Public Disclosure by Entities
Pillar 3

Data as at 31 March 2024

This document is an accurate translation into English of the document in Italian approved by the Board of Directors. In case of any discrepancies or doubts between the English and the Italian versions of the Report, the Italian version prevails.

Contents

Introduction

References to the regulatory requirements of the Market disclosure

The table below summarises the placement - as part of this quarterly disclosure to the market - of the regulatory requirements governed by the European legislation in force, in particular Part Eight of Regulation (EU) 575/2013[1], as developed by the new implementing technical standards on disclosures and the guidelines issued from time to time by the EBA.

EBA/ GL/ITS/	Code	Name in the Disclosure	Section of the Document
	KM1	Key metrics	Introduction
	CC1	Composition of regulatory own funds	Section 3 - Own Funds
	CC2	Reconciliation of regulatory own funds to the balance sheet in the audited financial statements	
	CCyB2	Amount of institution-specific countercyclical capital buffer	
	CCyB1	Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer	
	MR1	Market risk under the standardised approach	Section 4 - Capital requirements
2020/04	MR2-B	RWA flow statements of market risk exposures under the IMA approach	
	OV1	Overview of total risk weighted exposure amounts	
	CR8	RWA flow statements of credit risk exposures under the IRB approach	
	LIQ1	Quantitative information of LCR	Section 15 - Liquidity risk
	LR1	LRSum - Summary reconciliation of accounting assets and leverage ratio exposures	
	LR2	LRCom - Leverage ratio common disclosure	Section 17 - Leverage
	LR3	LRSpl - Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	

Periodic disclosure provided to the market regarding the Group's capital adequacy (Pillar 3 Disclosure)

Supervisory regulations require that banks fulfil specific obligations to publish information regarding their capital adequacy, exposure to risks, and the general characteristics of the systems for identifying, measuring and managing these risks. They also require banks to supply information, on an annual basis, on remuneration practices and policies to strengthen the role of market discipline.

The prudential requirements for banks and investment firms contained in Regulation (EU) 575/2013 entered into force on 30 June 2021. These were updated by Regulation (EU) no. 876/2019 (CRR 2), later amended by Regulation (EU) no. 873/2020, and Directive 2013/36/EU, as updated by Directive (EU) no. 878/2019 (CRD V), which transpose the standards defined by the Basel Committee on Banking Supervision (Basel 4 framework) into the European Union.

[1] This regards Regulation (EU) no. 2019/876 (CRR2), which amends Regulation (EU) no. 575/2013, known as the Capital Requirements Regulation (CRR). In Article 434-bis, it instructs the EBA to develop the Implementing Technical Standards (ITS) that specify the standard disclosure formats required by Titles II and III of Part Eight of the CRR.

The regulatory framework is completed with the implementation measures, contained in the regulatory technical standards (RTS) or ITS, adopted by the European Commission at the proposal of the European Supervisory Authorities.

In Italy, the common regulations are implemented by the Bank of Italy through Circular no. 285 of 17 December 2013 "Supervisory Provisions for Banks", as amended.

Banco BPM Group publishes the information according to the frequency established by Article 433-bis CRR2 and this document, entitled "Public Disclosure by Entities", drawn up on a consolidated basis, in fulfilment of the aforementioned regulatory obligations.

The preparation of the Pillar III Disclosure is also regulated by the "Template for Disclosure to the Public", approved annually by the Board of Directors of Banco BPM, which - together with the internal reference regulations - define the formal and comprehensive policy on the Group's disclosure to the market, to pursue full compliance with the Pillar III Disclosure.

The Market Disclosure of Banco BPM Group is therefore structured in the light of indications and guidelines on disclosure issued over time by the EBA and summarised in Bank of Italy Circular 285/2013.

Specifically, they pertain to EBA/GL/2014/14, on the relevance, exclusivity, confidentiality and frequency of the disclosure, pursuant to Articles 432(1), 432(2) and 433 of Regulation (EU) 575/2013.

Note that on 24 January 2022, the EBA published its final draft of ITS on disclosures that supervised intermediaries must provide to the market regarding environmental, social and governance (ESG) risks, developed in compliance with Article 449-bis CRR. These were transposed into Commission Implementing Regulation (EU) 2022/2453 on 20 November 2022. These arrangements, in force from 28 June 2022, require Entities to publish their first disclosure on the subject in their annual reports from 31 December 2022 and every six months thereafter, adopting a gradual approach of introducing these disclosure obligations (phase-in period from December 2022 to December 2024).

The qualitative and quantitative information as at 31 March 2024 based on the contents required by the regulations referenced above is presented below.

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In compliance with the aforementioned disclosure and frequency obligations, this document is published on the website www.gruppo.bancobpm.it in the *Investor Relations* section.

All amounts shown in the tables below are stated in thousands of euro, unless otherwise indicated.

Recognition of financial conglomerate status

On 7 March 2023, Banco BPM Group obtained the status of financial conglomerate as defined by Article 3, Italian Legislative Decree no. 142 of 30 May 2005.

The ECB's decision grants the request submitted by Banco BPM following the acquisition of full control over the insurance companies Banco BPM Vita S.p.A. and Banco BPM Assicurazioni S.p.A., also involving the alignment of the supervisory activity performed by the Supervisory Authority to the overall activity carried out by the Group as a financial conglomerate.

Lastly, note that on 3 November 2023, Banco BPM Group received authorisation from the European Central Bank, pursuant to Article 49(1) of Regulation (EU) 575/2013, not to deduct the book value of the equity investment in Banco BPM Vita S.p.A. from Common Equity Tier 1 Capital (CET1).

In this regard, it should be noted that in December 2023, the subsidiary Banco BPM Vita acquired full control of Vera Vita, 35% of which was already previously owned by Banco BPM, thus becoming the "insurance sub-holding" of the financial conglomerate of the Banco BPM Group. As a result of the authorisation obtained, the equity investment not deducted from own funds is considered an exposure to credit risk to be weighted in compliance with the CRR.

Capital adequacy ratios as at 31 March 2024

Own funds and capital ratios as at 31 March 2024, outlined hereunder, were determined by applying the provisions of Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013, relating to the prudential requirements for credit institutions and investment firms, as updated by the amendments subsequently issued[2].

Based on the provisions of Article 26(2) of Regulation (EU) 575/2013, the inclusion of interim profit in CET1 is subject to the prior authorisation from the European Central Bank, which requires these profits to be verified by the independent auditors.

In this regard, it should be noted that the consolidated balance sheet and income statement as at 31 March 2024 of Banco BPM Group were subject to limited audit[3] with a view to obtaining the aforementioned authorisation. Also note that the European Central Bank authorised the inclusion of the profit being accrued as at 31 March 2024, net of the portion expected to be distributed as a dividend on the basis of specific applicable regulations[4].

The capital data and ratios contained in this disclosure therefore include the interim profit as at 31 March 2024, resulting from the Group's consolidated balance sheet and income statement approved by the Board of Directors on 7 May 2024, net of the portion that is expected to be distributed as a dividend.

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[2] More specifically, the data were calculated in consideration of the current legislation as at 31 March 2024 and the interpretations issued prior to 7 May 2024, the date on which the Board of Directors approved the interim profit (loss) for the year as at 31 March 2024.

[3] The limited audit covered the consolidated balance sheet, the consolidated income statement, the statement of consolidated comprehensive income, the statement of changes in consolidated shareholders' equity and the related explanatory notes, and was conducted in accordance with the *International Standard on Review Engagements* 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*".

[4] Pursuant to the provisions of Article 5 of European Central Bank Decision (EU) 2015/656 of 4 February 2015, the dividends deducted from the amount of the quarterly profit included in own funds are equal to 67% of the profit for the period; in the absence of a formal Board of Directors decision regarding the allocation of profit for the year 2024, the rules envisaged in Article 5.3 of said decision (EU) 2015/66 of the Supervisory Body were applied.

As at 31 March 2024, own funds totalled 12,825 million euro against weighted assets of €62,660 million, mostly arising from credit and counterparty risks and, to a lesser extent, operational and market risks.

The Total Capital Ratio stood at 20.5%; the Group Tier 1 Ratio (Tier 1 Capital to total RWAs) stood at 17.0%. The Common Equity Tier 1 Ratio (Common Equity Tier 1 to RWAs) was 14.7%.

Template EU KM1: key metrics (1 of 2)

* for each quarter, the average figures for the previous 12 months are reported.

		a	b	c	d	e
		31/03/2024	31/12/2023	30/09/2023	30/06/2023	31/03/2023
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	9,237,696	9,035,519	8,380,949	8,386,026	8,076,086
2	Tier 1 capital	10,627,366	10,425,189	9,770,743	9,775,819	9,465,880
3	Total capital	12,824,786	12,124,752	11,510,185	11,483,702	11,192,179
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	62,660,447	63,823,093	58,490,569	58,859,295	59,513,827
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	14.74%	14.16%	14.33%	14.25%	13.57%
6	Tier 1 ratio (%)	16.96%	16.34%	16.71%	16.61%	15.91%
7	Total capital ratio (%)	20.47%	19.00%	19.68%	19.51%	18.81%
Additional own fund requirements to address risks other than the risk of excessive leverage (as a % of risk-weighted exposure amount)						
EU 7a	Additional own fund requirements to address risks other than the risk of excessive leverage (%)	2.52%	2.57%	2.57%	2.57%	2.57%
EU 7b	Of which: to be made up of CET1 capital (percentage points)	1.54%	1.45%	1.45%	1.45%	1.45%
EU 7c	Of which: to be made up of Tier 1 capital (percentage points)	1.96%	1.93%	1.93%	1.93%	1.93%
EU 7d	Total SREP own funds requirements (%)	10.52%	10.57%	10.57%	10.57%	10.57%
Combined buffer and overall capital requirement (as a % of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential risk or systemic risk identified at Member State level (%)	-	-	-	-	-
9	Institution-specific countercyclical capital buffer (%)	0.039%	0.045%	0.040%	0.029%	0.016%
EU 9a	Systemic risk capital buffer (%)	-	-	-	-	-
10	Global systemically important institution buffer (%)	-	-	-	-	-
EU 10a	Other systemically important institution buffer (%)	0.50%	0.25%	0.25%	0.25%	0.25%
11	Combined buffer requirement (%)	3.04%	2.79%	2.79%	2.78%	2.77%
EU 11a	Overall capital requirements (%)	13.56%	13.36%	13.36%	13.35%	13.34%
12	CET1 available after satisfying the total SREP own fund requirements (%)	8.71%	8.21%	8.38%	8.30%	7.62%

Template EU KM1: key metrics (2 of 2)

* for each quarter, the average figures for the previous 12 months are reported.

		a	b	c	d	e
		31/03/2024	31/12/2023	30/09/2023	30/06/2023	31/03/2023
Leverage ratio						
13	Total exposure measure	197,952,295	199,614,281	196,590,762	201,645,484	200,939,997
14	Leverage ratio (%)	5.37%	5.22%	4.97%	4.85%	4.71%
Additional own funds requirements to address the risk of excessive leverage (as a % of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Leverage ratio buffer and overall leverage ratio requirement (as a % of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Liquidity coverage ratio*						
15	Total high-quality liquid assets (HQLA) (weighted value - average)	33,356,802	33,771,491	34,231,933	35,174,111	36,437,576
EU 16a	Cash outflows - Total weighted value	22,588,786	22,671,929	22,956,552	23,424,988	23,977,542
EU 16b	Cash inflows - Total weighted value	4,331,415	4,484,466	4,822,749	5,120,564	5,311,535
16	Total net cash outflows (adjusted value)	18,257,370	18,187,463	18,133,803	18,304,424	18,666,008
17	Liquidity Coverage Ratio (%)	182.71%	185.69%	189.39%	192.81%	195.59%
Net Stable Funding Ratio						
18	Total available stable funding	120,141,638	121,738,061	121,769,976	127,777,896	126,222,431
19	Total required stable funding	95,140,178	94,708,236	95,189,006	97,084,641	96,907,990
20	NSFR (%)	126.28%	128.54%	127.92%	131.61%	130.25%

Own Funds

Template EU CCA: main features of regulatory own funds instruments and eligible liabilities instruments

The tables on the features of equity instruments are uploaded in editable format (Excel) on the Group's institutional website. Amounts are shown in millions of euro.

The template provides a description of instruments issued by the institution and eligible for calculation in:

- Common Equity Tier 1 capital;
- Additional Tier 1 capital;
- Tier 2 capital.

Composition of own funds

The tables of own funds (Regulatory Capital) and risk assets are presented below, calculated in accordance with the rules stated in the introduction.

The breakdown of own funds as at 31 March 2024 is also presented. This uses the template for the publication of information on own funds, in accordance with Annex VII of Implementing Regulation (EU) no. 637 of 15 March 2021, compiled according to the pertinent instructions in Annex VIII.

Template EU CC1: composition of regulatory own funds

		31/03/2024	
		a)	b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	CET1 capital: instruments and reserves		
1	Equity instruments and related share premium accounts	7,100,000	EU CC2 - SHAREHOLDERS' EQUITY 170
	Of which ordinary shares	7,100,000	EU CC2 - SHAREHOLDERS' EQUITY 170
	Of which instrument type 2		
	Of which instrument type 3		
2	Retained earnings	-	
3	Accumulated other comprehensive income (and other reserves)	4,596,721	EU CC2 - SHAREHOLDERS' EQUITY 120 + EU CC2 - SHAREHOLDERS' EQUITY 150
EU-3a	Funds for general banking risks	-	
4	Amount of qualifying items referred to in Article 484(3) CRR and the related share premium reserves subject to phase out from CET1	-	
5	Non-controlling interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	123,869	EU CC2 - SHAREHOLDERS' EQUITY 200.1
6	**CET1 capital before regulatory adjustments**	**11,820,590**	
	CET1 capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	(34,808)	
8	Intangible assets (net of related tax liability) (negative amount)	(969,166)	EU CC2 - ASSETS 70.2 + EU CC2 - ASSETS 100.1 and 100.3 + EU CC2 - LIABILITIES 60 b.1
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38(3) CRR are met) (negative amount)	(870,173)	EU CC2 - ASSETS 110 b.1/1
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not measured at fair value	15,777	EU CC2 - SHAREHOLDERS' EQUITY 150.1
12	Negative amounts resulting from the calculation of expected loss amounts	(92,400)	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities measured at fair value resulting from changes in own credit standing	72,984	EU CC2 - SHAREHOLDERS' EQUITY 120.1 for 54.5 million (18.5 million in Income Statement)

		31/03/2024	
		a)	b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct, indirect and synthetic holdings by the institution of own CET1 instruments (negative amount)	(27,935)	EU CC2 - SHAREHOLDERS' EQUITY 180
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to artificially inflate the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	(104,565)	EU CC2 - ASSETS 70.1/1
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	(25,071)	
EU-20b	Of which: qualifying holdings outside the financial sector (negative amount)	-	
EU-20c	Of which: securitisation positions (negative amount)	(25,071)	
EU-20d	Of which: free deliveries (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liabilities where the conditions in Article 38(3) CRR are met) (negative amount)	-	
22	Amount exceeding the 17.65% threshold (negative amount)	(522,519)	
23	Of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	(270,257)	EU CC2 - ASSETS 70.1/2
25	Of which: deferred tax assets arising from temporary differences	(252,261)	EU CC2 - ASSETS 110 b.1/2
EU-25a	Losses for the current financial year (negative amount)	-	
EU-25b	Foreseeable tax charges relating to CET1 items, except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments	(25,019)	
28	**Total regulatory adjustments to CET1 capital**	**(2,582,894)**	
29	**CET1 capital**	**9,237,696**	
	Additional Tier 1 (AT1) capital: instruments		
30	Equity instruments and related share premium accounts	1,389,670	EU CC2 - SHAREHOLDERS' EQUITY 140

		31/03/2024	
		a)	b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
31	Of which: classified as equity under applicable accounting standards	1,389,670	EU CC2 - SHAREHOLDERS' EQUITY 140
32	Of which: classified as liabilities under applicable accounting standards	-	
33	Amount of qualifying items referred to in Article 484(4) CRR and the related share premium accounts subject to phase out from AT1	-	
EU-33a	Amount of qualifying items referred to in Article 494-bis(1) CRR subject to phase out from AT1	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including non-controlling interests not included in row 5) issued by subsidiaries and held by third parties	-	
35	of which: instruments issued by subsidiaries, subject to phase out	-	
36	**AT1 capital before regulatory adjustments**	**1,389,670**	
	AT1 capital: regulatory adjustments		
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	**Total regulatory adjustments to AT1 capital**	**-**	
44	**AT1 capital**	**1,389,670**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**10,627,366**	
	Tier 2 (T2) capital: instruments		
46	Equity instruments and related share premium accounts	2,390,489	EU CC2 - LIABILITIES 10.1
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	
EU-47a	Amount of qualifying items referred to in Article 494-bis(2) CRR subject to phase out from T2	-	
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including non-controlling interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	
49	of which: instruments issued by subsidiaries, subject to phase out	-	
50	Credit risk adjustments	-	
51	**T2 capital before regulatory adjustments**	**2,390,489**	

		31/03/2024	
		a)	b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
T2 capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	(193,068)	EU CC2 - ASSETS 40.1
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
EU-56b	Other regulatory adjustments to T2 capital	-	
57	**Total regulatory adjustments to T2 capital**	**(193,068)**	
58	**T2 capital**	**2,197,421**	
59	**Total capital (TC = T1 + T2)**	**12,824,786**	
60	**Total risk-weighted exposure amount**	**62,660,447**	
Capital ratios and requirements, including capital buffers			
61	Common Equity Tier 1 capital	14.74%	
62	Tier 1 capital	16.96%	
63	Total capital	20.47%	
64	Institution CET1 overall capital requirements	9.08%	
65	Of which capital conservation buffer requirement	2.50%	
66	Of which countercyclical buffer requirement	0.039%	
67	Of which systemic risk buffer requirement	-	
EU-67a	Of which Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) capital buffer requirement	0.50%	
EU-67b	Of which additional own funds requirements to address risks other than the risk of excessive leverage	1.54%	
68	**Common Equity Tier 1 (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**8.71%**	
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	316,759	EU CC2 - ASSETS 20.1 + EU CC2 - ASSETS 30.1 + EU CC2 - ASSETS 40.2 + EU CC2 - LIABILITIES 20.1
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% threshold and net of eligible short positions)	718,722	EU CC2 - ASSETS 70.1/3

		31/03/2024	
		a)	b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liabilities where the conditions in Article 38(3) CRR are met)	670,864	EU CC2 - ASSETS 110 b.1/3
	Applicable caps on the inclusion of provisions in Tier 2		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to application of the cap)	-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	155,554	
	Equity instruments subject to phase out arrangements (only applicable between 1 January 2014 and 1 January 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

Template EU CC2: reconciliation of regulatory own funds to the balance sheet of the financial statements

	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period end	As at period end	
Assets			
10. Cash and cash equivalents	9,876,885	9,747,573	
20. Financial assets at fair value through profit and loss	13,387,504	6,845,943	
20.1 of which: direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		212,547	EU CC1 72
30. Financial assets measured at fair value through other comprehensive income	19,992,193	10,882,540	
30.1 of which: direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		60,487	EU CC1 72
40. Financial assets at amortised cost	137,443,096	137,722,753	
40.1 of which: direct, indirect and synthetic holdings of T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities		193,068	EU CC1 55
40.2 of which: direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		45,203	EU CC1 72
50. Hedging derivatives	812,803	812,715	
60. Fair value change of financial assets in macro fair value hedge portfolios (+/-)	(158,783)	(158,783)	
70. Interests in associates and joint ventures	1,419,149	2,154,747	
70.1 Interests in associates and joint ventures - significant influence - measured at equity	1,383,987	2,098,595	
70.1/1 of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions)		104,565	EU CC1 19
70.1/2 of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount exceeding the 17.65% threshold)		270,257	EU CC1 23
70.1/3 of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below the 17.65% threshold and net of eligible short positions)		718,722	EU CC1 73
70.2 Interests in associates and joint ventures measured at equity, positive differences in shareholders' equity	35,162	56,152	EU CC1 8
80. Technical reserves of reinsurers	8,893	-	
90. Property, plant and equipment	2,829,017	2,782,401	
100. Intangible assets	1,260,916	1,209,138	

100.1 Goodwill	56,709	42,968	EU CC1 8
100.2 Other intangible assets	1,204,207	1,166,170	
100.3 of which: intangible assets deducted from own funds		988,294	EU CC1 8
110. Tax assets	4,062,197	3,965,354	
110.a current	348,907	269,211	
110.b deferred	3,713,290	3,696,143	
110.b.1 deferred - Other than It. Law 214/2011	1,998,481	1,981,334	
110.b.1/1 of which: deferred tax assets that rely on future profitability, excluding those arising from temporary differences		870,173	EU CC1 10
110.b.1/2 of which: deferred tax assets arising from temporary differences (amount exceeding the 17.65% threshold)		252,261	EU CC1 25
110.b.1/3 of which: deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38(3) CRR are met)		670,864	EU CC1 75
110.b.2 deferred - Pursuant to It. Law 214/2011	1,714,809	1,714,809	
120. Non-current assets and disposal groups held for sale	448,561	429,283	
130. Other assets	5,300,101	4,931,283	
Total assets	**196,682,532**	**181,324,947**	
Liabilities			
10. Financial liabilities at amortised cost	135,232,208	135,608,602	
10.1 of which: Tier 2 equity instruments and related share premium accounts		2,390,489	EU CC1 46
20. Financial liabilities held for trading	21,827,403	21,868,059	
20.1 of which: direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		1,477	EU CC1 72
30. Financial liabilities designated at fair value	7,334,683	4,393,345	
40. Hedging derivatives	843,968	843,968	
50. Fair value change of financial liabilities in macro fair value hedge portfolios (+/-)	(771,519)	(771,519)	
60. Tax liabilities	544,840	301,179	
60.a current	107,682	17,545	
60.b deferred	437,158	283,634	
60.b.1. of which: deferred tax liabilities on goodwill and other intangible assets already offset as lower deductions of regulatory capital		118,248	EU CC1 8
70. Liabilities associated with disposal groups held for sale	208,828	201,346	
80. Other liabilities	3,737,233	3,635,095	
90. Provisions for employee severance pay	243,491	241,087	
100. Provisions for risks and charges	640,362	644,732	
110. Insurance liabilities	12,476,015	-	
Total liabilities	**182,317,512**	**166,965,894**	

Shareholders' equity			
120. Valuation reserves	(284,943)	(284,943)	EU CC1 3
120.1 of which: gains or losses on liabilities measured at fair value resulting from changes in own credit standing		(54,504)	EU CC1 14
140. Equity instruments	1,465,843	1,465,843	EU CC1 31
150. Reserves	5,741,772	5,734,166	EU CC1 3
150.1 of which: fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not measured at fair value		15,777	EU CC1 11
170. Share capital	7,100,000	7,100,000	EU CC1 1
180. Own shares (-)	(27,935)	(27,935)	EU CC1 16
190. Minority interests (+/-)	66	8	
200. Profit (loss) for the year	370,217	371,914	
200.1 of which: calculable profit		123,869	EU CC1 EU-5a
Total shareholders' equity	**14,365,020**	**14,359,053**	
Total liabilities	**196,682,532**	**181,324,947**	

Analysis of changes in the aggregate amount of Own Funds in the period

(in thousands of euro)	31/03/2024
CET1 capital	
Opening balance	**9,035,519**
CET1 instruments	**80,514**
Increase/decrease in reserves from measurement at fair value through other comprehensive income	(8,565)
Profit (loss) for the period	371,914
Profit (loss) non-calculable	(248,045)
Increase/decrease in shareholders' equity	-
Changes in other CET1 transitional items	-
Increase/decrease in other reserves	(34,790)
Increase/decrease in non-controlling interests calculable in CET1	-
Prudential filters	**4,540**
Increase/decrease in regulatory value adjustments (prudent valuation)	(7,481)
Increase/decrease in gains or losses on liabilities measured at fair value resulting from changes in own credit standing	12,341
Increase/decrease in cash flow reserve	(321)
Deductions	**117,123**
Increase/decrease in intangible assets (net of related tax liabilities)	(3,254)
Increase/decrease in significant investments in CET1 instruments of financial sector entities and tax assets from temporary differences exceeding the threshold	55,475
Increase/decrease in tax assets from tax losses carried forward	(54,900)
Increase/decrease in non-significant investments in CET1 instruments	-
Increase/decrease in excess of expected losses with respect to value adjustments (shortfall)	(92,400)
Increase/decrease in exposures deducted instead of risk-weighted at 1250%	1,937
Insufficient coverage of non-performing exposures	(77)
Other CET1 deductions due to article 3 CRR	210,342
Closing balance	**9,237,696**
AT1 capital	
Opening balance	**1,389,670**
AT1 instruments	**-**
Increase/decrease in AT1 instruments	-
Increase/decrease in minority interests calculable in AT1	-
Deductions	**-**
Increase/decrease in items to be deducted from AT1	-
Closing balance	**1,389,670**
T2 capital	
Opening balance	**1,699,564**
T2 instruments	**425,315**
Increase/decrease in T2 instruments and subordinated liabilities	495,985
Decrease in T2 instruments calculable under grandfathering arrangements	
Increase/decrease in minority interests calculable in T2	-
Increase/decrease in excess of value adjustments with respect to expected losses	(70,670)
Deductions	**72,542**
Increase/decrease in items to be deducted from T2	1,872
Other T2 deductions due to Article 3 CRR	70,670
Closing balance	**2,197,421**
Total own funds	**12,824,786**

CET1 posted an increase of 202.2 million euro during the first quarter of the year 2024. The most significant components underlying the above net performance are as follows:

- the inclusion of 123.9 million euro, equal to the interim result in the first three months (371.9 million euro) net of the dividend pay-out (248 million euro);[5]

- the decrease in deductions totalling 117,1 million euro. This reduction is mainly due to the removal of the voluntary deduction[6] from Common Equity Tier 1 capital that the Bank had considered when calculating own funds as at 31 December 2023 to anticipate the estimated impact deriving from the application of new internal models for measuring credit risk authorised by the ECB but not actually applied as at 31 December 2023[7]. As at 31 March 2024, the new internal models were regularly implemented as part of the ordinary processes for calculating risk-weighted assets, generating a negative impact on own funds lower than that estimated and included in the data referring to 31 December 2023;

- the decrease in other reserves of 34.8 million euro;

AT1 capital remains unchanged compared to 31 December 2023.

T2 capital recorded a net increase of 497.9 million during the period, mainly due to the issue, during the quarter, of a new T2 instrument, calculable for 496 million.

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[5] See previous note 4.

[6] Article 3 of Regulation (EU) 575/2013 states that "this Regulation shall not prevent institutions from holding own funds and their components in excess of, or applying measures that are stricter than, those required by this Regulation". As part of a formal internal approval process, the bank defines the extent of any voluntary deductions from own funds and/or increases in risk-weighted assets aimed at considering risk aspects not governed by the CRR or deemed appropriate in order to guarantee a correct report on the asset-based position and minimum requirements for supervisory purposes.

[7]On 15 December 2023, following the validation request submitted in 2022, the ECB authorised the bank to use the new internal credit risk measurement model. The new model is effectively used from 1 January 2024.

Capital requirements

Disclosure relating to Pillar I capital adequacy

The minimum requirements established by regulations

On the basis of current prudential supervisory provisions ("Supervisory Provisions for Banks" - Bank of Italy Circular no. 285 of 17 December 2013), the minimum Total Capital Ratio is set at 10.5% (including the capital conservation buffer, which is set at 2.5%).

In December 2023, Banco BPM informed the market that it had received a notification from the European Central Bank of the prudential SREP decision containing the outcomes of the annual Supervisory Review and Evaluation Process (SREP). Considering the analyses and evaluations performed by the Supervisory Authority, the consolidated *CET1 ratio* requirement for 2024 is 9.08%. This requirement includes:

- the Pillar I minimum requirement of 4.5%; a Pillar II (P2R) capital requirements of 2.52%[8], which must be respected with CET1 for 1.53% (consisting of 0.27% for the "calendar provisioning shortfall" and 56.25% for the remaining 2.25%), with T1 for 0.42% and with T2 for 0.56%;
- a capital conservation buffer of 2.50%;
- the O-SII buffer equal to 0.50% of the total risk-weighted exposures[9];
- the countercyclical capital buffer of 0.40%.

The requirements for 2024 in terms of CET1 ratio are shown below:[10]

Banco BPM Group's prudential requirements - in terms of CET1 ratio	2024
Minimum Pillar I regulatory capital	4.50%
Pillar II requirement (P2R)	1.54%
Total SREP Capital Requirement (TSCR)	**6.04%**
Capital Conservation Buffer (CCB)	2.50%
Buffer for Other Systemically Important Institutions (O-SII)	0.50%
Countercyclical capital buffer (CCyB)[11]	0.04%
Overall Capital Requirement (OCR)	**9.08%**

As at 31 March 2024, the Banco BPM Group was in full compliance with the required regulatory thresholds.

[8] The updated requirement is lower than the 2.57% required by the Supervisory Body for 2023.
[9] On 21 November 2023, the Bank of Italy confirmed Banco BPM Group as an Other Systemically Important Institution (O-SII) also in 2024; taking into account the new methodology envisaged by the ECB for the assessment of the appropriateness of capital buffers, it raised the O-SII reserve to 0.50% of regulatory requirements.
[10] Pending the issue of more specific provisions, the requirements set out do not include the systemic risk buffer (SyRB) equal to 1.0% of domestic exposures weighted for credit and counterparty risk that, on 26 April 2024, the Bank of Italy decided to apply to all banks authorised in Italy. According to what has been declared, the target level of the buffer will have to be reached gradually: 0.5% of the relevant exposures by 31 December 2024 and the remaining 0.5% by 30 June 2025.
[11] As at the date of drafting of this disclosure, the countercyclical capital buffer was 0.04% (as described in more detail below), and consequently the OCR amounted to 9.08%.

The Pillar I capital requirements of the Group

The minimum capital requirement is equal to the sum of the capital requirements prescribed against credit, counterparty, market and operational risks. These requirements, in turn, arise from the sum of the individual requirements of companies in the Group's prudential scope of consolidation, after removing the effects of intercompany transactions.

As at 31 March 2024, the Banco BPM Group is authorised to use its own internal models to calculate regulatory capital absorption with reference to credit risk and market risk.

With specific regard to credit risk, it should be noted that, following the A-IRB model change request sent to the Regulator in the first quarter of 2022, in December 2023 the Bank obtained authorisation from the ECB to use the new A-IRB models for reporting purposes from the first quarter of 2024. With the review of the A-IRB models, the Bank completed the process to align the current credit risk models with the regulatory requirements originating from the EBA Guidelines on the development of PD and LGD models (EBA/GL/2017/16), estimation of downturn (EBA/GL/2019/03, as well as EBA/RTS/2018/04) and Credit Risk Mitigation techniques (EBA/GL/2020/05).

For more information on the validated models, see the 2023 Annual Pillar III Disclosure.

Qualitative disclosure on the countercyclical capital buffer

The imposition of additional capital buffers with respect to the regulatory minimums has the objective of giving banks high-quality capital resources to be used in moments of market tension to prevent dysfunctions of the banking system and avoid breakdowns in the loan disbursement process and to manage the risks deriving from the systemic importance at the global or domestic level of certain banks. In this context, the countercyclical capital buffer has the aim of protecting the banking sector in the stages of excessive growth of credit; in fact, its imposition, during phases of credit cycle overheating, makes it possible to accumulate CET1 capital, which will then be used to absorb losses in the downturn phases of the cycle.

Entities have an obligation to hold a countercyclical capital buffer equal to their total risk exposure multiplied by the specific countercyclical ratios established by the bank and the other authorities designated by the individual member states.

The Bank of Italy, like the other authorities designated by the individual Member States, has an obligation to determine Italy's countercyclical ratio quarterly and to monitor its congruence with ratios applied by other countries, both EU and non-EU. Directive (EU) 2013/36 (CRD IV) specifies that the institution-specific countercyclical ratio is equal to the weighted average of the countercyclical ratios that apply in the Countries where the institution's credit exposures are located.

It should be noted that, in a press release dated 22 December 2023, the Bank of Italy set the countercyclical ratio to be applied to exposures held with Italian counterparties at 0%.

The information in the following tables is published in compliance with Commission Delegated Regulation (EU) 2021/637 of 15 March 2021. It provides detailed evidence of the calculation of the requirement applicable to the Group based on the geographical distribution of credit exposures.

Template EU CCyB2: amount of institution-specific countercyclical capital buffer

		a
1	Total risk-weighted exposure amount	62,660,447
2	Institution-specific countercyclical capital buffer rate	0.039%
3	**Institution-specific countercyclical capital buffer requirement**	**24,438**

Template EU CCyB1: geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (1 of 2)

	a	b	c	d	e	f
	General credit exposures		Relevant credit exposures - Market risk		Value of securitisation exposures for the non-trading book	Total exposure value
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures under the standardised approach	Value of trading book exposures for internal models		
Armenia	-	0	-	-	-	0
Australia	50,529	3,342	-	-	-	53,870
Bulgaria	59	116	-	-	-	175
Cyprus	0	1	-	-	-	2
Czech Republic	297	3,497	-	-	-	3,794
Germany	156,132	121,717	-	-	-	277,848
Denmark	11,438	10,476	-	-	-	21,914
Estonia	-	-	-	-	-	-
France	519,619	267,479	-	-	-	787,098
United Kingdom	298,251	149,209	-	-	-	447,460
Hong Kong	237	241	-	-	-	478
Croatia	0	595	-	-	-	595
Ireland	31,894	50,162	-	-	-	82,056
Iceland	9	-	-	-	-	9
Lithuania	0	0	-	-	-	0
Luxembourg	231,404	138,864	-	-	-	370,268
Netherlands	100,691	337,878	-	-	-	438,569
Norway	14,823	9,553	-	-	-	24,376
Romania	393	575	-	-	-	968
Sweden	4,041	17,925	-	-	-	21,966
Slovenia	85	0	-	-	-	85
Slovakia	0	-	-	-	-	0
OTHERS	16,386,113	92,460,373	-	-	8,390,175	117,236,660
Total	**17,806,013**	**93,572,004**	**-**	**-**	**8,390,175**	**119,768,191**

Template EU CCyB1: geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (2 of 2)

	g	h	i	j	k	l	m
	Own funds requirements				Risk-weighted exposure amounts	Own funds requirement weights (%)	Countercyclical ratio (%)
	Relevant credit exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitisation exposures in the non-trading book	Total			
Armenia	0	-	-	0	0	-	1.50%
Australia	663	-	-	663	8,287	0.02%	1.00%
Bulgaria	3	-	-	3	42	-	2.00%
Cyprus	0	-	-	0	1	-	0.50%
Czech Republic	74	-	-	74	929	0.00%	2.00%
Germany	7,179	-	-	7,179	89,739	0.20%	0.75%
Denmark	1,090	-	-	1,090	13,627	0.03%	2.50%
Estonia	-	-	-	-	-	-	1.50%
France	43,630	-	-	43,630	545,377	1.23%	1.00%
United Kingdom	24,915	-	-	24,915	311,434	0.70%	2.00%
Hong Kong	22	-	-	22	275	0.00%	1.00%
Croatia	5	-	-	5	65	-	1.00%
Ireland	3,993	-	-	3,993	49,908	0.11%	1.00%
Iceland	1	-	-	1	9	-	2.50%
Lithuania	0	-	-	0	0	-	1.00%
Luxembourg	32,415	-	-	32,415	405,193	0.92%	0.50%
Netherlands	12,498	-	-	12,498	156,229	0.35%	1.00%
Norway	683	-	-	683	8,540	0.02%	2.50%
Romania	41	-	-	41	508	0.00%	1.00%
Sweden	1,180	-	-	1,180	14,750	0.03%	2.00%
Slovenia	3	-	-	3	43	-	0.50%
Slovakia	0	-	-	0	0	-	1.50%
OTHERS	3,318,910	-	94,079	3,412,989	42,662,357	96.38%	0%
Total	**3,447,306**	**-**	**94,079**	**3,541,385**	**44,267,313**	**100%**	

Template EU MR1: market risk under the standardised approach

		31/03/2024
		a
		RWEAs
	Outright products	
1	Interest rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Exchange rate risk	-
4	Commodity risk	4,891
	Options	
5	Simplified approach	-
6	Delta plus approach	-
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	**Total**	**4,891**

Template EU OV1: overview of total risk weighted exposure amounts

		Total risk weighted exposure amounts (TRWEA)		Total own funds requirements
		a	b	c
		31/03/2024	31/12/2023	31/03/2024
1	**Credit risk (excluding CCR)***	**50,522,560**	**47,151,291**	**4,041,805**
2	Of which standardised approach	24,662,328	26,493,787	1,972,986
3	Of which Foundation IRB (F-IRB) approach	-	-	-
4	Of which slotting approach	-	-	-
EU 4a	Of which equity instruments under the simple risk weighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	25,860,232	20,657,504	2,068,819
6	**Counterparty credit risk (CCR)**	**1,396,792**	**1,380,885**	**111,743**
7	Of which standardised approach	575,552	657,579	46,044
8	Of which internal model approach (IMA)	-	-	-
EU 8a	Of which exposures to a central counterparty (CCP)	73,956	63,981	5,917
EU 8b	Of which credit valuation adjustment (CVA)	155,501	213,768	12,440
9	Of which other CCR	591,783	445,556	47,343
15	**Settlement risk**	**2,657**	**1,040**	**213**
16	**Securitisation exposures in the non-trading book (after the cap)**	**1,175,984**	**1,241,360**	**94,079**
17	Of which SEC-IRBA approach	867,967	937,744	69,437
18	Of which SEC-ERBA approach (including IAA)	5,152	3,598	412
19	Of which SEC-SA approach **	302,865	300,019	24,229
EU 19a	Of which 1250%	-	-	-
20	**Position, exchange rate and commodity risks (market risk)**	**1,171,215**	**1,452,718**	**93,697**
21	Of which standardised approach	4,891	2,509	391
22	Of which IMA	1,166,325	1,450,208	93,306
EU 22a	**Large exposures**	**-**	**-**	**-**
23	**Operational risk**	**7,946,338**	**7,946,338**	**635,707**
EU 23a	Of which basic approach	-	-	-
EU 23b	Of which standardised approach	7,946,338	7,946,338	635,707
EU 23c	Of which advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight)***	3,473,965	3,477,027	277,917
27	Additional amount considered pursuant to the provisions of Article 3, Regulation (EU) no. 575/2013	444,900	4,649,462	35,592
29	**Total**	**62,660,447**	**63,823,093**	**5,012,836**

(*) The figure relates only to credit risk. The associated components referring to counterparty credit risk (CCR), default fund contributions to a central counterparty (CCP) and securitisation transactions are therefore excluded and exposed separately in the same prospect.

(**) Since there is no specific line, this line also includes amounts related to transactions that fall within the new classification category "Specific treatment for senior tranches of eligible securitisations of non-performing exposures", having an RWA calculated using the SEC-SA approach.

(***) The amounts in line 24 fulfil the disclosure obligation pursuant to paragraph 1(d)(iii) and paragraph 2 of Article 437 of Regulation (EU) 575/2013. They are already included in the amounts in line 1, calculated according to Article 92(4) of the Regulation, and are therefore not included in the grand total.

The amount in line 27 relates to the additional capital requirements, which, in compliance with the provisions of Article 3 of Regulation (EU) 575/2013, the Bank has voluntarily decided to consider in addition to the requirements calculated by applying the rules envisaged in this Regulation.

As at 31 March 2024, the additional requirements totalled 35.6 million euro, corresponding to 444.9 million euro in higher risk-weighted assets that reflect the Bank's discretionary assessment of the risk profiles implicit in the preparation processes for its financial position disclosure to the European Central Bank and to the market.

The decrease compared to the previous period is due to the fact that, as at 31.12.2023, this amount included the estimate of the impacts deriving from the application of the new internal credit risk assessment models that the ECB authorised the Bank to apply starting from the first quarter of 2024.

Template EU CR8: RWEA flow statement of credit risk exposures under the IRB approach

		RWEA amount	Capital requirement
		a	b
1	**RWEA as at end of previous reporting period**	**20,657,505**	**1,652,600**
2	Asset size (+/-)	-	-
3	Asset quality (+/-)	-	-
4	Model updates (+/-)	5,204,774	416,382
5	Methodology and policy (+/-)	-	-
6	Acquisitions and disposals (+/-)	(2,047)	(164)
7	Foreign exchange movements (+/-)	-	-
8	Other (+/-)	-	-
9	**RWEA as at end of current reporting period**	**25,860,232**	**2,068,819**

As at 31 March 2024, the capital requirement relating to credit risk includes the impacts deriving from the application of the new internal measurement models (new A-IRB framework).

In this context, the line "Model updates" includes the burden deriving from the aforementioned new A-IRB models, as well as the impacts on the RWAs of Foreign counterparties, which, with the new IRB framework, pass from a Standard approach to the metrics of risk calculated internally. As already illustrated above, it should be noted that the impact deriving from the introduction of the aforementioned models had been previously considered when calculating the capital requirements referring to 31 December 2023.

In the first quarter of 2024, Banco BPM's derisking activity also continued through the sale of non-performing loans.

Template EU MR2-B: RWEA flow statements of market risk exposures under the IMA

		a	b	c	d	e	f	g
		VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWEAs	Total own funds requirements
1	**RWEAs as at end of previous period**	**249,437**	**662,381**	**538,391**	**-**		**1,450,208**	**116,017**
1a	*Regulatory adjustment*	*(172,969)*	*(475,161)*	*(46,492)*	-		*(694,622)*	*(55,570)*
1b	*RWEAs as at the end of previous quarter (close of business)*	*76,468*	*187,220*	*491,899*	-		*755,586*	*60,447*
2	Movement in risk levels	46,933	242,499	69,116			358,549	28,684
3	Model updates/changes							
4	Methodology and policy							
5	Acquisitions and disposals							
6	Foreign exchange movements	-94,149	-247,620				-341,769	-27,341
7	Other							
8a	*RWEAs as at end of disclosure period (close of business)*	*29,252*	*182,099*	*561,015*	-		*772,366*	*61,789*
8b	*Regulatory adjustment*	*89,492*	*304,467*	-	-		*393,958*	*31,517*
8	**RWEAs as at end of disclosure period**	**118,744**	**486,566**	**561,015**	**-**		**1,166,325**	**93,306**

Disclosure on Pillar II capital adequacy

The Internal Capital Adequacy Assessment Process (ICAAP) supports and supplements the consistency check conducted under Pillar I, which only requires verification of the adequacy of Own Funds in terms of the minimum prudential requirements for credit risk (including counterparty credit risk), market risk and operational risk.

Through the ICAAP, the Group effectively has to assess the capital requirement for its business, considering, as part of the overall assessment, not only Pillar I risks, but also the Pillar II risks identified internally through the Risk Identification process. In fact, the capital requirements must be covered by capital resources that are also sufficient to ensure full achievement of the strategic and operational objectives, with a view to generating value for shareholders and for other stakeholders in the medium and long term, in accordance with the overall risk appetite defined in the Risk Appetite Framework.

Significant risks (credit, counterparty, market, interest rate, operational and other measured risks) are measured using statistic and quantitative methods generally relating to the VaR technique.

Banco BPM Group has opted for a level of probability (or confidence interval) of 99.9%, in line with the confidence level of minimum capital requirements established by supervisory regulations, in order to make the reconciliation with estimates resulting from the application of regulatory approaches easier.

The risks are estimated with reference to an annual time horizon.

The assessment of capital adequacy carried out in the ICAAP context and included in the Group's Risk Appetite framework entails, besides the estimated absorption of all the significant quantifiable risks, the definition of the measure of total capital (Available Financial Resources) used as capital amount to cover such business risks.

This amount must not be limited merely to covering total risk capital, but must also be able to:

- expand growth areas beyond what is defined in the strategic plan, ensuring potential flexible operating margins;
- manage going concern issues should cumulative losses recorded over the 12 months exceed those estimated according to the assumed confidence level;
- handle situations where market developments could be substantially worse than projected and incorporated in the risk estimate models;
- maintain an additional capital buffer, for the purpose of maintaining/improving the level of capitalisation, with a view to improving rating agency judgements;
- pursue the target ratio objectives established by Top Management.

The capital adequacy assessment, reported formally each year for supervisory purposes, is updated every six months, in compliance with external legislation and regulations (EBA SREP guidelines, ECB ICAAP guidelines) and internal reference regulations.

Such activity guarantees the continuous performance of the autonomous assessment process required by the Supervisory Authority, enabling any vulnerable areas and/or elements relating to the Group to be identified, and at the same time defining the potential actions deemed most appropriate, with a view to maintaining adequate capital buffers to guarantee that the medium/long term company strategies and objectives can be pursued. The main results emerging from this specific monitoring exercise are periodically reported to the Bank's Corporate Bodies.

To guarantee this continuous monitoring, Banco BPM Group has adopted an advanced system for risk integration and quantification of available capital resources, with advanced functions of management, control, reporting and simulation of capital adequacy conditions.

Furthermore, it conducts a periodic reallocation process of the economic capital absorbed by each separate type of risk relevant to the Group, for the main Bank business lines already used for Segment Reporting (IFRS 8).

With reference to the Available Financial Resources (AFR), the Bank adopts a more conservative approach to their definition, in line with recent provisions issued by the Regulator in this regard.

Lastly, the time horizon for the assessment of capital adequacy is in line with the long-term objectives and limits defined by the Group.

The capital adequacy assessment conducted for ICAAP purposes is also included in the Group's Risk Appetite framework. In fact, the RAF includes specific indicators that make it possible to verify the Group’s Pillar II capital adequacy with the relative definition of the monitoring thresholds.

Among the “Strategic” indicators there is the “Capital Reserve” indicator in the “Capital Adequacy” context, defined, in accordance with ICAAP requirements, as the ratio of the amount of own Available Financial Resources (AFRs) to total diversified economic capital.

In the context of Pillar II Adequacy, the MREL indicator is also mentioned, representing the requirement introduced by the European Bank Recovery and Resolution Directive (BRRD), whose objective is to ensure proper functioning of the bail-in mechanism by increasing the Bank's loss absorption capacity.

Liquidity

In Banco BPM Group, liquidity and funding risk is governed by the "Liquidity, funding risk and ILAAP regulation", which establishes: the roles and responsibilities of the corporate bodies and the corporate functions, the metrics used for risk measurement, the guidelines for conducting stress tests, the Liquidity Contingency Plan and the overall reporting framework related to the Group's liquidity and funding risk.

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. As part of this process, the Group makes an annual self-assessment regarding the adequacy of the overall liquidity risk management and measurement framework, which also covers governance, methodologies, information systems, measurement tools and reporting. The results of the risk profile adequacy assessment and the overall self-assessment are reported to the Corporate Bodies and submitted for the attention of the Supervisory Authority.

Banco BPM Group monitors and assesses the adequacy of the exposure to liquidity and funding risk on a yearly basis, and under the assumption of stress scenarios, using both regulatory metrics (Pillar I regulatory perspective) and internal metrics (internal perspective), the latter defined on the basis of specific characteristics of Banco BPM Group and complementary to regulatory metrics. These internal metrics include, for example, the survival period, the structural gap ratios and other ratios that seek to capture other aspects of liquidity risk, such as the funding concentration level, for which specific risk limits are set:

The adequacy of the risk profile is assessed and monitored continuously with respect to the liquidity risk appetite stated by the Group in the objectives and risk limits of the Risk Appetite Framework.

Within Banco BPM Group, liquidity management is centralised with the Parent Company, which also performs the role of last resort lender for the subsidiaries. In this regard, note that Banco BPM Group received a special exemption from the Supervisory Authority (ECB) from application of the liquidity and funding requirements on an individual basis (LCR, ALMM, NSFR). With regard to this exemption, the Group is, for the moment, not required to meet liquidity and funding requirements on an individual basis.

The liquidity risk identification and measurement framework include additional safeguards, complementary to regulatory requirements. These include:

- periodic monitoring to verify the significance of exposures in currencies other than the euro. As at 31 March 2024, there were no significant exposures[12] in currencies other than the euro;
- monthly monitoring of excessive concentration risk relative to funding sources. Specific risk thresholds are placed on unsecured demand funding relative to individual funding

[12] Significance is verified when liabilities in one such currency exceeds 5% of total liabilities.

providers, on the total of the top ten counterparties and the position on the short-term interbank market;

- periodic stress tests on the intraday liquidity profile, short-term liquidity profile and medium-/long-term funding profile. In this area, stress scenarios and sensitivity analyses are defined on the basis of the results of the internal process used to identify risk factors. Analyses performed include, for example, risks deriving from derivative transactions, from potential collateral calls and from potential unexpected requirements deriving from the operations of Group customers. These analyses leverage historical evidence as well as models developed internally and periodically updated.

In the first quarter of 2024, the liquidity and funding profile of the Banco BPM Group was considered adequate both in the short and long term, respecting the risk limits envisaged both internally and, where present, at regulatory level (LCR, NSFR). In particular, as regards the LCR and NSFR regulatory metrics, both ratios maintained levels that were comfortably higher than the regulatory minimums.

Liquidity Coverage Ratio (LCR)

The Liquidity Coverage ratio (LCR) seeks to promote the short-term resilience of the bank's liquidity risk profile, by ensuring that it has sufficient high-quality liquid reserves to cover cash outflows for one month in the event of a severe stress scenario.

The ratio is monitored internally on a daily basis and is also reported on a monthly basis to the Supervisory Authority though supervisory reporting.

In compliance with the regulatory provisions, for each of the four quarters the table below shows the average data in the previous 12 months relating to the main aggregates underlying the LCR calculation.

Template EU LIQ1: quantitative information of LCR (1 of 2)

		a	b	c	d
		Total unweighted value (average)			
EU 1a	Quarter ending on 31/03/2024	31/03/2024	31/12/2023	30/09/2023	30/06/2023
EU 1b	Number of data points used in the calculation of averages	12	12	12	12
HIGH-QUALITY LIQUID ASSETS					
1	**Total high-quality liquid assets (HQLA)**				
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	71,901	73,239	74,803	76,040
3	*Stable deposits*	*53,836*	*54,450*	*55,135*	*55,599*
4	*Less stable deposits*	*18,024*	*18,744*	*19,622*	*20,397*
5	Unsecured wholesale funding	28,601	27,989	27,933	28,303
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	*7,787*	*7,713*	*7,680*	*7,594*
7	*Non-operational deposits (all counterparties)*	*20,775*	*20,199*	*20,180*	*20,595*
8	*Unsecured debt*	*38*	*78*	*73*	*114*
9	*Secured wholesale funding*				
10	Additional requirements	13,506	12,994	12,392	11,515
11	*Outflows related to derivative exposures and other collateral requirements*	*1,105*	*1,112*	*1,112*	*1,100*
12	*Outflows related to loss of funding on debt products*	*112*	*115*	*119*	*161*
13	*Credit and liquidity facilities*	*12,289*	*11,766*	*11,162*	*10,253*
14	Other contractual funding obligations	204	218	227	203
15	Other contingent funding obligations	40,971	40,687	40,521	40,190
16	**TOTAL CASH OUTFLOWS**				
CASH INFLOWS					
17	Secured lending (e.g. reverse repos)	1,912	1,862	1,873	1,699
18	Inflows from fully performing exposures	2,046	1,994	1,925	1,903
19	Other cash inflows	13,232	13,550	14,018	14,438
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)				
EU-19b	(Excess inflows from a related specialised credit institution)				
20	**TOTAL CASH INFLOWS**	**17,190**	**17,406**	**17,816**	**18,040**
EU-20a	*Fully exempt inflows*	-	-	-	-
EU-20b	*Inflows subject to 90% cap*	-	-	-	-
EU-20c	*Inflows subject to 75% cap*	*17,190*	*17,406*	*17,761*	*17,985*
TOTAL ADJUSTED VALUE					
EU-21	**LIQUIDITY BUFFER**				
22	**TOTAL NET CASH OUTFLOWS**				
23	**LIQUIDITY COVERAGE RATIO**				

Template EU LIQ1: quantitative information on LCR (2 of 2)

		e	f	g	h
		Total weighted value (average)			
EU 1a	Quarter ending on 31/03/2024	31/03/2024	31/12/2023	30/09/2023	30/06/2023
EU 1b	Number of data points used in the calculation of averages	12	12	12	12
HIGH-QUALITY LIQUID ASSETS					
1	**Total high-quality liquid assets (HQLA)**	**33,357**	**33,771**	**34,232**	**35,174**
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	4,957	5,071	5,207	5,315
3	*Stable deposits*	2,692	2,723	2,757	2,780
4	*Less stable deposits*	2,224	2,304	2,406	2,491
5	Unsecured wholesale funding	11,535	11,373	11,494	11,867
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	*1,833*	*1,817*	*1,809*	*1,789*
7	*Non-operational deposits (all counterparties)*	9,663	9,479	9,612	9,963
8	*Unsecured debt*	*38*	*78*	*73*	*114*
9	*Secured wholesale funding*	*842*	*984*	*1,166*	*1,234*
10	Additional requirements	3,070	2,993	2,933	2,966
11	*Outflows related to derivative exposures and other collateral requirements*	*1,105*	*1,112*	*1,112*	*1,100*
12	*Outflows related to loss of funding on debt products*	*112*	*115*	*119*	*161*
13	*Credit and liquidity facilities*	*1,853*	*1,765*	*1,703*	*1,705*
14	Other contractual funding obligations	116	149	128	97
15	Other contingent funding obligations	2,069	2,103	2,028	1,947
16	**TOTAL CASH OUTFLOWS**	**22,589**	**22,672**	**22,957**	**23,425**
CASH INFLOWS					
17	Secured lending (e.g. reverse repos)	48	248	479	672
18	Inflows from fully performing exposures	1,502	1,443	1,368	1,330
19	Other cash inflows	2,782	2,793	2,976	3,119
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)	-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)	-	-	-	-
20	**TOTAL CASH INFLOWS**	**4,331**	**4,484**	**4,823**	**5,121**
EU-20a	*Fully exempt inflows*	-	-	-	-
EU-20b	*Inflows subject to 90% cap*	-	-	-	-
EU-20c	*Inflows subject to 75% cap*	*4,331*	*4,484*	*4,823*	*5,121*
TOTAL ADJUSTED VALUE					
EU-21	**LIQUIDITY BUFFER**	**33,357**	**33,771**	**34,232**	**35,174**
22	**TOTAL NET CASH OUTFLOWS**	**18,257**	**18,187**	**18,134**	**18,304**
23	**LIQUIDITY COVERAGE RATIO**	**182.71%**	**185.69%**	**188.77%**	**192.81%**

The figures reported show how the average LCR level remained permanently above the 100% minimum regulatory requirement in the last 12 months. In particular, the LCR reflects the Group's robust liquidity position, which incorporates the increase in commercial deposits and benefits of ECB funding.

The average level of high-quality available liquid assets stands at roughly 33.4 billion euro (weighted), 99% of which composed of the most liquid type (Level 1) of assets eligible for the LCR numerator according to Commission Delegated Regulation (EU) 2015/61 of 10 October 2014.

More specifically, the rules for calculating the LCR divide high-quality liquid assets (LCR numerator) into three categories, considered in the regulations in decreasing order of their liquidity: “level 1”, “level 2A” and “level 2B”.

Increasing haircuts are applied to these categories, as well as limits in terms of composition. In addition to these high-quality liquid assets (HQLA), the Group has other freely marketable assets to which specific haircuts are applied to take liquidability into account.

Net cash outflows (LCR denominator) are calculated by applying regulatory outflow and inflow factors to demand assets and liabilities or those maturing within 30 days so as to serve as a standardised stress test involving both system and idiosyncratic elements.

For more information, please see the regulations in force with regard to the LCR calculation, i.e., Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 and subsequent updates.

Leverage

Definition and regulatory framework

From 1 January 2015, the Basel III prudential regulations have required supervised intermediaries to introduce and monitor the Leverage Ratio in their capital adequacy assessments.

From 30 June 2021, the new Basel IV regulations envisage, among other things, the obligation for the institution to meet the minimum requirement established by Article 92 CRR or, where the conditions are met, that in Article 429-bis(7) CRR.

As the conditions envisaged in Article 429-bis(7) do not apply, the minimum requirement that must always be met is 3%.

This indicator must be measured and monitored over time to achieve the following objectives:

- avoid an excessive increase in exposures with respect to the level of own funds;
- limit possible measurement errors associated with the current system for calculating weighted assets.

In fact, the definition of excessive leverage risk in Bank of Italy Circular no. 285 of 17 December 2013 “Supervisory provisions for banks”, derived from the definitions of Articles 4(93) and 4(94) of Regulation (EU) 575/2013, is incorporated from this perspective:

> *"this is the risk that a particularly high level of debt with respect to own funds could make the bank vulnerable, requiring it to adopt corrective measures with regard to its business plan, including selling assets with recognition of losses that could require value adjustments to its remaining assets."*

The leverage ratio is calculated as the intermediary’s Tier 1 capital (numerator) divided by the amount of the bank’s total exposure measure (denominator) and is expressed as a percentage.

$$\text{Leverage ratio} = \frac{\text{Tier 1 Capital}}{\text{Amount of overall exposure}}$$

The ratio is also calculated on forward-looking basis to make short- or medium-/long-term projections. The consolidated ratio is also stress tested, by applying adverse scenarios, which impact the bank’s values, both in terms of numerator and denominator of the ratio.

The Supervisory Reporting function of Banco BPM Group is responsible for quarterly calculation of the leverage ratio on a consolidated and individual basis.

The leverage ratio values are sent to the Risk Function for the purpose of verifying the current, forward-looking and stressed levels of the indicator. The forward-looking estimate of the leverage ratio at consolidated level is calculated at least annually for the purpose of verifying consistency of the leverage ratio with the respective thresholds of the risk appetite framework[13], while it is updated on an interim basis as part of the periodic monitoring of the Group's capital adequacy (ICAAP).

Also note that the Group has adopted a specific internal regulation aimed at defining appropriate safeguards to ensure adequate monitoring of financial leverage and to formalise any appropriate mitigation actions for its containment.

Currently, the Group calculates the leverage ratio based on the methods defined in Annex XI to Implementing Regulation (EU) 2021/451 of 17 December 2020.

As at 31 March 2024, the leverage ratio was 5.37%, while it stood at 5.22% as at 31 December 2023.

The quantitative disclosure as at 31 March 2024 is shown below, based on the templates provided in Commission Implementing Regulation (EU) 2021/637, which make applicable the standard layouts envisaged by the European Banking Authority.

[13] The leverage ratio is among the strategic indicators in the Group’s Risk Appetite Framework, therefore its compliance with all the defined thresholds is verified.

Template EU LR1: LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		31/03/2024
		a
		Applicable amount
1	Total assets as per published financial statements	196,682,532
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(15,357,585)
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with Article 429-bis(1)(i) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	(1,753,653)
9	Adjustment for securities financing transactions (SFTs)	1,153,535
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	19,448,271
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with Article 429-bis(1)(c) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with Article 429-bis(1)(j) CRR)	-
12	Other adjustments	(2,220,805)
13	**Total exposure measure**	**197,952,295**

Template EU LR2 - LRCom: leverage ratio common disclosure

		CRR leverage ratio exposures	
		a	b
		31/03/2024	31/12/2023
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	173,668,021	178,586,047
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(203,830)	(394,382)
4	Adjustment for securities received under securities financing transactions that are recognised as an asset	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(2,630,859)	(2,524,916)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**170,833,332**	**175,666,749**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	254,049	333,830
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	1,232,564	1,294,629
EU-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivatives exposures**	**1,486,613**	**1,628,459**
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	5,428,693	5,701,785
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	1,153,535	910,675
EU-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-

		CRR leverage ratio exposures	
		a	b
		31/03/2024	31/12/2023
EU-17a	(Exempted CCP leg of client-cleared SFT exposures)	-	-
18	**Total securities financing transaction exposures**	**6,582,228**	**6,612,460**
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	65,023,886	62,411,623
20	(Adjustments for conversion to credit equivalent amounts)	(45,969,243)	(46,700,370)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	-
22	**Off-balance sheet exposures**	**19,054,643**	**15,711,254**
	Excluded exposures		
EU-22a	(Exposures excluded from the total exposure measure in accordance with Article 429-bis(1)(c) CRR)	-	-
EU-22b	(Exposures exempted in accordance with Article 429-bis(1)(j) CRR (on- and off-balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	(4,521)	(4,641)
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with Article 429-bis(1)(o) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with Article 429-bis(1)(p) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	**(Total exempted exposures)**	**(4,521)**	**(4,641)**
	Capital and total exposure measure		
23	**Tier 1 capital**	**10,627,366**	**10,425,189**
24	**Total exposure measure**	**197,952,295**	**199,614,281**
	Leverage ratio		
25	Leverage ratio (%)	5.37%	5.22%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	5.37%	5.22%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	5.37%	5.22%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-

		CRR leverage ratio exposures	
		a	b
		31/03/2024	31/12/2023
EU-26b	Of which: to be made up of CET1 capital	-	-
27	Leverage ratio buffer requirement (%)	-	-
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Fully phased	Fully phased
Disclosure of mean values			
28	Mean daily value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	2,504,099	1,801,125
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	5,428,693	5,701,785
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	195,027,701	195,713,621
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	195,027,701	195,713,621
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5.45%	5.33%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5.45%	5.33%

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Template EU LR3 - LRSpl: split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		31/03/2024
		a
		CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**173,459,670**
EU-2	Trading book exposures	3,011,585
EU-3	Banking book exposures, of which	170,448,085
EU-4	Covered bonds	572,231
EU-5	Exposures treated as sovereigns	51,392,678
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	894,245
EU-7	Exposures to institutions	10,003,577
EU-8	Secured by mortgages of immovable properties	34,355,583
EU-9	Retail exposures	13,619,523
EU-10	Exposures to corporates	38,073,879
EU-11	Exposures in default	2,099,552
EU-12	Other exposures (e.g. equity instruments, securitisations and other non-credit obligation assets)	19,436,816

Changes during the current quarter in the aggregate of exposures considered for the leverage ratio calculation

As at 31 March 2024, the exposures considered in calculating the denominator for the leverage ratio show a total decrease of 1.7 billion euro (-0.8%) compared to 31 December 2023. The change is due to the combined effect of the decrease in exposures in the financial statements (excluding derivatives and SFTs) for 4.8 billion euro, partly offset by the increase in off-balance sheet exposures for 3.3 billion euro.

Declaration of the Risk Manager

The undersigned, Andrea Rovellini, in his capacity as Chief Risk Officer of the Parent Company Banco BPM S.p.A., hereby certifies that the Public Disclosure Document (Pillar III) as at 31/03/2024 was prepared in accordance with the reference legislation (Bank of Italy Circular no. 285/2013 and the CRR - Regulation (EU) no. 575/2013, as amended by the CRR2 - Regulation (EU) no. 876/2019). Also note that the overall Document was drafted in accordance with the Public Disclosure Model defined by the Group for 2024, which describes the institution's formal policy regarding market disclosures, as expressly envisaged in Article 431 CRR2.

Milan, 11 June 2024

Il Responsabile
della Funzione Rischi

Andrea Rovellini

Declaration of the Financial Reporting Manager

The undersigned, Gianpietro Val, in his capacity as Financial Reporting Manager of Banco BPM S.p.A, hereby declares, in compliance with the provisions of Article 154-bis, paragraph 2 of Italian Legislative Decree no. 58 of 24 February 1998, that the accounting information contained in this document is consistent with the corporate documents, books and accounting records.

Milan, 11 June 2024

Il Dirigente Preposto alla redazione dei
documenti contabili societari
Gianpietro Val