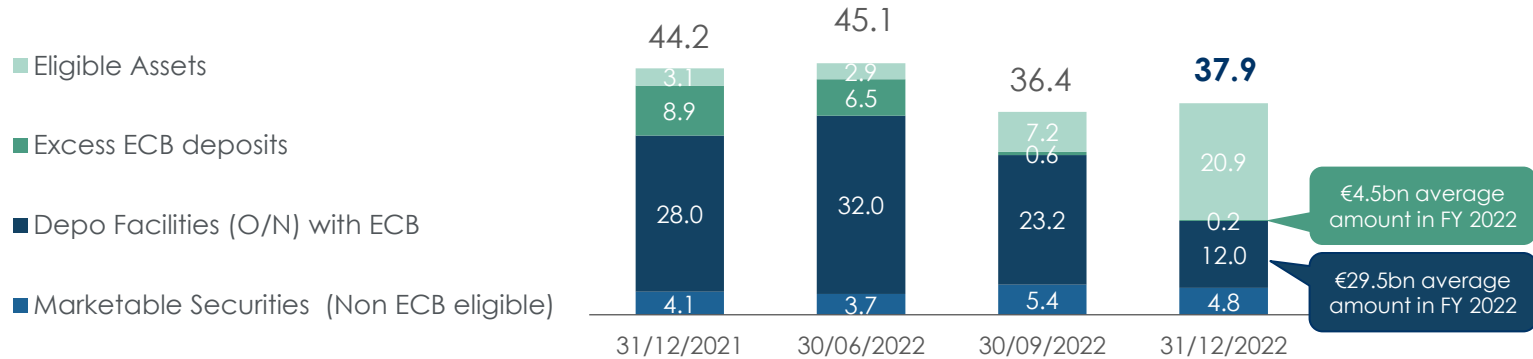
Non-Italian Govies at FVTPL



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

Cash + Unencumbered Assets¹

€ bn



- **Total Encumbered Eligible Assets at €35.3bn² 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**

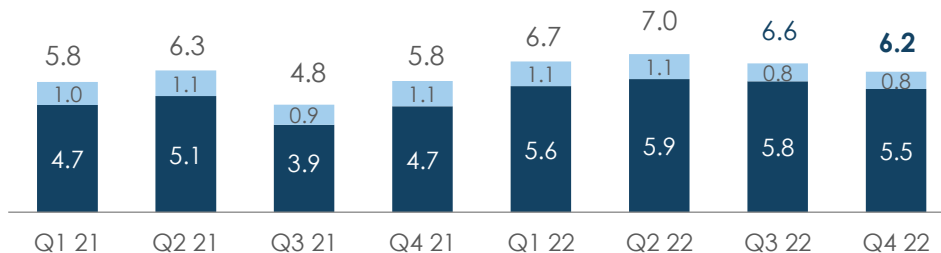
New lending at €26.5bn in 2022: +17.1% Y/Y

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

New lending¹: 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

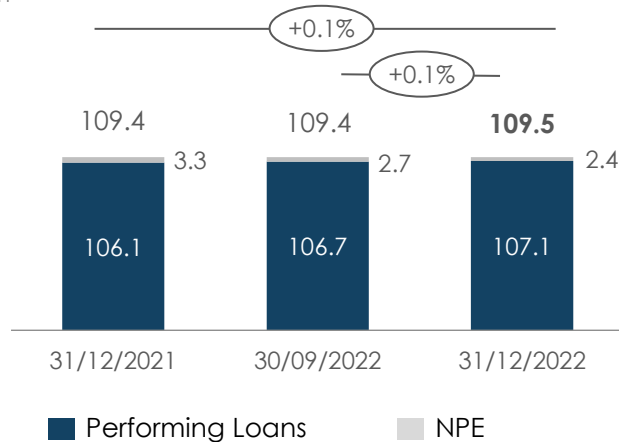


Net Customer Loans

Sound increase in Performing Loans

Net Customer Loans¹

€ bn



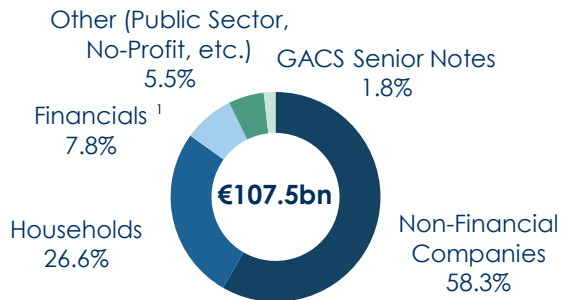
Net Performing Customer Loans	31/12/21	30/09/22	31/12/22	Change	
				In % Y/Y	In % Q/Q
Core customer loans	99.5	102.9	102.8	3.3%	-0.1%
- Medium/Long-Term loans	77.3	80.6	80.4	4.1%	-0.2%
- Current Accounts	8.2	8.9	8.4	1.7%	-6.2%
- Cards & Personal Loans	1.3	1.0	1.0	-28.5%	-5.8%
- Other loans	12.6	12.3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

Analysis of gross Performing loan portfolio

Performing customer loan breakdown as at 31/12/2022

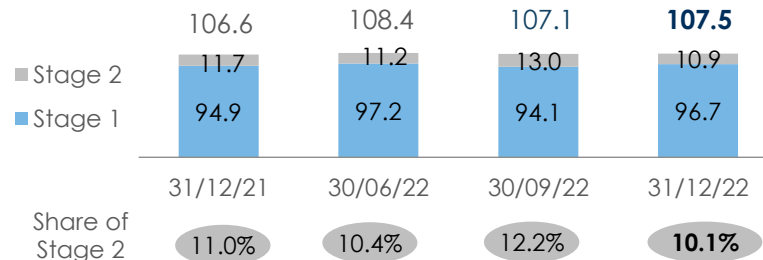
Management data, GBV

Breakdown by customer segments (including GACS Senior Notes)



Stage classification of Performing Loans: evolution

GBV in € bn

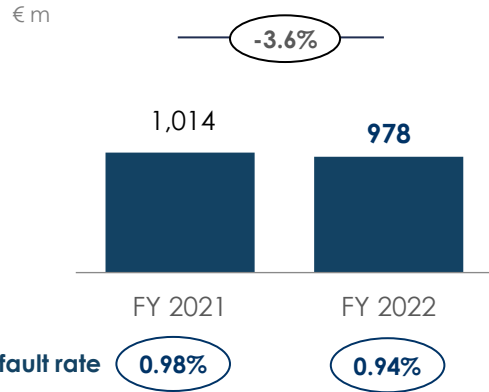


Stage 2 reduction in Q4:

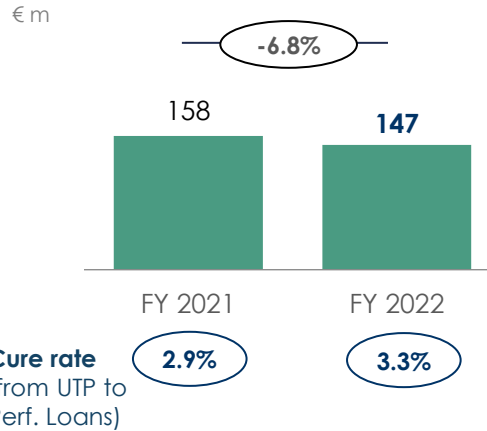
- **Improving portfolio quality** (lower average PD, following historical series update in 2022 and strengthened financial performance of Italian corporates vs. 2020)
- **Positive results of the early engagement campaign** activated on borrowers particularly exposed to energy/raw material-intensive sectors

NPE migration dynamics

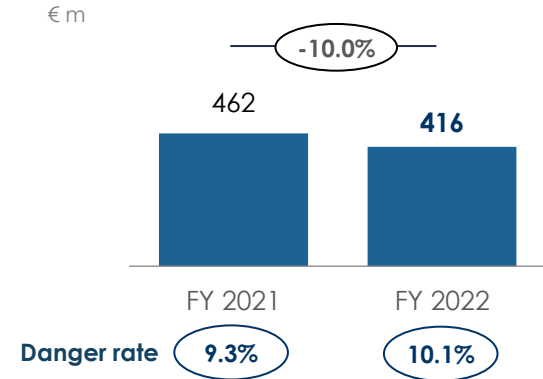
Inflows from Performing to NPEs



Outflows from NPEs to Perf. Loans



Flows from UTP to Bad Loans



Asset Quality details

Loans to Customers at AC¹

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%
NPE	6,376	5,485	5,293	4,769	-1,608	-25.2%	-524	-9.9%
Performing Loans	106,577	108,392	107,139	107,520	943	0.9%	382	0.4%
TOTAL CUSTOMER LOANS	112,953	113,876	112,432	112,289	-664	-0.6%	-143	-0.1%

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%
NPE	3,261	2,862	2,676	2,356	-905	-27.8%	-321	-12.0%
Performing Loans	106,123	107,947	106,701	107,099	977	0.9%	398	0.4%
TOTAL CUSTOMER LOANS	109,383	110,808	109,377	109,455	72	0.1%	77	0.1%

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%
NPE	48.9%	47.8%	49.4%	50.6%
Performing Loans	0.43%	0.41%	0.41%	0.39%
TOTAL CUSTOMER LOANS	3.2%	2.7%	2.7%	2.5%

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 & Assicurazioni¹

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

Technical reserves & Financial liabilities from insurance business

	31/12/22
Technical reserves	4,414
Life business	4,412
- <i>Mathematical reserves</i>	4,579
- <i>Reserves for amounts payable</i>	46
- <i>Other reserves</i>	-212
Non-life business	2
- <i>Premium reserves</i>	1
- <i>Claims reserves</i>	1
Financial liabilities of the insurance companies	1,442
- <i>Unit-linked products</i>	1,442
TOTAL²	5,856

Capital position in detail¹

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
RWA	63,931	61,606	60,200
CET 1 Ratio	14.68%	13.50%	14.32%
AT1	1.84%	2.26%	2.31%
T1 Ratio	16.52%	15.75%	16.62%
Tier 2	3.07%	2.91%	2.96%
Total Capital Ratio	19.59%	18.66%	19.58%

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
RWA	63,729	61,399	59,996
CET 1 Ratio	13.43%	12.05%	12.83%
AT1	1.71%	2.26%	2.32%
T1 Ratio	15.15%	14.31%	15.15%
Tier 2	3.08%	2.92%	2.97%
Total Capital Ratio	18.22%	17.23%	18.12%

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
<i>of which: Standard</i>	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
TOTAL	63.9	61.6	60.2

FULLY LOADED RWA COMPOSITION (€/bn)	31/12/2021	30/09/2022	31/12/2022
CREDIT & COUNTERPARTY RISK	53.9	52.9	51.0
<i>of which: Standard</i>	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
TOTAL	63.7	61.4	60.0

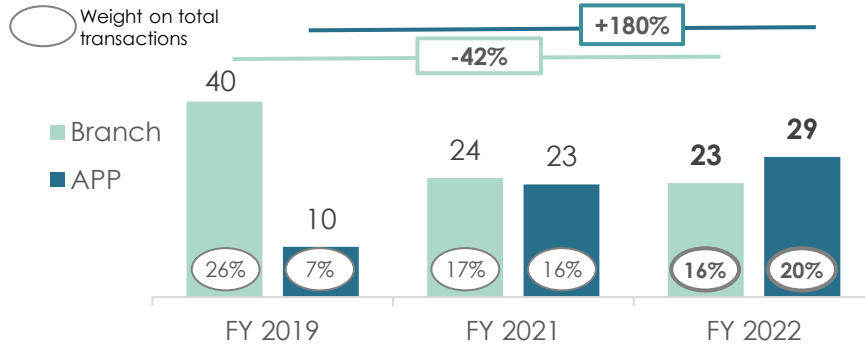
Notes: 1. Data are indicated without application of the Danish Compromise.

- 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.

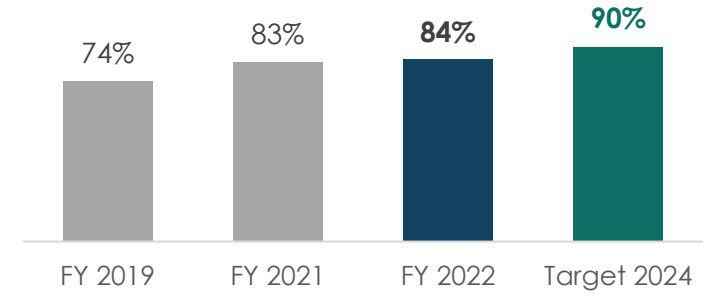
Further progress in new digital-driven distribution model

Main digital-enabled achievements

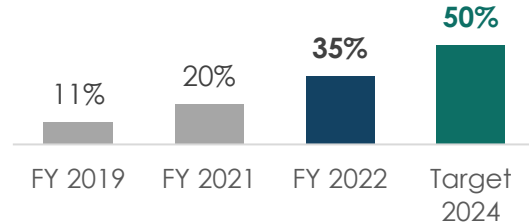
Branch and APP-based transactions (m)



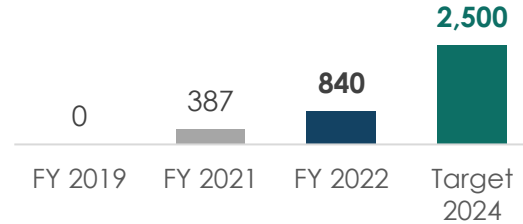
% Remote-based transaction



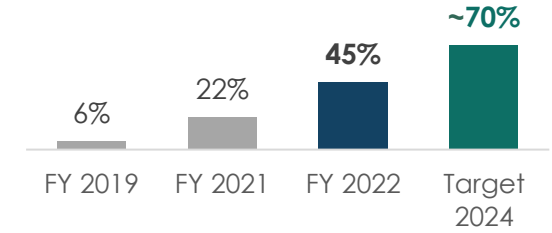
% Remote & Omnichannel Sales







Customers enrolled in Digital Identity¹ (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 ¹
	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) ² (% 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 segments³

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

Green residential mortgages (new lending)

€620m

New lending to third sector

€180m

Note: **1.** Includes 3 bonds for a total of €1,750m under our Green, Social and Sustainability Bonds Framework and one Private Placement for €300m. **2.** 2022 data based on managerial estimates; include compensation of ~8,000 t. of CO2 eq. in 2022 and ~800 t. of CO2 eq. in 2021. **3.** New lending to corporate and enterprises belonging to green/low transition risk sectors and green lending products to corporate and enterprise segments (excluding small business & institutional segments).

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 "Volontariamo" (> 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)

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