

## Customer deposits

### Direct deposits

The item financial liabilities measured at amortised cost under Balance Sheet liabilities, Due to customers and Securities in issue represent the aggregate of direct deposits from customers, which came to € 2,076 million in total, recording an increase € 245 million or 13.38% on the year.

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

| Item                          | 2022                 | 2021                 | Change             |              |
|-------------------------------|----------------------|----------------------|--------------------|--------------|
|                               |                      |                      | Absolute           | %            |
| Savings deposits              | 83,734,105           | 84,887,836           | -1,153,731         | -1.36        |
| Current accounts              | 1,975,984,111        | 1,728,499,096        | 247,485,015        | 14.32        |
| Certificates of deposit       | 15,407               | 245,818              | -230,411           | -93.73       |
| <b>Customer deposits</b>      | <b>2,059,733,623</b> | <b>1,813,632,750</b> | <b>246,100,873</b> | <b>13.57</b> |
| IFRS 16 Financial liabilities | 16,305,172           | 17,478,718           | -1,173,546         | -6.71        |
| <b>Total</b>                  | <b>2,076,038,795</b> | <b>1,831,111,468</b> | <b>244,927,327</b> | <b>13.38</b> |

In compliance with the IFRS 16 accounting standard, due to customers also includes discounted debt for future rent against leasing contracts signed for capital assets. The amount of the relative liability at the end of 2022 was € 16.3 million, down by € 1.2 million or 6.71%.

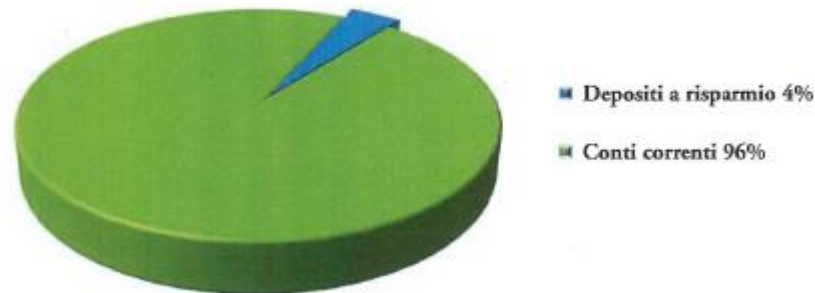
The following analysis refers to the customer deposits segment, which totals € 2,060 million, recording a significant increase of € 246 million (+13.57%). This pleasing result demonstrates the high level of trust that investors place in the Bank, rewarding its efficiency and solidity. The details indicate the following trends:

- savings deposits amount to € 83.7 million, decreasing by € 1.2 million, or 1.36%.  
Specifically, ordinary deposits amount to € 79.6 million, whereas time deposits were at € 4.1 million;
- current accounts amount to € 1,976 million, showing growth of € 247.5 million or 14.32%. These represent the largest portion of customer deposits and include term deposit accounts, totalling € 12 million, with other technical forms amounting to € 1,964 million;
- certificates of deposit dropped further to total € 15 thousand at year end, and representing the residual component of deposits.

Customer deposits represented 86.84% of Balance Sheet liabilities, and are made up almost entirely by due to customers, represented by deposits and current accounts.

### 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 4%                          | Savings deposits 4%                         |
| Conti correnti 96%                               | Current accounts 96%                        |

The average rate of remuneration of total deposits was 0.13%, down 2 basis points compared with the end of 2021.

The breakdown by investor category shows that the non-financial companies segment predominates, with a contribution of € 868 million, or 42.14%, on a par with the consumer households segment, which contributed € 758 million (36.78%). Producer household deposits amount to € 172 million, contributing 8.33% to the aggregate, whereas public administrations provided a contribution of € 210 million (10.19%). The remaining contributions come from non-profit institutions for € 34.8 million, financial companies for € 13.1 million and other residual categories for € 4.9 million.

The geographical distribution confirms the predominance of the province of Rome with 62.87% of the total, followed by the province of Latina with 30.95%, the province of Frosinone with 3.69% and the province of Viterbo with 2.49%. Geographical data is substantially in line with the previous year.

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

| Type                    | Amounts 2022         | Proportion % 2022 |
|-------------------------|----------------------|-------------------|
| Non-financial companies | 867,905,040          | 42.14%            |
| Consumer households     | 757,602,485          | 36.78%            |
| Public administrations  | 209,813,638          | 10.19%            |
| Producer households     | 171,624,528          | 8.33%             |
| Non-profit institutions | 34,777,549           | 1.69%             |
| Financial companies     | 13,063,655           | 0.63%             |
| Other                   | 4,946,728            | 0.24%             |
| <b>Total</b>            | <b>2,059,733,623</b> | <b>100.00%</b>    |

Customer deposits were distributed over 57,255 accounts, with an average unit amount of € 35,975, whereas in relation to the average number of employees represents a productivity indicator of € 6.7 million (+12.4% compared to 2021).

### Indirect deposits

Indirect deposits in financial instruments amounted at the end of the year to € 816 million and increased by € 36 million compared with the previous year, or 4.56%. The same aggregate inclusive of insurance deposits came out at € 948.4 million, confirming an increase of € 45 million, or +4.98%, 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                                   | 477,136        | 392,770        | 84,366        | 21.48       |
| Mutual funds and SICAVs                                 | 339,361        | 388,131        | -48,770       | -12.57      |
| <b>Total indirect deposits in financial instruments</b> | <b>816,497</b> | <b>780,901</b> | <b>35,596</b> | <b>4.56</b> |
| Insurance deposits                                      | 131,914        | 122,513        | 9,401         | 7.67        |
| <b>Grand total</b>                                      | <b>948,411</b> | <b>903,414</b> | <b>44,997</b> | <b>4.98</b> |

The contraction in managed deposits is attributable to the fall in securities listings during 2022, which impacted on overall stock data.

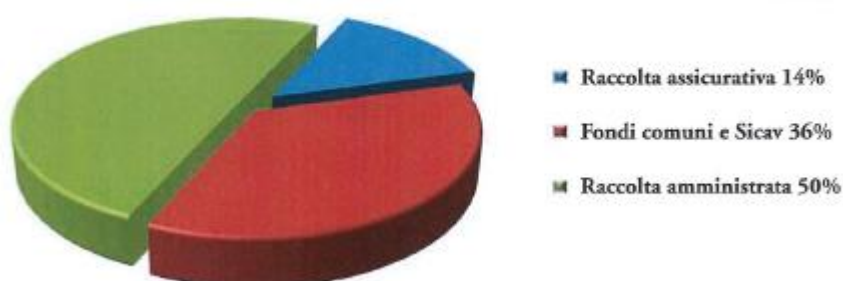
The ratio between managed and administered funds at the end of 2022 was 71% (2021 - 99%), with the managed portion decreasing in relation to the figure in December, whereas the administered portion increased significantly.

More specifically, indirect administered deposits increased by € 84.4 million, or 21.48%, whereas the managed component, comprising mutual funds, and SICAVs decreased by € 48.8 million over the end of 2021 (-12.57%). This trend was impacted by market performance, with listings falling due to current tensions.

Life insurance deposits, reached € 131.9 million at the end of 2022, recording an increase of € 9.4 million over the previous year, or 7.67%.

### Composizione della raccolta indiretta e assicurativa da clientela

Bilancio 2022



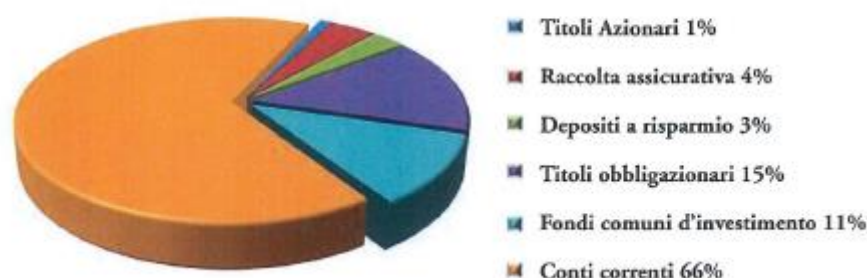
| Composizione della raccolta indiretta e assicurativa da clientela | Breakdown of indirect and insurance deposits from customers |
|-------------------------------------------------------------------|-------------------------------------------------------------|
| Bilancio 2022                                                     | 2022 Balance                                                |
| Raccolta assicurativa 14%                                         | Insurance deposits 14%                                      |
| Fondi comuni e Sicav 36%                                          | Mutual funds and SICAVs 36%                                 |
| Raccolta amministrata 50%                                         | Administered deposits 50%                                   |

Total customer deposits, therefore, amounted to € 3,008 million, an increase of € 291.1 million (+10.71%), and consisted of 68% direct deposits and the remaining 32% indirect deposits, as can be seen from the table below (in thousands of euro).

| Item                                       | 2022             | 2021             | Change         |              |
|--------------------------------------------|------------------|------------------|----------------|--------------|
|                                            |                  |                  | Absolute       | %            |
| Direct deposits                            | 2,059,734        | 1,813,633        | 246,101        | 13.57        |
| Indirect deposits in financial instruments | 816,496          | 780,901          | 35,595         | 4.56         |
| Insurance deposits                         | 131,914          | 122,513          | 9,401          | 7.67         |
| <b>Grand total</b>                         | <b>3,008,144</b> | <b>2,717,047</b> | <b>291,097</b> | <b>10.71</b> |

## 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 4%                                                    | Insurance deposits 4%                                               |
| Depositi a risparmio 3%                                                     | Savings deposits 3%                                                 |
| Titoli obbligazionari 15%                                                   | Bonds 15%                                                           |
| Fondi comuni d'investimento 11%                                             | Mutual funds 11%                                                    |
| Conti correnti 66%                                                          | Current accounts 66%                                                |

### Administered assets

Total administered assets (direct deposits, deposits by banks, other liabilities, share capital, reserves and profits) reached € 2,346 million.

Adding indirect and insurance deposits to the above aggregate provides the Bank's total intermediation capacity, which came to € 3,295 million (+8.40% compared to 2021), as detailed in the table below.

Potential intermediation (in thousands of euro)

| Item                                              | 2022             | 2021             | Change         |             |
|---------------------------------------------------|------------------|------------------|----------------|-------------|
|                                                   |                  |                  | Absolute       | %           |
| Direct customer deposits                          | 2,059,734        | 1,813,633        | 246,101        | 13.57       |
| Bank deposits                                     | 34,732           | 31,914           | 2,818          | 8.83        |
| Other liabilities                                 | 37,174           | 71,633           | - 34,459       | -48.10      |
| Share capital, reserves and profit for the period | 241,490          | 218,603          | -4,113         | -1.88       |
| Indirect customer deposits                        | 816,496          | 780,901          | 35,595         | 4.56        |
| Insurance deposits                                | 131,914          | 122,513          | 9,401          | 7.67        |
| <b>Grand total</b>                                | <b>3,294,540</b> | <b>3,039,197</b> | <b>255,343</b> | <b>8.40</b> |

## Due from customers

Gross due from customers amounts to € 1,512.8 million, increasing in relation to the previous year by € 57.1 million (+3.92%).

The same Balance Sheet aggregate was at € 1,464.6 million, recording an increase of € 80 million (+5.79%).

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                 | 11,048,400           | 10,206,839           | 841,561           | 8.25        |
| Current accounts           | 131,657,738          | 154,692,062          | - 23,034,324      | -14.89      |
| Direct salary-backed loans | 8,445,722            | 440,190              | 8,005,532         | 1,818.65    |
| Advances                   | 181,362,854          | 144,807,683          | 36,555,171        | 25.24       |
| Sundry loans               | 932,648              | 21,183,559           | - 20,250,911      | - 95.60     |
| Loans and other financing  | 1,136,617,652        | 1,086,902,924        | 49,714,728        | 4.57        |
| Bad loans                  | 39,833,171           | 35,110,683           | 4,722,488         | 13.45       |
| Other loans                | 41,960               | 271,501              | - 229,541         | - 84.55     |
| <b>Gross lending</b>       | <b>1,509,940,145</b> | <b>1,453,615,441</b> | <b>56,324,704</b> | <b>3.87</b> |
| Operating loans            | 2,889,779            | 2,117,996            | 771,783           | 36.44       |
| <b>Total gross loans</b>   | <b>1,512,829,924</b> | <b>1,455,733,437</b> | <b>57,096,487</b> | <b>3.92</b> |
| Write-downs                | 48,263,235           | 71,346,811           | - 23,083,576      | - 32.35     |
| <b>Total net loans</b>     | <b>1,464,566,689</b> | <b>1,384,386,626</b> | <b>80,180,063</b> | <b>5.79</b> |
| Proprietary securities     | 366,556,211          | 417,123,574          | - 50,567,363      | -12.12      |
| <b>Net book value</b>      | <b>1,831,122,900</b> | <b>1,801,510,200</b> | <b>29,612,700</b> | <b>1.64</b> |

In terms of total volumes, gross economic loans confirmed a predominance in relation to medium/long-term operations (74.8%), consisting in particular of the technical types of mortgages and financing, with a lower impact for shorter-term exposures (22.6%). The remaining portion (2.6%) is represented by loans without fixed maturity dates, mainly relative to bad loans.

The trend by technical type shows a slight decrease in short-term lending (-1.92%), due to the reduction in Current accounts (-14.89%) and hot money loans (€ 20 million), against the increase in advances (+25.24%).

The longer-term component increased (+5.44%), following the increase in personal loans and unsecured loans, € 42 million or 10.06%, Mortgages (+2.15%) and direct salary-backed loans (€ 8 million).

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.

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, 34% of the portfolio was supported by mortgage loans, 33% by public guarantees, predominantly MCC, ISMEA, SACE and CONSAP, whereas the remaining 33% unsecured portion of the portfolio is supported by personal guarantees.

More specifically, during 2022, over 700 loans were activated by MCC (instalment-based and non instalment-based), with a total of around € 150 million provided.

With regard to the distribution of rating class in the portfolio, we note that over 59% of the portfolio has a level “A” rating, more than 30% 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 table below illustrates the breakdown of the portfolio by category of borrower, which has not changed substantially from 2021:

| Borrower category        | Proportion 2022 | Proportion 2021 |
|--------------------------|-----------------|-----------------|
| Non-financial companies  | 70.10%          | 69.44%          |
| Households               | 26.42%          | 24.37%          |
| Financial companies      | 3.11%           | 4.43%           |
| State and other entities | 0.00%           | 0.00%           |
| Other                    | 0.37%           | 1.76%           |
| <b>Total</b>             | <b>100.00%</b>  | <b>100.00%</b>  |

The breakdown by customer category shows a predominance by the non-financial companies (70.10%) and households (26.42%) sectors, with the other sectors remaining residual.

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                                                                               |
|-----------------------|---------------|------------------------------------------------------------------------------------------|
| <b>Corporate</b>      | <b>55.97%</b> | Businesses with turnover of > € 2.5 million, or with credit agreed/used of > € 1 million |
| <b>Small Business</b> | <b>28.28%</b> | Businesses with turnover of < € 2.5 million, or with credit agreed/used of < € 1 million |
| <b>Retail</b>         | <b>15.75%</b> | Private consumers                                                                        |

The portfolio continues to be granular, with total credit spread over more than 14 thousand customers: the top ten customers representing 6.3% 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 € 19,320, whereas productivity per individual employee was € 4.9 million, increasing slightly over the previous year (2021: € 4.8 million).

The ratio between loans and direct deposits was at 73.31%, whereas the ratio at average figures was 74.62%. (2021: 79,62%).

The average rate of return on loans was 2.62%, increasing from the previous year by 20 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 Compass, Cofidis and Pitagora were associated with around € 13.2 million in amounts disbursed, and salary-backed loans for around € 1.4 million.

Among the product offering to companies in the leasing segment, contracts totalling around € 4.0 million were signed through the partner Alba Leasing Spa. In addition, factoring agreements were signed for a total of € 121.3 million through our partners Factorit Spa and Banca IFIS Spa.



## Financial assets

### Securities portfolio

The securities portfolio for the Bank amounted to € 512.9 million, with a decrease of € 185.6 million, or -26.56%, over the previous year. This represents 21.6% of total assets. More specifically, 69.10% consists of government bonds (€ 354.4 million), 18.14% of securities issued by banks (€ 93 million), while the remaining 12.76% is spread among financial issuers, public issuers and other issuers (€ 65.5 million).

The breakdown by security type is as follows: 61.18% (€ 313.8 million) is represented by BTPs and BOTs; 7.92% (€ 40.6 million) is represented by other government securities; 30.04% (€ 154.1 million) is represented by other bonds; and 0.86% is represented by shares and UCITS units (€ 4.4 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 € 4.3 million, remaining unchanged from the previous year, representing 0.84% of the total amount;
- the portfolio measured at fair value impacting on overall income (HTC&S) amounted to € 103.5 million (2021: € 219.2 million) and represented 20.18% of the total amount (2021: 31.38%);
- the portfolio measured at amortised cost amounted to € 405.1 million, down by € 69.3 million compared with the previous year (-14.61%), representing 78.98% of the total amount (2021: 67,92%).

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.

The composition strategies of the aforementioned portfolios aimed at achieving the natural objectives of prudence in terms of risk (credit, interest rate and liquidity).

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).



## Share capital, reserves and own funds

Shareholders' Equity amounted to € 203 million, a decrease of € 9 million (-4.3%) 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. Allocations to reserves of part of the profit forms a significant source of self-funding and represents our intention to reinvest part of the income generated in corporate operations.

The valuation reserve from financial assets measured at fair value through other comprehensive income showed a negative balance of € 12 million with a negative variance of € 11.5 million on the previous year, whereas reserves for defined benefit plans show a positive balance of € 250 thousand.

The table below shows the balances for the individual components.

| Items (in € thousand)                                                                 | 2022           | 2021           | Change         |                 |
|---------------------------------------------------------------------------------------|----------------|----------------|----------------|-----------------|
|                                                                                       |                |                | Absolute       | %               |
| <b>Share Capital (498,531 shares)</b>                                                 | <b>34,372</b>  | <b>34,372</b>  | -              | -               |
| <b>Reserves:</b>                                                                      | <b>1,081</b>   | <b>-1,085</b>  | <b>2,166</b>   | <b>-199.63%</b> |
| - Legal Reserve                                                                       | 308            |                | 308            | n.s.            |
| - Statutory Reserve                                                                   | 474            |                | 474            | n.s.            |
| - Other reserves                                                                      | 299            | -1,085         | 1,384          | n.s.            |
| <b>Share premium reserve</b>                                                          | <b>180,001</b> | <b>180,001</b> | -              | -               |
| <b>Valuation reserves:</b>                                                            | <b>-12,059</b> | <b>-839</b>    | <b>-11,220</b> | <b>n.s.</b>     |
| - Reserve, financial assets measured at fair value through other comprehensive income | -12,309        | -815           | -11,494        | n.s.            |
| - Defined-benefit plans (actuarial gains/losses) reserve                              | 250            | -24            | 274            | n.s.            |
| <b>Grand total</b>                                                                    | <b>203,395</b> | <b>212,449</b> | <b>- 9,054</b> | <b>-4.26%</b>   |

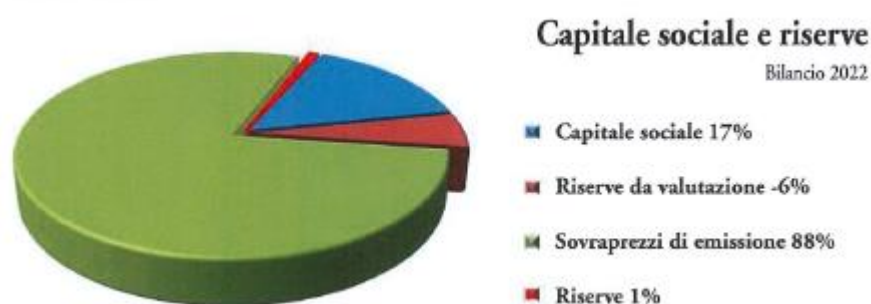
The Equity, as well as being an expression of the Bank's book value, performs the fundamental function of providing support for corporate expansion and is a primary guarantee against the various operating risks intrinsic to the business.

The portion of profits destined for the reserves, based on the proposed division of profits for 2022, amounts to € 6.1 million. Therefore, after approval of the division, net worth will amount to € 209.5 million, decreasing in relation to the same figure for the previous year (-2.38%). The change is attributable to the valuation effects of financial assets measured at fair value through comprehensive income impacting on overall income, which caused a contraction in the valuation reserve, that was only partially mitigated by the allocation of the profits gained to shareholders' equity.

The own Funds aggregate at year-end went from € 214.3 million the previous year to the current € 209.5 million, decreasing by € 4.8 million (-2.25%). The aggregate is considerably higher than what is required by the Supervisory Authority's prudential regulation.

Capital ratios, represented by the ratio between Common Equity Tier 1 (CET 7) and risk-weighted assets (CET 7 capital ratio), between Tier 1 assets and risk-weighted assets (Tier 7 capital ratio) and between all own funds and risk-weighted assets (Total capital ratio) were recognised as 21.21% for the three indicators (2021: 21.11%), as capital is solely represented by primary elements.

The entire asset aggregate represents 10.17% of direct customer deposits (2021: 11.82%) and 14.31% of net loans provided to customers (2021: 15,48%). These indicators confirm the principle of prudence applied by the Bank in developing its business.



|                              |                            |
|------------------------------|----------------------------|
| Capitale sociale e riserve   | Share Capital and Reserves |
| Bilancio 2022                | 2022 Balance               |
| Capitale sociale 17%         | Share Capital 17%          |
| Riserve da valutazione -6%   | Valuation reserves -6%     |
| Sovraprezzi di emissione 88% | Share premiums 88%         |
| Riserve 1%                   | Reserves 1%                |

### Shareholders and own shares

Share capital consists of 498,531 shares, held at 31/12/2022 by 197 shareholders (155 natural persons and 42 legal persons). Of these, Banca Popolare del Lazio is the majority shareholder, accounting for 99.55% of equity (equivalent to 496,287 shares). The other shareholders do not hold significant equity investments.