

Customer deposits

Direct deposits

Financial liabilities measured at amortised cost include Balance Sheet liabilities, Due to customers and Securities in issue, for a total of € 551 million. The aggregate in question showed a decrease of € 15 million, or 2.69% for the year. These figures, as shown in the table below, include the aggregate for customer deposits, or so-called “economic deposits”, representing the main source of funds for the Bank from its intermediation activities, which amounted to € 504 million, showing an increase of € 12.9 million or 2.62%.

The table below shows the details of the trends recorded by technical type (in Euro units).

Item	2022	2021	Change	
			Absolute	%
Savings deposits	40,184,251	43,248,166	-3,063,915	-7.08
Current accounts	462,171,597	445,915,065	16,256,532	3.65
Other technical types	1,759,134	2,062,630	-303,496	-14.71
Customer deposits	504,114,982	491,225,861	12,889,121	2.62
Treasury transactions	43,982,107	72,809,815	-28,827,708	-39.59
IFRS16 Financial liabilities	2,569,150	1,843,838	725,312	39.34
Grand total	550,666,239	565,879,514	-15,213,275	-2.69

Treasury transactions reported in the table referred to repurchase agreements operations, carried out with Cassa di Compensazione e Garanzia, with the objective of optimising cash flows, in the scope of the Group’s treasury management.

With the introduction of the IFRS 16 accounting standard, due to customers also includes discounted debt for future rent against leasing contracts for capital assets. The amount of the relative liability at the end of 2022 was € 2.6 million, up by € 725 thousand compared to 2021.

The analysis of the trend below refers to **customer deposits**, which total € 504 million, increasing by € 13 million or 2.62%. Considering the current socio economic context, the result achieved reflects a solid level of trust by investors in the Bank, also in terms of the solidity of its assets, which has always been one of its main strengths. The details indicate the following trends:

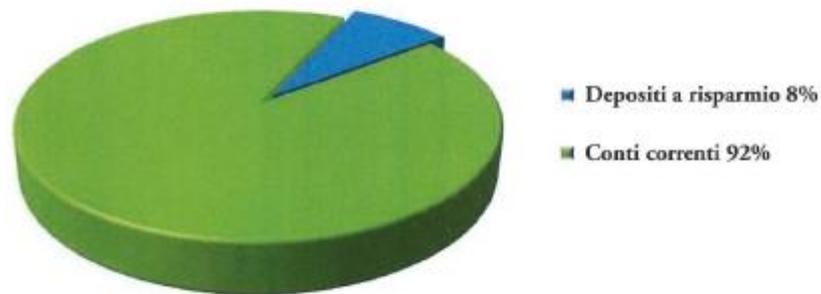
- savings deposits amount to € 40 million, a decrease of € 3 million or 7.08%, confirming the decline seen in previous years, demonstrating that this form is now limited in use. Specifically, ordinary deposits amount to € 38 million, a decrease of almost € 3 million, whereas time deposits were essentially stable, coming to € 2 million;

- current accounts amount to € 462 million, showing growth of € 16 million or 3.65%. These represent the largest portion of customer deposits segment and include term deposit accounts, totalling € 6 million (€ 10 million in 2021);
- other technical types essentially refer to deposits made using cards with IBANs and prepaid cards, which decreased by 14.71%.

Total direct deposits represent around 29% (35% in 2021) of Balance Sheet liabilities.

Composizione della raccolta diretta da clientela

Bilancio 2022



Composizione della raccolta diretta da clientela	Breakdown of direct deposits from customers
Bilancio 2022	2022 Balance
Depositi a risparmio 8%	Savings deposits 8%
Conti correnti 92%	Current accounts 92%

The average rate of remuneration for total deposits was 0.12%, compared with the end of 2021.

The breakdown by investor category shows that consumer households remain predominant, contributing 53.38% of total funding (2021: 51,93%), followed by the non-financial companies category at 18.93% (2021: 16.52%), whereas producer households contributed 9.49% (2021: 9,03%). Finally, the financial companies portion represents 8.45% and public administrations 7.89%. The above is represented in the table below:

Direct deposits broken down by investor category (in thousands of euro, excluding IFRS16 liabilities)

Type	Amounts 2022	Proportion % 2022
Consumer households	292,536	53.38%
Non-financial companies	103,760	18.93%
Producer households	52,030	9.49%
Financial companies	46,292	8.45%
Public administrations	43,255	7.89%
Non-profit institutions	9,707	1.77%
Other	515	0.09%
Total	548,097	100.00%

Customer deposits were distributed over 30,576 accounts (34,403 in 2021), with an average unit amount of € 17,925, whereas in relation to the average number of employees represents a productivity indicator of € 3.5 million.

Indirect deposits

Indirect deposits in financial instruments amounted to € 397 million at the end of the year, recording a decrease of € 42 million compared with the previous year, or 9.50%. The same aggregate inclusive of insurance deposits came out at € 451 million, confirming a decrease of € 40 million, or -8.18%, compared with the end of 2021.

The table below shows the changes recorded in the segment in detail (in euro thousands).

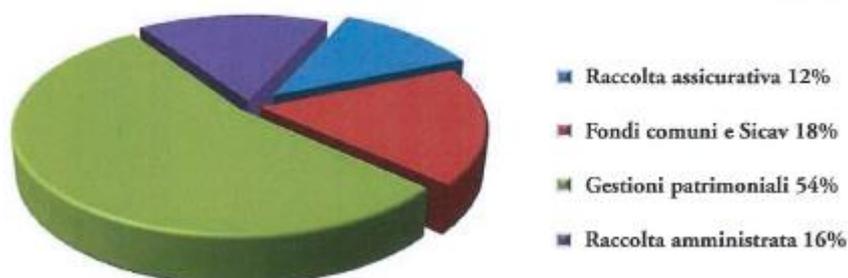
Item	2022	2021	Change	
			Absolute	%
Administered deposits	71,140	55,568	15,572	28.02
Mutual funds and SICAVs	80,168	86,780	-6,612	-7.62
Asset management	245,306	295,922	-50,616	-17.10
Total indirect deposits in financial instruments	396,614	438,270	-41,656	-9.50
Insurance deposits	54,232	52,719	1,513	2.87
Grand total	450,846	490,989	-40,143	-8.18

Specifically, indirect deposits managed stood at € 325 million, decreasing by € 57 million, compared to the previous year, at 14.95%, attributable primarily to the drop in asset management; whereas the administrative component increased by € 16 million at 28.02%, coming in at € 71 million.

Life insurance deposits, reached € 54 million at the end of 2022, recording a new increase of € 2 million over the previous year, or 2.87%.

Composizione della raccolta indiretta e assicurativa da clientela

Bilancio 2022



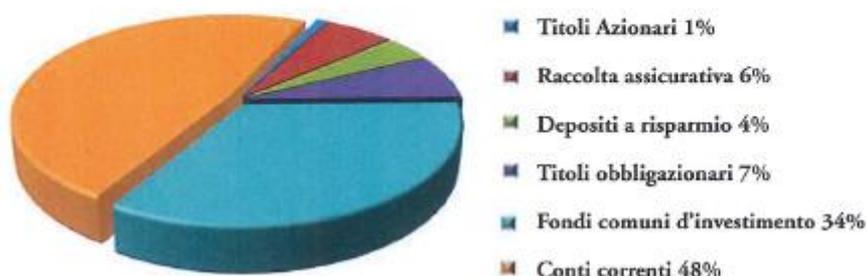
Composizione della raccolta indiretta e assicurativa da clientela	Breakdown of indirect and insurance deposits from customers
Bilancio 2022	2022 Balance
Raccolta assicurativa 12%	Insurance deposits 12%
Fondi comuni e Sicav 18%	Mutual funds and SICAVs 18%
Gestioni patrimoniali 54%	Asset management 54%
Raccolta amministrata 16%	Administered deposits 16%

Total customer deposits, therefore, amounted to € 999 million, a decrease of € 56 million (-5.32%), and consisted of 55% direct deposits and the remaining 45% indirect deposits, as can be seen from the table below (in thousands of euro).

Item	2022	2021	Change	
			Absolute	%
Direct deposits	548,097	564,036	-15,939	-2.83
Indirect deposits in finan. instrum.	396,614	438,270	-41,656	-9.50
Insurance deposits	54,232	52,719	1,513	2.87
Grand total	998,943	1,055,025	-56,082	-5.32

Composizione della raccolta diretta, indiretta e assicurativa verso clienti

Bilancio 2022



Composizione della raccolta diretta, indiretta e assicurativa verso clienti	Breakdown of direct, indirect and insurance deposits from customers
Bilancio 2022	2022 Balance
Titoli Azionari 1%	Equity securities 1%
Raccolta assicurativa 6	Insurance deposits 6
Depositi a risparmio 4%	Savings deposits 4%
Titoli obbligazionari 7%	Bonds 7%
Fondi comuni d'investimento 34%	Mutual funds 34%
Conti correnti 48%	Current accounts 48%

Administered assets

Total administered assets (direct deposits, deposits by banks, other liabilities, share capital, reserves and profits) reached € 1,859 million, an increase of € 252 million, or 15.70%.

Adding indirect and insurance deposits to the above aggregate gives the Bank's total intermediation capacity, which came out at € 2,309 million, as illustrated in detail in the table below.

Potential intermediation (in thousands of euro)

Item	2022	2021	Change	
			Absolute	%
Direct customer deposits	548,097	564,036	-15,939	-2.83
Bank deposits	1,041,184	737,088	304,096	41.26
Other liabilities	18,259	26,999	-8,740	-32.37
Share capital, reserves and profit for the period	251,098	278,342	-27,244	-9.79
Indirect customer deposits	396,614	438,270	-41,656	-9.50
Insurance deposits	54,232	52,719	1,513	2.87
Grand total	2,309,484	2,097,454	212,030	10.11

Due from customers

Due from customers amount to € 492.4 million, remaining substantially stable with respect to the previous year (+1.81%).

The same Balance Sheet aggregate was at € 477.7 million, once again in this case, essentially stable with respect to the previous year (+1.71%).

The table below provides the breakdown by technical type and the changes recorded during the year (in euro units).

Item	2022	2021	Change	
			Absolute	%
Portfolios	894,576	1,367,410	-472,834	-34.58
Current accounts	31,968,036	29,373,905	2,594,131	8.83
Direct salary-backed loans	223,130,895	166,765,025	56,365,871	33.80
Advances	20,961,880	17,396,673	3,565,207	20.49
Sundry loans	3,944,463	64,056,324	-60,111,861	-93.84
Loans and other financing	188,923,764	183,868,803	5,054,961	2.75
Bad loans	13,514,344	15,464,237	-1,949,893	-12.61
Other loans	374,547	349,686	24,861	7.11
Gross lending	483,712,506	478,642,063	5,070,443	1.06
Operating loans	491,204	1,306,732	-815,528	-62.41
Other receivables	8,243,809	3,725,096	4,518,713	121.30
Total gross loans	492,447,519	483,673,891	8,773,628	1.81
Write-downs	14,736,525	14,013,075	723,450	5.16
Total net loans	477,710,994	469,660,816	8,050,178	1.71
Proprietary securities	230,961,640	27,755,809	203,205,831	100.00
Net book value	708,672,634	497,416,625	211,256,009	42.47

In terms of total volumes, gross economic loans confirmed a predominance in relation to medium/long-term operations (84.13%), represented in particular by the technical types of loans secured on one-fifth of the salary, mortgages and financing, with a lower impact for shorter-term exposures (13.1%). The remaining portion (2.77%) is represented by loans without fixed maturity dates, mainly relative to non-performing loans.

The trend by technical type shows a decrease in short-term lending (-44.02%), resulting primarily from the increase in current accounts (+8.83%) and advances (+20.49%), against the concurrent reduction in hot money loans (-95.23%) in favour of loan categories characterised by greater stability in terms of timing, less risk and favourable returns.

The component with longer maturities also recorded a significant increase (+17.80%), caused by the increase in loans and other funding (+2.75%) and the increase in salary-backed loans (+33.80%).

Operating loans can be attributed to loans deriving from provision of financial services and refer to commissions earned due to accruals that have not yet been collected by our partners. The item Other receivables refers primarily to the loans provided to the subsidiary Real Estate Banca Popolare del Lazio Srl. and the Treasury deposit intended to manage public entities' single treasury. Loans to the subsidiary provided the liquidity needed to partake in auction sales based on court orders, in order to be awarded the relevant properties.

From the perspective of risk mitigation, an aspect that is especially sensitive in the difficult economic context over recent years, the loan portfolio holds a balanced level of guarantees. At 31 December, 30% of the portfolio was supported by mortgage loans, 13% by public guarantees, predominantly MCC, ISMEA, SACE and CONSAP, 39% backed by the one-fifth of salaries, whereas the remaining unsecured 57% of the portfolio is supported by personal guarantees.

More specifically, during 2022, 110 loans were activated by MCC (instalment-based and non instalment-based), with a total of around € 19 million provided.

With regard to the distribution of rating class in the portfolio, we note that approximately 53% of the portfolio has a level "A" rating, more than 36% level "B", just over 5% at level "C" and the remainder in the NPL (D) category. In the case of the latter, the significant *decalage* operations continued in relation to the volumes of problematic loans, which also came down in terms of the amount compared to 2021. To continue ensuring good quality levels in the loan portfolio, the consolidated business relationship with CRIF was extended, acquiring the sector risk score mechanism, which makes it possible to add this indicator analysing 118 sector companies to the more traditional assessment system being used.

In the "private" segment on the other hand, the credit digitalisation process was completed, which by using the PIU'CREDIX platform, owned by the BPL Group, has now made the process from granting through to providing the products on offer totally automatic (current accounts, loans, mortgages, credit cards). The simplicity in terms of management, the acquisition of documents digitally and timely decisions, characterising the platform will provide greater effectiveness and efficiency in retail credit going forward, with returns expected for the Group from an economic and overall image perspective.

The following table illustrates the breakdown of the portfolio by category of borrower:

Borrower category	Proportion 2022	Proportion 2021
Households	65.19%	53.16%
Non-financial companies	31.74%	32.06%
State and other entities	2.04%	1.18%
Financial companies	0.74%	13.27%
Other	0.29%	0.33%
Total	100.00%	100.00%

The breakdown by customer category shows a predominance by the household sector (65.19%), with the relevant incidence increasing over the total compared to 2021 due to the salary-backed loans, which have private consumers as their counterparties, and the non-financial companies sector (31.74%), confirming the retail nature of the Bank, with the remainder referring to other sectors.

The table below shows the classification of customers on the basis of segmentation for the purposes of attributing the *Internal Counterparty Rating*:

Borrower category	Proportion	Definition
Corporate	26.59%	Businesses with turnover of > € 2.5 million, or with credit agreed/used for cash of > € 1 million
Small Business	19.22%	Businesses with turnover of < € 2.5 million, or with credit agreed/used for cash of < € 1 million
Retail	54.19%	Private consumers

The portfolio continues to be granular, with the top ten clients representing 9.36% of the total.

The distribution of lending among the various classes of borrower was substantially similar to that of the previous year, with small and medium-sized enterprises, self-employed professionals and private consumers prevailing.

The unit amount of cash per loan was € 61,936, while the productivity per individual employee was € 3.1 million, essentially stable with respect to the previous year.

The ratio between loans and direct deposits was at 95.95%, whereas the ratio at average figures was 93.73%.

The average rate of return on loans was 2.10%, increasing from the previous year by 8 basis points.

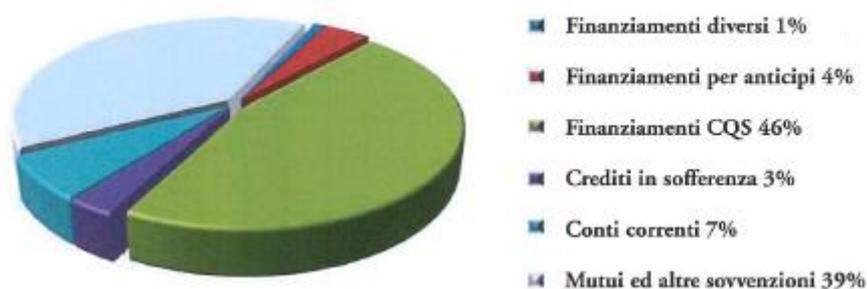
Solutions offered in cooperation with commercial partners continued to demonstrate their importance, aimed at enriching the array of products available. In the personal loans area, products created with the partners Cofidis and Pitagora were associated with around € 3.9 million in amounts disbursed, and salary-backed loans for around € 1.3 million.

Among the product offering to companies in the leasing segment, contracts totalling around € 270 thousand were signed through the partner Alba Leasing Spa.

In addition, factoring agreements were signed for a total of around € 2.2 million through our partner Banca IFIS Spa.

Composizione degli impieghi economici a clientela

Bilancio 2022



Composizione degli impieghi economici a clientela	Breakdown of customer loans
Bilancio 2022	2022 Balance
Finanziamenti diversi 1%	Other loans 1%
Finanziamenti per anticipi 4%	Advances 4%
Finanziamenti CQS 46%	Salary-backed loans 46%
Crediti in sofferenza 3%	Bad loans 3%
Conti correnti 7%	Current accounts 7%
Mutui ed altre sovvenzioni 39%	Loans and other financing 39%

Financial assets

Securities portfolio

The securities portfolio for the Bank amounted to € 701 million, with an increase of € 45.1 million, or +6.88%, over the previous year. This represents around 37% of assets, impacting for less compared to the past year (2021: 40%). More specifically, 60.12% consists of government bonds (€ 421.5 million), 25.35% of securities issued by banks (€ 177.7 million), while the remaining 14.53% is spread among financial issuers and other issuers (€ 101.8 million).

The breakdown by security type is as follows: 42.41% (€ 297.1 million) is represented by BTPs and BOTs; 17.75% (€ 124.4 million) is represented by other government securities; 33.74% (€ 236.4 million) is represented by other bonds; and 6.1% is represented by shares and UCITS units (€ 42.7 million).

Below is a breakdown of portfolio securities by business model, based on their economic, equity and financial function:

- the portfolio measured at fair value impacting the income statement totalled € 22.6 million, showing a decrease of € 3.9 million (-14.81%), representing 3.22% of the total amount (2021: 4%). The item also contains € 379 thousand in listed derivative contracts and foreign exchange forward contracts;
- the portfolio measured at fair value through other comprehensive income (HTC&S) amounted to € 397.7 million, a decrease of € 202.2 million (-33.71%) compared with the previous year and represented 56.73% of the total amount (2021: 91.5%);
- the amortised cost value (HTC) portfolio totalled € 280.8 million, increasing by € 251.2 million, which represented 40.05% of the total amount (2021: 4,51%).

The figures above reflect the restructuring of the securities portfolio currently underway, which has increased the amortised cost portfolio in relation to the fair value portfolio, impacting on overall income. This trend responds to the need to make these investments support interest margins on a structural level, while at the same time, protecting the Bank's assets from market dynamics. The composition strategies of the aforementioned portfolios also aimed at achieving the natural objectives of prudence in terms of risk (credit, interest rate and liquidity).

Further quantitative information on financial assets and on the specific portfolios in which they are classified is provided in the relevant sections of the Notes to the Statements.

Share Capital and Reserves

Shareholders' Equity amounted to € 243 million, a decrease of € 27.6 million (-10.2%) from the figure for the previous year. The trend is mainly due to the contribution of shareholders, the allocation of a portion of the profit for the year to reserves, changes in the valuation reserves for financial assets measured at fair value through other comprehensive income, and profit or loss deriving from actuarial hypotheses associated with provisions for employee severance indemnities and the additional pension fund. Allocation to reserves of part of the profit forms a significant source of self-funding and provides an illustration of our intention to reinvest part of the income generated in corporate operations, having positive effects on the capital value of the company's shares. The valuation reserve from financial assets measured at fair value through other comprehensive income showed a negative balance of € 10 million compared to the positive balance of € 15 million the previous year, whereas reserves for defined benefit plans show a substantially negative balance of € 1 million.

The table below provides an analysis of the balances of the individual components (in thousands of euro) and the respective changes that occurred.

Items	2022	2021	Change	
			Absolute	%
Share Capital (6,915,969 shares with a nominal value of € 3.00)	20,748	21,226	-478	-2.25%
Treasury shares (-)	-3,366	-4,425	1,059	-23.93%
Reserves:	136,067	134,309	1,758	1.31%
- Legal Reserve	33,262	32,520	742	2.28%
- Statutory Reserve	91,296	84,904	6,392	7.53%
- Merger Reserve (pursuant to art.7 Law 218/90)	3,658	3,658	-	-
- Treasury share purchase reserve - available -	3,952	8,269	-4,317	-52.21%
- Treasury share purchase reserve - unavailable -	3,366	4,426	-1,060	-23.95%
- Other reserves	533	533	-	-
Share premium reserve	85,141	90,040	-4,899	-5.44%
Valuation reserves:	4,694	29,775	-25,081	-84.24%
- Special revaluation law reserves	13,329	13,329	-	-
- Property, plant and equipment (deemed cost) reserve	3,007	3,007	-	-
- Reserve, financial assets measured at fair value through other comprehensive income	-10,402	14,890	-25,292	-169.86%
- Defined-benefit plans (actuarial gains/losses) reserve	-1,240	-1,451	211	-14.54%
Grand total	243,284	270,925	-27,641	-10.20%

The Equity, as well as being an expression of the Bank's book value, performs the fundamental function of providing support for corporate expansion and is a primary guarantee against the various operating risks intrinsic to the business.

The portion of profits destined for the reserves, based on the proposed division of profits for 2022, amounts to € 4.3 million. Therefore, after approval of the division, net worth will amount to € 247.6 million, decreasing in relation to the same figure for the previous year (-9.18%). This negative variance is essentially attributable to the change in the Valuation reserve (-25 million), caused by financial market trends and the decrease in the Share premium reserve and Share Capital resulting from the cancellation of 159,211 shares held by the Bank. The decrease in assets from the cancellation and reacquisition of shares on the

markets is adequately balanced from a profits perspective, which we intend allocating to reserves. The decrease recorded is therefore attributed only to the valuation component for financial assets at fair value, which it is presumed can be recovered in the future with an improvement in the markets, or on their natural expiry.

The own Funds aggregate at year-end was € 259 million, coming down on the previous year by € 25.8 million (-9.05%), representing an amount that is considerably higher than what is required by the Supervisory Authority's prudential regulation.

The entire asset aggregate represents 48.26% of direct customer deposits and 50.93% of net loans provided to customers. These indicators confirm the principle of prudence on which the Bank has always developed its business.

For additional information, reference is made to "Part F" in the Explanatory notes.



Capitale sociale e riserve	Share Capital and Reserves
Bilancio 2022	2022 Balance
Capitale sociale 9%	Share Capital 9%
Riserve da valutazione 2%	Valuation reserves 2%
Sovraprezzi di emissione 35%	Share premiums 35%