# Public Disclosure

# Pillar III

Reference date 31 March 2025

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

## Banco BPM Group Public Disclosure

The Basel Committee accords ("Basel III") require that banks fulfil specific disclosure obligations on their capital adequacy, exposure to risks and the characteristics of the systems for the relative identification, measurement and management as well as remuneration practices and policies.

Within the EU, public disclosure is governed by the following regulatory acts:

- Directive 2013/36/EU of 26 June 2013 ("CRD") and subsequent amendments, on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms;

- Regulation (EU) no. 575/2013 of 26 June 2013 ("CRR") and subsequent amendments, on prudential requirements for credit institutions and public disclosure, Pillar 3 (Part Eight "Disclosure by Institutions");

- Directive 2014/59/EU of 15 May 2014 ("BRRD") and subsequent amendments, establishing a framework for the recovery and resolution of credit institutions and investment firms.

The regulatory framework is further supplemented by the implementing measures that transpose the regulatory and/or implementing technical standards (RTS or ITS), adopted by the European Commission on the proposal of the European Banking Authority (EBA), in accordance with the mandate set out in Article 434a of the CRR, "Uniform disclosure formats". In particular, public disclosure is governed by:

- Implementing Regulation (EU) 2024/3172 and subsequent amendments, which establishes enforcement technical standards with regard to the publication by entities of the information referred to in part eight, titles II and III, of Regulation (EU) no. 575/2013 and which repeals Implementing Regulation (EU) 2021/637[1];
- Implementing Regulation (EU) 2021/763 and subsequent amendments, which establishes enforcement technical standards with regard to supervisory reporting and public disclosure on the minimum requirement of own funds and eligible liabilities.

In addition, the Banco BPM Group is found to apply the *ABE/GL/2020/12* guidelines following the decision to exercise the option envisaged by art. 468 of EU Regulation no. 575 (CRR), in the period from 31 March 2025 to 31 December 2025 (end of the transitional period).

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

This Banco BPM Group Public disclosure, published on the website www.gruppo.bancobpm.it in the *Investor Relations section,* was prepared on the basis of the following elements:

- the external reference regulations listed above, as a result of the updates introduced by Regulation (EU) 2024/1623 of 31 May (CRR3) which entered into force on 1 January 2025;
- the "Modello di Informativa al Pubblico" policy, approved annually by the Board of Directors of Banco BPM, which defines the structure and content of the disclosure in

[1] It should be noted that Article 15 and schedules XXIX and XXX of Implementing Regulation (EU) 2021/637 continue to apply until the entry into force of the FRTB (*Fundamental Review of the Trading Book*) framework

accordance with the aforementioned external reference regulations and with the Group characteristics;

- the consolidated figures (prudential scope) as at 31 March 2025, in national currency.

It is also reported that after gaining full control of the insurance company Banco BPM Vita S.p.A. on 7 March 2023, the Banco BPM Group was designated as a financial conglomerate under Article 3 of Italian Legislative Decree no. 142 of 30 May 2005. As a result, it is now subject to the additional supervision outlined in Directive 2002/87/EC.

Banco BPM Vita represents the insurance sub-holding company within the Banco BPM Group's financial conglomerate. It holds full ownership of the insurance companies Vera Vita S.p.A. and BBPM Life dac, along with a 35% stake in Banco BPM Assicurazioni S.p.A. and Vera Assicurazioni S.p.A.

On 3 November 2023, the 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). As a result of the authorisation obtained, the equity investment not deducted from own funds is considered an equity instrument exposure and is included in the risk-weighted assets for credit risk[2].

[2] In compliance with the provisions of the CRR, the weighting percentage is 100%

## Structure of the Banco BPM Group Public Disclosure

The following is the list of the sections, tables and Templates subject to quarterly disclosure, in line with Regulation (EU) no. 575/2013 and Implementing Regulation (EU) 2024/3172, with an indication of its applicability to the Banco BPM Group.

It should be noted that in this report, all quantitative data reported in the models are expressed in millions of units.

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# Section 1 - Disclosure of overview of risk management, key prudential metrics and RWA

## Template EU OV1: Overview of total risk exposure amounts (1/2)

The template shows the total risk exposure amounts (Total Risk Exposure Amount - TREA) and the corresponding requirements for own funds, broken down by different types of risk.
The TREA relating to credit risk (row 1) differs from the disclosure published as at 31 December 2024 in that it includes the additional amount considered pursuant to the provisions of art. 3 of Regulation (EU) no. 575/2013, in alignment with Implementing Regulation (EU) 2024/3172 and the mapping tool of the European Banking Authority.

Row 19, "Of which SEC-SA approach", 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", as a specific row is not provided for by Implementing Regulation (EU) 2024/3172.

Rows 21, EU 21a and 22 relating to market risk, in line with the instructions provided in Annex II, were not completed as they pertain to the Fundamental Review of the Trading Book framework not yet in force.

The main component is credit risk (excluding counterparty risk), which constitutes 77% of the total TREA.
The amounts of risk exposure recorded an increase of 3.5 billion compared to the previous quarter. This growth can be observed in all risk components indicated, in particular on operational risk (+1.6 billion) and credit and counterparty risk (+1 billion), essentially due to the effect of the first-time application of the amendments starting from 1 January 2025 introduced by CRR3.

## Template EU OV1: Overview of total risk exposure amounts (2/2)

| | | Total risk exposure amounts (TREA) | | Total own funds requirements |
|---|---|---|---|---|
| | | a | b | c |
| | | 31/03/2025 | 31/12/2024 | 31/03/2025 |
| **1** | **Credit risk (excluding CCR)** | **50,348** | **49,434** | **4,028** |
| 2 | Of which standardised approach | 22,106 | 20,966 | 1,768 |
| 3 | Of which Foundation IRB (F-IRB) approach | 7,879 | - | 630 |
| 4 | Of which slotting approach | 2,551 | 2,663 | 204 |
| EU 4a | Of which equities under the simple risk weighted approach | - | - | - |
| 5 | Of which the Advanced IRB (A-IRB) approach | 17,033 | 24,861 | 1,363 |
| **6** | **Counterparty credit risk - CCR** | **1,020** | **874** | **82** |
| 7 | Of which standardised approach | 611 | 618 | 49 |
| 8 | Of which internal model method (IMM) | - | - | - |
| EU 8a | Of which exposures to a CCP | 122 | 82 | 10 |
| 9 | Of which other CCR | 286 | 174 | 23 |
| **10** | **Credit valuation adjustment risk - CVA risk** | **294** | **189** | **23** |
| EU 10a | Of which standardised approach (SA) | - | - | - |
| EU 10b | Of which basic approach (F-BA and R-BA) | 294 | - | 23 |
| EU 10c | Of which simplified approach | - | - | - |
| 11 | Not applicable | | | |
| 12 | Not applicable | | | |
| 13 | Not applicable | | | |
| 14 | Not applicable | | | |
| **15** | **Settlement risk** | **1** | **1** | **0** |
| **16** | **Securitisation exposures in the non-trading book (after the cap)** | **1,920** | **1,462** | **154** |
| 17 | Of which SEC-IRBA approach | 1,594 | 1,153 | 128 |
| 18 | Of which SEC-ERBA approach (including IAA) | 8 | 10 | 1 |
| 19 | Of which SEC-SA approach | 317 | 299 | 25 |
| EU 19a | Of which 1250% / deduction | - | - | - |
| **20** | **Position, foreign exchange and commodities risks (Market risk)** | **1,424** | **1,184** | **114** |
| 21 | Of which Alternative standardised approach (A-SA) | - | - | - |
| EU 21a | Of which Simplified standardised approach (S-SA) | - | - | - |
| 22 | Of which Alternative Internal Model Approach (A-IMA) | - | - | - |
| **EU 22a** | **Large exposures** | **-** | **-** | **-** |
| **23** | **Reclassifications between the trading and non-trading books** | **-** | **-** | **-** |
| **24** | **Operational risk** | **10,132** | **8,495** | **811** |
| **EU 24a** | **Exposures to crypto-assets** | **-** | **-** | **-** |
| **25** | **Amounts below the thresholds for deduction (subject to 250% risk weight)** | **3,642** | **3,527** | **291** |
| **26** | **Output floor applied (%)** | **-** | **-** | |
| **27** | **Floor adjustment (before application of transitional cap)** | **-** | **-** | |
| **28** | **Floor adjustment (after application of transitional cap)** | **-** | **-** | |
| **29** | **Total** | **65,138** | **61,639** | **5,211** |

## Template EU KM1 - Key metrics template (1/3)

The template shows the main indicators of the Group, relating to own funds and risk-weighted exposures, leverage and liquidity.

Following the entry into force of the amendments of Regulation (EU) no. 575/2013 (CRR3) and the related disclosure requirements, as at 31/03/2025, inter alia, an output floor was introduced with the aim of counteracting the possible effect of underestimation of the calculated own funds requirements, using internal models related to their weaknesses. Specifically, Banks that adopt internal templates to calculate risk-weighted exposures at the end of the transitional period will not be able to reduce their total weighted exposures (Unfloored Total Risk Exposure Amount, U-TREA) below 72.5% of risk-weighted exposures that would have been obtained using only standardised approaches (Standardised Total Risk Exposure Amount, S-TREA). In the transitional period from 1 January 2025 to 31 December 2025, the applicable threshold is reduced to 50% and will gradually increase in subsequent years until it reaches the level of 72.5%.

As a result of this change, lines that provide information on the impacts of the application of the aforementioned minimum threshold have been introduced in the template in question with respect to 31 December 2024. In this regard, it should be noted that for the Banco BPM Group the introduction of the minimum threshold did not have any impact on the equity ratios as at 31 March 2025.

As at 31 March 2025, own funds totalled €13,654 million against weighted assets of €65,138 million, mostly arising from credit and counterparty risks and, to a lesser extent, operational and market risks.

The Total Capital Ratio stood at 20.96%; the Group Tier 1 Ratio (Tier 1 Capital to total RWEAs) stood at 18.07%. The Common Equity Tier 1 Ratio (Common Equity Tier 1 to RWAs) was 15.94%.

Please note that the capital data and ratios shown include the interim profit as at 31 March 2025, resulting from the Group's consolidated balance sheet and income statement approved by the Board of Directors on 7 May 2025, net of the portion that is expected to be distributed as a dividend[3] and other profit allocations. The inclusion was authorised by the European Central Bank.

[3] Pursuant to the provisions of Article 5 of European Central Bank Decision (EU) 2015/656 of 4 February 2015, the dividends to be deducted from the amount of the profit of the first quarter included in own funds are equal to 79% of the profit for the period; in the absence of a formal Board of Directors decision regarding the allocation of profit for the year 2025, the rules envisaged in Article 5.3 of Decision (EU) 2015/66 of the European Central Bank have been applied

## Template EU KM1 - Key metrics template (2/3)

| | | a | b | c | d | e |
|---|---|---|---|---|---|---|
| | | 31/03/2025 | 31/12/2024 | 30/09/2024 | 30/06/2024 | 31/03/2024 |
| **Available own funds (amounts)** | | | | | | |
| 1 | Common Equity Tier 1 (CET1) capital | 10,380 | 9,275 | 9,583 | 9,438 | 9,238 |
| 2 | Tier 1 capital | 11,770 | 10,665 | 10,972 | 10,828 | 10,627 |
| 3 | Total capital | 13,654 | 12,530 | 12,822 | 13,018 | 12,825 |
| **Risk-weighted exposure amounts** | | | | | | |
| 4 | Total risk exposure amount | 65,138 | 61,639 | 61,887 | 62,226 | 62,660 |
| 4a | Total risk exposure pre-floor | 65,138 | - | - | - | - |
| **Capital ratios (as a percentage of risk-weighted exposure amount)** | | | | | | |
| 5 | Common Equity Tier 1 ratio (%) | 15.94% | 15.05% | 15.48% | 15.17% | 14.74% |
| 5a | Not applicable | | | | | |
| 5b | Common Equity Tier 1 ratio considering unfloored TREA (%) | 15.94% | - | - | - | - |
| 6 | Tier 1 ratio (%) | 18.07% | 17.30% | 17.73% | 17.40% | 16.96% |
| 6a | Not applicable | | | | | |
| 6b | Tier 1 ratio considering unfloored TREA (%) | 18.07% | - | - | - | - |
| 7 | Total capital ratio (%) | 20.96% | 20.33% | 20.72% | 20.92% | 20.47% |
| 7a | Not applicable | | | | | |
| 7b | Total capital ratio considering unfloored TREA (%) | 20.96% | - | - | - | - |
| **Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)** | | | | | | |
| EU 7d | Additional own funds requirements to address risks other than the risk of excessive leverage (%) | 2.25% | 2.52% | 2.52% | 2.52% | 2.52% |
| EU 7e | Of which: to be made up of CET1 capital (percentage points) | 1.27% | 1.54% | 1.54% | 1.54% | 1.54% |
| EU 7f | Of which: to be made up of Tier 1 capital (percentage points) | 1.69% | 1.96% | 1.96% | 1.96% | 1.96% |
| EU 7g | Total SREP own funds requirements (%) | 10.25% | 10.52% | 10.52% | 10.52% | 10.52% |
| **Combined buffer and overall capital requirement (as a percentage 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 or systemic risk identified at the level of a Member State (%) | - | - | - | - | - |
| 9 | Institution-specific countercyclical capital buffer (%) | 0.048% | 0.038% | 0.039% | 0.041% | 0.039% |
| EU 9a | Systemic risk capital buffer (%) | 0.36% | 0.37% | - | - | - |
| 10 | Global systemically important institution buffer (%) | - | - | - | - | - |
| EU 10a | Other systemically important institution buffer (%) | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |
| 11 | Combined buffer requirement (%) | 3.40% | 3.41% | 3.04% | 3.04% | 3.04% |
| EU 11a | Overall capital requirements (%) | 13.66% | 13.93% | 13.56% | 13.56% | 13.56% |
| 12 | CET1 available after meeting the total SREP own funds requirements (%) | 10.17% | 9.01% | 9.45% | 9.13% | 8.71% |

## Template EU KM1 - Key metrics template (3/3)

| | | a | b | c | d | e |
|---|---|---|---|---|---|---|
| | | 31/03/2025 | 31/12/2024 | 30/09/2024 | 30/06/2024 | 31/03/2024 |
| **Leverage ratio** | | | | | | |
| 13 | Total exposure measure | 214,286 | 204,755 | 195,664 | 199,835 | 197,952 |
| 14 | Leverage ratio (%) | 5.49% | 5.21% | 5.61% | 5.42% | 5.37% |
| **Additional own funds requirements to address the risk of excessive leverage (as a percentage 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 percentage 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) | 26,821 | 28,453 | 29,902 | 31,174 | 33,357 |
| EU 16a | Cash outflows - Total weighted value | 23,110 | 22,590 | 22,261 | 22,536 | 22,589 |
| EU 16b | Cash inflows - Total weighted value | 4,564 | 4,520 | 4,516 | 4,370 | 4,331 |
| 16 | Total net cash outflows (adjusted value) | 18,546 | 18,071 | 17,745 | 18,166 | 18,257 |
| 17 | Liquidity coverage ratio (%) | 145.00% | 158.16% | 168.73% | 171.60% | 182.71% |
| **Net Stable Funding Ratio** | | | | | | |
| 18 | Total available stable funding | 120,306 | 120,526 | 118,777 | 120,619 | 120,142 |
| 19 | Total required stable funding | 97,299 | 96,013 | 95,035 | 95,527 | 95,140 |
| 20 | NSFR ratio (%) | 123.65% | 125.53% | 124.98% | 126.27% | 126.28% |

## Template IFRS 9/art. 468-FL: Annex I - Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs, and with and without the application of the temporary treatment in accordance with Article 468 of the CRR (1 of 2)

With the entry into force of the amendments to Regulation (EU) no. 575/2013 (CRR3), from the first quarter of 2025 the Banco BPM Group exercised the option envisaged by art. 468 of this Regulation, which makes it possible to sterilise in the calculation of Common Equity Tier 1 (CET 1) the losses and unrealised gains deriving from the fair value through Other Comprehensive Income (OCI) measurement of debt securities issued by Public Administrations and classified under the item "Financial assets measured at fair value through other comprehensive income". This option is granted by the regulations until the end of the transitional period, i.e. 31 December 2025.

As at 31 March 2025, the Common Equity Tier 1 ratio (CET 1 ratio) stood at 15.94%, against 15.05% as at 31 December 2024. The CET 1 ratio calculated without applying the aforementioned transitional rules (fully phased CET 1 ratio) is 14.76%. The phased-in Tier 1 ratio is 18.07% (16.90% fully phased) compared to 17.30% as at 31 December 2024, while the phased-in Total Capital ratio is equal to 20.96% (19.79% fully phased) compared to 20.33% as at 31 December 2024.

For details, please refer to the underlying template, prepared in line with the "ABE / GL / 2020/12" guidelines. The table does not show the columns relating to previous periods as the option for the transitional treatment allowed by art. 468 was exercised from 31 March 2025.

| | | a |
|---|---|---|
| | | 31/03/2025 |
| 1 | CET1 capital | 10,380 |
| 2 | CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 10,380 |
| 2a | CET1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied | 9,599 |
| 3 | Tier 1 capital | 11,770 |
| 4 | Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 11,770 |
| 4a | Tier 1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied | 10,989 |
| 5 | Total Capital | 13,654 |
| 6 | Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 13,654 |
| 6a | Total capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied | 12,873 |
| 7 | Total risk-weighted assets | 65,138 |
| 8 | Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 65,031 |

## Template IFRS 9/art. 468-FL: Annex I - Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs, and with and without the application of the temporary treatment in accordance with Article 468 of the CRR (2 of 2)

| | | a |
|---|---|---|
| | | 31/03/2025 |
| 9 | CET1 (as a percentage of risk exposure amount) | 15.94% |
| 10 | CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 15.94% |
| 10a | CET1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied | 14.76% |
| 11 | Tier 1 (as a percentage of risk exposure amount) | 18.07% |
| 12 | Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 18.07% |
| 12a | Tier 1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied | 16.90% |
| 13 | Total capital (as a percentage of the amount of risk exposure) | 20.96% |
| 14 | Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 20.96% |
| 14a | Total capital (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied | 19.79% |
| 15 | Leverage ratio total exposure measure | 214,286 |
| 16 | Leverage ratio | 5.49% |
| 17 | Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 5.49% |
| 17a | Leverage ratio as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied | 5.15% |

## Template EU CMS1 - Comparison of modelled and standardised risk weighted exposure amounts at risk level (1/2)

The CMS1 template was introduced following the amendments to Regulation (EU) no. 575/2013 (CRR3) regarding the introduction of the Output-floor already illustrated above. In particular, the template provides evidence in columns (a) and (b) respectively of the amount of risk-weighted assets (RWEA) calculated by applying the internal models to the authorised portfolios and of the amount of risk-weighted assets calculated by applying the standard approach to the remaining portfolios. The sum of these first two columns shown in column (c) corresponds to the actual risk-weighted assets as at 31 March 2025.

Columns (d) and (EU d) instead provide evidence of the amount of risk-weighted assets if they had been calculated by applying the standard approach to all portfolios, respectively applying the transitional provisions pursuant to art. 465 of CRR3 (column EU d) and the rules that will be in force at the end of the transitional period (column d).

As previously highlighted, for the Banco BPM Group the introduction of the output floor did not have any impact on the equity ratios referring to 31 March 2025, as the actual capital requirements are higher than the minimum level, obtained by applying the multiplication factor of 50%[4] to the amount of risk-weighted assets calculated by applying the standard approach to all portfolios (column EU d).

[4] Art. 465 "Transitional arrangements for the output floor" provides that, by way of derogation from Article 92(3), first subparagraph, and without prejudice to the derogation set out in Article 92(3), second subparagraph, institutions may apply the following factor x where calcu lating TREA:

- 50% in the period between 1 January 2025 and 31 December 2025;
- 55% in the period between 1 January 2026 and 31 December 2026;
- 60% in the period between 1 January 2027 and 31 December 2027;
- 65% in the period between 1 January 2028 and 31 December 2028;
- 70% in the period between 1 January 2029 and 31 December 2029.

## Template EU CMS1 - Comparison of modelled and standardised risk weighted exposure amounts at risk level (2/2)

| | | a | b | c | d | EU d |
|---|---|---|---|---|---|---|
| | | RWEAs for modelled approaches that banks have supervisory approval to use | RWEAs for portfolios where standardised approaches are used | Total actual RWEAs (a + b) | RWEAs calculated using full standardised approach | RWEAs that is the base of the output floor |
| 1 | Credit risk (excluding counterparty credit risk) | 27,463 | 22,106 | 49,568 | 68,648 | 65,609 |
| 2 | Counterparty credit risk | 164 | 856 | 1,020 | 1,122 | 1,122 |
| 3 | Credit valuation adjustment | | 294 | 294 | 294 | 294 |
| 4 | Securitisation exposures in the banking book | 1,594 | 326 | 1,920 | 8,196 | 3,811 |
| 5 | Market risk | 1,424 | 0 | 1,424 | 982 | 982 |
| 6 | Operational risk | | 10,132 | 10,132 | 10,132 | 10,132 |
| 7 | Other risk-weighted exposure amounts | | 781 | 781 | 781 | 781 |
| 8 | **Total** | **30,644** | **34,494** | **65,138** | **90,155** | **82,730** |

## Template EU CMS2 - Comparison of modelled and standardised risk weighted exposure amounts for credit risk at asset class level (1/2)

The CMS2 template was introduced following the amendments to Regulation (EU) no. 575/2013 (CRR3) already illustrated above.

The template provides additional disclosure with specific reference to exposures subject to credit risk for which the Group has been authorised to use the internal models.

The template provides evidence of the RWAs calculated on internal models (column a), the RWAs recalculated according to the standard approach (column b), the RWAs reported as actual requirements calculated on internal models and subject to the standard approach (column c). Columns (d) and (EU d) instead provide evidence of the amount of risk-weighted assets if they had been calculated by applying the standard approach to all portfolios, respectively applying the transitional provisions pursuant to art. 465 of CRR3 (column EU d) and the rules that will be in force at the end of the transitional period (column d).

The exposures for which the bank is authorised to apply the internal models (IRB), where possible and in line with the disclosure requirements, were excluded from the respective exposures classes and were reclassified to the corresponding exposures classes according to the standard approach as shown in the following table.

<table>
<tr><th>IRB class and sub-class (art. 147 CRR)</th><th>STD class (art. 112 CRR)</th></tr>
<tr><td>Corporate - other</td><td rowspan="4">Categorised as secured by immovable properties and ADC exposures in SA</td></tr>
<tr><td>Corporate - specialised lending</td></tr>
<tr><td>Retail - other</td></tr>
<tr><td>Retail - secured by residential real estate</td></tr>
<tr><td>Corporate - specialised lending</td><td>Collective investment undertakings (CIU)</td></tr>
<tr><td>Corporate - other</td><td rowspan="6">Categorised as exposures in default in SA</td></tr>
<tr><td>Corporate - specialised lending</td></tr>
<tr><td>Retail - qualifying revolving</td></tr>
<tr><td>Retail - purchased receivables</td></tr>
<tr><td>Retail - other</td></tr>
<tr><td>Retail - secured by residential real estate</td></tr>
</table>

## Template EU CMS2 - Comparison of modelled and standardised risk weighted exposure amounts for credit risk at asset class level (2/2)

| | | a | b | c | d | EU d |
|---|---|---|---|---|---|---|
| | | Risk-weighted exposure amounts (RWEA) | | | | |
| | | RWEAs for modelled approaches that institutions have supervisory approval to use | RWEAs for column (a) if re-computed using the standardised approach | Total actual RWEAs | RWEAs calculated using full standardised approach | RWEAs that is the base of the output floor |
| **1** | **Central governments and central banks** | **-** | **2** | **2,681** | **2,683** | **2,683** |
| **EU 1a** | **Regional government or local authorities** | **-** | **0** | **85** | **85** | **85** |
| **EU 1b** | **Public sector entities** | **-** | **-** | **468** | **468** | **468** |
| **EU 1c** | **Categorised as Multilateral Development Banks in SA** | **-** | **-** | **-** | **-** | **-** |
| **EU 1d** | **Categorised as International organisations in SA** | **-** | **-** | **-** | **-** | **-** |
| **2** | **Institutions** | **-** | **3** | **2,807** | **2,811** | **2,811** |
| **3** | **Equity** | **-** | **-** | **6,177** | **6,177** | **6,177** |
| 4 | Not applicable | | | | | |
| **5** | **Corporates** | **15,850** | **23,484** | **18,822** | **29,495** | **26,456** |
| 5.1 | Of which: F-IRB is applied | 7,293 | 12,388 | 7,293 | 13,149 | 12,388 |
| 5.2 | Of which: A-IRB is applied | 8,557 | 18,379 | 8,557 | 20,657 | 18,379 |
| EU 5a | Of which: Corporates - General | 14,999 | 22,382 | 14,999 | 25,421 | 22,382 |
| EU 5b | Of which: Corporates - Specialised lending | 851 | 1,102 | 860 | 1,111 | **1,111** |
| EU 5c | Of which: Corporates - Purchased receivables | - | - | - | - | **-** |
| **6** | **Retail** | **2,107** | **4,408** | **2,497** | **4,797** | **4,797** |
| 6.1 | Of which: Retail - Qualifying revolving | 73 | 126 | 73 | 126 | **126** |
| EU 6.1a | Of which: Retail - Purchased receivables | 0 | 1 | 0 | 1 | **1** |
| EU 6.1b | Of which: Retail - Other | 2,035 | 4,281 | 2,035 | 4,281 | **4,281** |
| 6,2 | Of which: Retail - Secured by residential real estate | - | - | - | - | **-** |
| 7 | Not applicable | | | | | |
| **EU 7a** | **Categorised as secured by immovable properties and ADC exposures in SA** | **7,855** | **13,400** | **8,087** | **13,632** | **13,632** |
| **EU 7b** | **Collective investment undertakings (CIU)** | **591** | **716** | **3,021** | **3,145** | **3,145** |
| **EU 7c** | **Categorised as exposures in default in SA** | **1,059** | **1,491** | **1,198** | **1,630** | **1,630** |
| **EU 7d** | **Categorised as subordinated debt exposures in SA** | **-** | **-** | **439** | **439** | **439** |
| **EU 7e** | **Categorised as covered bonds in SA** | **-** | **-** | **65** | **65** | **65** |
| **EU 7f** | **Categorised as claims on institutions and corporates with a short-term credit assessment in SA** | **-** | **-** | **-** | **-** | **-** |
| **8** | **Other non-credit obligation assets** | **-** | **-** | **3,220** | **3,220** | **3,220** |
| **9** | **Total** | **27,463** | **43,503** | **49,568** | **68,648** | **65,609** |

# Section 7 - Disclosure of liquidity requirements

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 30 days in the event of a severe stress scenario.

The indicator is monitored internally on a daily basis and is also reported to the Supervisory Authorities on a monthly basis through supervisory reporting.

In line with disclosure requirements, 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 31/03/2025 | 31/03/2025 | 31/12/2024 | 30/09/2024 | 30/06/2024 |
| 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: | 69,598 | 69,814 | 69,934 | 70,753 |
| 3 | *Stable deposits* | *51,970* | *52,241* | *52,478* | *53,064* |
| 4 | *Less stable deposits* | *17,596* | *17,540* | *17,420* | *17,648* |
| 5 | Unsecured wholesale funding | 29,849 | 29,404 | 28,945 | 28,974 |
| 6 | *Operational deposits (all counterparties) and deposits in networks of cooperative banks* | *7,784* | *7,692* | *7,657* | *7,716* |
| 7 | *Non-operational deposits (all counterparties)* | *21,751* | *21,464* | *21,175* | *21,177* |
| 8 | *Unsecured debt* | *314* | *248* | *113* | *81* |
| 9 | *Secured wholesale funding* | | | | |
| 10 | Additional requirements | 13,542 | 13,298 | 13,157 | 13,331 |
| 11 | *Outflows related to derivative exposures and other collateral requirements* | *1,280* | *1,213* | *1,140* | *1,098* |
| 12 | *Outflows related to loss of funding on debt products* | - | - | *2* | *48* |
| 13 | *Credit and liquidity facilities* | *12,262* | *12,085* | *12,015* | *12,185* |
| 14 | Other contractual funding obligations | 461 | 321 | 273 | 247 |
| 15 | Other contingent funding obligations | 41,895 | 41,052 | 41,052 | 41,108 |
| **16** | **TOTAL CASH OUTFLOWS** | | | | |
| **CASH INFLOWS** | | | | | |
| 17 | Secured lending (e.g. reverse repos) | 6,195 | 5,445 | 4,283 | 2,897 |
| 18 | Inflows from fully performing exposures | 1,764 | 1,887 | 2,003 | 1,987 |
| 19 | Other cash inflows | 13,264 | 12,943 | 12,903 | 12,948 |
| 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** | **21,224** | **20,275** | **19,189** | **17,832** |
| EU-20a | *Fully exempt inflows* | - | - | - | - |
| EU-20b | *Inflows subject to 90% cap* | - | - | - | - |
| EU-20c | *Inflows subject to 75% cap* | *17,998* | *17,553* | *16,917* | *16,864* |
| **TOTAL ADJUSTED VALUE** | | | | | |
| **EU-21** | **LIQUIDITY BUFFER** | | | | |
| **22** | **TOTAL NET CASH OUTFLOWS** | | | | |
| **23** | **LIQUIDITY COVERAGE RATIO** | | | | |

## Template EU LIQ1 - Quantitative information of LCR (2 of 2)

| | | e | f | g | h |
|---|---|---|---|---|---|
| | | Total weighted value (average) | | | |
| EU 1a | Quarter ending on 31/03/2025 | 31/03/2025 | 31/12/2024 | 30/09/2024 | 30/06/2024 |
| 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)** | **26,821** | **28,453** | **29,902** | **31,174** |
| **CASH OUTFLOWS** | | | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | 4,866 | 4,860 | 4,844 | 4,890 |
| 3 | *Stable deposits* | *2,598* | *2,612* | *2,624* | *2,653* |
| 4 | *Less stable deposits* | *2,235* | *2,216* | *2,184* | *2,198* |
| 5 | Unsecured wholesale funding | 12,284 | 11,948 | 11,636 | 11,659 |
| 6 | *Operational deposits (all counterparties) and deposits in networks of cooperative banks* | *1,827* | *1,806* | *1,800* | *1,814* |
| 7 | *Non-operational deposits (all counterparties)* | *10,144* | *9,894* | *9,723* | *9,763* |
| 8 | *Unsecured debt* | *314* | *248* | *113* | *81* |
| 9 | *Secured wholesale funding* | *571* | *584* | *651* | *790* |
| 10 | Additional requirements | 3,356 | 3,197 | 3,059 | 3,049 |
| 11 | *Outflows related to derivative exposures and other collateral requirements* | *1,280* | *1,213* | *1,140* | *1,098* |
| 12 | *Outflows related to loss of funding on debt products* | - | - | *2* | *48* |
| 13 | *Credit and liquidity facilities* | *2,076* | *1,985* | *1,917* | *1,903* |
| 14 | Other contractual funding obligations | 88 | 76 | 98 | 120 |
| 15 | Other contingent funding obligations | 1,945 | 1,926 | 1,974 | 2,027 |
| **16** | **TOTAL CASH OUTFLOWS** | **23,110** | **22,590** | **22,261** | **22,536** |
| **CASH INFLOWS** | | | | | |
| 17 | Secured lending (e.g. reverse repos) | 404 | 346 | 287 | 177 |
| 18 | Inflows from fully performing exposures | 1,242 | 1,356 | 1,453 | 1,444 |
| 19 | Other cash inflows | 2,918 | 2,817 | 2,776 | 2,750 |
| 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** | **4,564** | **4,520** | **4,516** | **4,370** |
| EU-20a | *Fully exempt inflows* | - | - | - | - |
| EU-20b | *Inflows subject to 90% cap* | - | - | - | - |
| EU-20c | *Inflows subject to 75% cap* | *4,564* | *4,520* | *4,516* | *4,370* |
| **TOTAL ADJUSTED VALUE** | | | | | |
| **EU-21** | **LIQUIDITY BUFFER** | **26,821** | **28,453** | **29,902** | **31,174** |
| **22** | **TOTAL NET CASH OUTFLOWS** | **18,546** | **18,071** | **17,745** | **18,166** |
| **23** | **LIQUIDITY COVERAGE RATIO** | **145.00%** | **158.16%** | **168.73%** | **171.60%** |

## Table EU LIQB on qualitative information on LCR, which complements template EU LIQ1.

in accordance with art. 451a (2) of the CRR

| Row number | Qualitative information - Free format |
|---|---|
| a) | **Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time** |
| | As highlighted in the EU LIQ1 template, in the last twelve months, Banco BPM Group has maintained an average liquidity coverage ratio (LCR) of 145% (12-month average, as at 31/03/2025), well above the minimum regulatory requirement of 100%. This level was supported by the efficient management of liquidity reserves and the orientation towards stable forms of funding. The downward trend of the 12-month average LCR indicator is mainly influenced by the reduction in ECB funding (repayment of TLTROs and subsequent use of MRO/LTRO for lower amounts), partly offset by institutional bond issues.<br>The components that contribute to the calculation of net liquidity outflows consist mainly of wholesale and retail deposits as well as the potential uses of non-revocable credit lines. |
| b) | **Explanations on the changes in the LCR over time** |
| | During the first quarter of 2025, no changes were made in the representation of the LCR indicator, calculated in accordance with Delegated Regulation (EU) 2015/61 of the Commission of 10 October 2014 and subsequent amendments. |
| c) | **Explanations on the actual concentration of funding sources** |
| | The adequacy of the structure and cost of funding of the Banco BPM Group is ensured through constant diversification of funding sources.<br>To mitigate concentration risk, the Group constantly monitors the management and regulatory concentration metrics.<br>The main sources of funding for the Group include: customer deposits, funding from institutional customers and Eurosystem refinancing transactions. |
| d) | **High-level description of the composition of the institution`s liquidity buffer.** |
| | The EU LIQ1 template shows, as at 31 March 2025, a 12-month average level of high-quality liquid assets available of 26.8 billion (weighted value).<br>As at 31 March 2025, the punctual liquidity buffer (weighted value) consists mainly of free reserves and other assets deposited with the Central Banks and government bonds, which jointly represent approximately 91% of the total liquidity buffer.<br>In addition to the reserves calculated in the LCR buffer, the Group holds allocable reserves mainly represented by ABACO credits and self-withholding issues. |
| e) | **Derivative exposures and potential collateral calls** |
| | The Banco BPM Group negotiates derivatives both with central counterparties and bilaterally (OTC).<br>The financial risks linked to these contracts, in the event of adverse movements in the underlying market factors, may increase future exposures and generate requests for collateral payments from counterparties (in cash or other liquid forms). This need to pay additional guarantees may impact the Group's liquidity position. To quantify this potential absorption of liquidity, Banco BPM Group analyses the historical performance of the net collateral paid, using a model on the derivatives margin under CSA, which estimates the maximum outflow of liquidity deriving from an adverse market scenario. |

| | |
|---|---|
| f) | **Currency mismatch in the LCR** |
| | European legislation defines the obligation of monitoring and reporting for the relevant currencies. Currencies are considered relevant when the aggregate liabilities held in a given foreign currency are equal to or greater than 5% of the total financial liabilities held by the entity.<br>The Banco BPM Group periodically monitors foreign currency exposure, with a prudential operational threshold of 4%. As at 31 March 2025, the Group had no significant exposures in foreign currencies and the internal operational limit was also respected for each foreign currency. |
| g) | **Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile** |
| | The intraday liquidity risk represents the risk that the bank may not be able to promptly fulfill its payment obligations during the day, both under normal business conditions and under stress conditions.<br>The management of intraday and short-term liquidity aims to ensure the ability to meet expected or unexpected cash payment commitments, also through efficient collateral management.<br>According to the internal procedure, intraday liquidity is managed by the Group Treasury function and monitored on a daily and monthly basis by the Risk Function.<br>The intraday liquidity risk is measured on a monthly basis through the monitoring of five indicators inspired by the Monitoring Tools defined by BCBS[5] and the performance of intra-day stress tests on a combined stress scenario (Sovereign Scenario, Counterparty Scenario and Own-name Scenario) with differentiated intra-day and end-of-day impact.<br>To cover the intraday liquidity risk, an immediately available liquidity buffer is envisaged to cover both expected and unexpected payments due on an ongoing basis. |

[5] See "Basel Committee on Banking Supervision - Monitoring tools for intraday liquidity management - April 2013"

# Section 11 - Disclosure of credit risk IRB

## Template EU CR8 - RWEA flow statements of credit risk exposures under the IRB approach

| | | Risk weighted exposure amount |
|---|---|---|
| | | a |
| **1** | **Risk weighted exposure amount as at the end of the previous reporting period** | **27,524** |
| 2 | Asset size (+/-) | - |
| 3 | Asset quality (+/-) | - |
| 4 | Model updates (+/-) | - |
| 5 | Methodology and policy (+/-) | 2,208 |
| 6 | Acquisitions and disposals (+/-) | (2,270) |
| 7 | Foreign exchange movements (+/-) | - |
| 8 | Other (+/-) | - |
| **9** | **Risk weighted exposure amount as at the end of the disclosure period** | **27,463** |

The change in the RWEA amount compared to the previous quarter is mainly due to:

- implementation of the CRR3 regulatory framework in force from 1 January 2025;
- updating of the time series that led to the modification of the PD vectors and the EAD and LGD grids used for the calculation of the prudential requirement;
- conclusion in March 2025 by Banco BPM of the synthetic securitisation transactions called Clint e Gregory. The transactions envisage hedging of the Junior tranche and the Mezzanine tranche, respectively. The guarantees were issued through the subscription by investors of securities issued by securitisation companies pursuant to Law no. 130/99. The notional is equal to the respective guaranteed tranches and, with the resulting income, the vehicles granted a limited recourse loan to Banco BPM on 25 March for Clint and 27 March for Gregory, the starting dates of the effectiveness of the guarantees;
- finalisation by Banco BPM of the Tranched Cover 2005 transaction with the Guarantee Fund for Small and Medium Enterprises on a portfolio of new loans. The transaction provides for the coverage of the Junior tranche through a direct personal guarantee from the Fund and a counter-guarantee from the State starting on 31 March;
- closing of the transaction finalised in 2021, called Brigitte, in January 2025, with the Bank exercising the early termination option.

# Section 15 - Disclosure of market risk

## 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 at previous period end** | **116** | **342** | **727** | **-** | **-** | **1,184** | **95** |
| *1a* | *Regulatory adjustment* | *(66)* | *(236)* | - | - | - | *(302)* | *(24)* |
| *1b* | *RWEAs at the previous quarter-end (end of the day)* | *49* | *106* | *727* | - | - | *882* | *71* |
| 2 | Movement in risk levels | 16 | 97 | (13) | - | - | 99 | 8 |
| 3 | Model updates/changes | - | - | - | - | - | - | - |
| 4 | Methodology and policy | - | - | - | - | - | - | - |
| 5 | Acquisitions and disposals | - | - | - | - | - | - | - |
| 6 | Foreign exchange movements | (17) | (36) | - | - | - | (53) | (4) |
| 7 | Other | - | - | - | - | - | - | - |
| *8a* | *RWEAs at the end of the disclosure period (end of the day)* | *48* | *167* | *714* | - | - | *928* | *74* |
| *8b* | *Regulatory adjustment* | *90* | *405* | - | - | - | *496* | *40* |
| **8** | **RWEAs at the end of the disclosure period** | **138** | **572** | **714** | **-** | **-** | **1,424** | **114** |

The increase in the RWEA for exposures subject to market risk is attributable to the SVaR component, due to the sharp increase in the long vega position with respect to the major European stock indexes, in particular SelDiv30, Ftse Mib and Smi, against scenarios characterised by negative volatility shocks.

# Declaration of the Chief Risk Officer

The undersigned Edoardo Faletti, as Chief Risk Officer of the Parent Company Banco BPM spa, declares that the Public Disclosure (Pillar 3) as at 31/03/2025 has been prepared in accordance with the external regulations (EU Regulation no. 575/2013 and subsequent amendments), the formal policy and internal processes, systems and controls, as expressly envisaged by art. 431 of the CRR.

Milan, 1 July 2025

Chief Risk Officer
Edoardo Faletti

# Declaration of the Financial Reporting Manager

The undersigned, Gianpietro Val, in his capacity as Financial Reporting Manager of Banco BPM S.p.A, 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, 1 July 2025

Il Dirigente Preposto alla redazione dei documenti
contabili societari
Gianpietro Val