This document constitutes a supplement for the purposes of Article 23, paragraph 1, of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**").

Banca Akros S.p.A.

(incorporated as a joint stock company (società per azioni) in the Republic of Italy)

2nd Supplement dated 23 September 2022

(the "**Supplement**")

to the Base Prospectus "**CERTIFICATES PROGRAMME**"

dated 13 December 2021 of

Banca Akros S.p.A.

approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**")

(the "**Base Prospectus**")

This Supplement is to be read in conjunction with the Base Prospectus, as supplemented by the 1st Supplement dated 27 June 2022.

The terms used in this Supplement have the same meaning as the terms used in the Base Prospectus.

Any reference to the Base Prospectus is to be read as references to the Base Prospectus as supplemented.

Banca Akros S.p.A. (the "**Issuer**") accepts responsibility for the information contained in this Supplement and declares that the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

This Supplement, the Base Prospectus as well as any further supplements to the Base Prospectus are published on the following website of the Issuer: www.bancaakros.it/en. Furthermore, this Supplement and the documents incorporated by reference into the Base Prospectus by virtue of this Supplement will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

This Supplement has been approved by the CSSF in its capacity as competent authority under the Prospectus Regulation.

RIGHT TO WITHDRAW

In accordance with Article 23, paragraph 2a, of the Prospectus Regulation, in the case of an offer of securities to the public, investors who have already subscribed for securities to be issued under the Programme before this Supplement, dated 23 September 2022, is published have the right, exercisable within three working days after the publication of the Supplement, to withdraw their acceptances by contacting the relevant distributor specified in the relevant Final Terms. This right to withdraw shall expire by close of business on 28 September 2022. The right of withdrawal is only granted to those investors who had already agreed to purchase or subscribe for the securities before the Supplement was published and where the securities had not yet been delivered to the investors at the time when the significant new factor, material mistake or material inaccuracy arose or was noted.

Purpose of the Supplement

This Supplement serves as update to the Base Prospectus in connection with the publication of the unaudited company interim financial statements for the six months ending 30 June 2022.

In particular, the purpose of the submission of this Supplement is to update the information included into the following sections of the Base Prospectus:

(i) *RISK FACTORS*;

(ii) *DOCUMENTS INCORPORATE BY REFERENCE*;

(iii) *TREND INFORMATION*; and

(iv) *FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES*.

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1 RISK FACTORS

1.1 The risk "*Risk related to the economic and financial crisis, the impact of current uncertainties of the macroeconomic context, the consequences of the Covid-19 outbreak and of the Russian-Ukrainian conflict",* in the paragraph "A) MATERIAL RISKS THAT ARE SPECIFIC TO THE ISSUER AND THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES", on pages 13 – 16, sub-paragraph "A.1) Risks related to the general economic and financial situation of the Issuer and the Group" in the section of the Base Prospectus entitled "*RISK FACTORS*", on pages 13 et seq., shall be deleted in its entirety and replaced as follows:

"***Risk related to the economic and financial crisis, the impact of current uncertainties of the macroeconomic context, the consequences of the Covid-19 outbreak and of the Russian-Ukrainian conflict***

There is a risk that the future evolution of the macroeconomic context could have negative effects on the capital, the economic and the financial situation of the Issuer, as well as on its creditworthiness and / or on the creditworthiness of the Banco BPM Group.

Adverse changes in the factors described below, particularly during economic and financial crisis, could lead the Issuer and / or the Banco BPM Group to suffer losses, higher financing costs, reductions in the value of the assets held, with a potential negative impact on the liquidity of the Issuer and / or the Banco BPM Group and on its own capital solidity. Among the main factors of uncertainty that could affect the future scenarios in which the Bank will operate, the negative effects on the global and Italian economy directly or indirectly related to the Coronavirus pandemic (Covid-19) and, from the first quarter of 2022, to the conflict between Russia and Ukraine, must be considered. The spread of the Covid-19 pandemic and its implications for public health, economic activity and trade, at over two years from the start of the health emergency, continue to significantly influence the markets in which the Group operates. Although the impact of the pandemic on economic activity considerably diminished over the course of 2021, also thanks to the significant efforts made in the ongoing vaccination campaign, the development of new variants related to the virus in the last quarter did not enable those elements of uncertainty relating to the recovery of economic activity to be significantly reduced. In such complex and delicate macroeconomic context, the Group's commercial and organisational efforts made possible to achieve significant operating results.

The reduction of the impact of the pandemic on the Group's economic activity affected not only the assets of the Group, but also the liabilities issued at fair value. With specific reference to the Issuer, in 2021 financial year, characterized by the health emergency still in place at the international level, the reclassified operating income amounted to Euro 110.2 million, decreasing by 12.2% compared to 31 December 2020 and the interest margin is contracted (– 26.5%). Net profit for the period amounted to Euro 10.7 million (Euro 24.2 million as at 31 December 2020). Looking at the reclassified income statement as at 30 June 2022, it can be seen that operating income came to Euro 50.0 million, down by around 12.8% compared to the Euro 57.4 million recorded in the first half of 2021. After taxes due in the period (Euro 2.2 million) and net expenses relating to the contribution to the banking system (Euro 2.5 million), net profit for the first half of 2022 is equal to Euro 2.7 million (Euro 2.3 million in the first half of 2021, +16.9%).

The macroeconomic scenario outlined above also experienced a sudden change resulting from the tensions between Russia and Ukraine, which resulted in a military operation in the Donbass region in the early morning of 24 February 2022 that initiated the invasion of Ukraine. This conflict and the sanctions imposed by the international community on Russia's government, companies and economy, as well as the countermeasures activated by the latter, have led to a situation of high uncertainty on the macroeconomic level, exchange rates, energy and raw material costs, the cost of debt, inflationary expectations, and the cost of credit. In this scenario, Banca Akros is not expected to be significantly impacted by the Group's direct exposure to Russia and Ukraine. With regard to indirect impacts, given the elements of absolute uncertainty regarding the length and the evolution of the conflict and its consequences on macroeconomic scenarios, it is not possible to exclude negative effects for the Group.

The Issuer's performance is influenced by the general economic situation, in Italy and in entire Eurozone, and by the dynamics of financial markets, and, in particular, by the solidity and growth prospects of the economy of the geographical areas in which the Issuer operates.

In particular, the Issuer's earning capacity and solvency are influenced by the trend of certain factors, such as investor expectations and confidence, the level and volatility of short and long-term interest rates, the exchange rates, the liquidity of financial markets, the availability and cost of capital, the sustainability of sovereign debt, the household incomes and consumer spending, business investments, unemployment levels, inflation and real estate prices.

Negative variations of the factors described above, in particular during periods of economic-financial crisis, could lead the Issuer to suffer losses, increases of financing costs, and reductions of the value of the assets held, with a potential negative impact on the liquidity of the Issuer and its capital soundness.

It should be noted that 2020 and 2021 and the first half of 2022 have been characterized by the spread of the viral pneumonia known as "Coronavirus" (Covid-19) outbreak and that the banking activity has been affected by the consequences of the health emergency, with inevitable implications on the performance of the Banco BPM Group.

After a weak start of the Italian and European economy in the first quarter of 2021, conditioned by the effects of the third Covid-19 wave, the intensification of the vaccination campaigns allowed an improvement in the economic situation which enabled the recovery of a significant portion of the decline in domestic product suffered in 2020. In just five quarters, a deep recession was followed by a very fast recovery, with an unprecedented V-shaped economic rebound. However, the rapidity of growth risks causing more damaging effects in the medium-long term than world economy could indirectly inherit from the pandemic: the increase in income inequalities, widespread interruptions of supply chains, which started in 2020 and extended into 2021, as well as a recovery of consumer price trends, especially in the advanced economies, facilitated by the unprecedented increase of money supply.

In addition, in the last quarter of 2021, the rapid spread of the Omicron variant brought back growing uncertainty, representing a potential obstacle to economic recovery. A worsening of the health situation and / or the medium - to long-term effects of the Covid-19 pandemic could have a negative impact on the Group's overall economic and financial position, with possible repercussions on the Group's ability to generate revenues due to the weakening of customer demand for both financing and investment services and products, with particular reference to the corporate, business and private segments. The turbulence on the financial markets and the recession might instead weigh on the contribution of subsidiaries and on the trend of commissions, both those linked to investment products and those linked to economic activities. The reduction of operating costs, through an improvement of the efficiency, will continue to be one of the main factors of attention, helping to mitigate the pressure on operational management results. During 2021, the institutions of the European Union continued to implement extraordinary initiatives to relaunch growth: the ECB maintained the Pandemic Emergency Purchase Programme (PEPP) unchanged until the end of the year, and the EU finalised the most extensive European stimulus plan ever, known as Next Generation EU (NGEU).

The national and European Authorities activated a series of countermeasures aimed at introducing elements of financial support to the economy, also through the provision of new credit lines backed by public guarantees, as well as the granting of moratoria on existing loans and the granting of moratoria on the payment of first home mortgages.

The Group has granted various support measures to families and businesses, by virtue of the provisions of the aforesaid government interventions as well as on the basis of bilateral initiatives also framed within the Italian banking association (ABI – *Associazione Bancaria Italiana*) agreements. For the Parent Company, as at 31 December 2021, the volume of exposures benefiting from Covid-19 support measures represented by moratoria totalled Euro 14.9 billion and Euro 11.3 billion were past due.

As at 30 June 2022 the Parent Company's exposures for which payment suspension for moratoria is still in place amounted to Euro 24 million. As at the same date, the total volume of exposures that have benefited from Covid-19 moratorium measures amounted to Euro 13.7 billion, down from Euro 14.9 billion as at 31 December 2021, with a default rate on expired moratoria limited to 1.19%.

In this context, it should be noted that the economic slowdown could lead to a deterioration in the quality of the loan portfolio, also taking into account the amount of loans for which a moratorium has been granted, with a consequent increase in the incidence of non-performing loans and the need to increase provisions, which will be charged in the income statement. During the 2021 financial year, given the persistence of the Covid-19 pandemic, operating expenses were recognised as a result of maintaining certain contingency measures introduced in the 2020 financial year, related to property management, operational support services and physical security and prevention, at the Parent Company's offices and branches aimed at guaranteeing the safety of staff and customers. It should also be noted that the reduction of the impact of the pandemic on the Group's economic activity affected not only the assets but also the financial liabilities issued by the Group and measured at fair value.

With specific reference to the Issuer, in 2021 financial year, characterized by the health emergency still in place at the international level, the profit (loss) before tax from continuing operations decreased to Euro 24.1 million, compared to Euro 41.2 million in 2020. After taxes due in the period (Euro - 6,843 thousand), net charges relating to the contribution to the banking system (Euro - 3,835 thousand) and net expense of redundancy fund (Euro - 2,717 thousand), for a total amount of Euro - 13,395 thousand, net profit for the period came to Euro 10,718 thousand (Euro 24,212 thousand in 2020). The positive impact relating to the realignment of the tax value with the book value of the land on which the building owned by the Bank is situated (Euro + 4,512 thousand) directly impacted Shareholders' Equity and contributed to overall profit of 2021, which therefore stood at Euro 15.2 million.

The total assets and total liabilities of the reclassified separate financial statements as at 31 December 2021 amounted to Euro 8,241.7 million, up with respect to the Euro 7,905.8 million recorded as at 31 December 2020. Out of total assets measured at fair value of approximately Euro 5,670 million, instruments valued using non-observable input parameters (level 3) came to Euro 32.1 million, 0.6% of the total (Euro 32.2 million in 2020), of which Euro 29.9 million referring to the building owned by the Bank. Net non-performing exposures to customers came to Euro 256 thousand (Euro 185 thousand as at 31 December 2020). As at 31 December 2021, net interest income amounted to Euro 53.9 million, down from Euro 73.2 million in 2020 mainly as a result of the decline in coupon interest on securities in the trading book. The balance of "net fee and commission income" in 2021 (Euro 41.0 million) declined (- 1.8%) compared to 2020 (Euro 41.8 million) and it was mainly comprised by the standard brokerage of financial instruments, the placement of securities and Corporate Finance and Investment Banking advisory services.

Reclassified operating income amount to Euro 110.2 million, down from Euro 125.4 million as at 31 December 2020. This decrease mainly derives from fewer placements of structured products (certificates) by the distribution networks, which resulted in lower operating income for around Euro 16 million at Bank level. Operating expenses increased (+2.3%) from Euro - 84.6 million in financial year 2020, to Euro – 86.6 million in financial year 2021. Profit from operations as at 31 December 2021 amounted to Euro 23.6 million, while it was Euro 40.9 million (- 42.2%) as at 31 December 2020. The profit before tax from continuing operations amounted to Euro 24.1 million as at 31 December 2021, while it was Euro 41.2 million as at 31 December 2020 (- 41.5%). Profit after tax from continuing operations amounted to Euro 17.3 million as at 31 December 2021, compared with Euro 27.7 million as at 31 December 2020 (- 37.7%).

Looking at the reclassified income statement as at 30 June 2022, it can be seen that operating income came to Euro 50.0 million, down by around 12.8% compared to Euro 57.4 million recorded in the first half of 2021. Until May 2022, operating income was in line with that of 2021, albeit with a different composition of underlying operations. On the other hand, in June, the comparison was unfavourable due to the concomitance of a result of June 2021 well above the average for the period compared to that of June 2022, which was affected by the negative performance of all the financial markets in which the Bank operates.

After taxes due in the period (Euro 2.2 million) and net expenses relating to the contribution to the banking system (Euro 2.5 million), net profit for the first half of 2022 was Euro 2.7 million (Euro 2.3 million in the first half of 2021). The total assets and total liabilities of the reclassified separate financial statements as at 30 June 2022 amounted to Euro 8,927.8 million, up with respect to Euro 8,241.7 million recorded as at 31 December 2021. No significant changes occurred during the half-year worth reporting in relation to the type of the asset and liability items of the Financial Statements since the end of the previous year. Out of total assets measured at fair value of approximately Euro 6,111 million, instruments valued using non-observable input parameters (level 3) came to Euro 32.1 million, 0.53% of the total (Euro 32.1 million in 2021), of which Euro 29.8 million referring to the building owned by the Bank. Shareholders' Equity at the end of the half-year was Euro 717.6 million, following the payment of dividends to the Parent Company of Euro 8.7 million.

It should also be noted that the macroeconomic scenario outlined above suddenly changed at the end of February. The tension between Russia and Ukraine, aggravated by the prolonged military operations of the Russian and Belarusian armed forces along a large part of the Ukrainian border, resulted in a military operation in the Donbass region in the early morning of 24 February 2022 that initiated the invasion of Ukraine. This conflict and the sanctions imposed by the international community on Russia's government, companies and economy, as well as the countermeasures activated by the latter, have led to a situation of high uncertainty on the macroeconomic level, exchange rates, energy and raw material costs, the cost of debt, inflationary expectations, and the cost of credit. The increase of inflation, already triggered by the Covid-19 outbreak, has led the central banks of major countries to adopt restrictive monetary policies by increasing interest rates. Today, assumptions of lower economic growth in Europe and Italy are strengthening, as a result of rising energy and commodity prices, which accentuate the already rising inflation.

In this scenario, Banca Akros is not expected to be significantly impacted by the Group's direct exposure to Russia and Ukraine. This exposure is extremely limited, amounting to less than 0.1% of total cash assets and signature loans. In detail, as of 31 December 2021, the Group's direct exposure to Russia consisted of loans and securities for Euro 87 million and signature loans for Euro 44.6 million.

As at the date of 30 June 2022, Group's direct risks to customers resident in Russia and Ukraine or indirectly related to Russian or Ukrainian counterparties are insignificant: more precisely, direct exposures to Russian customers amount to Euro 81.9 million gross (Euro 71.2 million net of provisions for impairment); exposures that instead refer to counterparties belonging to groups with direct control by Russian or Ukrainian entities present an overall authorised credit amount of Euro 69.4 million and a utilisation of Euro 17.9 million; commercial risks associated with the operations of the Group's main customers and linked to ongoing transactions with Russian and Ukrainian counterparties amounted to Euro 197.1 million, of which the majority consisted of risks on signature loans.

Direct gross exposures to banks resident in Russia amount to Euro 14.2 million, an amount substantially aligned with the book value. Signature loans to the same counterparties for letters of credit confirmed amounted to approximately Euro 29 million.

As at the date of 30 June 2022, the Group's exposure to the rouble is substantially equalised.

Furthermore, it shall be noted that in the first half of this year, the Russian-Ukrainian conflict slowed down the economic recovery that was recovering the world from the Covid-19 pandemic. The hostilities required heavy humanitarian intervention and triggered an energy crisis in Europe, which also contributed, to an appreciable extent, to an increase in international food and commodity prices. This aggravated inflationary pressures, already intensified by the negative impact of the pandemic on global supply chains. Some uncertainties in the current macroeconomic context remain, in particular: (a) the trend of the economy and the prospects for recovery and consolidation of the economies of certain Countries such as the United States and China, which in recent years have shown a constant growth, also strongly conditioned by the effects of the spread of Covid-19, as mentioned above; (b) trends in the real economy with regard to the probability of recession at both the domestic and global levels; (c) the future developments of the monetary policy of the ECB, in the Eurozone and of the FED, in the Dollar area, and of the policies, implemented by various Countries, aimed at encouraging competitive devaluations of their currencies; (d) the instability of the climate of confidence among the holders of the Italian public debt due to the uncertainty on budgetary policies; (e) the risks associated with increasing inflation, which has shown high month-on-month increases and is increasingly spreading to the service sector, and (f) the significant increase in gas prices in Europe due to reduced supplies from Russia.

Lastly, it should be noted that in the first half of the year, the Group's overall profitability, mainly due to the strong fluctuations in the prices of financial assets observed in the period as a result of market tensions, was negative for Euro – 252.0 million, a value that reflects a positive contribution from the net profit for the period, amounting to Euro 383.9 million, and a negative change in valuation reserves amounting to Euro – 636.0 million. The latter change referred in particular to the valuation reserve related to financial assets measured at fair value with impact on comprehensive income and to that of equity-accounted investments. With reference to the Issuer, as at 30 June 2022, the overall profitability was negative in the amount of Euro - 933,842 (as at 30 June 2021, the Issuer's overall profitability was positive and equal to Euro 6,760,983)."

1.2 The risk "*Market risk",* in the paragraph "A) MATERIAL RISKS THAT ARE SPECIFIC TO THE ISSUER AND THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES", on pages 19 – 22, sub-paragraph "A.2) Risks related to the Issuer's business sector" in the section of the Base Prospectus entitled "*RISK FACTORS*", on pages 13 et seq., shall be deleted in its entirety and replaced as follows:

"Market risk

The operational VaR of the trading book (i.e. the maximum potential loss from market movements under normal conditions, over a certain time horizon and with a defined confidence level), as at 31 December 2021, amounted approximately to Euro 1.7 million (Euro 4.8 million as at 31 December 2020). The Operational VaR of banking book amounted to Euro 0.126 million as at 31 December 2021 (Euro 1.2 million as at 31 December 2020)(the figure refers only to the specific risk of the HTCS book). For the first half of 2022 an average operational VaR came to around Euro 2.4 million (average of Euro 2.4 million in 2021). The average VaR for the second quarter of 2022 (around Euro 2.6 million) was higher than that of the first quarter (around Euro 2.2 million), mainly due to the high volatility of the financial markets deriving from the difficult macroeconomic scenario and the war in Ukraine, which led to new penalising scenarios for calculating operational VaR with reference to all the main risk classes (equities, bonds, interest rates and related volatility).

Tensions on financial markets due to Covid-19 outbreak in Europe as well as in the rest of the world since the end of February 2020 resulted in severe shocks and high volatility on both the stock and the bond markets.

Given the trend of financial markets, the change in the value of a financial asset or liabilities could have possible negative effects on the Issuer's and / or the Group's assets and economic, capital and / or financial situation, that have diminished in 2021, mainly due to the discovery and the spread of vaccines.

Taking into account its specific business, the Issuer considers this risk of high importance.

The Issuer is exposed to "market risk", i.e. the risk that the value of a financial asset or liability may vary due to the trend of market factors, such as share prices, inflation, interest rates, exchange rates, commodity prices, and the related volatilities and correlations, or due to events that may impair the credit rating of the relative issuer. Market risk occurs both in relation to the trading book, which includes financial trading instruments and related derivative instruments, as well as in relation to the banking book, which includes all other financial assets and liabilities that are accounted differently from those included in the trading book.

The market risk relating to the trading book results from trading and market making activities in interest rate, exchange rate, equity or debt securities and commodity markets, while the market risk in the banking book is generally linked to changes in interest rates in the various reporting periods, as well as to the trend in the credit rating of the relative issuers. In addition, market risk generally includes settlement risk, deriving from transactions in securities, foreign exchange and/or commodities, as well as counterparty risk, i.e. the risk of counterparty default in derivative and forward and option contracts.

Market risks related exclusively to the trading book are measured using the "Value-at-Risk" (VaR). Given a portfolio of financial instruments, the VaR represents the maximum potential loss resulting from adverse movements in market parameters within a given time horizon (in this case, one day) and with a defined confidence level (in this case, 99%). The market parameters considered are mainly interest rates, exchange rates, credit spreads, prices of shares, indices and funds, their volatility and correlations.

With regard to the operational VaR of the trading book, it should be noted that the average value of the maximum potential loss on a daily basis for the entire 2021 financial year, with a confidence level of 99%, has been equal to Euro 2.4 million, lower than the Euro 4.8 million of 2020. An analysis of its composition, with reference to different factors, shows that the significant risk components are mainly those relating to equity risk for positions in equity instruments, both derivative and cash, and those relating to specific risk on debt securities, due to the presence of positions on Italian financial and government securities.

The decrease in the VaR was mainly due to the lower volatility of market parameters during 2021 with respect to that which occurred following the pandemic in 2020 (in fact, the exit of the previous penalizing scenarios of March/April 2020 was recorded, relating to the outbreak of the Covid-19 pandemic) and a reduction in risk positions relating above all to the bond asset class, which became necessary following the extension of the internal model to the specific risk of debt securities, which led to a higher level of absorption with the same number of positions held, with the consequent need to de-risk the bond portfolio to meet the RAF limits established by the Group.

For the first half of 2022 an average operational VaR (Value at Risk, 99%, 1 day) came to around Euro 2.4 million (average of Euro 2.4 million in 2021). The average VaR for the second quarter of 2022 (around Euro 2.6 million) was higher than that of the first quarter (around Euro 2.2 million), mainly due to the high volatility of the financial markets deriving from the difficult macroeconomic scenario and the war in Ukraine, which led to new penalising scenarios for calculating operational VaR with reference to all the main risk classes (equities, bonds, interest rates and related volatility).

As at 31 December 2021, the exposure (book value) to the Republic of Italy included debt securities amounting to Euro 208.3 million (2.53% of total assets), including Euro 200.6 million of financial assets measured at fair value through other comprehensive income (2.43% of total assets).

As at 30 June 2022, the exposure (book value) to the Republic of Italy included debt securities amounting to Euro 989.57 million (11.08% of total assets), including Euro 287.7 million of financial assets measured at fair value through other comprehensive income (3.22% of total assets).

In this regard, for more detailed information, see paragraph "*Risks related to the exposure to sovereign debt*" below.

In relation to the calculation of the capital requirements, starting from 31 December 2020, following the authorisation by the Supervisory Authority (November 2020), the Banco BPM Group uses the extended model to calculate the market risk capital requirement which also includes the specific risk of debt securities. Such measure is then calculated on the basis of the VaR, Stressed VaR - including the debt securities specific risk - and the Incremental Risk Charge (IRC).

During 2021, significant refinements were made to the internal model, with a view to fulfilling the Obligations of previous inspections by the Supervisory Authority: the changes regarded, in particular, the measurement of foreign exchange positions, the quality of VaR, Stressed VaR and IRC market parameter data, the process of identifying and managing Risks Not In Model Engine (RNIME) and the Incremental Risk Charge (IRC) calculation method.

IMA (Internal Model Approach) Capital Absorption, against market risks at the end of 2021, was approximately Euro 130 million, equal to around Euro 1,624 million of RWAs. IMA Capital Absorption against market risks at the end of half-year 2022 was approximately Euro 94 million, equal to around Euro 1,180 million of RWAs.

The operational VaR of the trading book (i.e. the maximum potential loss from adverse movements of market parameters over a certain time horizon and with a defined confidence level) as at 31 December 2021 amounted to Euro 1.7 million (Euro 4.8 million as at 31 December 2020).

The value of the operational VaR of the Banca Akros banking book at the end of 2021 was equal to Euro 0.126 million (Euro 1.2 million at the end of 2020) (the figure refers only to the specific risk of the HTCS book). In particular, the relevant risk component is the debt securities specific risk, which determines almost all of the metric. With regard to the specific risk of the HTCS book, the 2021 financial year was characterised by low volatility in the markets.

The banking securities book of the Issuer is a significant source of general interest rate risk and credit spread risk. Such book specifically includes bonds and a few stock securities (minor shareholdings).

At the end of the year 2021, the total amount of bonds was approximately Euro 316 million in nominal value, divided into Euro 271 million of HTCS (Held To Collect and Sell) accounting category, 92% made up of Italian government bonds and 8% of corporate and financial bonds and Euro 46 million of HTC (Held To Collect) accounting category, exclusively made up of Italian financial securities. The exposure to credit spread risk was approximately Euro - 46 thousand overall, considering a shock of 1 basis point, broken down between Italian Government securities (credit spread sensitivity: approximately Euro - 22 thousand) and other bonds that make up the portfolio (of which Italian financial securities, credit spread sensitivity: approximately Euro -17 thousand).

At the end of the half-year 2022, the total amount of bonds was approximately Euro 412 million in nominal value, divided in Euro 367 million in the HTCS (Hold To Collect and Sell) accounting category, made up almost entirely of Italian government bonds (300 million BTP 12/2024 and 50 million of Cassa Depositi e Prestiti), and Euro 45 million in the HTC (Hold To Collect) accounting category, made up entirely of bonds issued by Mediobanca. The exposure to credit spread risk was approximately Euro –97 thousand overall, considering a shock of 1 basis point, mainly attributable to Italian government bonds. The equity component, included in the HTCS category, involved a total exposure to price risk at the end of the halfyear, equal to a delta equivalent position of approximately Euro 5.7 million, mainly concentrated on the Kairos SGR (Euro 3.5 million) and Anima Alternative 1 (Euro 1.7 million) funds.

As long as the time needed to overcome the crisis and the framework of the interventions to contain the effects is not fully outlined and known to the financial markets, a significant degree of volatility in the market prices of financial instruments is expected to persist and may be equally reflected in the volatility of the financial results that will be recorded by the Group.

For more detailed information, see Part E - Information on risks and related hedging policies - Section 2 - Market Risk of the Notes to the 2021 Financial Statements."

1.3 The risk "*Liquidity risk*", in the paragraph "A) MATERIAL RISKS THAT ARE SPECIFIC TO THE ISSUER AND THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES", on pages 24 – 26, sub-paragraph "A.2) Risks related to the Issuer's business sector" in the section of the Base Prospectus entitled "*RISK FACTORS*", on pages 13 et seq., shall be deleted in its entirety and replaced as follows:

"Liquidity Risk

In order to assess the liquidity profile of the Group, the principal indicators are: (i) the short-term indicator Liquidity Coverage Ratio (LCR) subject to a minimum regulatory requirement of 100 per cent as of 2018 and which as at 31 December 2021 was equal to 209%; (ii) the 12-month structural liquidity indicator Net Stable Funding Ratio (NSFR) which as at 31 December 2021 is greater than 100%; and (iii) Loan to Deposit Ratio (LTD), which corresponds to the ratio between Net loans and Direct funding and as at 31 December 2021 was equal to 91.0%.

As at 30 June 2022, the Liquidity Coverage Ratio is 208% whereas the Net Stable Funding Ratio is greater than 100%. Any negative development of the market situation and the general economic context and/or creditworthiness of the Issuer and / or the Group, possibly accompanied by the need to adapt the liquidity situation of the Bank to the regulatory requirements updated from time to time in implementation of the applicable supervisory legislation, may have negative effects on the activities and the economic, equity and/or financial situation of the Issuer and the Group.

The Issuer evaluates that the liquidity risk is covered by the large availability of liquidity reserves and therefore it believes that such risk is of low importance. Liquidity risk means the risk that the Group is not able to meet its payment commitments, which are certain or envisaged with reasonable certainty.

Usually, two types of Liquidity Risk are identified:

- Liquidity and Funding Risk, namely the risk that the Group is not able, in the short term (liquidity) and long term (funding), to meet its payment commitments and its obligations in an efficient manner due to the inability to obtain funds without prejudicing its core business activities and/or its financial situation;

- Market Liquidity Risk, namely the risk that the Group is not able to liquidate an asset, without generating losses in the capital account due to the poor depth of the reference market and/or due to the timing required to conduct the transaction.

The Issuer's liquidity could be compromised by the temporary inability to receive funds from clients, external counterparties or from the Group to which it belongs, by the inability to distribute liabilities and / or sell certain assets or redeem own investments, as well as by unexpected outflows of cash or by the obligation to provide more guarantees. This may due to circumstances beyond the Issuer's control, such as a general market disruption or an operational problem affecting the Issuer or the Group or third parties, or from the perception among market participants that the Issuer or the Group or other market participants are facing a higher liquidity risk. The liquidity crisis and the loss of confidence in financial institutions may increase the Issuer's funding costs and limit its access to some of its traditional sources of liquidity and/or limit the disinvestment of its assets with related potential insolvency risks.

Examples of liquidity risk are the failure of a major market participant, or even concerns of default on the part of the market participant, which could cause significant liquidity problems, losses or failures on the part of other banking or financial institutions, which in turn could adversely affect the Issuer or the Group, or a decrease in the creditworthiness of third parties in which the Issuer holds securities, which could result in losses and/or adversely affect the Issuer's ability to bind or otherwise use such securities for liquidity funding purposes.

Liquidity risk is managed and monitored as part of the Internal Liquidity Adequacy Assessment Process (ILAAP), which is the process the Group uses to identify, measure, monitor, mitigate and report the Liquidity risk profile of the Group.

With reference to the statutory reporting obligations, it is important to emphasise the decision authorising derogation (waiver) from the individual liquidity requirements for Bank BPM, Banca Akros and Banca Aletti, as of 31 January 2019, with reference to the LCR indicator and from 25 August 2021 with reference to the NSFR indicator. The Group companies under supervision will therefore be treated and supervised as a single "liquidity group". The aforementioned derogation concerning liquidity requirements on an individual basis does not change the management approach for the liquidity risk control activities in relation to the regulatory requirements, which continues to be performed by the Group Liquidity Risk of each of the companies at the Group level, ensuring the monitoring and compliance with any limits defined in the Risk Appetite Framework (RAF).

As part of the centralised system of liquidity governance, in addition to continuously monitoring the liquidity of Banca Akros, the Group defined specific risk indicators for Banca Akros, with related Risk Appetite limits which were always complied with during 2021.

In particular, those specific risk indicators aim to monitor the impact of Banca Akros operations on Group liquidity indicators, with specific reference to the LCR and the NSFR.

In order to assess the liquidity profile of the Group, the following principal indicators are also used:

- the short-term indicator Liquidity Coverage Ratio (**LCR**), which expresses the ratio between the amount of available assets readily monetizable (high quality liquidity assets) and the net cash imbalance accumulated over a 30-day stress period calculated applying the stress scenario provided by the applicable legislation. As of 2018, the indicator is subject to a minimum regulatory requirement of 100%. As at 31 December 2021 was equal to 209%, whereas as at 30 June 2022 is equal to 208%;
- the 12-month structural liquidity indicator Net Stable Funding Ratio (**NSFR),** which corresponds to the ratio between the available amount of stable funding and the required amount of stable funding. As at 31 December 2021 and as at 30 June 2022, the indicator is greater than 100%;
- Loan to Deposit Ratio (**LTD**), which corresponds to the ratio between Net loans and Direct funding. The indicator is equal to 91% as at 31 December 2021 while as at 30 June 2022 is equal to 89%.

The liquidity risk control function - in line with the risk Governance model of Banco BPM Group - is outsourced to the Parent Company's Risk Management function, which is responsible for identifying and measuring the Issuer's liquidity risk. This activity is supported by a specific Service Level Agreement. Moreover, to ensure the continuity and correct performance of liquidity risk measurement activities, the Issuer also created the function of "Risk Management Controller".

For more detailed information, see Part E – Information on risks and related hedging policies - Section 4 - Liquidity Risk of the Notes to the 2021 Financial Statements."

1.4 The risk "*Risks related to the exposure to sovereign debt",* in the paragraph "A) MATERIAL RISKS THAT ARE SPECIFIC TO THE ISSUER AND THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES", on pages 26 – 27, sub-paragraph "A.2) Risks related to the Issuer's business sector" in the section of the Base Prospectus entitled "*RISK FACTORS*", on pages 13 et seq., shall be deleted in its entirety and replaced as follows:

"Risks related to the exposure to sovereign debt

As at 31 December 2021, the Issuer's exposure to sovereign States amounted, in terms of book values, to a total of Euro 208.35 million and represents 2.53% of total assets and 3.69% of total financial activities. The exposure (book values) to the Italian government included debt securities for Euro 208.34 million at 31 December 2021 and represents 2.53% of total assets and 3.69% of total financial activities.

As at 30 June 2022, the Issuer's exposure to sovereign States amounted, in terms of book values, to a total of Euro 989.58 million and represents 11.08% of total assets and 16.27% of total financial activities. The exposure (book values) to the Italian government included debt securities for Euro 989.57 million and represents 11.08% of total assets and 16.27% of total financial activities.

The persistence of tensions over Government bond market or its volatility, also following the effects of the spread of the Covid-19 and the evolution of the Italian political environment, could adversely affect the business and/or financial situation Group and/or the Issuer.

The sovereign debt crisis affected market trends and economic policy choices in many European countries. The Issuer is exposed to sovereign debt towards governments, and mainly to the Republic of Italy.

The worsening of the sovereign debt and particularly of the Italian debt, could adversely affect the Issuer's and / or the Group business and/or financial situation or operating results. Furthermore, a downgrade in the rating of the

Italian Republic may increase the so-called "valuation haircuts or margins", with negative consequences on the Group's liquidity and economic and financial impacts.

As at 31 December 2021, the Issuer's exposure to sovereign States amounted, in terms of book values, to a total of Euro 208.35 million (compared to Euro 220.2 million as at 31 December 2020) and represents 2.53% of total assets and 3.69% of total financial activities (for definition see items 20 and 30 of the financial statements). In particular, the exposure to Sovereign States consists almost entirely of securities issued by the Republic of Italy.

In detail, as at 31 December 2021, the exposure (book value) to the Italian government included debt securities for Euro 208.34 million and represents 2.53% of total assets and 3.69% of total financial activities; as at the same date, investments in sovereign debt securities to other EU and non-EU countries included debt securities for Euro 14 thousand.

As at 30 June 2022, the Issuer's exposure to sovereign States amounted, in terms of book values, to a total of Euro 989.58 million and represents 11.08% of total assets and 16.27% of total financial activities. The exposure (book values) to the Italian government consists of debt securities for Euro 989.57 million and represents 11.08% of total assets and 16.27% of total financial activities; as at the same date, investments in sovereign debt securities to other EU and non-EU countries include debt securities for Euro 0.01 million.

For more detailed information, see Part B of the Notes to the 2021 Financial Statements."

1.5 The risk "*Risk related to regulatory changes in the banking sector and to the changes of the banking resolution regulation",* in the paragraph "A) MATERIAL RISKS THAT ARE SPECIFIC TO THE ISSUER AND THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES", on pages 29 – 31, sub-paragraph "A.3) Risks related to the legal and regulatory framework" in the section of the Base Prospectus entitled "*RISK FACTORS*", on pages 13 et seq., shall be deleted in its entirety and replaced as follows:

"Risk related to regulatory changes in the banking sector and to the changes of the banking resolution regulation

*The Issuer's activities are subject to specific national and European regulations relating to the sector where the Issuer operates. In particular, the Issuer, as a member of the Banco BPM Group, is subject to strict and detailed regulation, as well as to the supervisory activity, exercised on a consolidated basis by the European Central Bank and the Bank of Italy. Therefore, it is required to comply at any moment with the laws and regulations in force at the time. In addition to supranational and national regulations (and those of a primary or regulatory nature) governing financial and banking sectors, the Issuer is subject to specific regulations on, among other things, money laundering, usury and costumer (consumer) protection and transparency (see Directive 2014/65/EU "**MiFID II**").*

Any potential changes relating to the interpretation and / or application of such provisions by the competent authorities could lead to additional charges and obligations for the Issuer with potential negative impacts on the operating results and economic, equity and financial position of the Issuer.

Regulations governing banks - applicable to the Issuer - regulate the sectors in which credit institutions may operate with the aim to preserve their stability by limiting their risks exposure.

The deep and prolonged crisis of the markets obliged international authorities to adopt new and stricter rules which - in a prospective view - might negatively affect the Bank's business, leading to an increase of operating costs and/or causing negative effects on the economic and financial situation of the Bank.

Capital Adequacy requirements

As at 30 June 2022, capitalisation levels and solvency ratios remained adequate: Own Funds for Regulatory purposes, net of "deductions", amounted to Euro 664,942 thousand, risk-weighted assets amounted to Euro

2,812,637 thousand, the Common Equity Tier 1 ratio, the Tier 1 capital ratio and the Total capital ratio were 23.6% (18.8% as at 31 December 2021) and the Leverage ratio was about 11.7% (12.0% as at 31 December 2021).

The Bank ensures constant monitoring, including from a forward-looking perspective, of the adequacy of capital levels in relation to the needs of the business conducted. As mentioned, with specific reference to the planned measures that regard the extension of the internal model for market risk, which from 31 December 2020 also includes the specific risk component on the position in debt securities, including the "I.R.C." (Incremental Risk Charge), the Bank carried out a preventive and gradual reduction of its debt securities exposure in order to mitigate the impact on its Group's regulatory risk indicators.

In 2020, an interdisciplinary project was also launched with the aim of finding governance, IT and organisational solutions to make Banca Akros and Banco BPM Group ready to implement the introduction of the new regulations on the market risk and counterparty risk capital requirements (the Fundamental Review of the Trading Book). These regulations will require at the Group level to significantly strengthen and improve the efficiency of the systems used to calculate of risk metrics (*e.g.* VaR), the internal model and the standard model. During 2021 and 2022, the work of the inter-departmental team on the "Fundamental Review of the Trading Book" continued. The regulatory timeline for FRTB implementation covers a time horizon that is likely to end in 2025 (Pillar 1 absorption with FRTB requirements from January 2025, as per the CRR3 proposal of 27 October 2021), with the first important regulatory deadline for reporting obligations according to the standardised approach, defined in the third quarter of 2021. For said deadline and therefore also for the fourth quarter of 2021, the reports on FRTB-SA requirements were sent.

It should also be noted that Banca Akros is subject to SREP as part of the broader process involving the Parent Company. In this regard, it should be noted that on 3 February 2022, Banco BPM announced that it has received a notification from the ECB of the SREP decision, which determined a Common Equity Tier 1 ratio requirement of 8.52% for 2022 on a consolidated basis. This requirement includes:.

- the Pillar 1 minimum requirement at 4.5%;
- a Pillar 2 capital requirement (P2R) of 2.25%, unchanged from last year, which must be met for at least 56.25% (corresponding to 1.27%) by CET1 and at least 75% Tier 1;
- the capital conservation buffer of 2.50%;
- the O-SII buffer[1] of 0.25% of the total risk-weighted exposures;
- the countercyclical capital buffer of 0.003%.

Moreover, as a result of this decision, the additional requirements to be met by Banco BPM are as follows:

- a Tier 1 capital ratio of 10.441%;
- a Total capital ratio of 13.003%.

The provisions of Regulation (EU) 630/2019 (which amends Regulation (EU) no. 575/2013 with regard to the minimum coverage of losses on impaired exposures (so-called CRR II)) and the addendum to the ECB guidelines of 15 March 2018 on non-performing loans, could entail the risk of an increase of Pillar 2 requirements as part of the Supervisory Review and Evaluation Process conducted by the Supervisory Authorities.

Furthermore, since the Parent Company is an Other Systemically Important Institution (O-SII) authorised in Italy, it is required to apply an O-SII buffer of 0.25% of its total risk-weighted exposures for the 2022. For 2021, the O-SII reserve was equal to 0.19%.

[1] The Bank of Italy, in a communication dated 18 November 2021, identified the Banco BPM banking group as an Other Systemically Important Institution (O-SII) authorised in Italy for 2022.

In this regard, the ECB has not required Banca Akros to comply with additional or specific capital ratios compared to those required by Directive 2013/36/EU, so-called CRD IV and Regulation 575/2013, so-called CRR.

At 30 June 2022[2], parent company CET 1 ratio is equal to 14.0%, the Tier 1 Capital ratio is 16.2% and the Total Capital ratio is 19.8%.

At 31 December 2021[3], the CET 1 ratio of the Parent Company is 14.7%, the Tier 1 Capital ratio is 16.5% and the Total Capital ratio is 19.6%.

In particular, as at 30 June 2022 the Parent Company phased-in Common Equity Tier 1 ratio was 14.03% (compared to 14.68% as at 31 December 2021) and was affected by the negative changes in investments in equity and debt securities measured at fair value through other comprehensive income, even if mitigated by the application of the temporary derogation provided by Article 468 of Regulation (EU) no. 575/2013 (CRR).

The phased-in Tier 1 ratio was equal to 16.23% compared to 16.52% last 31 December, while the Total Capital ratio was equal to 19.82% compared to 19.59% as at 31 December 2021. The changes in these ratios are influenced by the issue of an Additional Tier 1 instrument in April for a nominal amount of 300 million and a Tier 2 instrument in January 2022 for a nominal 300 million.

The phased-in ratios benefit from the exercise of the option for the full application of the transitional rules introduced with the new Article 473 bis of Regulation (EU) no. 575/2013 (CRR), which dilutes over time the impact on own funds deriving from the application of the new impairment model introduced by the accounting standard IFRS 9 and the exercise of the option that permits not considering in the calculation of own funds a share equal to 40% of the unrealised gains and losses accumulated as of 31 December 2019 on debt securities measured at fair value through other comprehensive income represented by exposures to debt instruments issued by central governments, regional governments or local authorities referred to in Article 115 (2) of the CRR and public sector entities referred to in Article 116 (4).

Excluding the impacts of the transitional rules, the CET1 fully-phased ratio was 12.76%, down on the figure as at 31 December 2021 (equal to 13.43%), mainly due to the decrease in fair value reserves for the securities mentioned above.

The fully-phased Tier 1 ratio was 14.96%, compared to 15.15% as at 31 December 2021. The Total Capital ratio came to 18.56%, compared to 18.22% as at last 31 December.The Issuer must comply with the complex system of rules and regulations. The development of the regulations and/or changes in the methods of interpretation and/or application of the same by the competent authorities could give rise to new charges and obligations for the Issuer."

[2] The capital ratios as at 30 June 2022 were calculated by including the economic result in progress at the end of the first half of 2022 net of the portion that is expected to be distributed as a dividend based on the specific applicable legislation.
[3] Ratios calculated by including the profit for the year 2021 and deducting the amount of the dividend and other allocations.

2 DOCUMENTS INCORPORATED BY REFERENCE

2.1 The Section of the Base Prospectus entitled "*DOCUMENTS INCORPORATED BY REFERENCE*", on pages 46 et seq. of the Base Prospectus, shall be amended as follows with the insertion of the following new table after the first two paragraphs of the Section:

1. The unaudited company interim financial statements for the six months ending 30 June 2022 (available at https://www.bancaakros.it/media/RFS_Akros_2022_UK_WEB.pdf):

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3 TREND INFORMATION

3.1 The paragraph "Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year" in the Section of the Base Prospectus entitled "*TREND INFORMATION*", on pages 121 et seq. of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

"**Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year**

The Issuer is not aware of any information on trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects at least for the current year, without prejudice to what has been indicated in relation to Covid-19 emergency, the Russian-Ukrainian conflict and their macroeconomic and sector impacts.

With regard to the evolution of medium-long term operations, the Board of Directors of the Parent Company approved the 2021-2024 Business Plan on 4 November 2021, which defines the new objectives for the 2021-2024 time horizon.

Having said that, with reference to the Group's operating performance in 2022, the external context will inevitably continue to be a significant conditioning factor, also taking into account the sudden change in the macroeconomic scenario that occurred at the end of February 2022, which led to the Russia-Ukraine conflict, and, even in the second half of the year, external variables will inevitably continue to represent the main factor potentially influencing results.

In conclusion, although no significant impact on Banca Akros is expected in connection with the Group's direct exposure to the countries in conflict, nevertheless, with regard to indirect impacts, given the elements of absolute uncertainty regarding the evolution of the current geopolitical tensions and the consequences on macroeconomic scenarios, it is not possible to exclude negative effects for the Group."

4 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

4.1 The paragraph "Significant change in the issuer's financial position" in the Section of the Base Prospectus entitled "*FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES*", on pages 126 et seq. of the Base Prospectus, shall be deleted in its entirety and replaced has follows:

"Since 30 June 2022, being the date of the last published interim financial statements of the Issuer, there has been no significant change in the financial position of the Issuer."