



Public Disclosure

Pillar III

Data as at 31 December 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.....	4
Section 1 - Disclosure of overview of risk management, key prudential metrics and RWA	12
Section 2 - Disclosure of risk management objectives and policies	30
Section 3 - Disclosure of the scope of application	63
Section 4 - Disclosure of own funds	77
Section 5 - Disclosure of countercyclical capital buffers	92
Section 6 - Disclosure of leverage ratio.....	96
Section 7 - Disclosure of liquidity requirements.....	104
Section 8 - Disclosure of credit risk quality.....	123
Section 9 - Disclosure of credit risk mitigation techniques.....	140
Section 10 - Disclosure of credit risk SA.....	144
Section 11 - Disclosure of credit risk IRB	152
Section 12 - Disclosure of specialised lending and equity exposures	194
Section 13 - Disclosure of counterparty credit risk	196
Section 14 - Disclosure of exposures to securitisation positions.....	210
Section 15 - Disclosure of market risk	245
Section 16 - Disclosure of credit valuation adjustment.....	266
Section 17 - Disclosure of operational risk.....	269
Section 18 - Disclosure of interest rate risk of non-trading book activities	276
Section 19 - Disclosure of remuneration policy	280
Section 20 - Disclosure of encumbered and unencumbered assets.....	299
Section 21 - Disclosure of prudential disclosures on ESG risks.....	304
Declaration of the Chief Risk Officer	390
Declaration of the Financial Reporting Manager.....	391
Declaration of Board of Directors.....	392
Annexes.....	393

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;
- 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, laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III, of Regulation (EU) no. 575/2013 and repealing Implementing Regulation (EU) 2021/637¹;
- Implementing Regulation (EU) 2021/763 and subsequent amendments, laying down implementing technical standards with regard to the supervisory reporting and public disclosure on the minimum requirement for own funds and eligible liabilities.

In addition, the Banco BPM Group is found to apply the EBA/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".

In addition, pursuant to Article 434 of the CRR, the European Banking Authority has been mandated to publish on its website the public disclosures of the Institutions ("Pillar 3 Data Hub" or "P3DH"), in order to centralise prudential information into a single platform and enhance data comparability through a standardised format, leveraging on interactive tools for data visualisation. In line with the Final Draft ITS (EBA/ITS/2025/01²), the Banco BPM Group sent the EBA the Pillar 3 disclosures published starting from the semi-annual disclosure referring to 30 June 2025. These disclosures are available on the European Data Access Portal ([EDAP](#)) platform.

This public disclosure has been prepared on the basis of the following elements:

¹ It should be noted that Article 15 and Annexes 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

² Final Draft Implementing Technical Standards on IT solutions for public disclosures by institutions, other than small and non-complex institutions, of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013

- the external reference regulations listed above, lastly amended with the updates introduced by Regulation (EU) 2024/1623 of 31 May 2024 (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 accordance with the aforementioned external reference regulations and with the Group characteristics;
- the consolidated figures (prudential scope) as at 31 December 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 supplementary supervision outlined in Directive 2002/87/EC.

Banco BPM Vita serves as 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 investments representing 35% of the share capital of PiùVera Assicurazioni S.p.A.³, as well as, from 11 April 2025 the controlling interest in Anima Holding equal to 89.949% of the latter's capital and, through it, of Anima SGR S.p.A, Anima Alternative SGR S.p.A., Kairos Partners SGR S.p.A., Castello SGR S.p.A. and Vita S.r.l. (hereinafter also the Anima Group).

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 exposure and is included in the risk-weighted assets for credit risk⁴.

The prudential scope of consolidation

The main changes in the scope of consolidation compared to the end of the previous year are attributable to the aforementioned acquisition of control of Anima Holding S.p.A., completed through the insurance subsidiary Banco BPM Vita S.p.A.

The aforementioned extraordinary transaction created a corporate structure whose prudential treatment is not clearly explained in the regulations in force and with respect to which, at the date of the launch of the Public Tender Offer, also in light of the response provided by the EBA in the Q&A 2021_621⁵, different interpretations were conceivable. In compliance with the indications provided by the European Central Bank⁶, Anima Holding and the asset management companies controlled by the latter were subject to line-by-line consolidation, also from a prudential perspective until 30 June 2025.

³ New name assumed from 1 September 2025 by the investment in Vera Assicurazioni, which from 1 November 2025 incorporated the company Banco BPM Assicurazioni, also 35% owned by Banco BPM Vita

⁴ In compliance with the provisions of the CRR, the weighting percentage is 100%

⁵ Regulation (EU) no. 575 does not explicitly regulate the prudential treatment to be applied to financial institutions (such as the asset management companies of the Anima Group), controlled by an insurance company (Banco BPM Vita S.p.A.) which is in turn controlled by a bank (Banco BPM S.p.A.) within a mainly banking financial conglomerate. On the basis of the text of the response provided by the EBA in the Q&A 2021_621¹, non-univocal interpretations were also developed

⁶ The ECB notified Banco BPM S.p.A. that, although Anima Holding and the asset management companies controlled by the same are controlling interests held by an insurance company, the aforementioned companies are also subsidiaries of Banco BPM S.p.A. pursuant to Article 4 paragraph (1) (16) of the CRR. Considering also that pursuant to Art. 4 (1) (26) (b) (ii) of the CRR, Anima Holding is a financial institution, Anima Holding itself and the asset management companies controlled by the same must be consolidated on a line-by-line basis pursuant to Art. 18 (1) of the CRR. The goodwill and intangible assets deriving from the aforementioned line-by-line consolidation must consequently be deducted from the Common Equity Tier 1 capital of the Banco BPM Group in compliance with the provisions of Articles 36 (1) (b) and 37 of the CRR

It should be noted that the interpretative doubts no longer existed due to the publication by the EBA on 9 January 2026 of its own document concerning the prudential consolidation framework⁷. In this document, the EBA definitively clarified that a financial institution held indirectly through an insurance undertaking must be fully consolidated from a prudential point of view, confirming the indications provided by the European Central Bank and the treatment already adopted by Banco BPM S.p.A.⁸

⁷ EBA Report on the completeness and appropriateness of the definitions and provisions on consolidation under article 18 (10) of the CRR

⁸ In this document, the EBA states that the current regulatory framework of the CRR already provides the necessary tools to define the prudential treatment of financial institutions acquired through insurance subsidiaries of banking groups. In particular, the definition of "branch" in Article 4 (1) (16) of the CRR explicitly includes branches of branches, thus establishing that a financial institution held through an insurance undertaking qualifies as a subsidiary of the parent institution and must be fully consolidated, regardless of the nature of the intermediate entity. It also specifies that the clarifications provided in Q&A 2021_6211 are not relevant as they exclusively concern the treatment of goodwill relating to undertakings that are not financial institutions and therefore are not subject to prudential consolidation such as, for example, insurance undertakings

Structure of the Banco BPM Group Public Disclosure

The following is a list of the sections, tables and templates subject to annual 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, as domestic systemically important "Large listed Institution" (O-SII⁹).

It should be noted that all quantitative data reported in the templates are expressed in millions of euro.

Section of the Document	Qualitative (table) and quantitative (template) disclosure	Applicability to the Banco BPM Group
Section 1 - Disclosure of overview of risk management, key prudential metrics and RWA	Template EU OV1 - Overview of total risk exposure amounts	Applicable
	Template EU KM1 - Key metrics template	Applicable
	Template IFRS 9/Article 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	Applicable
	Template EU INS1 - Insurance participations	Applicable
	Template EU INS2 - Financial conglomerates information on own funds and capital adequacy ratio	Applicable
	Table EU OVC - ICAAP information	Applicable
	Template EU CMS1 - Comparison of modelled and standardised risk weighted exposure amounts at risk level	Applicable
	Template EU CMS2 - Comparison of modelled and standardised risk weighted exposure amounts for credit risk at asset class level	Applicable
	Template EU KM2 - Key metrics - MREL and, where applicable, G-SII requirement for own funds and eligible liabilities	Applicable
Section 2 - Disclosure of risk management objectives and policies	Table EU OVA - Institution risk management approach	Applicable
	Table EU OVB - Disclosure on governance arrangements	Applicable
Section 3 - Disclosure of the scope of application	Template EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories	Applicable
	Template EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements	Applicable
	Template EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)	Applicable
	Table EU LIA - Explanations of differences between accounting and regulatory exposure amounts	Applicable
	Table EU LIB - Other qualitative information on the scope of application	Applicable
	Template EU PV1 - Prudent valuation adjustments (PVA)	Applicable
Section 4 - Disclosure of own funds	Template EU CC1 - Composition of regulatory own funds	Applicable
	Template EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements	Applicable
	Table EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments	Applicable
	Template TLAC1 - Composition - MREL and, where applicable, G-SII requirement for own funds and eligible liabilities	Applicable
	Template EU ILAC - Internal loss absorbing capacity - internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs	Not applicable as the Group is not a G-SII

⁹ Other Systemically Important Institutions

Section of the Document	Qualitative (table) and quantitative (template) disclosure	Applicability to the Banco BPM Group
	Template TLAC2 - Creditor ranking - Entity that is not a resolution entity	Not applicable as the Group is not a G-SII
	Template TLAC3a - Creditor ranking - Resolution entity	Applicable
Section 5 - Disclosure of countercyclical capital buffers	Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer	Applicable
	Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer	Applicable
Section 6 - Disclosure of leverage ratio	Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures	Applicable
	Template EU LR2 - LRCom: Leverage ratio common disclosure	Applicable
	Template EU LR3 - LRSpl: Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	Applicable
	Table EU LRA - Disclosure of LR qualitative information	Applicable
Section 7 - Disclosure of liquidity requirements	Table EU LIQA - Liquidity risk management	Applicable
	Template EU LIQ1 - Quantitative information of LCR	Applicable
	Table EU LIQB on qualitative information on LCR, which complements template EU LIQ1	Applicable
	Template EU LIQ2 - Net Stable Funding Ratio	Applicable
Section 8 - Disclosure of credit risk quality	Table EU CRA - General qualitative information about credit risk	Applicable
	Table EU CRB - Additional disclosure related to the credit quality of assets	Applicable
	Template EU CR1 - Performing and non-performing exposures and related provisions	Applicable
	Template EU CR1-A - Maturity of exposures	Applicable
	Template EU CR2 - Changes in the stock of non-performing loans and advances	Applicable
	Template EU CR2a - Changes in the stock of non-performing loans and advances and related net accumulated recoveries	Not applicable as the NPL ratio was <5% as at that reference date
	Template EU CQ1 - Credit quality of forborne exposures	Applicable
	Template EU CQ2 - Quality of forbearance	Not applicable as the NPL ratio was <5% as at that reference date
	Template EU CQ3 - Credit quality of performing and non-performing exposures by past due days	Applicable
	Template EU CQ4 - Quality of non-performing exposures by geography	Applicable
	Template EU CQ5 - Credit quality of loans and advances by industry	Applicable
	Template EU CQ6 - Collateral valuation - loans and advances	Not applicable as the NPL ratio was <5% as at that reference date
	Template EU CQ7 - Collateral obtained by taking possession and execution processes	Applicable
	Template EU CQ8 - Collateral obtained by taking possession and execution processes - vintage breakdown	Not applicable as the NPL ratio was <5% as at that reference date
Section 9 - Disclosure of credit risk mitigation techniques	Table EU CRC - Qualitative disclosure requirements related to CRM techniques	Applicable
	Template EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques	Applicable
Section 10 - Disclosure of credit risk SA	Table EU CRD - Qualitative disclosure requirements related to standardised approach	Applicable
	Template EU CR4 - Standardised approach - Credit risk exposure and CRM effects	Applicable
	Template EU CR5 - Standardised approach	Applicable

Section of the Document	Qualitative (table) and quantitative (template) disclosure	Applicability to the Banco BPM Group
Section 11 - Disclosure of credit risk IRB	Table EU CRE - Qualitative disclosure requirements related to IRB approach	Applicable
	Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range	Applicable
	Template EU CR6-A - Scope of the use of IRB and SA approaches	Applicable
	Template EU CR7 – IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques	Applicable
	Template EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques	Applicable
	Template EU CR8 - RWEA flow statements of credit risk exposures under the IRB approach	Applicable
	Template EU CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale)	Applicable
	Template EU CR9.1 - IRB approach - Back-testing of PD per exposure class (only for PD estimates according to point (f) of Article 180(1) CRR)	Not applicable as the Group does not estimate PDs according to point (f) of Article 180(1) CRR
Section 12 - Disclosure of specialised lending and equity exposures	Template EU CR10 - Specialised lending and equity exposures under the simple risk-weighted approach	CR10.1 and CR10.2 are applicable. Templates CR10.3, CR10.4, CR10.5 are not applicable since as at that reference date the Group does not recognise object finance and commodities finance in the scope of Specialised Lending and does not apply the simple risk-weighted approach to equity exposures
Section 13 - Disclosure of counterparty credit risk	Table EU CCRA - Qualitative disclosure related to CCR	Applicable
	Template EU CCR1 - Analysis of CCR exposure by approach	Applicable
	Template EU CCR3 - Standardised approach - CCR exposures by regulatory exposure class and risk weights	Applicable
	Template EU CCR4 - IRB approach - CCR exposures by exposure class and PD scale	Applicable
	Template EU CCR5 - Composition of collateral for CCR exposures	Applicable
	Template EU CCR6 - Credit derivatives exposures	Applicable
	Template EU CCR7 - RWEA flow statements of CCR exposures under the IMM	Not applicable as the Group does not adopt the IMM approach
	Template EU CCR8 - Exposures to CCPs	Applicable
Section 14 - Disclosure of exposures to securitisation positions	Table EU SECA - Qualitative disclosure requirements related to securitisation exposures	Applicable
	Template EU SEC1 - Securitisation exposures in the non-trading book	Applicable
	Template EU SEC2 - Securitisation exposures in the trading book	Not applicable since the Group does not recognise exposures to securitisations included in the trading book as at that reference date
	Template EU SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor	Applicable
	Template EU SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor	Applicable
	Template EU SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments	Applicable
Section 15 - Disclosure of market risk	Table EU MRA - Qualitative disclosure requirements related to market risk	Applicable
	Template EU MR1 - Market risk under the standardised approach	Applicable

Section of the Document	Qualitative (table) and quantitative (template) disclosure	Applicability to the Banco BPM Group
	Table EU MRB - Qualitative disclosure requirements for institutions using the internal Market Risk Models	Applicable
	Template EU MR2-A - Market risk under the Internal Model Approach (IMA)	Applicable
	Template EU MR2-B - RWEA flow statements of market risk exposures under the IMA	Applicable
	Template EU MR3 - IMA values for trading portfolios	Applicable
	Template EU MR4 - Comparison of VaR estimates with gains/losses	Applicable
Section 16 - Disclosure of credit valuation adjustment	Table EU CVAA - Qualitative disclosure requirements related to credit valuation adjustment risk	Applicable
	Template EU CVA1 - Credit valuation adjustment risk under the Reduced Basic Approach (R-BA)	Applicable
	Table EU CVAB - Qualitative disclosure requirements related to CVA risk for institutions using the Standardised Approach	Not applicable as the Group does not adopt the Standardised Approach
	Template EU CVA2 - Credit valuation adjustment risk under the Full Basic Approach (F-BA)	Not applicable as the Group does not adopt the F-BA approach
	Template EU CVA3 - Credit valuation adjustment risk under the Standardised Approach (SA)	Not applicable as the Group does not adopt the Standardised Approach
	Template EU CVA4 - RWEA flow statements of credit valuation adjustment risk under the Standardised Approach (SA)	Not applicable as the Group does not adopt the Standardised Approach
Section 17 - Disclosure of operational risk	Table EU ORA - Qualitative information on operational risk	Applicable
	Template EU OR1 - Operational risk losses	Applicable
	Template EU OR2 - Business Indicator, components and subcomponents	Applicable
	Template EU OR3 - Operational risk own funds requirements and risk exposure amounts	Applicable
Section 18 - Disclosure of interest rate risk of non-trading book activities	Table EU IRRBBA - Qualitative information on interest rate risks of non-trading book activities	Applicable
	Template EU IRRBB1 - Interest rate risks of non-trading book activities	Applicable
Section 19 - Disclosure of remuneration policy	Table EU REMA - Remuneration policy	Applicable
	Template EU REM1 - Remuneration awarded for the financial year	Applicable
	Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)	Applicable
	Template EU REM3 - Deferred remuneration	Applicable
	Template EU REM4 - Remuneration of 1 million EUR or more per year	Applicable
	Template EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)	Applicable
	Template EU AE1 - Encumbered and unencumbered assets	Applicable
Section 20 - Disclosure of encumbered and unencumbered assets	Template EU AE2 - Collateral received and own debt securities issued	Applicable
	Template EU AE3 - Sources of encumbrance	Applicable
	Table EU AE4 - Accompanying narrative information	Applicable
	Table 1 - Qualitative information on Environmental risk	Applicable
Section 21 - Disclosure of prudential disclosures on ESG risks	Table 2 - Qualitative information on Social risk	Applicable
	Table 3 - Qualitative information on Governance risk	Applicable
	Template 1: Banking book - Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Applicable
	Template 2: Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral	Applicable
	Template 3: Banking book - Indicators of potential climate change transition risk: Alignment metrics	Applicable
	Template 4: Banking book - Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms	Applicable
	Template 5: Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk	Applicable
	Template 6: Summary of key performance indicators (KPIs) on the Taxonomy-aligned exposures	ESG disclosure relating to the Green Asset Ratio suspended following the "No Action letter"
	Template 7: Mitigating actions: Assets for the calculation of GAR	
	Template 8: GAR (%)	
	Template 9: Mitigating actions: BTAR	

Section of the Document	Qualitative (table) and quantitative (template) disclosure	Applicability to the Banco BPM Group
	Template 10: Other climate change mitigating actions that are not covered in Regulation (EU) 2020/852	published by the EBA on 5 August 2025 ¹⁰
Section 22 - Disclosure of exposures to crypto-assets	Template EU CAE1 - Exposures to crypto-assets	Not applicable since the Group does not hold any proprietary crypto-asset positions as at the reference date

¹⁰ [EBA - No action letter disclosure requirement ESG](#)

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

Template EU OV1 - Overview of total risk exposure amounts (1 of 2)

Pursuant to Article 438 (d) of the CRR, 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.

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

The main component of the exposures is represented by credit risk (excluding counterparty credit risk), which constitutes 74% of the TREA.

The TREA recorded an increase of 731 million compared to the previous quarter, mainly due to the rise in the operational risk component (+1,025 million), exposures to securitisations (+287 million) and the counterparty credit risk (+227 million), partly offset by the decrease in other risk items, in particular credit risk (-633 million). The increase in the operational risk component derives mainly from the prudential consolidation of the Anima group.

Template EU OV1 - Overview of total risk exposure amounts (2 of 2)

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		31/12/2025	30/09/2025	31/12/2025
1	Credit risk (excluding CCR)	48,180	48,812	3,854
2	Of which standardised approach	20,133	19,472	1,611
3	Of which the Foundation IRB (F-IRB) approach	7,414	7,956	593
4	Of which slotting approach	2,810	2,644	225
EU 4a	Of which equities under the simple risk-weighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	16,679	17,500	1,334
6	Counterparty credit risk - CCR	1,194	967	96
7	Of which standardised approach	578	623	46
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	111	138	9
9	Of which other CCR	506	205	40
10	Credit valuation adjustment risk - CVA risk	332	251	27
EU 10a	Of which standardised approach (SA)	-	-	-
EU 10b	Of which basic approach (F-BA and R-BA)	332	251	27
EU 10c	Of which simplified approach	-	-	-
11	Not applicable			
12	Not applicable			
13	Not applicable			
14	Not applicable			
15	Settlement risk	4	3	0
16	Securitisation exposures in the non-trading book (after the cap)	1,793	1,506	143
17	Of which SEC-IRBA approach	1,558	1,268	125
18	Of which SEC-ERBA approach (including IAA)	15	18	1
19	Of which SEC-SA approach	220	220	18
EU 19a	Of which 1250% / deduction	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	1,209	1,466	97
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 trading and non-trading books	-	-	-
24	Operational risk	12,566	11,541	1,005
EU 24a	Exposures to crypto-assets	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	3,376	3,310	270
26	Output floor applied (%)	50.00%	50.00%	
27	Floor adjustment (before application of transitional cap)	-	-	
28	Floor adjustment (after application of transitional cap)	-	-	
29	Total	65,278	64,547	5,222

Template EU KM1 - Key metrics template (1 of 4)

Pursuant to point (b) of Article 438 and points (a) to (g) of Article 447 of the CRR, 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 March 2025 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 represent their total weighted exposures (Unfloored Total Risk Exposure Amount, U-TREA) for an amount under 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, since 31/03/2025, rows that provide information on the impacts of the application of the aforementioned floor have been introduced in the template in question. In this regard, it should be noted that for the Banco BPM Group the introduction of the floor did not have any impact on the equity ratios as at 31 December 2025.

As at 31 December 2025, Own Funds totalled 12,963 million euro against weighted assets of 65,278 million euro, mostly arising from credit and counterparty risks and, to a lesser extent, operational and market risks.

The Total Capital Ratio stood at 19.86%; the Group Tier 1 Ratio (Tier 1 Capital to RWAs) stood at 16.45%. The Common Equity Tier 1 Ratio (Common Equity Tier 1 to RWEAs) was 14.33%.

Clarifications on the method of calculating the ratios

It should be noted that the capital data and ratios presented include the profit as at 31 December 2025, resulting from the consolidated financial statements as at 31 December 2025 approved by the Board of Directors on 3 March 2026, net of the portion of said profit that the Board proposes to distribute as a dividend and to allocate for assistance, charity and public interest purposes. The above mentioned inclusion was authorised by the European Central Bank.

In addition, the capital ratios were calculated taking into account the exercise of the option envisaged by Article 468 of Regulation (EU) no. 575/2013 (CRR)¹¹, as illustrated in more detail in the following "Template IFRS 9/Article 468-FL" paragraph.

Minimum requirements to be met

With communications dated 22 November 2024 and 22 October 2025, the Bank of Italy confirmed, for 2025 and 2026, Banco BPM Banking Group as an Other Systemically Important Institution (O-SII), establishing the obligation to maintain an O-SII reserve equal to 0.50% of the regulatory requirements.

¹¹ Article amended by Regulation (EU) no. 2024/1623

Template EU KM1 - Key metrics template (2 of 4)

With communication dated 26 September 2025 and 19 December 2025, the Bank of Italy confirmed the Countercyclical Capital Buffer ratio for exposures to Italian counterparties at zero percent also for the fourth quarter of 2025 and the first quarter of 2026.

The Pillar 2 capital requirement (P2R) for the year 2025 communicated by the European Central Bank through the SREP decision dated 11 December 2024 is equal to 2.25%.

Taking into account the new capital buffer against systemic risk of 0.665%, and the countercyclical capital buffer against exposures to foreign counterparties of 0.071%, the minimum requirements to be met on a consolidated basis as at 31 December 2025 are as follows¹²:

- CET 1 ratio: 9.50%;
- Tier 1 ratio: 11.42%;
- Total Capital ratio: 13.99%.

On 30 October 2025, Banco BPM received a notification from the European Central Bank (ECB) of the new SREP decision, containing the results of the annual Supervisory Review and Evaluation Process (SREP). On the basis of the analyses and assessments conducted by the Supervisory Authority, the ECB determined an overall "Pillar 2 Requirement (P2R)" for 2026 of 2.25%, confirming the value applied to 2025. The minimum requirements to be met on a consolidated basis from 1 January 2026 therefore remain unchanged.

¹² These requirements, updated as at 31 December 2025, are determined as follows:

- the Pillar I minimum requirement equal to 8% (of which 4.5% CET 1, 1.5% in terms of AT 1 and 2% in terms of Tier 2);
- the P2R requirement communicated by the ECB equal to 2.25% to be met: (i) with CET 1 for 1.266%, (ii) with AT 1 for 0.422% and (iii) with Tier 2 for 0.563%;
- a capital conservation buffer equal to 2.50%, to be met entirely by CET 1;
- the O-SII buffer equal to 0.50% to be met entirely by CET 1;
- the countercyclical capital buffer equal to 0.071% to be met entirely by CET 1;
- the capital buffer against systemic risk (Syrb) equal to 0.665% to be met entirely by CET 1.

It should be noted that the countercyclical capital buffer and the capital buffer against systemic risk are recalculated on a quarterly basis based on the evolution of the exposures considered in the respective calculation bases

Template EU KM1 - Key metrics template (3 of 4)

		a	b	c	d	e
		31/12/2025	30/09/2025	30/06/2025	31/03/2025	31/12/2024
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	9,351	9,269	9,099	10,380	9,275
2	Tier 1 capital	10,740	10,659	10,488	11,770	10,665
3	Total capital	12,963	13,133	12,362	13,654	12,530
Risk-weighted exposure amounts						
4	Total risk exposure amount	65,278	64,547	64,280	65,138	61,639
4a	Total risk exposure pre-floor	65,278	64,547	64,280	65,138	-
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	14.33%	14.36%	14.16%	15.94%	15.05%
5a	Not applicable					
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	14.33%	14.36%	14.16%	15.94%	-
6	Tier 1 ratio (%)	16.45%	16.51%	16.32%	18.07%	17.30%
6a	Not applicable					
6b	Tier 1 ratio considering unfloored TREA (%)	16.45%	16.51%	16.32%	18.07%	-
7	Total capital ratio (%)	19.86%	20.35%	19.23%	20.96%	20.33%
7a	Not applicable					
7b	Total capital ratio considering unfloored TREA (%)	19.86%	20.35%	19.23%	20.96%	-
Additional own funds requirements to address risks other than the risk of excessive leverage (as a % of risk-weighted exposure amount)						
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.25%	2.25%	2.25%	2.25%	2.52%
EU 7e	Of which: to be made up of CET1 capital (percentage points)	1.27%	1.27%	1.27%	1.27%	1.54%
EU 7f	Of which: to be made up of Tier 1 capital (percentage points)	1.69%	1.69%	1.69%	1.69%	1.96%
EU 7g	Total SREP own funds requirements (%)	10.25%	10.25%	10.25%	10.25%	10.52%
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 or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution-specific countercyclical capital buffer (%)	0.071%	0.057%	0.056%	0.048%	0.038%
EU 9a	Systemic risk buffer (%)	0.66%	0.68%	0.69%	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 (%)	3.74%	3.74%	3.74%	3.40%	3.41%
EU 11a	Overall capital requirements (%)	13.99%	13.99%	14.00%	13.66%	13.93%
12	CET1 available after meeting the total SREP own funds requirements (%)	8.56%	8.60%	8.39%	10.17%	9.01%

Template EU KM1 - Key metrics template (4 of 4)

		a	b	c	d	e
		31/12/2025	30/09/2025	30/06/2025	31/03/2025	31/12/2024
Leverage ratio						
13	Total exposure measure	204,304	219,498	214,804	214,286	204,755
14	Leverage ratio (%)	5.26%	4.86%	4.88%	5.49%	5.21%
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)	29,602	28,381	27,287	26,821	28,453
EU 16a	Cash outflows - Total weighted value	25,046	24,279	23,566	23,110	22,590
EU 16b	Cash inflows - Total weighted value	4,802	4,589	4,553	4,564	4,520
16	Total net cash outflows (adjusted value)	20,244	19,690	19,013	18,546	18,071
17	Liquidity coverage ratio (%)	146.25%	144.10%	143.73%	145.00%	158.16%
Net Stable Funding Ratio						
18	Total available stable funding	120,901	120,149	122,310	120,306	120,526
19	Total required stable funding	95,184	94,291	96,466	97,299	96,013
20	NSFR ratio (%)	127.02%	127.42%	126.79%	123.65%	125.53%

Template IFRS 9/Article 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 3)

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 unrealised gains and losses deriving from the Fair Value through Other Comprehensive Income (OCI) measurement of debt securities issued by General Governments 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 December 2025, the Common Equity Tier 1 ratio (CET 1 ratio) stood at 14.33%, against 14.36% as at 30 September 2025. The CET 1 ratio calculated without applying the aforementioned transitional rules (fully phased CET 1 ratio) is 13.58%. The phased-in Tier 1 ratio is 16.45% (15.71% fully phased) compared to 16.51% as at 30 September 2025, while the phased-in Total Capital ratio is equal to 19.86% (19.12% fully phased) compared to 20.35% as at 30 September 2025.

For details, please refer to the underlying template, prepared in line with the "EBA/GL/2020/12" guidelines. The template does not show the column relating to the period as at 31 December 2024 as the option for the transitional treatment allowed by Article 468 was exercised from 31 March 2025.

Template IFRS 9/Article 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 3)

		a	b	c	d
		31/12/2025	30/09/2025	30/06/2025	31/03/2025
Available capital (amounts)					
1	Common Equity Tier 1 (CET1) capital	9,351	9,269	9,099	10,380
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	9,351	9,269	9,099	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	8,855	8,714	8,552	9,599
3	Tier 1 capital	10,740	10,659	10,488	11,770
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	10,740	10,659	10,488	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	10,245	10,104	9,942	10,989
5	Total capital	12,963	13,133	12,362	13,654
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	12,963	13,133	12,362	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	12,467	12,578	11,816	12,873
7	Total risk-weighted assets	65,278	64,547	64,280	65,138
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	65,210	64,470	64,204	65,031

Template IFRS 9/Article 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 (3 of 3)

		a	b	c	d
		31/12/2025	30/09/2025	30/06/2025	31/03/2025
Capital ratios					
9	CET1 (as a percentage of risk exposure amount)	14.33%	14.36%	14.16%	15.94%
10	CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.33%	14.36%	14.16%	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	13.58%	13.52%	13.32%	14.76%
11	Tier 1 (as a percentage of risk exposure amount)	16.45%	16.51%	16.32%	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	16.45%	16.51%	16.32%	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	15.71%	15.67%	15.49%	16.90%
13	Total capital (as a percentage of risk exposure amount)	19.86%	20.35%	19.23%	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	19.86%	20.35%	19.23%	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	19.12%	19.51%	18.40%	19.79%
15	Leverage ratio total exposure measure	204,304	219,498	214,804	214,286
16	Leverage ratio	5.26%	4.86%	4.88%	5.49%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5.26%	4.86%	4.88%	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	5.03%	4.62%	4.64%	5.15%

Template EU INS1 - Insurance participations

Pursuant to Article 438 (f) of the CRR, the template reports the value of the exposure and the relative amount of the exposure to the risk of own funds instruments that Banco BPM holds in insurance undertakings that are not deducted in accordance with Article 49 of Regulation (EU) no. 575/2013.

		a	b
		Exposure value	Risk exposure amount
1	Own fund instruments held in insurance or re-insurance undertakings or insurance holding company not deducted from own funds	940	940

Template EU INS2 - Financial conglomerates information on own funds and capital adequacy ratio

The template reports information on own funds and on the capital adequacy ratio of the financial conglomerate in application of Article 438 (g) of the CRR.

		a
		31/12/2025
1	Supplementary own fund requirements of the financial conglomerate (amount)	3,059
2	Capital adequacy ratio of the financial conglomerate (%)	132.76%

In line with the instructions for completing the EU INS2 template, the amount of supplementary own fund requirements of the financial conglomerate is determined in compliance with the provisions of Article 6 of Directive 2002/87/EC and the related Annex I, resulting equal to the difference between:

- the own funds of the financial conglomerate, calculated on the basis of the consolidated position of the group according to the relevant sector regulations; and
- the sum of the solvency requirements relating to each financial sector represented within the group, determined in accordance with the respective prudential reference regulations.

In light of the above criteria, as at 31 December 2025 the supplementary own funds requirements of the financial conglomerate amounted to 3,059 million, a value that corresponds to the difference between:

- the own funds of the Banco BPM conglomerate, equal to 12,395 million, and
- the total capital requirements of the conglomerate, equal to 9,336 million, of which 9,129 million referring to the banking component. For the purposes of calculating the capital requirements of the banking component, an Overall Capital Ratio of 13.99% was taken into account, as inferred from the results of the Supervisory Review and Evaluation Process (SREP) for the year 2025.

The conglomerate figures are calculated using the requirements as at 31 December 2025 for the banking component reported to the ECB and the requirements as at 31 December 2025 for the insurance component reported to IVASS as at the date of preparation of this disclosure¹³.

¹³ Data taken from the Quantitative Reporting Template referring to the fourth quarter of 2025

Table EU OVC - ICAAP information

a) Approach for assessing the adequacy of the internal capital (Article 438 (a) CRR)

The Internal Capital Adequacy Assessment Process (ICAAP) of the Banco BPM Conglomerate is aimed at ensuring, on an ongoing and forward-looking basis, the availability of adequate capital to cover material risks, in line with the business model, the strategic plan and the Group's risk appetite defined in the Risk Appetite Framework.

In line with the reference external regulations, mainly including the EBA guidelines on the SREP and the ECB guidelines on the ICAAP, the Group assesses its capital adequacy profile according to a dual perspective, normative and economic.

From the **normative perspective**, the assessment is carried out on both a current and forward-looking basis (planning horizon) in relation to the thresholds of the strategic capital indicators of the conglomerate RAF, with reference to the banking business, asset management and the insurance sector. In this perspective:

- the reference capital is the regulatory capital;
- the risks are quantified according to the methods envisaged by prudential regulations and by the internal models authorised by the Supervisory Authority;
- the projections are carried out in a baseline and stressed scenario.

From the **economic perspective**, the adequacy is assessed in terms of the ability of the capital to absorb unexpected losses deriving from the set of material risks for the Conglomerate and for the banking business.

In this context:

- the asset value corresponds to its own Available Financial Resources (AFR);
- the risk perimeter includes all risks identified as material (Risk Map) as part of the Risk Identification process;
- the risk assessment is carried out according to a "point-in-time" approach, appropriately supplemented by Material Future Developments. The management and statistical/quantitative methodologies adopted are mainly attributable to the VaR technique, with a probability level (or "confidence interval") of 99.90% and an annual time horizon.

The two perspectives, normative and economic, inform each other.

The capital adequacy assessment is reported to the Corporate Bodies on an annual basis for supervisory purposes and on half-yearly basis in line with internal regulations.

Such process guarantees a continuous assessment, 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.

b) At the request of the competent authority concerned, the results of the internal capital adequacy assessment process by the institution (Article 438 (c) CRR)

The Banco BPM Group has not received requests from the competent Authority to publish the results of the internal capital adequacy assessment process.

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

The template in question was introduced following the amendments to Regulation (EU) no. 575/2013 (CRR3) regarding the introduction of the Output-floor already illustrated above.

In particular, pursuant to Article 438 (d) and (da) of the CRR, the template provides evidence in columns (a) and (b) respectively of the amount of risk-weighted assets (RWEA) calculated by applying the internal templates 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 December 2025.

Columns (d) and (EUd) 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 rules that will be in force at the end of the transitional period (column d) and the transitional arrangements pursuant to Article 465 of CRR3 (column EUd).

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 December 2025, as the actual capital requirements are higher than the minimum level, obtained by applying the multiplication factor of 50%¹⁴ to the amount of risk-weighted assets calculated by applying the standard approach to all portfolios (column EUd).

¹⁴ Article 465 of the CCR, "Transitional arrangement for the output floor" provides that, by way of derogation from the first paragraph of Article 92 (3) and without prejudice to the derogation provided for in the second paragraph of Article 92 (3), institutions may apply the following factor "x" for the calculation of the 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 of 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)	26,903	20,133	47,035	63,818	61,139
2	Counterparty credit risk	163	1,031	1,194	1,290	1,290
3	Credit valuation adjustment		332	332	332	332
4	Securitisation exposures in the banking book	1,558	235	1,793	7,702	3,221
5	Market risk	1,199	10	1,209	766	766
6	Operational risk		12,566	12,566	12,566	12,566
7	Other risk-weighted exposure amounts		1,149	1,149	1,149	1,149
8	Total	29,823	35,455	65,278	87,622	80,462

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

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

Pursuant to Article 438 (d) and (da) of the CRR, 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 templates.

The template provides evidence of the RWAs calculated on internal templates (column a), of the RWAs recalculated according to the standardised approach (column b), of the RWAs reported as actual requirements for credit risk, both for portfolios calculated on internal templates and for those subject to the standardised 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 standardised approach to all portfolios, respectively applying the transitional arrangements 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 templates (IRB), where possible and in line with the disclosure requirements, were excluded from the respective exposure classes and were reclassified to the corresponding exposure classes according to the standardised approach as shown in the following table.

IRB class and sub-class (Art. 147 CRR)	STD class (Art. 112 CRR)
Corporates - General	Categorised as secured by immovable property and ADC exposures in SA
Corporates - Specialised lending	
Retail - Other	
Retail - Secured by residential real estate	
Corporates - Specialised lending	Collective investment undertakings (CIU)
Corporates - General	Categorised as exposures in default in SA
Corporates - Specialised lending	
Retail - Qualifying revolving	
Retail - Purchased receivables	
Retail - Other	
Retail - Secured by residential real estate	

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

		a	b	c	d	EU d
		Risk-weighted exposure amounts (RWEAs)				
		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	-	8	2,570	2,578	2,578
EU 1a	Regional governments and local authorities	-	0	87	87	87
EU 1b	Public sector entities	-	-	429	429	429
EU 1c	Categorised as Multilateral Development Banks in SA	-	-	-	-	-
EU 1d	Categorised as International organisations in SA	-	-	-	-	-
2	Institutions	-	20	2,191	2,211	2,211
3	Equity	-	-	4,002	4,002	4,002
4	Not applicable					
5	Corporates	15,412	21,599	18,886	27,752	25,074
5.1	Of which: F-IRB is applied	6,819	10,900	6,819	11,517	10,900
5.2	Of which: A-IRB is applied	8,592	17,447	8,592	19,508	17,447
EU 5a	Of which: Corporates - General	14,085	20,184	14,085	22,863	20,184
EU 5b	Of which: Corporates - Specialised lending	1,147	1,415	1,157	1,425	1,425
EU 5c	Of which: Corporates - Purchased receivables	180	477	180	491	477
6	Retail	2,042	4,390	2,392	4,740	4,740
6.1	Of which: Retail - Qualifying revolving	69	111	69	111	111
EU 6.1a	Of which: Retail - Purchased receivables	1	2	1	2	2
EU 6.1b	Of which: Retail - Other	1,972	4,277	1,972	4,277	4,277
6.2	Of which: Retail - Secured by residential real estate	-				
7	Not applicable					
EU 7a	Categorised as secured by immovable property and ADC exposures in SA	8,046	13,417	8,254	13,625	13,625
EU 7b	Collective investment undertakings (CIU)	487	589	3,469	3,570	3,570
EU 7c	Categorised as exposures in default in SA	916	983	1,061	1,128	1,128
EU 7d	Categorised as subordinated debt exposures in SA	-	-	445	445	445
EU 7e	Categorised as covered bonds in SA	-	-	59	59	59
EU 7f	Categorised as claims on institutions and corporates with a short-term credit assessment in SA	-	-	-	-	-
8	Other non-credit obligation assets	-	-	3,191	3,191	3,191
9	Total	26,903	41,006	47,035	63,818	61,139

Template EU KM2 - Key metrics - MREL and, where applicable, G-SII requirement for own funds and eligible liabilities (1 of 2)

Within the regulatory framework that Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 established for the recovery and resolution of credit institutions, the Banco BPM Group is subject to the Minimum Requirement for Own Funds and Eligible Liabilities (MREL) as set out in Article 12 et seq. of Regulation (EU) 806/2014.

The Single Resolution Board (SRB) notified the Group of the requirements applicable from 4 December 2025:

- Total MREL requirement:
 - 22.60% of risk-weighted assets (TREA), plus the combined capital buffer requirement applicable to the Banco BPM Group which, as at 31 December 2025, was 3.74%;
 - 5.90% of the leverage ratio total exposure (TEM)
- MREL subordination requirement:
 - 15.91% of risk-weighted assets (TREA), to which the combined capital buffer requirement applicable to the Banco BPM Group is added, which, as at 31 December 2025, was 3.74%;
 - 5.82% of the leverage ratio total exposure (TEM).

For the purposes of compliance with the requirements described above, the amount of own funds and eligible liabilities includes the liabilities indicated pursuant to Article 12c of Regulation (EU) 806/2014 and, where present, liabilities subject to grandfathering¹⁵.

The applicable regulations expect the following elements to be considered:

- Own Funds calculated in accordance with the provisions of CRR;
- Tier 2 Capital Instruments with a residual maturity of at least one year as at the reference date for the amount related to regulatory amortisation not included in Own Funds, pursuant to Article 64 of the CRR;
- Eligible liabilities that meet the eligibility conditions set out in Article 45b of the BRRD and especially Articles 72a, 72b, with the exception of letter "d" of the second paragraph, and 72c of the CRR.

The following template provides summary information on the amount of own funds and eligible liabilities as at 31 December 2025 and of the relative ratios.

¹⁵ Liabilities issued before 27 June 2019 that do not meet the conditions for eligibility set out in sub-paragraph (b) letter (ii), and sub-paragraphs (f) to (m) pursuant to Article 72b (2) of Regulation 575/2013, in application of the grandfathering regime introduced by Article 494b (3) of Regulation 575/2013

Template EU KM2 - Key metrics - MREL and, where applicable, G-SII requirement for own funds and eligible liabilities (2 of 2)

		a
		Minimum requirement for own funds and eligible liabilities (MREL)
		31/12/2025
Own funds and eligible liabilities, ratios and components		
1	Own funds and eligible liabilities	22,206
EU-1a	Of which own funds and subordinated liabilities	16,213
2	Total risk exposure amount of the resolution group (TREA)	65,278
3	Own funds and eligible liabilities as a percentage of the TREA	34.02%
EU-3a	Of which own funds and subordinated liabilities	24.84%
4	Total exposure measure (TEM) of the resolution group	204,304
5	Own funds and eligible liabilities as a percentage of the TEM	10.87%
EU-5a	Of which own funds or subordinated liabilities	7.94%
6a	Does the subordination exemption in Article 72b(4) of Regulation (EU) No 575/2013 apply? (5% exemption)	
6b	Aggregate amount of permitted non-subordinated eligible liabilities instruments if the subordination discretion in accordance with Article 72b(3) of Regulation (EU) No 575/2013 is applied (max 3.5% exemption)	
6c	If a capped subordination exemption applies in accordance with Article 72b (3) of Regulation (EU) No 575/2013, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised under row 1 if no cap was applied (%)	
Minimum requirement for own funds and eligible liabilities (MREL)		
EU-7	MREL expressed as a percentage of the TREA	22.60%
EU-8	Of which to be met with own funds or subordinated liabilities	15.91%
EU-9	MREL expressed as a percentage of the TEM	5.90%
EU-10	Of which to be met with own funds or subordinated liabilities	5.82%

Notes to the values reported in EU KM2

The values shown in template EU KM2 take into account the deduction, pursuant to Article 32b (3) of Regulation 241/2014, of the unused portion of the predetermined amount (the "authorised ceiling" for conducting repayment transactions, including early repayment or buyback of eligible liabilities instruments, including "liability management" and "market-making" activities) for which the Resolution Authority has granted prior authorisation to the Banco BPM Group (known as "General Prior Permission").

Section 2 - Disclosure of risk management objectives and policies

Table EU OVA - Institution risk management approach

a) Disclosure of concise risk statement approved by the management body (Article 435 (1) (f) CRR)

During the first quarter of 2025, the Board of Directors of the Parent Company Banco BPM approved the Risk Appetite Framework (hereinafter also "RAF") for the material risk areas, which the Group and the individual Legal Entities, relevant for RAF purposes (including Insurance Companies and the Anima Group) are or could be exposed to. Through this instrument, the Body with Strategic Supervision Functions approves the level of risk that the Group is willing to assume in pursuing its strategic objectives. The framework comprises the following basic elements:

- governance, which defines the roles and responsibilities of the parties involved and the information flows between them, including the escalation process if the thresholds are exceeded;
- the system of metrics, which summarises risk exposure;
- the system of thresholds, through which the risk appetite is defined;
- the instruments and procedures, which support the representation and operational management of the RAF, including "Most Significant Transactions (MST)".

The RAF is the tool that makes it possible to establish, formalise, communicate, approve and monitor the risk objectives that the Group and the individual relevant Legal Entities intend to assume.

To this end, it is divided into thresholds and risk areas that make it possible to identify in advance the levels and types of risk that the Group intends to assume, stating the roles and responsibilities of the Corporate Bodies and Functions involved in the process of managing these risks. The RAF indicators are structured by risk area and make use of the risk identification process and the regulatory indications regarding Risk Governance. All relevant risks identified during this process are considered when defining the Risk Appetite Framework, and specific indicators are identified to monitor them. The Group's RAF perimeter made it possible to identify a set of indicators divided into the main risk areas: Capital adequacy, Credit/asset quality & structure, Liquidity/funding & IRRBB, Profitability, Operational/conduct/ICT, cyber, ESG-specific and Other relevant topics. The sub-area referring to the "ICT, Cyber and Security" risk was consolidated by refining the indicators for monitoring incidents, envisaging an expansion of the scope of the indicators referring to it for the following year.

The indicators that summarise the Group's risk profile for the above risk areas are divided into three levels:

- Strategic Indicators: a limited and comprehensive number of metrics, which express the risk appetite approved by the Board of Directors and represent the summary performance of the overall risk profile. These indicators, which include most of the indicators used to define the RAF Guidelines, are functional to the definition of the Budget and Strategic Plan objectives;
- Operational Indicators: metrics that integrate, breaking down the strategic indicators and anticipating the evolution of the risk profile. These metrics enable specific aspects of the main business processes to be encompassed and are usually monitored with greater

frequency with respect to the strategic indicators, in line with their task of anticipating critical situations;

- Early Warning Indicators: metrics used for the implementation of strategies and/or predicting signs of deterioration of the strategic and operational indicators.

The system of thresholds is structured as follows:

- Target: the level of risk (overall and by type) to which the Group is willing to be exposed to pursue its strategic medium and long-term objectives, in line with the Group Strategic Plan;
- Trigger: a threshold which, if exceeded by the strategic and operational indicators, triggers the various escalation processes envisaged by the Framework. The trigger is also determined with stress tests. The system of limits used for operational purposes is defined in accordance with the Trigger values ("Risk Limits");
- Tolerance (tolerance threshold): is the maximum permitted deviation from the Risk Appetite. The tolerance threshold is set in such a way as to in any event guarantee the Group sufficient margins to be able to operate, also in stress conditions, within the maximum risk it can assume;
- Capacity (maximum risk that can be assumed): this is the maximum level of risk that the Group is able to assume without infringing regulatory requirements or other restrictions imposed by the shareholders or by the Supervisory Authority;
- Alert: this is the threshold defined for the Early Warning indicators, in order to anticipate the dynamics of higher level indicators and/or intercept potential critical issues. The RAF is updated at least once a year, also in the event of changes in the internal and external conditions in which the Group operates.

In the event that the monitoring activity shows that the Trigger and Tolerance thresholds are exceeded or further deviated with respect to the last available figure, assisted by the structures under their responsibility, the Chief Risk Officer starts the escalation process with the preparation of an information note that illustrates the causes of the indicator dynamics and the potential intervention levers, to be sent to the pertinent Corporate Bodies and Committees (Chief Executive Officer or Board of Directors, supported by the internal Committees).

This framework is extended to the relevant Group companies¹⁶, including the Group's insurance companies, with specific indicators referring to their respective risk areas. If the thresholds relating to these companies are exceeded, in addition to the process described above, a report is made to the respective Bodies and Committees of the Parent Company.

Below is the Risk Profile of the main risk indicators as at 31 December 2025, reported to the Board of Directors. The strategic and management indicators represented are consistent with the objectives and risk thresholds defined by the Group and approved by the Board of Directors, after passing through the relevant Committees.

¹⁶ A Legal Entity relevant for RAF purposes is defined as a Group Company that meets defined qualitative and quantitative criteria, and for which a system of metrics and limits consistent with the company's business model is established. The materiality criterion used to define the RAF scope applies to both the prudential and insurance scopes

RAF 2025 – Main indicators	Type of indicator	Risk Profile - December 2025
CET 1 ratio	Strategic	14.33%
Tier 1 ratio	Management	16.45%
Total Capital ratio	Management	19.86%
Leverage ratio	Strategic	5.26%
Liquidity Coverage Ratio (LCR) ¹⁷	Strategic	147%
Net Stable Funding ratio (NSFR)	Strategic	127%
Gross NPE ratio	Strategic	2.22%
Cost income (%)	Strategic	46.0%
ROTE (%)	Strategic	22.4%
RORAC (%)	Strategic	22.3%

b) Information on the risk governance structure for each type of risk (Article 435 (1) (b) CRR)

The Banco BPM Group has adopted an **Integrated Internal Control System** aimed at ensuring sound and prudent management of activities, the containment of risks within the approved risk appetite levels and the pursuit of sustainable success in the medium-long term. The Parent Company exercises a role of guidance, coordination and control over the internal control and risk management system of the entire Group, defining the principles, rules, roles and responsibilities, as well as the information flows necessary to guarantee an integrated representation consistent with the overall risk profile.

Roles and responsibilities in governance

The **Board of Directors**, as the body with strategic supervision functions, supported by the **Internal Control and Risk Committee**:

- defines the strategic guidelines, the Risk Appetite Framework and the risk governance policies;
- approves the structure of the internal control system and periodically assesses its effectiveness;
- ensures consistency between strategy, risk profile, ICAAP, ILAAP and the internal control system.

The **Board of Statutory Auditors**, as a body with control functions, monitors the completeness, adequacy, functionality and reliability of the internal control system and of the RAF.

The Chief Executive Officer, as Director in charge of the internal control and risk management system, oversees the implementation of the strategic guidelines and ensures the system's continuous functioning and evolution.

¹⁷ Exact reporting data

In addition to the Internal Control and Risk Committee (Board Committee), the Group has established among its Board Committees a **Risk Committee**.

In particular, the Committee carries out risk guidance, coordination, monitoring and control functions, operating in line with the Group's overall risk governance system and with the provisions of the Supervisory Authorities. Its main responsibilities are reported below:

- supporting the Corporate Bodies in defining and developing the system for identifying, measuring, assessing and monitoring risks, ensuring an integrated view of the Group's risk profile;
- assessing the business model, the strategic plan and the most significant transactions in terms of risks, also from a forward-looking and sustainability perspective;
- examining and expressing an opinion on the main proposals submitted to the Board of Directors (e.g. RAF, ICLAAP, Recovery Plan, Liquidity Contingency Plan);
- monitoring compliance with the risk thresholds, verifying the activation and effectiveness of the escalation mechanisms and the corrective actions envisaged;
- overseeing the governance of internal models and the related model risk;
- examining the periodic reporting on risks prepared by the Risk function and by the other control functions.

For an in-depth analysis of the responsibilities of the Corporate Bodies, please refer to the OVB Table reported in this disclosure.

Structure of the internal control system

First-level controls (line controls)

The first-level controls are carried out by the operating structures, which constitute the first control in the risk management process. These structures are directly responsible for identifying, measuring, monitoring, mitigating and reporting the risks associated with ordinary company activities.

Line controls are integrated into operating processes and company procedures or carried out through hierarchical, systematic or sample checks. Their main objective is to ensure the **proper conduct of operations**, in compliance with internal rules, operating limits and applicable regulations.

Second-level controls (risk and compliance controls)

Second-level controls are aimed at ensuring:

- implementation of the risk management process;
- compliance with the operating limits assigned;
- regulatory and operational compliance with legal, regulatory and self-regulatory provisions.

They are carried out by company control functions that are distinct from each other and independent from the operating structures, which contribute to the definition, monitoring and assessment of the Group's risk profile.

The following fall within the scope of second-level controls, reporting to the Chief Executive Officer:

- **Risk control function (Chief Risk Officer);**

- **Compliance function;**
- **Anti-Money Laundering function.**

These functions operate according to a risk-based approach, have access to all relevant information and ensure a continuous and structured information flow to the corporate bodies and the competent committees. They report periodically on the completeness, adequacy, functionality and reliability of the internal control system.

Specifically, the Chief Risk Officer Function of Banco BPM is responsible for defining, implementing and monitoring the processes for identifying, measuring, managing and controlling the significant risks to which the Group is exposed, ensuring an integrated view of the risk profile at Group and Financial Conglomerate levels. In addition, it operates as a second line of defence and is involved in the main Group strategic, management and regulatory processes.

The Chief Risk Officer Function coordinates the following structures: **Enterprise Risk Management** (Risk Control; Risk Strategy), **Risk Models & Methodologies** (Credit & Non-Financial Risks; Financial Risks), **Internal Validation** (Credit Validation; Models Validation).

The Risk Management Functions of the **insurance companies** and **Asset Management (Anima holding)** report functionally to the Chief Risk Officer, ensuring a gradual integration of the main risk governance processes at Financial Conglomerate level.

In particular, the Chief Risk Officer Function, through:

- **Risk Models & Methodologies:**
 - develops and proposes approaches (tools, models and processes) for risk measurement, management and control;
 - contributes to the Risk Appetite Framework (RAF), ICAAP, ILAAP, Financial Conglomerate, Recovery Plan and Resolution Plan processes, supporting the definition of operating limits for the different types of risk;
 - provides support for regulatory exercises and the preparation of regulatory reports and disclosures for the Corporate Bodies, Supervisory Authorities and the market;
 - is responsible for the Model Risk Framework.
- **Enterprise Risk Management:**
 - coordinates strategic processes, including the Risk Identification process, Risk Appetite Framework, Internal Capital Adequacy Assessment Process and the integration of risks relating to the Financial Conglomerate;
 - ensures periodic and integrated reporting on the Conglomerate's overall risk profile, highlighting the main critical issues and supporting corrective actions;
 - carries out second-level controls on credit risks and on significant financial assets recognised in the financial statements;
 - contributes to the extension of the Risk Data Aggregation and Reporting principles, ensuring the implementation of the Data Governance Framework. In addition, it is responsible for second-level monitoring of Data Quality Risk;
 - is responsible for second-level monitoring of ICT and security risks;

- is responsible for second-level monitoring of Wealth Management risks, including Product Oversight and Governance and risk management pertaining to Banco BPM Invest SGR.
- **Internal Validation:**
 - validates the internal risk measurement systems, already in place or in the development phase, assessing on an ongoing basis the following elements: models, processes, controls and, more generally, their compliance over time with regulatory requirements, business needs and the operating context development;
 - carries out specific checks aimed at ascertaining the adequacy of the methodologies applied to calculate the Group's risk profile;
 - carries out benchmarking, where possible, and back-testing analyses.

The Banco BPM's **Compliance Function** carries out its activities, reporting directly to the Chief Executive Officer, both for the Parent Company and for the Group companies that have outsourced the service, and has direct access to the Corporate Bodies, communicating with them without any restrictions or intermediation. The Head of the Compliance function exercises their duties on the basis of a specific appointment that ensures independence of the Compliance Function from other company functions, defining their role, skills and responsibilities. The Head of Compliance has also been given the role of Data Protection Officer (DPO) in accordance with European Regulation 2016/679 (GDPR) concerning personal data protection.

The Compliance Function oversees the management of compliance risk with regard to the Group activities, according to a risk-based approach, verifying that internal procedures are adequate to prevent that risk.

With the adoption of a "graduated" Compliance model, the Compliance Function directly carries out all the tasks assigned by the Supervisory Provisions with specific reference to the regulatory areas considered to be of greater importance or for which centralised management of compliance risk is deemed necessary, i.e. the rules concerning the exercise of banking and brokerage activities, management of conflicts of interest, transparency to customers and, more generally, consumer protection regulations, it being understood that compliance risk monitoring refers to all provisions applicable to the bank. For certain regulatory provisions, in any case relevant for compliance risk purposes that do not fall within the scope of activities directly assigned to the Compliance Function, specific forms of Specialist Control Unit are envisaged with the necessary expertise. For the areas directly supervised by the other second-level Control Functions of the Parent Company, or by the Financial Reporting Manager, or by the Compliance function of Group companies that have not outsourced this function to the Parent Company, the monitoring of compliance risk is implemented by those functions limited to the aspects falling within their specific responsibilities and operational scope. For areas not directly controlled by the Compliance function of Banco BPM, coordination mechanisms and information flows towards the same are envisaged, which constitute the fundamental tool through which the Compliance function of the Parent Company carries out its functions of guidance, coordination and control for the compliance structures of the companies belonging to the Group that have not outsourced the function to the Parent Company.

The current organisational structure of the Compliance Function is divided into four specific structures, two of which report to the Compliance Manager (one responsible for guidance and methodological coordination, preparation of management reporting, and definition of the functional requirements for developing supporting applications, while the other is responsible for

overseeing the privacy regulatory framework) and two "in line" structures are dedicated to regulatory issues applicable to Banco BPM Group. Specifically, the Organisational Units are as follows:

- Methodology and Reporting Coordination (staff);
- DPO support (staff);
- Banking Services, Governance, and ICT Compliance (in line);
- Investment Services and Markets Compliance (in line).

As established in the "Regulation on managing compliance risk", the compliance risk management model envisages:

- the definition, development and maintenance of methods, models and instruments supporting risk management processes;
- ex ante compliance activities;
- scheduling of control activities;
- risk assessment: preventive and ongoing identification of compliance risk, namely potentially harmful events, the relative frequency and impact, as well as the identification of the monitoring in place and the related evaluation of its effectiveness and suitability for monitoring the identified risks; measurement of the residual risk component;
- the performance of controls and audits and the identification of risk mitigation measures;
- monitoring of interventions and follow-ups;
- assessment and maintenance of the control system;
- reporting and information flows;
- monitoring and analysis, from a forward-looking perspective, of the main regulatory changes applicable, with specific reference to those with a significant impact on governance and on the company's business model and subsequent communications to corporate bodies and General Management.

With regard to training aspects, the Compliance Function collaborates with the functions responsible for raising staff awareness and for carrying out training programmes on issues of regulatory compliance.

With reference to the new products approval process and entry into new markets, the Compliance function is involved in the preliminary inquiries and releases the relative opinion, to identify and assess the significant elements linked to compliance risk. The Function also participates in the specific Committee, representing the various organisational units that is responsible for validating new products/services and the entry into new markets.

Third-level controls (internal audit)

Third-level controls are entrusted to the **Audit function** and aim to provide an independent and comprehensive assessment of the internal control and risk management system.

Reporting directly to the Board of Directors, the Audit function verifies:

- compliance with internal and external procedures and regulations;
- the completeness, adequacy, functionality and reliability of the internal control system;
- the effectiveness of risk management controls, including climate and environmental risks;
- the adequacy of the information system and ICT controls.

On the basis of the audits carried out, the Audit function issues **recommendations to the corporate bodies** and promptly communicates the findings, in particular in cases of significant deficiencies

or negative opinions. The function operates in full autonomy and independence, with direct access to the corporate bodies and the Supervisory Board pursuant to Italian Legislative Decree 231/2001.

For further information on the functions involved in risk management and control, please refer to the sections dedicated to the individual risks.

c) Declaration approved by the management body on the adequacy of the risk management arrangements (Article 435 (1) (e) CRR)

Please refer to point (a) above (Table OVA) and to the “Declaration of the Chairman of the Board of Directors” reported in this disclosure.

d) Disclosure on the scope and nature of risk disclosure and/or measurement systems (Article 435 (1) (c) CRR)

As part of integrated risk reporting, the Risk Function carries out:

- the analysis of the main risks to which the Group and the individual Legal Entities are exposed, and conducts a periodic assessment of the risk profile of the RAF indicators on the basis of the indicator's positioning with respect to the thresholds defined in the framework and/or the trend recorded, highlighting any areas for attention and improvement, for which specific analyses are provided which explain the relative trend. The results of the monitoring of the RAF indicators, carried out directly by the Risk Function of the insurance companies and of Anima holding, are integrated in the Parent Company's reporting, in order to provide information at Conglomerate level. Furthermore, at least on a quarterly basis an update is provided in integrated reporting on Recovery Plan indicator trend, with the support of the Recovery and Resolution Planning Function;
- benchmark analysis provided to the Parent Company's Corporate Bodies and to the top management at least every six months, which provides different comparative views on the main indicators with respect to the banking system identified by the EBA Risk Dashboard, or to a significant European sample comparable with the Banco BPM Group. This analysis leverages the main evidence and risk metrics reported in the EBA Risk Dashboard, ECB Supervisory Banking Statistics, and in the information included in the Market Disclosure documents (Pillar 3), thus making it possible to identify any opportunities for improvement in the management of risks. A synthetic dashboard has also been prepared, which provides an overall view of the Group's positioning and of reference samples on the 10 main risk indicators of the EBA heatmap.

In the insurance sector, benchmark analyses consider the main solvency metrics posted in the Solvency and Financial Condition Reports (SFCR) published annually by insurance companies and groups, in line with Pillar 3 of the Solvency II regime, as well as the data in the Quantitative Reporting Templates (QRTs), produced by the companies and available on the ANIA InfoQRT portal.

- the analysis of current and forward-looking capital adequacy, both from a Pillar 1 (normative) perspective and from a Pillar 2 (economic) perspective, reported periodically to the Committees and Corporate Bodies (see OVC Table).

For information on the scope and nature of the risk disclosure and/or measurement systems, please refer to the sections dedicated to individual risks and to point (e) of the OVB table of this document.

e) Disclosure on the main features of risk disclosure and measurement systems (Article 435 (1) (c) CRR)

Please refer to the sections dedicated to individual risks.

f) Strategies and processes to manage risks for each separate category of risk (Article 435 (1) (a) CRR)

The Group adopts an integrated risk management strategy, aimed at ensuring consistent and effective monitoring of all relevant risk categories, in line with the business model, risk profile and regulatory expectations. In this context, the Chief Risk Officer Function operates along three strategic lines - **protection, guidance and support for the growth of the Group** - ensuring the integration of risk controls into the main company processes.

The **Risk Management processes** make it possible to:

- promptly identify emerging and existing risks. The **Risk Identification process** identifies the current and future risks to which the Conglomerate is or could be exposed in normal and adverse conditions, and is functional to the main strategic processes (RAF, ICLAAP, Strategic Plan, Recovery Plan). This represents a structured and dynamic process that is carried out annually at Group level by the Risk Function, with the involvement of top management and business and control functions, including the main Group companies. The output of the process takes the form of the preparation and/or updating of:
 - **Long-list:** represents the list of potential risks and risk factors to which the Financial Conglomerate is or may be exposed;
 - **Risk Inventory:** represents the list of major risks to which the Financial Conglomerate is or could be exposed, including those that can be quantified and those managed through organisational controls;
 - **Risk Map:** represents the list of only the major risks for the Financial Conglomerate, quantified through internal models or quantifiable with other regulatory measures.

The Parent Company, Banco BPM, guarantees the measurement, monitoring and management of the capital requirements for each type of significant risk and guarantees the supervision and quantification of the capital resources available to the Group to cover risk exposure, in order to fulfil the regulatory obligations of the First and Second Pillar. The results of the Risk Identification process implemented between the second and third quarter of 2025 confirmed the 2024 Risk Map, which includes the following risks: credit, counterparty, trading and banking book market, credit spread and interest rate in the banking book, real estate, equity, strategic, operational reputational, excessive financial leverage, insurance, liquidity & funding. Climate and geopolitical risks are not considered as independent risk categories in the Risk Map, but as transversal drivers that impact the different types of financial and non-financial risk.

- **quantitatively and qualitatively measure the risks** in the different time horizons. The Banco BPM Group has adopted a structured stress testing framework, aimed at assessing the Group's vulnerability to exceptional but plausible events, through the coordinated application of quantitative and qualitative techniques. The framework defines methodologies, processes, roles and responsibilities for the preparation of projections under ordinary and adverse conditions, to support risk management processes, strategic planning and regulatory obligations. The stress tests include sensitivity and scenario analyses, conducted both on individual risk categories and from an integrated perspective (firmwide), in order to assess the Group's risk profile as a whole and to identify the main vulnerability factors. The results of the stress analyses support the definition of

mitigation strategies and action plans. The macroeconomic scenarios used in the Group processes are subject to periodic monitoring and updating by the Scenario Council, which assesses the evolution of the external context and the possible implementation of scenarios in strategic and management processes. The Group also carries out stress tests with specific purposes to support the main business processes, including the Risk Appetite Framework, strategic planning, ICAAP, ILAAP and the Recovery Plan, also including targeted analyses on individual portfolios and risks.

- **continuous monitoring** of the risk levels with respect to the limits defined in the Risk Appetite Framework (see point (a) of the OVA table);
- **periodic reporting** to the Corporate Bodies (see point (d) of the OVA table).

For further information on risk management strategies and processes, please refer to the sections dedicated to individual risks, while a paragraph on the management of significant non-financial risks for the Banco BPM Group is provided below.

Other non-financial risks

The Group monitors all non-financial risks other than operational risk in a structured manner, ensuring an approach consistent with best market practices and with the European regulatory framework.

Reputational risk is the risk linked to a negative perception of the bank's image by customers, shareholders, investors, financial analysts, the media and Supervisory Authorities. This risk may affect the Group's ability to maintain or develop new business opportunities, to preserve consolidated commercial relationships and to continue to access sources of funding in an efficient and stable manner. A deteriorated external perception can translate into tangible effects on profitability, on the stability of operating flows and on the overall soundness of the business model. Reputational risk management is based on a coordinated set of controls, roles and transversal processes. In addition to the internal regulations that govern the general lines of conduct for all Group employees and which constitute the primary safeguard for reputational protection, dedicated structures are in place to monitor service quality and customer satisfaction, manage complaints, handle relations with shareholders and the financial community, and manage external and institutional communication. In this context, ESG factors and information transparency towards the market are also becoming increasingly important elements in shaping stakeholder expectations. Reputational risk is subject to a structured management assessment process, which makes it possible to periodically verify the Group's reputational positioning and estimate the overall risk exposure. This process integrates internal indicators (e.g. complaints, disputes, operational events, etc.), external signals from the market and the media context, as well as the qualitative assessment component, based on internal expertise, aimed at promptly identifying any emerging factors. To complete the framework, the model also includes the Web Sentiment component, which makes it possible to more promptly and accurately monitor the Group's external perception through public sources and online channels. This extension helps to detect signals and anticipate any critical phenomena, strengthening the Group's ability to promptly intervene with mitigating measures. Overall, the monitoring of reputational risk is an essential element of the non-financial risk framework, integrated in the ICAAP and RAF processes, and in the overall Group governance, with the aim of safeguarding stakeholders' trust and guaranteeing the continuity and sustainability of the bank's positioning in the medium-long term.

Strategic risk is the current and future risk of a potential decline in profits or share capital deriving from an inadequate competitive positioning or from managerial decisions that are not fully effective. It reflects the possibility that the strategic choices made by the Group may not generate

the expected results, with consequent negative impacts on the achievement of short and medium/long-term economic and financial objectives. This risk includes both the possibility of an undesired reduction in profitability and capital strength, and the possibility that the Group may not be able to promptly seize development opportunities in a rapidly changing competitive and regulatory context. In this perspective, strategic risk includes both the potential failure of industrial initiatives that involve elements of management discontinuity, and the risk of organisational inertia, i.e. the failure to promptly adapt the operating and commercial model to unforeseen market dynamics, regulatory changes, competitive pressures or structural changes in customer preferences. The management of this risk is based on a structured assessment process that combines assessments aimed at verifying the consistency and progress of strategic objectives over time, measuring the potential deviation from the plan targets in terms of capital loss. Overall, strategic risk represents a crucial aspect of the Group's risk profile. Integrated in the ICAAP and RAF processes and in the corporate planning mechanisms, its management contributes to guaranteeing the business model resilience, the sustainability of industrial choices and the Organisation's ability to maintain a solid and consistent competitive positioning in the medium-long term.

Real estate risk is the current or future risk resulting from adverse changes in the value of Group-owned properties, attributable to price trends in the Italian real estate market and, more generally, to the dynamics of the real estate sector. This risk may affect assets valuation, the Group's overall strength and its ability to preserve adequate capital levels to manage market shocks. The Group's real estate portfolio includes both properties used in operations and properties held for other various reasons; for both, fluctuations in market values are a potential vulnerability factor, particularly in contexts characterised by price volatility, interest rate changes, regulatory changes or unfavourable real estate cycles. From a management perspective, this risk is monitored through a structured real estate valuations monitoring process, which integrates market information and periodic price analysis. This monitoring is based on an economic capital quantification process, based on a Value at Risk statistical methodology (variance-covariance), with a confidence interval of 99.9% and an annual time horizon, applied to the market value of the properties owned by the Group. This approach makes it possible to estimate the potential impact of adverse scenarios (including climate-related physical risk scenarios) ensuring a prudential assessment consistent with the internal non-financial risks framework. Overall, real estate risk is managed according to a prudential and forward-looking approach, which makes it possible to promptly identify any signs of deterioration in market conditions and guarantee adequate capital control, in line with regulatory expectations and with the sector's best practices.

Overall, the management of non-operational risks is based on a transversal framework that integrates internal data, proprietary indicators and forward-looking analyses, with the aim of ensuring rigorous monitoring and full consistency with regulatory and market expectations.

g) Information on the strategies and processes to manage, hedge and mitigate risks, as well as on the monitoring of the effectiveness of hedges and mitigants (Article 435 (1) (a) and (d) CRR)

Please refer to the sections dedicated to individual risks.

Table EU OVB - Disclosure on governance arrangements

With the objective of developing an adequate system to control and manage business risks, the Board of Directors, the Internal Control and Risk Committee and the Board of Statutory Auditors, which oversee the functioning of the internal control system, have been assigned the following tasks, established in the current Articles of Association.

Pursuant to Article 24.2.2 (d) of the Articles of Association, the Board of Directors is attributed the responsibility, which cannot be delegated, to define and approve: (i) the Risk Appetite Framework; (ii) the guidelines of the internal control system, so that the main risks relating to the Company and its subsidiaries and to transactions of greater significance are correctly identified, as well as adequately measured, managed and monitored, also establishing criteria relating to the compatibility of said risks with the sound and correct management of the Company. The Board of Directors is also responsible for approving (i) the establishment of internal control functions, assigning the relative tasks, responsibilities as well as the procedures for the coordination and collaboration of the same, the information flows between functions and between the latter and corporate bodies; (ii) the approval process for new products and services, the implementation of new activities, and the entry into new markets; (iii) company policies regarding the outsourcing of company functions; (iv) the adoption of internal risk measurement systems. The Board of Directors also carries out all other duties it has been assigned by the prudential supervisory provisions regarding the internal control system in effect.

When defining the budget planning and drawing up the strategic, business and financial plans, the Board of Directors establishes the nature and the level of risk that are compatible with the sound and correct management of the Company and the Group. The Group's risk appetite is defined on an annual basis as part of the Risk Appetite process.

In particular, during 2025, the Board has progressively implemented: (i) the Risk Appetite Framework in line with the new financial conglomerate structure also finalised to the adoption of what emerged from the continuous dialogue with the main internal stakeholders (corporate bodies and internal control functions) and external stakeholders (Supervisory Authorities and main stakeholders at Group level); (ii) the half-yearly assessment of the strategy adequacy, of the risk appetite and of the risk management framework of the financial conglomerate with respect to the development of the group's insurance business; (iii) the periodic monitoring of the evolution of risks and risk data quality activities within the Group; (iv) the management and monitoring of ICT & Security Risk.

With regard to ESG topics, the Board approved the Net Zero Banking Alliance transition plans, an initiative promoted by the United Nations with the aim of accelerating the sustainable transition and which requires participating banks to undertake to align their loan and investment portfolios with the achievement of the net zero emissions target by 2050, in line with the targets set by the Paris Agreement on climate change, relating to 4 sectors for which decarbonisation targets have been set for 2030 (Automotive, Cement, Oil & Gas and Power Generation), with the exclusion of Coal, in run-off; it has also expressed a favourable opinion in relation to the Steering Group's proposal to transform the Net Zero Banking Alliance into a Framework.

The Board also continued to report on the risk culture dashboard by monitoring (i) the risk culture key risk indicators; (ii) the action plan initiatives until their completion, as well as the outline of an initial evolution proposal for 2026 in relation to risk culture.

For assessment and consulting activities relating to the internal control and monitoring of corporate risks, the Board of Directors has the support of the Internal Control and Risk Committee set up within

the same. For further details on the activities performed by the Board of Directors, please refer to the "Report on corporate governance and ownership structures - 2025" published on the company website.

Chief Executive Officer

The Chief Executive Officer of the Parent Company, Giuseppe Castagna, was appointed by the Board of Directors as the "Director in charge of the internal control and risk management system", for the current mandate and in compliance with Article 6 (Recommendation no. 32) of the Corporate Governance Code. The specific duties that the Code assigns to said position are described below:

- to ensure the identification of the main company risks, taking into account the characteristics of the activities performed by Banco BPM and its subsidiaries, and periodically submit them to the examination of the Board of Directors;
- to implement the guidelines established by the Board of Directors, organising the planning, formation and management of the internal audit and risk management system, and continuously verifying its overall adequacy and effectiveness;
- to handle the adaptation of said system to changes in operating conditions and the legislative and regulatory environment.

In addition, the following powers and obligations are assigned:

- the power to ask the Audit function to conduct audits on specific operating areas and on compliance with internal rules and procedures when performing company transactions, promptly informing the Chairperson of the Board of Directors, the Chairperson of the Internal Control and Risk Committee and the Chairperson of the Board of Statutory Auditors;
- the obligation to promptly inform the Internal Control and Risk Committee (or the Board of Directors) of problems and critical areas that have emerged during the performance of their duties or which they have been informed of, so that the Committee (or Board) may adopt the appropriate measures.

Note that the provisions of Article 7.C.4. of the previously-in-force Code of Conduct of Borsa Italiana have been fully transposed in Article 6 (Recommendation no. 34) of the new Corporate Governance Code, and therefore the appointment of the Chief Executive Officer as the "Director in charge of the internal control and risk management system" is considered valid also with reference to the new Code.

The Chief Executive Officer, as indicated in the Integrated Internal Control System Regulation:

- oversees the implementation of the strategic guidelines, the RAF and the risk governance policy defined by the Board of Directors and is responsible for the adoption of all the necessary initiatives to ensure the compliance of the organisation and the internal control system with the principles and requirements defined by the Supervisory Authorities, continuously monitoring their observance;
- implements the necessary initiatives and actions to constantly guarantee the completeness, adequacy, functionality and reliability of the internal control system and brings the results of the checks performed to the attention of the Board of Directors.

The Chief Executive Officer monitors and verifies the functioning of the internal control and risk management system through the Management Committees, established in the Parent Company

organisation and operating at Group level, to support the Chief Executive Officer and the General Management in carrying out their activities.

For further details on the activities performed by the Chief Executive Officer, please refer to the "Report on corporate governance and ownership structures - 2025" published on the company website.

Board of Statutory Auditors

Pursuant to Article 33.1. of the Articles of Association, as amended on 23 February 2026, the Board of Statutory Auditors consists of five Standing and three Alternate Auditors, who hold office for three years, expiring on the date of the Shareholders' Meeting called to approve the financial statements relating to the last financial year of their office, and can be reappointed. The current Board of Statutory Auditors will expire with the Shareholders' Meeting called for 16 April 2026. The Statutory Auditors must meet requirements of eligibility, independence, professionalism and integrity and respect the criteria of competence, fairness and time commitment and the specific limits on the maximum number of offices prescribed by the currently applicable regulations and the provisions of the Articles of Association.

Without prejudice to the professionalism requirements set by regulations (primary and secondary) and by the Articles of Association of Banco BPM for the assumption of office, the outgoing Board of Statutory Auditors, appointed by the Shareholders' Meeting of 20 April 2023, in compliance with the provisions of Article 12, Italian Ministerial Decree no. 169 of 23 November 2020, in the meeting of 28 January 2026 approved the "Qualitative-quantitative composition of the Board of Statutory Auditors", which identifies a qualitative-quantitative profile considered optimum for ensuring adequate collective composition of the Board of Statutory Auditors in anticipation of its renewal for the years 2026-2028, also taking into account the outcome of the periodic self-assessment exercise of the Board. This document is available on the company website, to which reference should be made for detailed information.

Pursuant to Article 33.3. of the Articles of Association, the composition of the Board of Statutory Auditors guarantees gender balance, in compliance with the currently applicable legislation and regulations.

In this regard, it should be noted that, in compliance with the legal and regulatory provisions that govern equal access to the control bodies of listed companies on regulated markets, two out of five Standing Auditors of the current Board of Statutory Auditors of Banco BPM belong to the less represented gender.

The Board of Statutory Auditors, also in view of the importance and complexity of the duties entrusted to it and prevailing external and internal regulations, approved the "Regulation of the Board of Statutory Auditors", last updated in May 2022, to govern the operation of the Control Body. Said regulation also regulates, inter alia, aspects relating to the composition of the Board of Statutory Auditors, with particular reference to the degree of diversification in terms of skills, experience, age, gender and international outreach, as well as aspects relating to the disclosure obligations on the part of members of the Board of Statutory Auditors regarding any assumption of interests, on own behalf or on behalf of third parties, in a given transaction of Banco BPM by describing the nature, terms, origin and extent of its interest. The process of self-assessment that the Board of Statutory Auditors must periodically subject itself to is also governed in order to assess its composition (both from a quantitative and qualitative standpoints) and performance.

Pursuant to Article 36.1. of the Articles of Association, the Board of Statutory Auditors carries out the duties and exercises the control functions laid down by legislation in force at the time, and particularly it supervises:

- observance of laws, regulations and the Articles of Association as well as compliance with the principles of proper administration;
- the adequacy of the Company's organisational and administrative/accounting structure and the financial reporting process, within its scope of responsibility;
- the effectiveness and adequacy of the risk management and control system, the internal audit system, as well as the functioning and adequacy of the overall internal control system;
- the independent audit process of the separate and consolidated accounts;
- the procedures for the proper implementation of the rules of corporate governance with which the Company states that it complies;
- the adequacy of the orders imparted by the Company to its subsidiaries in the exercise of supervision and coordination activities;
- the independence of the independent auditors, particularly as regards the provision of non-auditing services.

Additionally, pursuant to Article 19 of Italian Legislative Decree 39/2010 et seq., the Board of Statutory Auditors is assigned the functions of the Internal Control and Audit Committee.

In any case, the Board of Statutory Auditors is vested with the powers established in the regulatory provisions and reports to the Supervisory Authorities pursuant to the regulations in effect at the time.

The Board of Statutory Auditors informs the Board of Directors of flaws and irregularities that may be identified, requests the adoption of appropriate corrective measures and verifies their effectiveness over time.

Auditors also have the right to undertake, at any time, including individually, audit and control activities, as well as to ask for information from directors, including with reference to subsidiaries, regarding the condition of corporate operations or given business, or to send the same requests for information directly to the administrative and control bodies of the subsidiaries.

The Board of Statutory Auditors may also exchange information with the corresponding bodies within subsidiaries with regards to administration and control systems and the general status of corporate activities.

For further details on the activities performed by the Board of Statutory Auditors, please refer to the "Report on corporate governance and ownership structures - 2025" as well as the Shareholders' Meeting Report pursuant to Article 153 of Italian Legislative Decree 58/1998 et seq., published on the company website.

a) The number of directorships held by members of the management body (Article 435 (2) (a) CRR)

Role and availability of directors

To correctly carry out the duties assigned to them, all Board Members of Banco BPM are expected to:

- be fully aware of their strategic role and the powers and obligations inherent in the functions carried out;
- have adequate authority for the role to be covered;

- dedicate adequate time and resources to their overall role, also taking into account any roles within Internal Committees, guaranteeing consistent and pro-active presence at meetings, and consulting materials supporting agenda items.

The specific skills and authority of the Board Members must in any case be such so as to guarantee a significant contribution to Board discussions to contribute to taking decisions in line with the company's interest.

Pursuant to Article 20.1.6 of the Articles of Association of Banco BPM, the following are considered "executive directors":

- the chief executive officer, directors to whom the Board of Directors has granted powers pursuant to Article 2381, paragraph 2 of the Italian Civil Code (and Article 24.2.2 (f) of the Articles of Association) and directors who de facto carry out roles pertinent to the current management of the company for which they serve as directors;
- directors who are members of an executive committee;
- members of a board of directors that plays a supervisory role in the company managed, overseeing specific areas of company operations.

Also bear in mind that the Chairperson of the Board of Directors is qualified as "non-executive" as they do not have management powers.

It should also be noted that, pursuant to Article 20.3.2. of the Banco BPM's Articles of Association - without prejudice to any other reasons for incompatibility envisaged by the legislation in force at the time - persons that become members of management bodies or employees of companies or belong to groups whose business activities are in competition with those of Banco BPM or the Group to which the same belongs, with the exception of central trade institutions or investee companies held directly or indirectly by Banco BPM, may not be appointed to the position, and if appointed, will be removed from office.

The above prohibition is not applicable when the participation in management bodies of other banks relates to the representation of trade organisations or associations of the banking system.

Number of director, management and control positions held by members of the management body

The Shareholders' Meeting, held on 20 April 2023 in ordinary session, renewed the Company's Board of Directors, comprised by 15 members who shall remain in office for three financial years (until approval of the financial statements for 2025). The table below shows the total number of director, management and control positions held by each member of the Board of Directors in other listed, financial, banking, insurance or significantly sized companies; the latter have been identified in light of the provisions set forth in the "Regulations on the limits to the number of positions that may be held by Directors of Banco BPM Group" adopted by Banco BPM.

The detailed list of positions is attached to the "Report on corporate governance and ownership structures - 2025", which will be published on the company website.

Name and Surname	Office held	No. other offices
Massimo Tononi	Chairperson Director	0
Maurizio Comoli	Deputy Chairperson Director	4
Giuseppe Castagna	Chief Executive Officer Director	0
Mario Anolli	Director	1
Paolo Boccardelli	Director	1
Paolo Bordogna	Director	2
Nadine Farida Faruque	Director	1
Paola Ferretti	Director	0
Marina Mantelli	Director	2
Chiara Mio	Director	3
Alberto Oliveti	Director	2
Mauro Paoloni	Director	4
Eugenio Rossetti	Director	1
Manuela Soffientini	Director	3
Luigia Tauro	Director	1

The following table provides information on the composition of the governing bodies as indicators of diversity.

Gender	Board of Directors	Board of Statutory Auditors	Total
Men	60.00%	50.00%	57.00%
Women	40.00%	50.00%	43.00%

b) Information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise (Article 435 (2) (b) CRR)

Optimal composition of the Board of Directors

The optimal qualitative-quantitative composition of the Board of Directors was initially established by the management bodies of Banco Popolare and of BPM on 24 May 2016, in a document entitled "Preliminary analysis of the qualitative-quantitative compositions of the Board of Directors and of the theoretical profile of candidates for the position of Board Member of the company resulting from the merger between Banco Popolare - Società Cooperativa and Banca Popolare di Milano S.c.a.r.l." ("Document of Analysis of the Composition of the BoD").

Subsequently, as part of the "Formation Process for the Board Candidate List (Article 20.4.2. of the Articles of Association)" that was approved at the Board meeting of 16 July 2019, the Board of Directors approved the new optimal qualitative-quantitative composition of the Board of Directors in its meeting of 26 November 2019, defined in the document entitled "Qualitative-quantitative composition of the Board of Directors", supplemented on 21 January 2020.

In addition, as part of the "Formation Process for the Board Candidate List (Article 20.4.2. of the Articles of Association)" that was approved at the Board meeting of 27 September 2022, the Board of Directors approved the new optimal qualitative-quantitative composition of the Board of Directors in its meeting of 20 December 2022, defined in the document entitled "Qualitative-quantitative composition of the Board of Directors".

Lastly, it should hereby be noted that, in view of the next renewal of the Board, as part of the "Procedure for the submission of a list for the renewal of the Board of Directors by the outgoing Board" approved at the Board meeting of 6 November 2025, the Board of Directors unanimously approved the new optimal qualitative-quantitative composition of the Board of Directors at its meeting of 20 January 2026, defined in the document entitled "Qualitative-quantitative composition of the Board of Directors", made available on the company's website and containing, inter alia, the expected profiles of the particularly relevant roles (Chairperson, Deputy Chairperson, Chief Executive Officer and Chairpersons of the Internal Board Committees).

Specific evidence of the new document will be provided in the "Pillar 3 Public Disclosure" with the data referring to 31 December 2026.

Quantitative composition of the Board of Directors

The composition of the Board of Directors is of central importance for the effective fulfilment of the crucial duties assigned to this body by law, Supervisory Provisions and the Articles of Association.

The number of members must be proportionate to the size and complexity of the bank's organisational structure, in order to effectively exercise management and control over all company operations.

With reference to its numerical composition, the Banco BPM's Articles of Association establish that the Board of Directors be comprised by 15 (fifteen) members.

Qualitative composition of the Board of Directors

From a qualitative perspective, the members of the Board of Directors must be suitable for holding the office and, in particular, must possess the requirements of professionalism, integrity and independence, and meet the criteria of competence, fairness and time commitment and specific limits on the number of offices held as provided under prevailing laws.

Professionalism requirements

All the members of the Board of Directors must meet the professionalism requirements provided for under prevailing laws (especially, Article 26 of the Consolidated Banking Law and Article 7 of Italian Decree of the Ministry of Economy and Finance no. 169 of 23 November 2020, which entered into force on 30 December 2020 and which applies to appointments and renewals after said date, hereinafter "Ministerial Decree 169/2020") and the Articles of Association in force (Article 20.1).

Competence criteria

In addition to the professionalism requirements, the Directors have to meet the expertise criteria requirements set out in Article 10 of Italian Ministerial Decree 169/2020, also in the meaning of knowledge and experience, as provided under prevailing regulations and soft law (including the Joint ESMA-EBA Guidelines on the assessment of the suitability of members of the management body and key function holders – July 2021 and subsequent amendments and supplements - hereinafter the “EBA-ESMA Guidelines”) and ECB (Guide to fit and proper assessments of 15 May 2017 and updated most recently in December 2021, hereinafter the “ECB Guidelines”) in accordance with the nature of the position/job covered and the size and operational characteristics of Banco BPM. To this end, theoretical knowledge – acquired through studies and training – and practical experience, gained in carrying out previous or ongoing work activities will be of relevance.

The Board of Directors has defined the optimal composition in order to ensure both complementarity in terms of experience and expertise accumulated and the development of the personal and behavioural characteristics of its members, as well as to represent the applicable aspects of diversity.

In this scope, the importance of identifying profiles with adequate availability of time and resources was also considered so that the candidates could fulfil their roles on the Board and on the internal Board Committees as best and efficiently as possible.

With reference to prevailing laws, significant attention was paid to the CRD directive and the Supervisory Provisions in relation to the internal control system, and developments in the laws governing listed Companies (including, by way of example, the Corporate Governance Code approved by the Italian Corporate Governance Committee); special attention was also focused on the instructions contained in soft law, i.e. the ECB Guidelines and the EBA-ESMA Guidelines governing the suitability of banking representatives.

Within this scope, with reference to the professional experience requirements – subject to compliance with the provisions of prevailing law and the articles of association in effect – candidates for the role of Director possess one or more of the following types of the professional expertise/experience, to further qualify them, gained over a three-year period in the last twenty years:

- financial and/or banking markets: to this end, non-executive or executive (Head of a business or first-line manager) positions in Italy and/or abroad are deemed relevant. Depending on the role to be held, experience accumulated in relation to the above-mentioned business in the professional, academic or public sectors will also be of relevance;
- banking and financial activities and products (i.e. Retail, Credit, Private Banking, Asset Management, Bancassurance, etc.);
- global dynamics of the domestic and international economic and financial system and of the trends and prospects in the reference sector (banking, financial and insurance businesses);
- internal control systems and other operational mechanisms;
- risk management (identifying, evaluating, monitoring, controlling and mitigating the primary risk types of a bank or insurance/reinsurance company, with particular focus given to: (i) Risk Management, including climate and environmental risks; (ii) money laundering and terrorist financing risk);

- accounting and financial reporting (i.e. financial statements, auditing, accounting policies and tax matters, gained in the financial sector or in auditing firms);
- guidance and strategic planning (awareness of corporate strategic policies or the business plan) gained in credit institutions, insurance or reinsurance companies, listed companies or multinationals or leading international strategic consulting firms, preferably in financial services;
- information technology in information systems and new technologies applied to the banking and financial sector – with specific reference to Digital Transformation, Fintech, Cryptocurrency, Artificial Intelligence and Cybersecurity – gained in leading international strategic consulting firms or in firms, preferably listed, with Executive or Non-Executive positions;
- regulation in the banking, financial and insurance sector, gained in leading law firms or in companies or groups of significant size;
- organisational and corporate governance structures, gained in credit institutions, insurance or reinsurance companies, listed or multi-national companies with Executive or Non-Executive positions, or with leading international consulting firms;
- human resources and remuneration systems and policies, gained in credit institutions, insurance or reinsurance companies, listed or multi-national companies with Executive or Non-Executive positions, or with leading international consulting firms;
- ESG/social and environmental sustainability.

Specific skills are also required, for their respective areas of interest, from the members of the Internal Board Committees, with particular reference to the skills and experience referred to in point five above (risk management) of the members of the Internal Control and Risk Committee. Special attention is paid to members who cover the role of Chairperson in the already mentioned internal board committees, since they will have to have built up specific experience and specific awareness and expertise in the matters that the committees will have to deal with.

The Corporate Governance Code also requires that at least one member of the:

- control and risk committee has adequate experience in accounting and financial matters or risk management, without prejudice to the fact that – as also stipulated in the Supervisory Provisions – this committee must have adequate expertise in the business segment in which the company operates, necessary for assessing the related risks;
- remuneration committee must have adequate knowledge and experience in “*financial matters or remuneration policies*”,

to be assessed by the Board of Directors upon appointment to the Committees.

Required profiles of the particularly significant roles on the Board

The parties covering the positions of Chairperson of the Board of Directors, Deputy Chairperson and Chief Executive Officer, will ideally reflect the following suitable profiles, within the scope of full compliance with prevailing laws and the Articles of Association:

Chairperson of the Board of Directors

The Chairperson of the Board of Directors will ideally possess the following characteristics and personal skills which will make them more fully qualified for the role:

- Ten years of recently accumulated professional experience. This experience must include a significant portion of high-level managerial positions and significant technical know-how in a banking or equivalent area;

- A high level of intellectual independence and integrity to ensure the sound and prudent management of the Bank;
- A consolidated reputation on the Italian and international markets, in full compliance with the distinctive image of the Group;
- Ability to represent the Bank before local and international regulatory bodies, and significant institutions, being a convincing ambassador of the basic values of the Group;
- Leadership skills in managing people, along with strong emotional intelligence, the ability to listen and independence of thought to be employed in the Board in their role as “*super partes*”;
- Experience in governance matters in comparable contexts in terms of size and complexity;
- Expertise in the quantitative, regulatory and accounting reporting areas in order to face challenges with respect to the CEO and top management;
- Continuous willingness to examine the details of constantly evolving regulations, developments in the industry as a whole and peer relations, including at European level.

Deputy Chairperson of the Board of Directors

The Deputy Chairperson of the Board of Directors will ideally possess the following characteristics and personal skills which will make them more fully qualified for the role:

- Leadership skills in managing people, along with strong emotional intelligence, the ability to listen and independence of thought;
- Ability to facilitate dialogue within the Board of Directors;
- The capacity to represent the Bank in place of the Chairperson in the event of their absence or impediment;
- Adequate availability of time to stand in for the Chairperson in the event of their absence or impediment.

Chief Executive Officer (CEO)

The Chief Executive Officer will ideally possess the following characteristics and personal skills which will make them more fully qualified for the role:

- ten years of recent professional experience accumulated in sectors related to banking or financial services. This experience – preferably as a CEO of banks of a similar complexity to Banco BPM – must include holding high-level managerial positions for a significant portion of the above-mentioned period;
- a high level of intellectual independence, integrity and reputation with respect to regulators and investors, in full compliance with the distinctive image of the Group;
- a high level of sensitivity and exposure to the European and Italian markets;
- leadership skills in managing people, along with the ability to establish and lead high-level and senior teams in a complex organisation;
- consolidated experience in leading listed companies, of a similar complexity to Banco BPM;
- deep understanding of regulatory matters, risk and all aspects of capital management, experience in financial reporting, accounting policies and tax, accumulated in highly regulated contexts;
- solid capacity to lead and develop commercial aspects in the banking sector, especially in the Retail division, but also in Private Banking, Asset Management, Investment Banking, Bancassurance, etc.;
- good understanding and fit with the culture and business model of Banco BPM;

- proven strategic capacity, short/medium/long-term planning vision;
- proven capacity to be resilient in highly stressful situations.

Chairpersons of the Internal Board Committees

The Committee Chairpersons should ideally possess the following characteristics and personal skills making them more fully qualified for the role:

- leadership in managing people, along with strong emotional intelligence, the ability to listen and independence of thought;
- knowledge and experience in the areas of competence of the specific Committee.

Aptitude requirements

In addition to the professional competence requirements referred to above, the characteristics and personal skills of the candidate (known as soft skills) are also duly considered in the selection of the candidates as indicated by the EBA/ESMA Guidelines which should be referred to for further details.

When identifying candidate profiles for the position of Chairperson of the Board of Directors, the Board leadership and coaching/development skills of the Directors are taken into due consideration.

Integrity requirements

All the candidates for appointment as members of the Board of Directors must comply with the integrity requirements in accordance with prevailing laws. In particular, members of the Board of Directors must meet the integrity requirements pursuant to Article 3 of Italian Ministerial Decree 169/2020, and Italian Ministerial Decree 162/2000, and must not find themselves in situations which may cause their suspension from office pursuant to Italian Ministerial Decree 169/2020.

The failure to comply with the integrity requirements will make it impossible to take on the office or will lead to loss of the office.

Correctness criteria

In addition to the integrity requirements, Directors must fulfil the criteria of fairness in previous personal and professional conduct pursuant to Article 4 of Italian Ministerial Decree 169/2020, understood as good reputation, honesty, integrity and financial soundness, established by prevailing regulations and "soft laws" (including the EBA-ESMA Guidelines and the ECB Guide). More specifically, it is important that the members of the Board of Directors:

- have not behaved in a way that is not in line with their position as member of the Board of Directors of the Bank even though not necessarily a criminal offence, or that could result in consequences that are seriously prejudicial to the Bank's reputation;
- do not - and did not in the past - find themselves in situations that, with regard to the economic activities and financial conditions of the candidates (or the companies controlled by them or with significant stakes or direct interest) are - or were - including on a potential basis, capable of affecting their reputations.

A Director will be considered to fulfil the integrity requirements if there are no elements that would suggest the contrary or if there are no grounded doubts on their integrity.

Availability of time and commitment required of the Directors

The availability of time and resources to dedicate to the performance of the position of Director, due to its nature and quality, is a basic requirement that candidates must guarantee, also in

relation to the activities resulting from the participation in the work of the internal board committees of which they are members.

In addition to the above, there will have to be a commitment to take part in the Induction meetings and ongoing training, in addition to any off-site training and anything resulting from the participation of the Directors as invitees in the Committees to which they do not belong. In addition to the time dedicated to meetings, each Director shall also set aside time for travel and preparation, taking into account the multiplicity of topics to be examined and the volume of supporting documentation.

In view of the above, candidates should accept the position if they believe they can dedicate the time and energy necessary, taking account of the amount of time needed for other working or professional activities, in addition to the performance of duties for positions held in other companies.

In this regard, and paying special attention to the proper functioning of the Board of Directors and the contribution of each member to the internal dialogue of the body, an estimate was prepared, in conjunction with the drafting of the "Qualitative-quantitative composition of the Board of Directors", to be taken as a reference to evaluate the minimum time considered necessary for the effective participation in meetings, summarised in the table below, noting that the estimation of the time commitment for participation in the Committees must be understood to include the time commitment involved in being a mere Director:

Position	Estimated commitment (days/year)
<i>Chairperson</i>	<i>200 days</i>
<i>Chief Executive Officer</i>	<i>Full time</i>
<i>Deputy Chairperson</i>	<i>100 days</i>
<i>Non-Executive Director</i>	<i>40 days</i>
Commitment for Committees	
Position	Estimated commitment (BoD + Committee) (days/year)
<i>Chairperson of the Internal Control and Risk Committee</i>	<i>75 days</i>
<i>Member of the Internal Control and Risk Committee</i>	<i>57 days</i>
<i>Chairperson of the Appointments Committee</i>	<i>52 days</i>
<i>Member of the Appointments Committee</i>	<i>46 days</i>
<i>Chairperson of the Remuneration Committee</i>	<i>52 days</i>
<i>Member of the Remuneration Committee</i>	<i>46 days</i>

In the context of the Board resolutions passed on 26 April 2023 regarding the establishment of internal board committees and following the last renewal of the Board of Directors, the setting up of an *ad hoc* committee, called the Sustainability Committee, responsible for ESG issues, was approved, an activity previously carried out by the Internal Control, Risk and Sustainability Committee, whose name was changed to the Internal Control and Risk Committee, effective from the same date.

In this regard, the Board had considered it reasonable to assume for the new Committee—as an estimate to be understood as a reference for assessing the minimum time deemed necessary for effective participation in meetings—the same estimated commitment envisaged for participation in the meetings of the Appointments and Remuneration Committees, with the specification that the estimated commitment for participation in the aforementioned Committee must be understood as inclusive of that of the mandate of Director alone. The estimated commitment for the Sustainability Committee therefore is as follows:

- Chairperson of the Sustainability Committee: 52 days;
- Member of the Sustainability Committee: 46 days.

Limit to the accumulation of external positions

Board Directors shall comply with prevailing laws (Articles 17-19 of Italian Ministerial Decree 169/2020, Article 91 CRD IV, Article 36 Italian Law Decree no. 201/2011, converted into Italian law no. 214/2011; Article 2390 Italian Civil Code) and the articles of association (Articles 20.1.3., 20.3.2. and 20.3.3.) regarding the taking up of positions in other companies other than the Bank.

On the basis of Article 17 of Italian Ministerial Decree 169/2020, Article 91 of CRD IV and Article 3.1 of the “Limits on the accumulation of positions” Regulation of the Bank, referred to in Article 20.3.3. of the Articles of Association, members of the Board of Directors of the Bank cannot hold an overall number of positions in banks or other commercial companies that exceeds one of the following alternative combinations:

- a) 1 executive position with 2 non-executive positions;

or

- b) 4 non-executive positions.

The above was set out under Article 3.1 of the above-mentioned Regulation on the basis of which the following limits to taking on positions are provided for the Boards of Directors of the Group Banks:

- a) those who carry out roles with executive functions in Group Banks cannot take on executive positions in companies that do not belong to the Group while they can take on 2 non-executive positions in companies that do not belong to the Group;
- b) those who hold positions with non-executive functions in Group Banks may hold the following combinations of offices:
 - 1 executive position in companies not belonging to the Group and 1 non-executive position in companies not belonging to the Group;

alternatively,

- 3 non-executive positions in companies that do not belong to the Group.

If the limits of the accumulation of positions are exceeded, upon appointment, or during the term of office, the Director involved must promptly inform the body it belongs to, who will set a time limit by which the person involved will have to make the consequent decisions to fall back within said limits.

Additionally, subject to any other incompatibility provided by prevailing laws (including the prohibition on interlocking directorships in accordance with Italian Law no. 214 of 22 December 2011), the position of Director is not compatible with offices of a political nature, meaning national parliamentary duties or as a member of the government. It is also recommended that the position

of Director is not carried out by persons who hold European parliamentary office, or are members of regional, provincial or municipal councils (limited to the municipal capitals of provinces).

The Board of Directors will conduct an annual check to ensure that the limits provided by said Regulation are being complied with by the representatives. The Board of Directors may, having assessed the situation in the interests of the Group, allow the limits to be exceeded by the representative subject to the opinion of the Appointments Committee, and, in any case, subject to the mandatory limits provided by the laws and/or the regulations of the European Union, Italy, or set out under the Articles of Association.

For further details and specifications regarding the position accumulation limits, please refer to the Regulation "Limits to the number of offices" available on the Bank's website (www.gruppo.bancobpm.it – Corporate Governance section).

Independence pursuant to the Articles of Association and Independence of judgement

In accordance with the Articles of Association, at least 8 (eight) Directors must satisfy the independence requirements established by Article 20.1.6. of the Articles of Association in effect.

All directors must act with full independence of judgement and awareness of their duties and rights in relation to their position, in the interests of the sound and prudent management of the Bank and in compliance with the law and all applicable regulations.

When selecting the candidates, attention is paid to identify the parties that are able to make decisions with maximum independence of judgement and who do not have any conflicts of interest that could pose a potential risk for the Bank, including to its reputation.

For full details on independence requirements, please see the "Report on corporate governance and ownership structures - 2024" published on the Banco BPM's website.

Board induction/continuous training activities

Banco BPM, also in view of Article 12 of Italian Ministerial Decree 169/2020, recommendations in the Supervisory Provisions for Banks and of the EBA/ESMA Guidelines, encourages the participation of Directors and Statutory Auditors and members of General Management in specific training initiatives aimed at providing in-depth knowledge of the Bank and Group operating sectors and to guarantee continuity and maintenance of the experience accumulated over the years by the corporate bodies of Banco BPM.

The training and induction plans are aimed to foster a clear understanding on the part of the representatives of the structure of the Bank and the Group, the business model, the company dynamics and their development including from the perspective of sustainable success, proper risk management profiles, the legal and regulatory framework in place and to give them in-depth knowledge of issues of strategic relevance.

On the basis of the above, training sessions were organised during 2024 and 2025, also open to the Statutory Auditors and the representatives of the Group Banks invited if necessary, and that represented – as encouraged by the Supervisory Provisions of the Bank of Italy and the Corporate Governance Code – an opportunity to obtain more in-depth information on matters of current interest and relevance for the banking system.

Specifically, the topics covered in 2025 concerned, in particular, the following areas: (i) Operations in the Finance area and monitoring of related financial risks; accounting and financial reporting; (ii) Information systems and new technologies; (iii) In-depth analysis of sustainability, climate and environmental risk issues with specific reference to the Group's operations and

business; (iv) Conflicts of interest and market abuse regulation/operational risks between governance and risk measures; (v) In-depth analysis of recent IT and IT resilience regulations; (vi) In-depth analysis on sustainability and the environmental and climate risks of the financial conglomerate; methodological evolution of the double materiality assessment subject to the Consolidated Sustainability Reporting; (vii) *Digital and Omnichannel Transformation*: update on the context analysis and on the positioning of Banco BPM. 2026 Lines of action.

The Directors were also updated - including specific information reports provided during the Board of Directors and Board of Statutory Auditors meetings - on the main legislative and regulatory news involving the Company and the corporate bodies. In order to ensure that the members of the Board are kept constantly updated and trained, a regulatory alerting service was prepared and created by the applicable company departments on topics of legal and tax interest.

c) Information on the diversity policy with regard to the members of the management body (Article 435 (2) (c) CRR)

Guidelines regarding diversity

In accordance with the provisions of prevailing laws and regulations, and best practices, it is considered necessary to ensure adequate diversification of the members of the Board of Directors with regard to both gender and expertise, and also to adopt an age policy.

More specifically, subject to the provisions of the regulations in force at any given time, in order to ensure adequate discussion within the governing body, it is important for the composition of the body to reflect an adequate degree of diversification in terms of gender.

In compliance with the legal (Article 147-ter of the "TUF" – Consolidated Law on Finance) and regulatory provisions which govern equal access to the administrative bodies of companies listed on regulated markets, at least two fifths of the elected directors must be reserved for the gender less represented for six consecutive mandates.

In light of the current regulatory environment, at least 6 (six) members of the Board of Directors of Banco BPM must comprise the less represented gender.

Additionally, subject to the provisions of prevailing laws, to ensure that the governing body, as a collective body, can pursue suitable strategies and ensure the effective governance of risk in all areas of operations, it is important that the composition of the governing body provides for the balanced and diversified presence of directors who, individually, have accrued the expertise and experience in the banking and financial sectors and in financial services as indicated in paragraph 3.2.2 of the "Qualitative-quantitative composition of the Board of Directors".

In light of the above, the Board of Directors approved a specific fit & proper policy for company representatives in order to regulate, in an organic document, the suitability requirements that the members of the Board of Directors, the Board of Statutory Auditors, the General Management and the Top Management must meet, as well as the necessary guidelines on diversity (i.e. gender, skills, age of the Directors).

Overall suitability of the Board of Directors

The collective composition of the Board of Directors must be adequately diversified – in terms of skills and experience, age, gender and length of office of Directors – so as to:

- foster discussion and internal dialogue within the bodies;
- favour the emergence of a plurality of approaches and perspectives in the analysis of issues and in the making of decisions;

- effectively support the corporate processes of developing strategies, managing activities and risks, controlling the activities of the top management;
- take account of the multiple interests that contribute to the sound and prudent management of the bank.

In order to ensure the collective suitability of the Body, the candidates for the Bank's Board of Directors reflect a balanced composition of experience and technical knowledge (in the areas indicated below), of managerial and/or entrepreneurial experience, identified based on an approach that gives preference to concrete, substantial and positive aspects, compared to abstract, theoretical and merely negative ones, as well as outstanding professionals from academics, business consultants or freelancers:

- banking and financial business;
- global dynamics of the domestic and international economic and financial system and of the trends and prospects in the reference sector (banking, financial and insurance businesses);
- risks and controls (identification, assessment, monitoring, control and mitigation methods of the main types of risk of a credit institution, or of an insurance or reinsurance company, including with reference to the risks of money laundering and terrorist financing and climate and environmental risks);
- accounting and financial reporting (financial statements, accounting policies and tax matters), gained in the financial sector or in auditing firms;
- guidance and strategic planning (awareness of the company's strategic policies or business plan) accrued with credit institutions, insurance or reinsurance companies, listed companies or multinationals or leading international strategic consulting companies, preferably in financial services, and related implementation);
- Information Technology in information systems and new technologies applied to the banking and financial sector (with specific reference to Digital Transformation, Fintech, Cryptocurrency, Artificial Intelligence and Cybersecurity) gained in leading international strategic consulting firms or in firms, preferably listed;
- regulation in the banking, financial and insurance sector, gained in leading law firms or in companies or groups of significant size;
- organisational and corporate governance structures, gained in credit institutions, insurance or reinsurance companies, listed companies or multinationals, or with leading international consulting firms;
- human resources and remuneration systems and policies, gained in credit institutions, insurance or reinsurance companies, listed companies or multinationals, or with leading international consulting firms;
- ESG/social and environmental sustainability.

The Board must express an actual willingness to make further changes in view of rapid changes in the frame of reference, while maintaining - at the same time - the spirit of integration and its specific aspirations.

d) Information whether or not the institution has set up a separate risk committee and the frequency of the meetings (Article 435 (2) (d) CRR)

Internal Control and Risk Committee

Pursuant to Article 24.4.1. of the Articles of Association, the Board of Directors establishes an Internal Control and Risk Committee (hereinafter also the "Committee"), by drafting the

Regulation, most recently updated at the meeting of 29 May 2023, which regulates its responsibilities and operations in compliance with the Supervisory Provisions for Banks and other relevant regulations (hereinafter the "Supervisory Provisions") and the Corporate Governance Code promoted by Borsa Italiana S.p.A. to which Banco BPM S.p.A. (hereinafter, "Banco BPM") has adhered.

The Bank's Articles of Association, recently amended by the extraordinary shareholders' meeting of Banco BPM of 23 February 2026, establish that the Committee will be composed of five Directors, all non-executive and the majority of whom (including the individual appointed as Chairperson) satisfy the independence requirements referred to in Article 20.1.6. of the Articles of Association.

The members of the Committee must have the knowledge, expertise and experience to be able to fully understand and monitor the Group's risk strategies and guidelines; at least one member of the Committee must have suitable experience in accounting and financial matters, or in risk management. The Chairperson of the Committee is appointed by the Board of Directors and cannot coincide with the Chairperson of the latter or the Chairperson of other committees.

On 26 April 2023, the Board of Directors renewed the compositions of the afore-mentioned Committee (established within the BoD since 2017), appointing the following Directors as members until approval of the 2025 financial statements: Eugenio Rossetti (Chairperson), Mario Anolli, Paolo Bordogna, Maurizio Comoli and Nadine Faruque. All members of the Committee are non-executive and independent, including the Chairperson.

The Internal Control and Risk Committee is tasked with the duties provided for in the Supervisory Provisions and the Corporate Governance Code, in particular performing duties to assist the Board of Directors of the Parent Company with regard to risks and the internal control system, the scope of which applies to the entire Group.

The Committee is responsible, inter alia, for investigation and advisory activities with regard to the scope reserved to the Board of Directors relating to:

- internal control system;
- risk analysis, measurement, monitoring and management;
- IT accounting structure.

With regard to the scope of activities, it should be noted that, until the aforementioned Board meeting of 29 May 2023, the Committee's responsibilities also included that specific to sustainability and social responsibility, removed as a result of the establishment of the Sustainability Committee (on 26 April 2023). As part of the revision of the Regulation, without prejudice to the specific responsibilities of the Committee as regards risk measurement and monitoring, also with reference to the impact of ESG factors on the same (particularly environment and climate), the Chairperson of the Sustainability Committee is also expected to attend the meetings of the Internal Control and Risk Committee when topics with implications relating to sustainability and in particular to ESG dimensions are discussed, as illustrated below.

In performing its duties, the Committee pays special attention to all activities that are instrumental or necessary for the Board of Directors to be able to correctly and effectively establish the Risk Appetite Framework (hereinafter "RAF") and risk governance policies.

In compliance with the specific functions envisaged in the Supervisory Provisions and the Corporate Governance Code, the Committee also carries out the following duties in accordance with its specific Regulations:

- assists the Board of Directors by providing its opinion:
 - on establishing the guidelines of the internal audit and risk management system, so that the main risks to which the Parent Company and its subsidiaries are exposed to are correctly identified as well as adequately measured, managed and monitored;
 - on determining the level of compatibility of such risks with the sound and prudent management, consistent with the strategic objectives identified and the pursuit of sustainable success;
- identifies and proposes to the Board of Directors, with the contribution of the Appointments Committee and the managers of the internal control functions to be appointed and formulates the proposal to remove them;
- forms an opinion on changes to the organisational structure of the internal control functions within the scope of the Board of Directors, on the adequacy of the resources assigned to them, with respect to the performance of their duties and, subject to the responsibilities of the Remuneration Committee, on the remuneration of the relative managers in accordance with company policy;
- makes assessments and forms opinions for the Board of Directors on compliance with standards, legislative and regulatory provisions, to which the internal control system and the company organisation must adhere, and the requirements that must be fulfilled by the internal control functions, bringing any weak areas to the attention of the Board of Directors as well as the consequent corrective measures to be implemented; to this end, it assesses the proposals of the management body;
- examines the programmes (including the audit plan) and the annual reports of the internal control functions addressed to the Board of Directors in advance, providing the Board with its opinion;
- contributes, through assessments and opinions, to the definition of the company outsourcing policy as regards the internal control functions;
- supervises the internal control functions, ensuring that they correctly comply with the recommendations and the guidelines of the Board of Directors, assisting it in drawing up the Regulation for the coordination and collaboration of the Control Functions and Bodies;
- assesses the correct use of accounting standards for the preparation of the separate and consolidated financial statements, to this end coordinating with the Financial Reporting Manager and with the Board of Statutory Auditors, also consulting, if deemed appropriate, the parties assigned the independent auditing of the accounts;
- expresses its opinion to the Board of Directors regarding the assessment of the results illustrated by the parties assigned to independently audit the accounts in any letter of recommendations and in the report on fundamental matters that arose at the time of the independent audit;
- forms its opinion, and informs the Board of Directors on the description, in the report on corporate governance, of the main characteristics of the internal audit and risk management system and on assessments as to its adequacy;
- assesses, every six months, the adequacy of the internal control and risk management system with respect to the characteristics of the Group and its selected risk appetite, as well as its effectiveness, providing its opinion regarding the similar annual assessment conducted by the Board of Directors;
- and with specific reference to its risk management and control duties, it:
- verifies the consistency of risk management policies and the evolution over time of the Group's risk profile with respect to the strategic guidelines and the RAF framework;

- supports the Board of Directors in defining and approving strategic guidelines and policies for risk management. More specifically, as regard the RAF, in the process of determining the risk appetite, it makes assessments and proposals, in accordance with company regulations, so that the Board of Directors may define and approve the risk appetite and the risk tolerance;
- supervises the alignment between all substantial financial products and services offered to customers with the business model and the risk strategy of the Group;
- assists the Board of Directors in defining the policies and the processes to assess company activities, including ensuring that the price and the terms of transactions with customers are consistent with the business model and risk strategies;
- provides support to the Board of Directors in verifying the correct implementation of the strategies, the risk governance policies and the RAF, also by examining the periodic reports on Group risk exposure prepared by the relevant company functions;
- through reports from the control functions, examines and formulates its own opinion on compliance with regulatory requirements for the use of risk measurement models;
- without prejudice to the responsibilities of the Remuneration Committee, it verifies that the incentives underlying the remuneration and incentive system are consistent with the RAF.

For the performance of the assigned tasks, where appropriate, the Committee collaborates and coordinates with the other internal committees of the Board of Directors of the Parent Company and with the similar internal committees of the Boards of Directors of the other Group companies, also through joint meetings, without prejudice to the responsibilities of each committee.

The Committee, in particular, acquires the observations and makes use of the support of the Sustainability Committee, taking into account the responsibilities reserved to the latter in matters of sustainability. To this end, as indicated above, the Chairperson of the Sustainability Committee is invited to participate in Committee meetings when topics that have sustainability implications are discussed.

The Committee reports to the Board of Directors when necessary, through its Chairperson, on the outcome of the activities performed, as well as, at least every six months, at the time of the approval of the annual and interim financial statements, prepares a specific report on the activities performed and on the adequacy of the internal control and risk management system.

The Committee must structure the execution of its tasks around the standards of autonomy and independence. To this end, it must be granted autonomous powers of initiative and, to effectively perform its duties, it may carry out verification and audit activities within all areas of Group activities.

To perform its assigned tasks, the Committee normally makes use of the internal control functions as well as the Financial Reporting Manager. The Committee has also access to all areas of activity and company functions of the Parent Company and the companies of the Group, including central offices and peripheral structures, and has the right to obtain any information, data or copies of documents deemed necessary to carry out its tasks.

The Committee, *in accordance with company regulations*, may suggest that the Chairperson of the Board of Directors requests the Internal Audit Function to conduct specific audits.

Using the annual budget approved by the Board of Directors, the Committee may also make use of external expert advice from independent persons of recognised expertise. In any case, the Board of Directors will ensure that the Committee is suitably equipped with adequate resources to fulfil its tasks independently and exercise its powers.

The Committee meets, when called by the Chairperson, each time the Chairperson deems suitable. Committee meetings are convened by notice, containing an indication of the items to be discussed on the agenda, to be sent via any means, which guarantees receipt, sent at least three days before the date set for the meeting, in time to provide the members with sufficient information on the issues to be discussed, and this shall be followed by delivery of the necessary documentation, where available, to ensure the best operation of the Committee work. The notice is sent to the Committee members, as well as the Chairperson of the Board of Statutory Auditors for information.

The following may be invited to attend the meetings, in relation to the topic being discussed: (i) the Chairperson of the Board of Directors, (ii) the Chief Executive Officer, (iii) the other directors, (iv) where appointed, the General Manager and the Co-General Managers, (v) the managers of the internal control functions, (vi) informing the Chief Executive Officer of them, the managers of the company functions of Banco BPM and of other Group companies competent on the matter, (vii) the statutory auditors of Group companies, (viii) the members of the Supervisory Board pursuant to Italian Legislative Decree 231/2001, (ix) the parties assigned the independent auditing of the accounts and (x) other parties whose presence is deemed useful by the Committee.

When deemed necessary and/or appropriate, the Committee actually availed of the support of other managers of the Bank to carry out its activities, in order to deal with individual items on the agenda.

The following participate in the meetings of the Committee: (i) the Chairperson of the Board of Statutory Auditors or another Statutory Auditor designated by them, without prejudice to the right of all the members of the Board of Statutory Auditors to attend the meetings provided for by the Regulations, as well as (ii) as permanent guests, the Chief Risk Officer and the Audit Manager, in person or through their delegate and unless otherwise determined by the Chairperson from time to time.

The Chairperson coordinates the Committee's work. The data and information provided to support the discussion of the topics are managed in a manner that protects confidentiality, through a dedicated application, and in such a way as to not jeopardise the timeliness and completeness of the information flows.

If a Committee member has a personal interest, or third-party interest in an item to be discussed, they must inform the committee and abstain from participating in the debate and voting.

Specific minutes are drawn up by a Secretary designated by the Committee, even if not a member, for each Committee meeting. The minutes, approved by the Committee, are signed by the Chairperson and by the Secretary.

When the minutes of the Committee's resolutions cannot be drawn up in time for the Board of Directors meeting in which a proposal must be formulated or an opinion granted, the Chairperson of the Committee must notify, also verbally, the Board of Directors at the next meeting of the same, on the Committee's resolutions.

As envisaged by the specific Regulation, the Chairperson of the Internal Control and Risk Committee reports to the Board, usually at the first meeting, on the activities carried out by the Committee, making available the index of the topics of the meeting and providing a summary illustration thereof, possibly also in verbal form.

Between 1 January and 31 December 2025, the Internal Control and Risk Committee met 18 times, with an attendance of 98%, and the meetings lasted on average five hours.

In 2025, the Committee also assisted the Board of Directors with regard to:

- the support activities in the preparation of the 2025 Funding Plan and the 2025 Capital Plan, examining the risk opinion of the CRO Area prepared for this purpose and aimed at assessing, among other things, the robustness of the estimates of the cost of credit; updates to these documents were also examined;
- the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP);
- the process of defining the overall Risk Appetite Framework with particular reference to (i) the relative Guidelines in support of the 2025 Budget defined, as at January 2025, in accordance with the business model of the Financial Conglomerate that integrates in the Group RAF the subsidiaries included in the Conglomerate's scope; (ii) the Guidelines supporting the 2026 Credit Policies; (iii) the first evolutions of the 2026 RAF concept;
- the examination of the periodic risk monitoring and control reports prepared by the competent corporate functions, including the Risk Appetite Monitoring, the periodic reports on second-level controls carried out by Risk Management (in the context of credit, ICT and Security, Operational Risk and Data Quality) and the Integrated *Tableau de Bord* produced by the Internal Control Functions;
- the review of reports on activities performed by Internal Control Functions during 2024, as well as the respective action plans for 2025 (and/or long-term plans) and subsequent proposed revisions and updates;
- monitoring of specific projects (such as, for example, that relating to the full compliance with DORA requirements and the promotion of risk culture);
- the monitoring of Conduct Risk, conducting in-depth analyses of the components of fiscal and legal risk to which the Group is exposed;
- the update of the risk measurement internal models;
- the examination of issues concerning relations with the Supervisory Authorities, with particular regard to in-depth analysis of the results of inspection activities, the preparation of the related remediation plans by carrying out careful control and monitoring activities on the implementation of corrective actions and on the fulfilment of the requests made by the Supervisory Authority;
- the adoption and updating of relevant Regulations and legislation within the scope of the internal regulatory framework relating to the organisational and functional model of Banco BPM;
- the assessment of the adequacy of the organisational, administrative, accounting and IT structure of Banco BPM and of strategically important subsidiaries, with specific reference to the internal control and risk management system;
- issues relating to the complete integration of the insurance sector and the start of the integration of the asset management sector (following the acquisition, during the year, of Banco BPM's control over Anima Holding and its subsidiaries), both in terms of governance and risk management and monitoring;
- the qualitative and quantitative dimensioning of the Internal Control Functions;
- the activities to update the 2025 Recovery Plan and the Resolution Plan.

For the pursuit of its own activities in the year in question, the Committee received all the information deemed necessary and the support of competent company functions. The data and information provided in support of the discussion of the topics in the meetings of the Committee were managed in such a way as not to jeopardise the timeliness and completeness of the information flows. As a rule, 5 days before the meeting, according to the terms set forth in the

Regulation of the Internal Control and Risk Committee, the documentation produced by the company functions concerned was made available to the Directors, except on certain occasions in which, albeit with adequate advance, a delay was recorded due to the particular sensitivity of the subject matter or the nature of relevant or inside information contained therein.

For the 2026 financial year, in consideration of the expiry of the Directors' mandate with the approval of the financial statements for the 2025 financial year, 8 meetings of the Committee were planned until April, of which 5 already held at the date of approval of this disclosure.

e) Description on the information flow on risk to the management body (Article 435 (2) (e) CRR)

The table below summarises the main information flows to the Governance Bodies of the Parent Company Banco BPM and to the main Committees that develop the risk management policy.

Information flow name of the Risk Function
Activity report
Activity plan
Credit risk report
Interest rates, liquidity, market and monitoring of limits report
Operational risks report
Outcome of the Risk Identification report
RAF Guidelines
Risk Appetite Framework and relative system of operating limits
RAF indicators risk profile monitoring report (known as Fast Risk Appetite Monitoring and full RAM)
ICAAP and ILAAP Frameworks
ICAAP Package and ILAAP Package, including the Reports of the control functions and the applicable stress testing scenarios and the relative outcomes
ICAAP and ILAAP interim monitoring
Risk Opinion credit / capital plan / other areas
Disclosure of the assessment of the Most Significant Transactions (MST) and Significant Transactions (ST)
Report on monitoring limits on exposure to Related Parties and Large Exposures
Positioning of risk areas - regulatory view
Regulatory stress test disclosures
Public Disclosure (Pillar III)
Public Disclosure Policy (Pillar III)
Monitoring and periodic disclosure relating to Covered Bond programmes
Report on the order routing and execution strategy
Operational and security risk analysis in payment services report
Report on investment service activities
Summary report on the ICT risk and security situation
Report on second-level controls on Data Quality
Report on compliance with GL BCBS 239 Data quality
Report on second-level controls on credit
Report on market risk stress tests
Audit report (processes and other audits)
Certification of Minimum requirements internal models validated
Report on internal risk measurement systems for determining capital requirements (credit and market risks)
Pre-application/application requests and ex-ante/ex post notifications to be sent to the ECB regarding the internal models used in the regulatory sphere
Annual Insurance Plan
Renewal of main policies and claims performance
Report on the Financial Conglomerate

Section 3 - Disclosure of the scope of application

Template EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories (1 of 3)

The template below provides the disclosure pursuant to Article 436 (c) of the CRR. The reconciliation between the balance sheet data prepared in accordance with the accounting regulations and the balance sheet data presented in accordance with regulatory provisions, on the basis of the prudential scope, is shown.

It should be noted that, as required by the instructions for completing the template in question, if an element is subject to capital requirements falling into several risks, the values are indicated in all columns corresponding to the capital requirements to which they refer. Consequently, the sum of the amounts indicated in columns c) to g) may be greater than the amount indicated in column b). This case can be identified for elements that fall within the scope of counterparty credit risk (derivatives and SFTs) which also generate market risk, as they are included in the trading book.

Template EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories (2 of 3)

	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items				Not subject to own funds requirements or subject to deduction from own funds
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	
Assets							
10. Cash and cash equivalents	5,607	5,497	5,497	-	-	-	-
20. Financial assets at fair value through profit and loss	22,512	13,973	2,609	7,800	5	11,356	2
30. Financial assets measured at fair value through other comprehensive income	26,317	16,029	15,944	-	-	-	85
40. Financial assets at amortised cost	135,526	135,888	117,894	5,511	12,304	-	179
50. Hedging derivatives	835	835	-	835	-	-	-
60. Fair value change of financial assets in macro fair value hedge portfolios (+/-)	(149)	(149)	(149)	-	-	-	-
70. Interests in associates and joint ventures	1,453	2,299	2,143	-	-	-	156
80. Insurance assets	7	-	-	-	-	-	-
90. Property, plant and equipment	2,481	2,426	2,426	-	-	-	-
100. Intangible assets	3,214	3,171	239	-	-	-	2,932
110. Tax assets	2,910	2,826	1,966	-	-	-	860
a) current	259	250	250	-	-	-	-
b) deferred	2,651	2,576	1,716	-	-	-	860
120. Non-current assets and disposal groups held for sale	197	196	196	-	-	-	-
130. Other assets	4,988	4,769	4,769	-	-	-	-
Total assets	205,896	187,758	153,533	14,145	12,309	11,356	4,215

Template EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories (3 of 3)

	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items				Not subject to own funds requirements or subject to deduction from own funds
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	
Liabilities							
10. Financial liabilities at amortised cost	139,711	139,960	-	7,530	-	-	111,926
20. Financial liabilities held for trading	22,222	22,251	-	19,218	-	22,251	-
30. Financial liabilities designated at fair value	8,329	4,324	-	-	-	-	4,324
40. Hedging derivatives	615	615	-	615	-	-	-
50. Fair value change of financial liabilities in macro fair value hedge portfolios (+/-)	(488)	(488)	-	-	-	-	(488)
60. Tax liabilities	552	417	-	-	-	-	417
a) current	16	13	-	-	-	-	13
b) deferred	536	404	-	-	-	-	404
70. Liabilities associated with assets classified as held for sale	-	-	-	-	-	-	-
80. Other liabilities	4,342	4,243	-	-	-	-	4,243
90. Provisions for employee severance pay	194	191	-	-	-	-	191
100. Provisions for risks and charges	667	663	-	-	-	-	663
110. Insurance liabilities	14,167	-	-	-	-	-	-
Total liabilities	190,311	172,176	-	27,363	-	22,251	121,277

Template EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements (1 of 2)

Pursuant to Article 436 (d) of the CRR, the template reports the reconciliation of the main sources of difference between the carrying values under the regulatory scope and the exposure amounts considered for regulatory purposes.

It should be noted that the totals reported in rows 1 and 2, column (a), in line with the validation rules published by the EBA, which require them to match the corresponding totals in column (b) of template CC1, are shown gross of amounts not subject to own funds requirements or deducted (column g of template CC1). However, this representation is not aligned with the compilation rules set out in the related Annex VI, which envisage the presentation of totals net of amounts not subject to own funds requirements or deducted. In the absence of interpretative clarifications on this point, in order to ensure greater information clarity, the total reported in row 3 was determined not as the difference between the totals published in rows 1 and 2, but as the difference between the same totals considered net of amounts not subject to own funds requirements or deducted.

It should also be noted that, since the EAD concept is not representative of the amounts falling under the market risk framework, the total in row 12 for this type of risk has not been reported; consequently, for consistency with the exposure amounts relevant for regulatory purposes, the same was not included in the total of row 3 of column (a).

The main changes between the carrying values determined under the regulatory scope and the exposure amounts considered for regulatory purposes are attributable to:

1. Off-balance sheet exposure amounts, not included in the accounting data. Off-balance sheet exposures are reported considering the impact of credit conversion factors;
2. Impact of the application of netting rules;
3. Impact of the differences due to consideration of provisions. With regard to the IRB portfolio, the exposure amounts considered for regulatory purposes are shown gross of value adjustments, while these are considered in their carrying values. For the portfolio treated under internal models, in fact, value adjustments are included in the calculation of the excess/shortfall (comparison between value adjustments and expected losses);
4. Impact of guarantees received, which reduce the exposure amounts considered for regulatory purposes.

Template EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements (2 of 2)

		a	b	c	d	e
		Total	Items subject to			
			Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	187,758	153,533	12,309	14,145	11,356
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	172,176	-	-	27,363	22,251
3	Total net amount under the scope of prudential consolidation	152,624	153,533	12,309	(13,218)	(10,895)
4	Off-balance-sheet amounts	61,932	61,932	-	-	
5	Differences in valuations	(29)	(29)	-	-	
6	Differences due to different netting rules, other than those already included in row 2	91,827	-	-	91,827	
7	Differences due to consideration of provisions	1,665	1,665	-	-	
8	Differences due to the use of credit risk mitigation techniques (CRMs)	(75,267)	(1,346)	(840)	(73,082)	
9	Differences due to credit conversion factors	(50,265)	(50,230)	(35)	-	
10	Differences due to securitisation with risk transfer	-	-	-	-	
11	Other differences	94	(93)	-	188	
12	Exposure amounts considered for regulatory purposes	182,581	165,432	11,434	5,715	-

Template EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity) (1 of 4)

Template LI3 reports information pursuant to Article 436 (b) of the CRR.

a	b	c	d	e	f	g	h
Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
Agos Ducato S.p.A.	Equity method	-	-	-	-	X	Consumer credit companies
Agriurbe S.r.l. (in liquidation)	Full consolidation	-	-	X	-	-	Production companies
Alba Leasing S.p.A.	Equity method	-	-	-	-	X	Leasing companies
Aletti Fiduciaria S.p.A.	Full consolidation	X	-	-	-	-	Trust administration companies
Anima Alternative SGR S.p.A.	Full consolidation	X	-	-	-	-	Asset management
Anima Holding S.p.A.	Full consolidation	X	-	-	-	-	Asset management
Anima SGR S.p.A.	Full consolidation	X	-	-	-	-	Asset management
Anima Valore Obbligazionario	Full consolidation	-	-	X	-	-	UCITS
Aosta Factor S.p.A.	Equity method	-	-	-	-	X	Factoring companies
BBPM Life Dac	Full consolidation	-	-	X	-	-	Insurance companies
BPL Mortgages S.r.l.	Full consolidation	-	-	X	-	-	Other financial intermediaries
BPM Covered Bond 2 S.r.l.	Full consolidation	X	-	-	-	-	Covered bond issuing companies

Template EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity) (2 of 4)

a	b	c	d	e	f	g	h
Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
BPM Covered Bond S.r.l.	Full consolidation	X	-	-	-	-	Covered bond issuing companies
BRF Property S.p.A.	Full consolidation	-	-	X	-	-	Production companies
Banca Akros S.p.A.	Full consolidation	X	-	-	-	-	Banking system
Banca Aletti & C. (Suisse) S.A.	Full consolidation	X	-	-	-	-	Banking system in non-EU countries
Banca Aletti S.p.A.	Full consolidation	X	-	-	-	-	Banking system
Banco BPM Invest SGR S.p.A.	Full consolidation	-	-	-	-	X	Fund management companies
Banco BPM S.p.A.	Full consolidation	X	-	-	-	-	Banking system
Banco BPM Vita S.p.A.	Full consolidation	-	-	X	-	-	Insurance companies
Bipielle Bank (Suisse) S.A. in liquidation	Full consolidation	X	-	-	-	-	Banking system in non-EU countries
Calliope Finance S.r.l. in liquidation	Equity method	-	-	X	-	-	Other financial intermediaries
Castello SGR S.p.A.	Full consolidation	X	-	-	-	-	Asset management
Etica SGR S.p.A.	Equity method	-	-	-	-	X	Fund management companies
GE.SE.SO. S.r.l.	Full consolidation	-	-	X	-	-	Production companies

Template EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity) (3 of 4)

a	b	c	d	e	f	g	h
Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
GEM Hospitality S.r.l.	Equity method	-	-	X	-	-	Production companies
GEMA Magazzini Generali BPV-BSGSP S.p.A.	Equity method	-	-	X	-	-	Production companies
Gardant Liberty Servicing S.p.A.	Equity method	-	-	X	-	-	Production companies
Kairos Partners SGR S.p.A.	Full consolidation	X	-	-	-	-	Asset management
Lido dei Coralli S.r.l.	Full consolidation	-	-	X	-	-	Production companies
Numia Group S.p.A.	Equity method	-	-	-	-	X	Electronic money institution
Oaklins Italy S.r.l.	Full consolidation	-	-	-	-	X	Other financial corporations
Partecipazioni Italiane S.p.A. (in liquidation)	Full consolidation	-	-	X	-	-	Other financial corporations
Più Vera Assicurazioni S.p.A.	Equity method	-	-	X	-	-	Insurance companies
Private Equity Opportunity primary	Full consolidation	-	-	X	-	-	UCITS
Private Equity Opportunity secondary	Full consolidation	-	-	X	-	-	UCITS

Template EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity) (4 of 4)

a	b	c	d	e	f	g	h
Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
Profamily SPV S.r.l.	Full consolidation	-	-	X	-	-	Other financial intermediaries
S.E.T.A. Società Edilizia Tavazzano S.r.l. (in liquidation)	Equity method	-	-	X	-	-	Production companies
Sagim S.r.l. Società Agricola	Full consolidation	-	-	X	-	-	Production companies
Sirio Immobiliare S.r.l.	Full consolidation	-	-	X	-	-	Production companies
Terme Ioniche S.r.l.	Full consolidation	-	-	X	-	-	Production companies
Vera Vita S.p.A.	Full consolidation	-	-	X	-	-	Insurance companies
Vita S.r.l.	Full consolidation	-	-	X	-	-	Production companies
Vorvel SIM S.p.A.	Equity method	-	-	-	-	X	Investment companies (SIM)

It should be noted that GE.SE.SO. S.r.l. and Oaklins Italy S.r.l. are companies not subject to full consolidation within the prudential scope pursuant to Article 19 (1) of Regulation (EU) 575/2013.

Table EU LIA - Explanations of differences between accounting and regulatory exposure amounts

Name of the bank to which the disclosure requirements apply (Article 436 (a) CRR)

Banco BPM Società per Azioni, Parent Company of the "Banco BPM Banking Group".

Change in the scope of consolidation

Changes in the scope of consolidation compared to the situation as at 31 December 2024 are shown in the tables below:

Fully consolidated companies	
Incoming companies due to acquisition of control of Anima Holding	
Anima Holding S.p.A.	
Anima SGR S.p.A.	
Anima Alternative SGR S.p.A.	
Castello SGR S.p.A.	
Kairos Partners SGR S.p.A.	
Vita S.r.l.	
Structured entities incoming due to acquisition of control	
Anima Valore Obbligazionario	
Private Equity Opportunity primary	
Private Equity Opportunity secondary	
Outgoing company due to liquidation	
BP Covered Bond S.r.l. in liquidation	
Outgoing company due to sale	
Burgos Leasco S.r.l.	
Tago LeaseCo S.r.l.	
P.M.G. S.r.l. in liquidation	

Companies consolidated with the equity method	
Incoming company due to acquisition of control of Anima Holding	
GEM Hospitality S.r.l.	
Outgoing company due to acquisition of control of Anima Holding	
Anima Holding S.p.A.	
Outgoing company due to sale	
SelmaBipiemme Leasing S.p.A.	
Outgoing company due to merger	
Merged company	Merging company
Banco BPM Assicurazioni S.p.A.	PiùVera Assicurazioni S.p.A.

a) Differences between columns (a) and (b) of Template EU LI1 (Article 436 (b) CRR)

The reconciliation between prudential scope and accounting scope as at 31 December 2025 is shown below.

Reclassified asset items (in millions of euro)	Banking Group	Insurance companies	Other businesses	Consolidation adjustments	31/12/2025
Cash and cash equivalents	5,496	71	4,361	(4,322)	5,606
Loans at AC	103,979	-	7,384	(7,751)	103,612
- Loans to banks	3,899	-	7,285	(7,285)	3,899
- Loans to customers	100,080	-	99	(466)	99,713
Other financial assets and hedging derivatives	62,745	-	551	(549)	62,747
- Measured at FVTPL	14,807	-	549	(549)	14,807
- Measured at FVOCI	16,029	-	-	-	16,029
- Measured at AC	31,909	-	2	-	31,911
Financial assets pertaining to insurance companies	-	19,139	-	(309)	18,830
Interests in associates and joint ventures	2,299	2,577	4,584	(8,008)	1,452
Property, plant and equipment	2,426	7	70	(22)	2,481
Intangible assets	3,171	5	(1,710)	1,748	3,214
Tax assets	2,826	59	6	20	2,911
Non-current assets and disposal groups held for sale	196	-	1	-	197
Other asset items	4,620	375	101	(250)	4,846
Total assets	187,758	22,233	15,348	(19,443)	205,896

Reclassified liability items (in millions of euro)	Banking Group	Insurance companies	Other businesses	Consolidation adjustments	31/12/2025
Direct funding	130,257	-	8,855	(6,724)	132,388
- Due to customers	109,753	-	386	(874)	109,265
- Securities and financial liabilities designated at fair value	20,504	-	8,469	(5,850)	23,123
Direct funding from insurance business and technical reserves	-	18,255	-	(82)	18,173
Due to banks	9,037	-	2,866	(5,330)	6,573
Lease payables	666	-	30	(25)	671
Other financial liabilities measured at FV	27,189	-	-	(29)	27,160
Financial liabilities at amortised cost pertaining to insurance companies	-	329	-	(250)	79
Liability provisions	855	3	16	(13)	861
Tax liabilities	417	100	(70)	105	552
Liabilities associated with assets classified as held for sale	-	-	-	-	-
Other liability items	3,755	205	668	(773)	3,855
Total liabilities	172,176	18,893	12,363	(13,122)	190,310
Non-controlling interests	80	-	(80)	80	80
Group shareholders' equity	15,502	3,340	3,065	(6,401)	15,506
Consolidated shareholders' equity	15,582	3,340	2,985	(6,321)	15,586
Total liabilities and shareholders' equity	187,758	22,233	15,348	(19,443)	205,896

b) Qualitative information on the main sources of differences between the accounting and regulatory scope of consolidation shown in template EU LI2 (Article 436 (d) CRR)

Please refer to the qualitative disclosure provided in support of the LI2 template.

Table EU LIB - Other qualitative information on the scope of application

a) Impediment to the prompt transfer of own funds or to the repayment of liabilities within the group (Article 436 (f) of the CRR)

There are no restrictions that impede the prompt transfer of capital or funds within the Group.

b) Subsidiaries not included in the consolidation with own funds less than required (Article 436 (g) of the CRR)

As at 31 December 2025, the affiliates excluded in the scope of consolidation are not entities required to meet the own funds requirements set forth in Regulation (EU) 575/2013 or Directive 2013/36/EU. Please see template EU LI3 for the list of companies included in the scope of consolidation for financial reporting purposes but excluded from the prudential scope of consolidation.

c) Use of derogation referred to in Article 7 CRR or individual consolidation method laid down in Article 9 CRR (Article 436 (h) CRR)

Banco BPM does not make use of the derogation in question.

d) Aggregate amount by which the actual own funds are less than required in all subsidiaries that are not included in the consolidation (Article 436 (g) CRR)

Please refer to point (b) of this EU LIB table.

Template EU PV1 - Prudent valuation adjustments (PVA) (1 of 2)

Template PV1 reports the total additional valuation adjustments (AVAs), calculated in accordance with Chapter III of Commission Delegated Regulation (EU) 2016/101, in application of the disclosure obligations required by Article 436 (e) of the CRR.

		a	b	c	d	e
		Risk category				
	Category level AVA	Equity	Interest rates	Foreign exchange	Credit	Commodities
1	Market price uncertainty	24	2	1	8	-
2	Not applicable					
3	Close-out cost	4	5	-	0	-
4	Concentrated positions	-	-	-	-	-
5	Early termination	-	0	-	-	-
6	Model risk	-	-	-	-	-
7	Operational risk	-	4	-	-	-
8	Not applicable					
9	Not applicable					
10	Future administrative costs	-	-	-	-	-
11	Not applicable					
12	Total additional valuation adjustments (AVAs)					

Template EU PV1 - Prudent valuation adjustments (PVA) (2 of 2)

		EU e1	EU e2	f	g	h
		Category level AVA - Valuation uncertainty		Total category level post-diversification		
	Category level AVA	Unearned credit spreads AVA	Investment and funding costs AVA		Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
1	Market price uncertainty	0	3	19	15	4
2	Not applicable					
3	Close-out cost	0	-	5	4	1
4	Concentrated positions			-	-	-
5	Early termination			0	0	-
6	Model risk	2	-	1	1	0
7	Operational risk			4	4	1
8	Not applicable					
9	Not applicable					
10	Future administrative costs			-	-	-
11	Not applicable					
12	Total additional valuation adjustments (AVAs)			29	24	5

Section 4 - Disclosure of own funds

Template EU CC1 - Composition of regulatory own funds (1 of 7)

The template in question provides a detailed breakdown of regulatory own funds, in application of Article 437 (a) and Article 444 (e) of the CRR.

As at 31 December 2025, the level of own funds amounted to 12,963 million euro, consisting of 9,351 million in Common Equity Tier 1 (CET1), 1,389 million in Additional Tier 1 (AT1) capital and 2,223 million in Tier 2 capital.

The amount of own funds increased by +601 million compared to the figures as at 30 June 2025, corresponding to the increase in CET1 (+252 million) and Tier 2 capital (+349 million).

More specifically, the increase in CET1 mainly depends on the positive change in the result for the period (+162 million compared to the half-yearly figure) and in the other components of the comprehensive income statement (+225 million compared to the half-yearly figure) offset by the reduction in other profit reserves (-154 million) due to the payment of the AT1 coupons and the redemption of the extra-profit reserve. In the regulatory elements (filters and deductions), the main positive changes are attributable to lower deductions for DTAs and significant equity investments (+172 million) and the negative changes to higher deductions of non-significant equity investments (-95 million) and to voluntary deductions pursuant to Article 3 of Regulation (EU) 575/2013 (-35 million).

With regard to Tier 2 capital, the increase is given by the following components: (i) the issue of a new instrument in July (calculated at 503 million as at 31 December 2025), offset by the early repayment of a security (calculated at 353 million as at 30 June 2025); (ii) the increase in the excess of value adjustments with respect to expected losses on the IRB portfolio (+140 million compared to June); (iii) the reduction, in absolute terms, of the deductions made on investments in T2 instruments of other entities in the financial sector (+44 million).

It should be noted that there are no restrictions applied to the calculation of own funds.

Template EU CC1 - Composition of regulatory own funds (2 of 7)

		a)	b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	7,100	EU CC2 - SHAREHOLDERS' EQUITY 170
	Of which: Instrument type 1	7,100	-
	Of which: Instrument type 2	-	-
	Of which: Instrument type 3	-	-
2	Retained earnings	-	-
3	Accumulated other comprehensive income (and other reserves)	5,292	EU CC2 - SHAREHOLDERS' EQUITY 120, EU CC2 - SHAREHOLDERS' EQUITY 150
EU-3a	Funds for general banking risk	-	-
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	-
5	Minority interests (amount allowed in consolidated CET1)	-	-
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	566	EU CC2 - SHAREHOLDERS' EQUITY 200
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	12,958	-
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(29)	-
8	Intangible assets (net of related tax liability) (negative amount)	(3,030)	EU CC2 - ASSETS 70 + EU CC2 - ASSETS 100, EU CC2 - LIABILITIES 60 b)
9	Not applicable		
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)	(501)	EU CC2 - ASSETS 110 b)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not measured at fair value	9	EU CC2 - SHAREHOLDERS' EQUITY 150
12	Negative amounts resulting from the calculation of expected loss amounts	-	-
13	Any increase in equity that results from securitised assets (negative amount)	-	-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	61	EU CC2 - SHAREHOLDERS' EQUITY 120 for 56.1 million (5 million in Income Statement)

Template EU CC1 - Composition of regulatory own funds (3 of 7)

		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 an institution of own CET1 instruments (negative amount)	(68)	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 inflate artificially the own funds of the institution (negative amount)	-	-
18	Direct, indirect and synthetic holdings by the institution of the CET1 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)	(95)	EU CC2 - ASSETS 20 and EU CC2 - ASSETS 30
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)	-	-
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	(13)	-
EU-20b	Of which: qualifying holdings outside the financial sector (negative amount)	-	-
EU-20c	Of which: securitisation positions (negative amount)	(13)	-
EU-20d	Of which: free deliveries (negative amount)	-	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	-
22	Amount exceeding the 17.65% threshold (negative amount)	(291)	-
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	(156)	EU CC2 - ASSETS 70
24	Not applicable		
25	Of which: deferred tax assets arising from temporary differences	(135)	EU CC2 - ASSETS 110 b)
EU-25a	Losses for the current financial year (negative amount)	-	-

Template EU CC1 - Composition of regulatory own funds (4 of 7)

		a)	b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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)	-	-
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	-
27a	Other regulatory adjustments	349	-
28	Total regulatory adjustments to Common Equity Tier 1 (CET1) capital	(3,607)	-
29	Common Equity Tier 1 (CET1) capital	9,351	-
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	1,390	EU CC2 - SHAREHOLDERS' EQUITY 140
31	Of which: classified as equity under applicable accounting standards	1,390	-
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 494a(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 minority 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	Additional Tier 1 (AT1) capital before regulatory adjustments	1,390	-
Additional Tier 1 (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)	(1)	EU CC2 - ASSETS 40

Template EU CC1 - Composition of regulatory own funds (5 of 7)

		a)	b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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)	-	-
41	Not applicable		
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 Additional Tier 1 (AT1) capital	(1)	-
44	Additional Tier 1 (AT1) capital	1,389	-
45	Tier 1 capital (T1 = CET1 + AT1)	10,740	-
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	2,217	EU CC2 - LIABILITIES 10
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 494a(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 minority 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	162	-
51	Tier 2 (T2) capital before regulatory adjustments	2,379	-
Tier 2 (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)	(1)	EU CC2 - ASSETS 40
54a	Not applicable		

Template EU CC1 - Composition of regulatory own funds (6 of 7)

		a)	b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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)	(155)	EU CC2 - ASSETS 40
56	Not applicable		
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 Tier 2 (T2) capital	(156)	-
58	Tier 2 (T2) capital	2,223	-
59	Total capital (TC = T1 + T2)	12,963	-
60	Total risk exposure amount	65,278	-
Capital ratios and requirements, including buffers			
61	Common Equity Tier 1 capital	14.33%	-
62	Tier 1 capital	16.45%	-
63	Total capital	19.86%	-
64	Institution CET1 overall capital requirements	9.50%	-
65	Of which: capital conservation buffer requirement	2.50%	-
66	Of which: countercyclical buffer requirement	0.071%	-
67	Of which: systemic risk buffer requirement	0.66%	-
EU-67a	Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.50%	-
EU-67b	Of which additional own funds requirements to address the risks other than the risk of excessive leverage	1.27%	-
68	Common Equity Tier 1 (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	8.56%	-
National minima (if different from Basel III)			
69	Not applicable		
70	Not applicable		
71	Not applicable		

Template EU CC1 - Composition of regulatory own funds (7 of 7)

		a)	b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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)	939	EU CC2 - ASSETS 20 + EU CC2 - ASSETS 30 + EU CC2 - ASSETS 40 + EU CC2 - LIABILITIES 20
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)	724	EU CC2 - ASSETS 70
74	Not applicable		
75	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)	626	EU CC2 - ASSETS 110 b)
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 the 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)	186	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	162	-
Capital 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 balance sheet in the audited financial statements (1 of 3)

The template in question shows the reconciliation of regulatory own funds with the financial statement items, in application of Article 437 (a) of the CRR.

	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	5,607	5,497	
20. Financial assets measured at fair value through profit and loss:	22,512	13,973	amount 117 ref. EU CC1 18, 72
30. Financial assets measured at fair value through other comprehensive income	26,317	16,029	amount 810 ref. EU CC1 18, 72
40. Financial assets at amortised cost	135,526	135,888	amount 21 ref. EU CC1 39, 54, 72 amount 155 ref. EU CC1 55
50. Hedging derivatives	835	835	
60. Fair value change of financial assets in macro fair value hedge portfolios (+/-)	(149)	(149)	
70. Interests in associates and joint ventures	1,453	2,299	amount 156 ref. EU CC1 23 amount 724 ref. EU CC1 73 amount 285 ref. EU CC1 8
80. Insurance assets	7	-	
90. Property, plant and equipment	2,481	2,426	
100. Intangible assets	3,214	3,171	amount 2,932 ref. EU CC1 8
110. Tax assets	2,910	2,826	
a) current	259	250	
b) deferred	2,651	2,576	amount 501 ref. EU CC1 10 amount 135 ref. EU CC1 25 amount 626 ref. EU CC1 75
120. Non-current assets and disposal groups held for sale	197	196	
130. Other assets	4,988	4,769	
Total assets	205,896	187,758	

Template EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements (2 of 3)

	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period end	As at period end	
Liabilities			
10. Financial liabilities at amortised cost	139,711	139,960	amount 2,217 ref. EU CC1 46
20. Financial liabilities held for trading	22,222	22,251	amount 9 ref. EU CC1 72
30. Financial liabilities designated at fair value	8,329	4,324	
40. Hedging derivatives	615	615	
50. Fair value change of financial liabilities in macro fair value hedge portfolios (+/-)	(488)	(488)	
60. Tax liabilities	552	417	
a) current	16	13	
b) deferred	536	404	amount 188 ref. EU CC1 8
70. Liabilities associated with assets classified as held for sale	-	-	
80. Other liabilities	4,342	4,243	
90. Provisions for employee severance pay	194	191	
100. Provisions for risks and charges	667	663	
110. Insurance liabilities	14,167	-	
Total liabilities	190,311	172,176	

Template EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements (3 of 3)

	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period end	As at period end	
Shareholders' equity			
120. Valuation reserves	259	259	amount 259 ref. EU CC1 3 amount -56 ref. EU CC1 14
140. Equity instruments	1,787	1,787	amount 1,390 ref. EU CC1 30
145. Advances on dividends	(692)	(692)	
150. Reserves	5,036	5,033	amount 5,033 ref. EU CC1 3 amount 9 ref. EU CC1 11
170. Share capital	7,100	7,100	amount 7,100 ref. EU CC1 1
180. Own shares (-)	(68)	(68)	amount -68 ref. EU CC1 16
190. Non-controlling interests (+/-)	80	80	
200. Profit (loss) for the year	2,082	2,082	amount 566 ref. EU CC1 EU-5a
Total shareholders' equity	15,585	15,582	

Table EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments

Pursuant to Article 437 (b) and (c) of the CRR, the CCA table is shown in Annex 1 of this disclosure.

Template EU TLAC1 - Composition - MREL and, where applicable, G-SII requirement for own funds and eligible liabilities

		a
		Minimum requirement for own funds and eligible liabilities (MREL)
Own funds and eligible liabilities and adjustments		
1	Common Equity Tier 1 capital (CET1)	9,351
2	Additional Tier 1 capital (AT1)	1,389
3	Empty set in the EU	
4	Empty set in the EU	
5	Empty set in the EU	
6	Tier 2 capital (T2)	2,223
7	Empty set in the EU	
8	Empty set in the EU	
11	Own funds for the purpose of Articles 92a of Regulation (EU) No 575/2013 and 45 of Directive 2014/59/EU	12,963
Own funds and eligible liabilities: Non-regulatory capital elements		
12	Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	3,250
EU-12a	Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	-
EU-12b	Eligible liabilities instruments that are subordinated to excluded liabilities issued prior to 27 June 2019 (subordinated grandfathered)	-
EU-12c	Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	-
13	Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre-cap)	5,780
EU-13a	Eligible liabilities that are not subordinated to excluded liabilities issued prior to 27 June 2019 (pre-cap)	281
14	Amount of non subordinated eligible liabilities instruments, where applicable after application of Article 72b (3) CRR	6,061
15	Empty set in the EU	
16	Empty set in the EU	
17	Eligible liabilities items before adjustments	9,311
EU-17a	Of which subordinated liabilities items	3,250
Own funds and eligible liabilities: Adjustments to non-regulatory capital elements		
18	Own funds and eligible liabilities items before adjustments	22,274
19	(Deduction of exposures between multiple point of entry (MPE) resolution groups)	
20	(Deduction of investments in other eligible liabilities instruments)	68
21	Empty set in the EU	
22	Own funds and eligible liabilities after adjustments	22,206
EU-22a	Of which own funds and subordinated liabilities	16,213
Risk-weighted exposure amount and leverage exposure measure of the resolution group		
23	Total risk exposure amount (TREA)	65,278
24	Total exposure measure (TEM)	204,304
Ratio of own funds and eligible liabilities		
25	Own funds and eligible liabilities as a percentage of the TREA	34.02%
EU-25a	Of which own funds and subordinated liabilities	24.84%
26	Own funds and eligible liabilities as a percentage of the TEM	10.87%
EU-26a	Of which own funds and subordinated liabilities	7.94%
27	CET1 (as a percentage of the TREA) available after meeting the resolution group's requirements	5.88%
28	Institution-specific combined buffer requirement	
29	Of which capital conservation buffer requirement	
30	Of which countercyclical buffer requirement	
31	Of which systemic risk buffer requirement	
EU-31a	Of which Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	
Memorandum items		
EU-32	Total amount of excluded liabilities referred to in Article 72a(2) of Regulation (EU) No 575/2013	

Notes to the values reported in EU TLAC1

For entities subject to MREL, row 20 includes the amounts covered by the authorisation to repurchase in full or in part or to redeem, including early, eligible liabilities instruments in accordance with Article 78a of Regulation (EU) no. 575/2013, to the extent to which the disclosing entity has not yet used that amount to request, repay or repurchase instruments.

Template EU TLAC3a - Creditor ranking - Resolution entity

		Insolvency ranking								Sum of 1 to n
		1	2	3	4	5	6	7	n	
		(most junior)							(most senior)	
1	Description of insolvency rank (free text)	Equity	Capital instruments and Subordinated Claims according to the subordination ranking contractually agreed upon by the parties	Subordinated liabilities not qualifying as own funds.	Senior Non-Preferred Debt (strumenti di debito chirografario di secondo livello)	Unsecured Claims	Deposits different from those referred to under the layers IT 6 and IT 7	-	-	
2	Liabilities and own funds	12,672	3,606	771	3,638	15,402	24,512	-	-	60,602
3	Of which excluded liabilities	-	-	-	-	1,161	2,626	-	-	3,786
4	Liabilities and own funds less excluded liabilities	12,672	3,606	771	3,638	14,241	21,886	-	-	56,815
5	Subset of liabilities and own funds less excluded liabilities that are own funds and liabilities potentially eligible for meeting [choose as appropriate: MREL/TLAC]	12,672	3,606	-	3,250	5,780	281	-	-	25,589
6	Of which residual maturity ≥ 1 year and < 2 years	-	-	-	-	1,770	-	-	-	1,770
7	Of which residual maturity ≥ 2 years and < 5 years	-	-	-	2,750	3,295	0	-	-	6,045
8	Of which residual maturity ≥ 5 years and < 10 years	-	1,214	-	500	715	1	-	-	2,430
9	Of which residual maturity ≥ 10 years, but excluding perpetual securities	-	1,003	-	-	-	280	-	-	1,283
10	Of which perpetual securities	12,672	1,390	-	-	-	-	-	-	14,062

Notes to the values reported in EU TLAC3

- The data in the template are reported at the resolution entity level. In consideration of the fact that the resolution strategy of the Banco BPM Group requires the parent company to represent the resolution entity, the values refer to the capital and liabilities issued by Banco BPM at individual level. It should also be noted that the values referring to the ranks of capital and eligible liabilities in own funds differ from those reported in EU KM2 and EU TLAC1, as the compilation logic is applied as indicated in the EBA Q&A 2021_5833
- The values shown in the EU TLAC3 template do take into account the deduction, pursuant to Article 32b (3) of Regulation 241/2014, of the unused portion of the predetermined amount (the "authorised ceiling" for conducting repayment transactions, including early repayment, redemption or buyback of eligible liability instruments, including market-making activities) for which the Resolution Authority has granted prior authorisation to the Banco BPM Group ("General Prior Permission")

Section 5 - Disclosure of countercyclical capital buffers

Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (1 of 3)

The two templates shown below (CCyB1 and CCyB2) contain the disclosure relating to the countercyclical capital buffer, in application of Article 440 of the CRR.

The scope of the EU CCyB1 template is limited to credit exposures relevant to the calculation of the countercyclical capital buffer, in accordance with Article 140 (4) of Directive 2013/36/EU.

The CCyB1 template presents the geographical distribution of the exposures amounts and the relative weighted amounts, as required by Article 440 (a) of the CRR.

The countercyclical buffer rate applicable to exposures to Italian counterparties was confirmed at 0% by the Bank of Italy, also for the fourth quarter of 2025, as per the press release of 26 September 2025.

Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (2 of 3)

		a	b	c	d	e	f
		General credit exposures		Relevant credit exposures - Market risk		Securitisation exposures - Exposure value for 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		
010	Breakdown by country:						
	Albania	0	0	-	-	-	0
	Armenia	-	0	-	-	-	0
	Australia	21	0	-	-	-	22
	Belgium	44	139	-	-	-	183
	Bulgaria	2	0	-	-	-	2
	Chile	1	0	-	-	-	1
	Cyprus	0	0	-	-	-	0
	Czech Republic	0	0	-	-	-	1
	Germany	145	445	-	-	-	589
	Denmark	15	29	-	-	-	44
	Estonia	0	0	-	-	-	0
	Spain	176	103	-	-	-	279
	Faroe Islands	-	-	-	-	-	-
	France	268	462	-	-	-	730
	United Kingdom	636	161	-	-	-	797
	Georgia	0	0	-	-	-	0
	Greece	1	0	-	-	-	1
	Hong Kong	0	0	-	-	-	1
	Croatia	0	0	-	-	-	0
	Hungary	1	0	-	-	-	1
	Ireland	77	27	-	-	-	104
	Iceland	0	0	-	-	-	0
	South Korea (Republic of)	0	7	-	-	-	7
	Lithuania	0	0	-	-	-	0
	Luxembourg	768	142	-	-	-	910
	Latvia	-	0	-	-	-	0
	Montenegro	-	0	-	-	-	0
	Macedonia	-	0	-	-	-	0
	Netherlands	251	381	-	-	-	632
	Norway	4	6	-	-	-	11
	Poland	0	26	-	-	-	26
	Romania	2	1	-	-	-	2
	Russian Federation	1	0	-	-	-	1
	Sweden	16	25	-	-	-	41
	Slovenia	1	0	-	-	-	1
	Slovakia	11	0	-	-	-	11
	Other	14,516	86,910	-	-	12,482	113,908
020	Total	16,958	88,867	-	-	12,482	118,306

Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (3 of 3)

		g	h	i	j	k	l	m
		Own funds requirements				Risk-weighted exposure amounts	Own funds requirement weights (%)	Countercyclical buffer rate (%)
		Relevant credit exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitisation positions in the non-trading book	Total			
010	Breakdown by country:							
	Albania	0	-	-	0	0	0.00%	0.50%
	Armenia	-	-	-	-	-	-	1.75%
	Australia	0	-	-	0	4	0.01%	1.00%
	Belgium	7	-	-	7	91	0.21%	1.00%
	Bulgaria	0	-	-	0	1	0.00%	2.00%
	Chile	0	-	-	0	1	0.00%	0.50%
	Cyprus	0	-	-	0	0	-	1.00%
	Czech Republic	0	-	-	0	0	0.00%	1.25%
	Germany	40	-	-	40	506	1.15%	0.75%
	Denmark	3	-	-	3	40	0.09%	2.50%
	Estonia	0	-	-	0	0	-	1.50%
	Spain	15	-	-	15	194	0.44%	0.50%
	Faroe Islands	-	-	-	-	-	-	1.00%
	France	31	-	-	31	390	0.89%	1.00%
	United Kingdom	25	-	-	25	311	0.71%	2.00%
	Georgia	0	-	-	0	0	0.00%	0.50%
	Greece	0	-	-	0	1	0.00%	0.25%
	Hong Kong	0	-	-	0	0	-	0.50%
	Croatia	0	-	-	0	0	-	1.50%
	Hungary	0	-	-	0	0	0.00%	1.00%
	Ireland	4	-	-	4	49	0.11%	1.50%
	Iceland	0	-	-	0	0	-	2.50%
	South Korea (Republic of)	0	-	-	0	2	0.01%	1.00%
	Lithuania	0	-	-	0	0	-	1.00%
	Luxembourg	63	-	-	63	793	1.80%	0.50%
	Latvia	0	-	-	0	0	-	1.00%
	Montenegro	0	-	-	0	0	-	0.50%
	Macedonia	0	-	-	0	0	-	1.75%
	Netherlands	34	-	-	34	425	0.97%	2.00%
	Norway	1	-	-	1	10	0.02%	2.50%
	Poland	1	-	-	1	12	0.03%	1.00%
	Romania	0	-	-	0	1	0.00%	1.00%
	Russian Federation	0	-	-	0	1	0.00%	0.50%
	Sweden	3	-	-	3	36	0.08%	2.00%
	Slovenia	0	-	-	0	1	0.00%	1.00%
	Slovakia	0	-	-	0	1	0.00%	1.50%
	Other	3,153	-	143	3,296	41,203	93.49%	-
020	Total	3,382	-	143	3,526	44,073	-	

Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer

The template in question provides information relating to the countercyclical capital buffer requirement for the Banco BPM Group, in accordance with the requirements of Article 440 (b) of the CRR.

The countercyclical buffer rate for the Banco BPM Group, equivalent to the weighted average of the countercyclical buffer rates that apply in the reference countries of the relevant credit exposures indicated in the EU CCyB1 template, stood at 0.071% as at 31 December 2025, up compared to the figure as at 30 June 2025 (equal to 0.056%).

		a
1	Total risk exposure amount	65,278
2	Institution-specific countercyclical buffer rate	0.071%
3	Institution-specific countercyclical capital buffer requirement	46

Section 6 - Disclosure of leverage ratio

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

The template in question shows the reconciliation between balance sheet assets and the total exposure measure used for the calculation of the leverage ratio, in application of Article 451(1)(b) of the CRR.

For more details on the components that make up the total exposure, please refer to the following EU LR2 template.

		a
		Applicable amount
1	Total assets as per published financial statements	205,896
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(18,138)
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 point (i) of Article 429a(1) 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	(1,203)
9	Adjustment for securities financing transactions (SFTs)	1,602
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	13,557
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 point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	2,591
13	Total exposure measure	204,304

Template EU LR2 - LRCom: Leverage ratio common disclosure (1 of 5)

The template in question provides details of the components of the total exposure measure, in addition to reconstructing the leverage ratio and showing information on average data. The template was completed in compliance with the provisions of Article 451 (1), points (a) and (b), and where applicable (c), and Article 451 (3) of the CRR.

The total exposure measure as at 31 December 2025 recorded a decrease of 10,500 million compared to 30 June 2025, of which 7,102 million attributable to the decrease in on-balance sheet exposures (excluding derivatives and SFTs) and 2,955 million attributable to the reduction in securities financing transaction exposures.

The leverage ratio stood at 5.26% as at 31 December 2025, above the minimum level of the minimum regulatory ratio of 3%.

It should be noted that, in 2025, the capital used to calculate the leverage ratio adopts the transitional arrangements.

Template EU LR2 - LRCom: Leverage ratio common disclosure (2 of 5)

		CRR leverage ratio exposures	
		a	b
		31/12/2025	30/06/2025
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	173,834	181,490
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)	(156)	(274)
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)	(3,522)	(3,958)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	170,156	177,258
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	636	694
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	1,218	1,266
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	1,854	1,960

Template EU LR2 - LRCom: Leverage ratio common disclosure (3 of 5)

		CRR leverage ratio exposures	
		a	b
		31/12/2025	30/06/2025
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	17,159	21,019
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	1,602	697
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	Total securities financing transaction exposures	18,761	21,715
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	61,935	62,666
20	(Adjustments for conversion to credit equivalent amounts)	(48,392)	(48,785)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	-
22	Off-balance sheet exposures	13,543	13,881
Excluded exposures			
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with points (c) and (ca) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) 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)	(9)	(10)
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-

Template EU LR2 - LRCom: Leverage ratio common disclosure (4 of 5)

		CRR leverage ratio exposures	
		a	b
		31/12/2025	30/06/2025
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Excluded exposures to shareholders according to Article 429a(1), point (da) CRR)	-	-
EU-22l	(Exposures deducted in accordance with point (q) of Article 429a(1) CRR)	-	-
EU-22m	(Total exempted exposures)	(9)	(10)
Capital and total exposure measure			
23	Tier 1 capital	10,740	10,488
24	Total exposure measure	204,304	214,804
Leverage ratio			
25	Leverage ratio (%)	5.26%	4.88%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	5.26%	4.88%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	5.26%	4.88%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-
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%

Template EU LR2 - LRCom: Leverage ratio common disclosure (5 of 5)

		CRR leverage ratio exposures	
		a	b
		31/12/2025	30/06/2025
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Transitional arrangement	Transitional arrangement
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	20,807	19,834
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	17,159	21,019
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)	207,953	213,620
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)	207,953	213,620
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)	5.16%	4.91%
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)	5.16%	4.91%

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

The template in question provides details of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures), used to calculate the total exposure measure, in application of Article 451(1)(b) of the CRR.

The total amount shown in row EU-1 is equal to the total on-balance-sheet exposures excluding SFT exposures, derivatives and cash variation margin receivables provided and excluded guaranteed parts in derivative transactions.

The predominant component is the banking book, in particular exposures treated as sovereigns and exposures to corporates.

In the second half of 2025, total on-balance sheet exposures decreased by 7,536 million, as a result of the reduction in almost all the components of the banking book, in particular mainly in the exposures treated as sovereigns (-6,367 million) and exposures to corporates (-6,253 million), in part offset by the increase in exposures secured by mortgages of immovable properties (+4,748 million) and other exposures (+1,605 million).

		a
		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	173,670
EU-2	Trading book exposures	3,539
EU-3	Banking book exposures, of which	170,130
EU-4	Covered bonds	587
EU-5	Exposures treated as sovereigns	51,271
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	1,034
EU-7	Institutions	7,561
EU-8	Secured by mortgages of immovable properties	34,256
EU-9	Retail exposures	11,361
EU-10	Corporates	36,519
EU-11	Exposures in default	1,321
EU-12	Other exposures (e.g. equity, securitisations and other non-credit obligation assets)	26,221

Table EU LRA - Disclosure of LR qualitative information

a) Description of the processes used to manage the risk of excessive leverage

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

Starting in June 2021, the institution is required to comply with the minimum requirement established by Article 92 of the CRR, or, if applicable, with the requirement set forth in Article 429a(7) of the CRR.

As the conditions envisaged in Article 429a(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.

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.

$$\text{Leverage ratio} = \frac{\text{TIER 1 Capital}}{\text{Total exposure measure}}$$

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

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, verifying consistency of the leverage ratio with the respective thresholds of the risk appetite framework¹⁸, 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.

b) Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers

For the details referred to in point (b), please refer to templates LR2 and LR3.

¹⁸ 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

Section 7 - Disclosure of liquidity requirements

Table EU LIQA - Liquidity risk management

in accordance with Article 451a(4) of the CRR

a) Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding

Liquidity risk means the risk that the Group is not able to meet its payment commitments, which are certain or envisaged with reasonable certainty.

Liquidity risk is usually broken down into two types of risk: funding and liquidity risk, namely the risk that the Group is unable, in the short-term (liquidity) and in the long-term (funding) to meet its payment commitments and its obligations in an efficient manner due to the inability to raise funds without prejudicing its core business activities and/or its financial situation; market liquidity risk, namely the risk that the Group is not able to liquidate an asset without incurring losses on the capital account due to the poor depth of the reference market and/or due to the timing with which the transaction must be performed.

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

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 1 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.

b) Structure and organisation of the liquidity risk management function (authority, statute, other arrangements)

The assignment of roles within the liquidity and funding management process is regulated by the "Regulation on liquidity, funding and ILAAP risk", which outlines the responsibilities of the Corporate Bodies (Board of Directors, Board of Statutory Auditors and Chief Executive Officer), the Company Functions (mainly those relating to the Chief Financial Officer and Chief Risk Officer areas) and the Management Committees (Internal Control and Risk Committee, Finance Committee and Risk Committee) that operate in synergy in order to guarantee a transversal vision in the management of the Group's liquidity profile.

In addition to the directly responsible functions, the Audit, Compliance and Internal Validation Functions are also involved in the liquidity and funding management process, with the role of assessing and verifying the process and compliance of models and metrics used to measure the risk, and the Area Chief Innovation Officer, who is responsible for managing the technological and application infrastructures for the governance, management, control and reporting processes relating to liquidity and funding risk, in order to guarantee their robustness.

c) Description of the degree of centralisation of liquidity management and interaction between the group's units

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.

d) Scope and nature of liquidity risk reporting and measurement systems

The Group measures and monitors exposure to liquidity and funding risk with regard to the current and future risk profile, in normal conditions and in stressed conditions.

More specifically, the Group uses a monitoring system that includes both short-term liquidity indicators (a time horizon from intraday to twelve months) and medium/long-term ones (beyond twelve months). To this end, regulatory metrics are also used (regulatory schedule that includes LCR, NSFR, ALMM) and metrics developed internally which include, for example: survival period, gap ratio, indicators of funding concentration and indicators that measure the asset encumbrance level. The internally developed metrics include the use of models to estimate behavioural parameters and/or optional parameters specific to the characteristics of Banco BPM Group, with a view to integrating the regulatory metrics in terms of frequency or the scope of the analysis.

Liquidity risk monitoring and control is conducted both on a daily basis (short-term liquidity) and on a monthly basis (medium/long-term liquidity) and has the objective to monitor changes in the liquidity and funding risk profile, verifying its adequacy with respect to regulatory limits, the Risk Appetite Framework and the internal operating limits envisaged.

In addition, the Group periodically carries out intraday, short-term static and dynamic stress tests on the medium/long-term funding profile.

The adequacy of the Group's risk profile is assessed, monitored and reported to the relevant Committees, Bodies and functions on an ongoing basis. In fact, the Group has a reporting system intended to provide evidence of the monitoring activity and its measurement, guaranteeing prompt reporting with regard to the Group's exposure to liquidity and funding risk.

e) Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants

The monitoring of liquidity and funding risk aims to ensure the Group's financial equilibrium in the short and medium/long-term, in line with regulatory limits and internally defined limits, and is implemented in the management of:

- intraday and short-term liquidity, to ensure the ability to meet expected or unexpected cash payment commitments, also through efficient collateral management;
- collateral, aimed at optimising the Group's funding and lending activities (both short and medium/long-term), minimising the risks of asset refinancing (market liquidity risk), while pursuing profit and cost containment objectives;
- medium and long-term liquidity (funding), aimed at ensuring the Group's financial equilibrium by maintaining an adequate ratio between medium and long-term liabilities and assets and guaranteeing proper diversification of funding sources in terms of types of products, counterparties, markets, currencies and maturities;
- asset encumbrance and the risk associated with the portion of encumbered assets, aimed at ensuring adequate availability of unencumbered assets.

Monitoring and reporting activities are carried out continuously in order to verify the adequacy of the risk profile and, when required, to proceed with the activation of the envisaged escalation processes as governed by the Liquidity Contingency Plan¹⁹.

In the case of operating limits, the parties responsible for taking the decisions made necessary from the same being exceeded must either arrange for their return to compliance as quickly as possible (or through a gradual process, indicating the timing involved) or authorise their exceeding.

f) Outline of the bank's contingency funding plans

The Committees, Bodies and corporate functions responsible for liquidity risk must be able not only to carry out risk management and monitoring activities under normal operating conditions, but also to effectively deal with any negative scenarios. In these cases, the risk is represented by internal or external causes that may expose the Group to the sudden need to increase funding or to replace maturing funding or to the sudden reduction in available liquidity. A structured management of these situations allows the Group to prevent the situation from worsening while limiting the economic impacts of the measures implemented.

To this end, the Group has adopted rules for the management of any difficult situations. The objective of the Liquidity Contingency Plan is to safeguard the Group's stability during the initial phases of a state of liquidity stress to prevent further deterioration.

The Group's Liquidity Contingency Plan:

- identifies the indicators to be monitored on an ongoing basis in order to anticipate the arising of possible critical liquidity management situations;
- regulates the procedures for monitoring and communicating anomalous situations (exceeding criticality thresholds) with regard to the activation of the reporting processes and of the liquidity stress management;
- outlines the main action plans that can be implemented by the Bodies, Committees and corporate functions responsible for activating the Liquidity Contingency Plan with clear identification of roles and responsibilities (escalation);
- provides for a periodic update of the planned actions together with the estimate of the liquidity that can be generated by them (back-up liquidity estimates), the time necessary to achieve it (time to cash), the economic impact to be incurred to carry them out and the probability of execution of the same;
- assigns specific responsibilities to those responsible for crisis management who, in emergency conditions, must be able to act in a timely manner;
- provides for the communication of emergency measures carried out by the management responsible for crisis management and their ratification by the Corporate Bodies.

The contingency actions indicated in the contingency plan are also periodically assessed in terms of effectiveness with respect to short-term static stress tests and estimated in terms of: obtainable liquidity (back-up liquidity estimates), time to achieve it (time to cash), probability of

¹⁹ Protocol aimed at managing the Group's liquidity profile in contingency conditions, with particular reference to:

- ✓ the objectives, processes and intervention strategies applicable in the aforementioned conditions
- ✓ the roles and responsibilities of the structures, Committees and Bodies involved in the LCP
- ✓ the risk indicators necessary for the configuration of difficulty or emergency situations, with the related trigger points

implementation under stress conditions, economic impact to be incurred to activate the actions identified.

Liquidity management in an extremely serious situation such as to induce the Body with Strategic Supervision Functions to decide whether to declare a state of crisis is regulated by the Group Recovery Plan.

g) Explanation of how stress testing is used

The stress testing exercises allow the Group to assess its future exposure to risks and, consequently, to verify the potential impacts in economic and financial terms. The objective is, therefore, to identify possible vulnerabilities of the Group and to be able to take appropriate managerial actions that make it possible to deal with adverse, but plausible, events.

The Group stress testing framework defines the type, complexity and level of detail of stress testing methodologies, in line with the Group's strategy and business model, taking into account the macroeconomic cycle trend. The scenario framework and the stress testing framework are an integral part of the Group's overall risk management framework. Stress tests support the various decisions and operational processes, as well as strategic planning, including capital and liquidity planning.

The Group's stress testing exercises have their origin in the Risk Identification process. It is part of the risk governance, management and control system and represents the starting point, among others, of processes such as: the RAF, the ICAAP, the ILAAP, the strategic plan, and the Recovery Plan.

In the ILAAP context, the Group periodically carries out three types of stress tests: intraday, short-term static and medium-long term dynamic. medium/long-term stress tests are carried out to verify the feasibility of the funding plan and the prospective vulnerabilities of the liquidity and funding risk profiles. The following tests are in addition to the aforementioned stress test types:

- **reverse stress test**, as a risk management tool used to improve awareness of current and potential vulnerabilities with respect to specific risk factors; the reverse stress test makes it possible to understand the degree of severity of a stress scenario by setting an extreme severity level;
- **sensitivities**, which measure the potential impact of a specific risk factor or a subset of risk factors; sensitivity analyses evolve over time and their scope may vary based on needs and interest in specific risk factors.

h) Declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy

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 conducts an annual self-assessment, called Liquidity Adequacy Statement, on 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.

- i) **Concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures (other than those already covered in the EU LIQ1 template under this ITS) providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body.**

These ratios may include:

- **concentration limits on collateral pools and sources of funding (both products and counterparties)**
- **customised measurement tools or metrics that assess the structure of the bank's balance sheet or that project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to that bank**
- **liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity**
- **balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps**

Please refer to point (a) of the OVA table.

The assessment of the solidity of the BPM Group's liquidity and funding position takes place on an ongoing basis and is reported to the relevant Committees, Bodies and functions.

Prepared annually as part of the ILAAP and approved by the Corporate Bodies, the Liquidity Adequacy Statement (LAS) also includes the main self-assessment conclusions on the liquidity solidity, from both a quantitative and qualitative perspective, under both current and forward-looking conditions, and in both normal and adverse scenarios.

Template EU LIQ1 - Quantitative information of LCR (1 of 3)

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

In compliance with the regulatory provisions (Article 451a (2) CRR), for each of the four quarters, the template 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 (2 of 3)

		a	b	c	d
		Total unweighted value (average)			
EU 1a	Quarter ending on 31/12/2025	31/12/2025	30/09/2025	30/06/2025	31/03/2025
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:	70,170	69,975	69,684	69,598
3	Stable deposits	52,011	51,994	51,952	51,970
4	Less stable deposits	18,128	17,949	17,701	17,596
5	Unsecured wholesale funding	32,590	31,212	30,182	29,849
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	7,902	7,875	7,747	7,784
7	Non-operational deposits (all counterparties)	24,356	23,049	22,167	21,751
8	Unsecured debt	332	287	269	314
9	Secured wholesale funding				
10	Additional requirements	14,176	14,208	13,937	13,542
11	Outflows related to derivative exposures and other collateral requirements	1,190	1,328	1,359	1,280
12	Outflows related to loss of funding on debt products	-	-	-	
13	Credit and liquidity facilities	12,986	12,880	12,579	12,262
14	Other contractual funding obligations	1,230	979	694	461
15	Other contingent funding obligations	44,485	43,775	42,821	41,895
16	TOTAL CASH OUTFLOWS				
CASH INFLOWS					
17	Secured lending (e.g. reverse repos)	8,591	7,842	7,427	6,195
18	Inflows from fully performing exposures	1,663	1,629	1,697	1,764
19	Other cash inflows	13,558	13,598	13,508	13,264
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	23,812	23,070	22,631	21,224
EU-20a	Fully exempt inflows	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-
EU-20c	Inflows subject to 75% cap	21,931	21,156	19,893	17,998
TOTAL ADJUSTED VALUE					
EU-21	LIQUIDITY BUFFER				
22	TOTAL NET CASH OUTFLOWS				
23	LIQUIDITY COVERAGE RATIO				

Template EU LIQ1 - Quantitative information of LCR (3 of 3)

		e	f	g	h
		Total weighted value (average)			
EU 1a	Quarter ending on 31/12/2025	31/12/2025	30/09/2025	30/06/2025	31/03/2025
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)	29,602	28,381	27,287	26,821
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	4,935	4,911	4,875	4,866
3	Stable deposits	2,601	2,600	2,598	2,598
4	Less stable deposits	2,303	2,280	2,247	2,235
5	Unsecured wholesale funding	13,707	12,966	12,498	12,284
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	1,857	1,845	1,815	1,827
7	Non-operational deposits (all counterparties)	11,519	10,834	10,415	10,144
8	Unsecured debt	332	287	269	314
9	Secured wholesale funding	728	721	636	571
10	Additional requirements	3,526	3,587	3,505	3,356
11	Outflows related to derivative exposures and other collateral requirements	1,190	1,328	1,359	1,280
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	2,337	2,259	2,146	2,076
14	Other contractual funding obligations	125	92	81	88
15	Other contingent funding obligations	2,024	2,002	1,971	1,945
16	TOTAL CASH OUTFLOWS	25,046	24,279	23,566	23,110
CASH INFLOWS					
17	Secured lending (e.g. reverse repos)	488	331	346	404
18	Inflows from fully performing exposures	1,165	1,123	1,182	1,242
19	Other cash inflows	3,149	3,135	3,026	2,918
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	4,802	4,589	4,553	4,564
EU-20a	Fully exempt inflows	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-
EU-20c	Inflows subject to 75% cap	4,802	4,589	4,553	4,564
TOTAL ADJUSTED VALUE					
EU-21	LIQUIDITY BUFFER	29,602	28,381	27,287	26,821
22	TOTAL NET CASH OUTFLOWS	20,244	19,690	19,013	18,546
23	LIQUIDITY COVERAGE RATIO	146.25%	144.10%	143.73%	145.00%

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

in accordance with Article 451a(2) CRR

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 146% (12-month average, as at 31/12/2025), well above the minimum regulatory requirement of 100%. This level was supported by the efficient management of liquidity buffers and the orientation towards stable forms of funding. The LCR average trend over 12 months is substantially stable and reflects the stability of the Group's liquidity profile.

The components that contribute to the calculation of net liquidity outflows consist mainly of wholesale and retail deposits as well as the potential drawdowns of irrevocable credit lines.

b) Explanations on the changes in the LCR over time

During the fourth quarter of 2025, no changes were made in the representation of the LCR indicator, calculated in accordance with Commission Delegated Regulation (EU) 2015/61 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.

To mitigate concentration risk, the Group constantly monitors the management and regulatory concentration metrics.

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 December 2025, a 12-month average level of high-quality liquid assets available of 29.6 billion (weighted value).

As at 31 December 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 94% of the total liquidity buffer.

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).

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, the 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 regulatory 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 institution.

The Banco BPM Group periodically monitors foreign currency exposure, with a prudential operational threshold of 4%. As at 31 December 2025, the Group had no significant exposures in foreign currencies and the internal operational limit was 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 fulfil its payment obligations during the day, both under normal business conditions and under stress conditions.

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.

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.

The intraday liquidity risk is measured on a monthly basis through the monitoring of five indicators inspired by the Monitoring Tools defined by BCBS²⁰ 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.

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.

²⁰ See "Basel Committee on Banking Supervision - Monitoring tools for intraday liquidity management - April 2013"

Template EU LIQ2 - Net Stable Funding Ratio (1 of 3) - 31/12/2025

The Net Stable Funding Ratio - NSFR is a structural liquidity regulatory indicator, aimed at measuring the ratio between stable sources of funding and long-term funding requirements.

Introduced into the European regulatory framework by Regulation (EU) 2019/876 (CRR II), the NSFR represents a prudential requirement with a 100% floor, starting from June 2021. The regulation also defines the methods for calculating the indicator, in line with the provisions for the Liquidity Coverage Ratio (LCR).

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

The following templates show the main components of the NSFR of the Banco BPM Group as at 31 December 2025, 30 September 2025, 30 June 2025 and 31 March 2025, in accordance with Article 451a (3) of the CRR.

As at 31 December 2025, the NSFR indicator was well above both the minimum regulatory requirement of 100%, and the internal threshold defined as part of the Group's Risk Appetite Framework. The NSFR evolution during the year is mainly influenced by trends related to commercial activity.

More specifically, in the short-term, the sources of funding are composed primarily of customer deposits, mostly retail, stable and diversified. In the medium to long-term, a significant contribution is made by own funds and debt securities in issue.

The stable funding requirements are composed predominantly of loans disbursed to customers and the less liquid components of the balance sheet (e.g. non-HQLA securities and other balance sheet components, e.g. fixed assets).

On the other hand, consistent with the significant availability of liquid assets highlighted by the LCR, short-term funding in repurchase agreements, deposits at central banks and HQLA securities do not determine equally material funding requirements based on the fact that they are highly liquid assets.

Template EU LIQ2 - Net Stable Funding Ratio (2 of 3) - 31/12/2025

		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) items						
1	Capital items and instruments	14,347	-	-	1,914	16,261
2	Own funds	14,347	-	-	1,914	16,261
3	Other capital instruments		-	-	-	-
4	Retail deposits		71,386	195	3,535	70,591
5	Stable deposits		52,662	-	-	50,029
6	Less stable deposits		18,724	195	3,535	20,562
7	Wholesale funding:		65,237	3,773	15,026	32,748
8	Operational deposits		9,250	-	-	4,625
9	Other wholesale funding		55,986	3,773	15,026	28,123
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	29	8,405	63	1,269	1,301
12	NSFR derivative liabilities	29				
13	All other liabilities and capital instruments not included in the above categories		8,405	63	1,269	1,301
14	Total available stable funding (ASF) as at 31/12/2025					

Template EU LIQ2 - Net Stable Funding Ratio (3 of 3) - 31/12/2025

		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Required stable funding (RSF) items						
15	Total high-quality liquid assets (HQLA)					1,766
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	6,962	5,918
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		33,144	7,652	70,816	68,497
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		10,733	-	-	-
19	Performing securities financing transactions with financial customers collateralised by other assets and loans and advances to financial institutions		3,356	459	4,552	5,094
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns and PSEs, of which:		11,372	5,960	35,195	37,605
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		1,724	1,734	7,919	6,901
22	Performing residential mortgages, of which:		668	814	19,882	14,849
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		619	746	18,068	13,202
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		7,016	418	11,188	10,949
25	Interdependent assets		-	-	-	-
26	Other assets:	3,043	50	16,704	17,518	
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	722	-	33	642	
29	NSFR derivative assets	-				-
30	NSFR derivative liabilities before deduction of variation margin posted	621				31
31	All other assets not included in the above categories	1,699	50	16,671	16,845	
32	Off-balance sheet items	3,896	1,229	11,273	1,485	
33	Total RSF as at 31/12/2025					95,184
34	Net Stable Funding Ratio (%) as at 31/12/2025					127.02%

Template EU LIQ2 - Net Stable Funding Ratio (1 of 2) - 30/09/2025

		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) items						
1	Capital items and instruments	14,173	-	-	2,026	16,199
2	Own funds	14,173	-	-	2,026	16,199
3	Other capital instruments		-	-	-	-
4	Retail deposits		71,303	123	3,726	70,619
5	Stable deposits		52,198	-	-	49,588
6	Less stable deposits		19,105	123	3,726	21,031
7	Wholesale funding:		69,880	3,900	15,348	32,085
8	Operational deposits		6,549	-	-	3,275
9	Other wholesale funding		63,331	3,900	15,348	28,811
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	14,555	68	1,212	1,245
12	NSFR derivative liabilities	-				
13	All other liabilities and capital instruments not included in the above categories		14,555	68	1,212	1,245
14	Total available stable funding (ASF) as at 30/09/2025					

Template EU LIQ2 - Net Stable Funding Ratio (2 of 2) - 30/09/2025

		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Required stable funding (RSF) items						
15	Total high-quality liquid assets (HQLA)					1,846
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	6,924	5,886
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		35,529	7,293	68,647	66,431
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		12,819	-	-	5
19	Performing securities financing transactions with financial customers collateralised by other assets and loans and advances to financial institutions		3,654	494	3,766	4,354
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns and PSEs, of which:		11,380	5,772	34,819	37,083
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		1,775	1,857	7,950	7,007
22	Performing residential mortgages, of which:		678	814	19,779	14,926
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		625	743	17,888	13,200
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		6,999	212	10,284	10,062
25	Interdependent assets		-	-	-	-
26	Other assets:		5,923	52	17,784	18,640
27	Physical traded commodities					-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		817	-	29	719
29	NSFR derivative assets		16			16
30	NSFR derivative liabilities before deduction of variation margin posted		596			30
31	All other assets not included in the above categories		4,494	52	17,755	17,875
32	Off-balance sheet items		5,292	1,233	10,772	1,488
33	Total RSF as at 30/09/2025					94,291
34	Net Stable Funding Ratio (%) as at 30/09/2025					127.42%

Template EU LIQ2 - Net Stable Funding Ratio (1 of 2) - 30/06/2025

		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) items						
1	Capital items and instruments	14,098	-	-	1,400	15,498
2	Own funds	14,098	-	-	1,400	15,498
3	Other capital instruments		-	-	-	-
4	Retail deposits		70,888	376	3,397	70,127
5	Stable deposits		51,839	-	-	49,247
6	Less stable deposits		19,050	376	3,397	20,880
7	Wholesale funding:		64,846	4,115	18,562	35,410
8	Operational deposits		7,855	-	-	3,928
9	Other wholesale funding		56,991	4,115	18,562	31,482
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	101	16,663	69	1,241	1,275
12	NSFR derivative liabilities	101				
13	All other liabilities and capital instruments not included in the above categories		16,663	69	1,241	1,275
14	Total available stable funding (ASF) as at 30/06/2025					

Template EU LIQ2 - Net Stable Funding Ratio (2 of 2) - 30/06/2025

		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Required stable funding (RSF) items						
15	Total high-quality liquid assets (HQLA)					1,613
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	9,001	7,651
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		31,728	7,722	67,438	65,971
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		9,002	-	-	5
19	Performing securities financing transactions with financial customers collateralised by other assets and loans and advances to financial institutions		3,451	695	3,967	4,647
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns and PSEs, of which:		11,289	5,685	35,841	37,866
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		1,738	1,869	7,767	6,875
22	Performing residential mortgages, of which:		667	808	17,656	13,515
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		615	738	15,708	11,740
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		7,319	533	9,974	9,937
25	Interdependent assets		-	-	-	-
26	Other assets:		7,413	52	18,731	19,667
27	Physical traded commodities					-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		849	-	7	728
29	NSFR derivative assets		41			41
30	NSFR derivative liabilities before deduction of variation margin posted		663			33
31	All other assets not included in the above categories		5,860	52	18,724	18,865
32	Off-balance sheet items		4,302	1,333	11,476	1,565
33	Total RSF as at 30/06/2025					96,466
34	Net Stable Funding Ratio (%) as at 30/06/2025					126.79%

Template EU LIQ2 - Net Stable Funding Ratio (1 of 2) - 31/03/2025

		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) items						
1	Capital items and instruments	13,601	-	-	1,709	15,310
2	Own funds	13,601	-	-	1,709	15,310
3	Other capital instruments		-	-	-	-
4	Retail deposits		69,445	863	3,376	69,234
5	Stable deposits		51,604	-	-	49,023
6	Less stable deposits		17,842	863	3,376	20,211
7	Wholesale funding:		67,349	4,397	17,769	34,630
8	Operational deposits		8,806	-	-	4,403
9	Other wholesale funding		58,543	4,397	17,769	30,227
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	94	12,871	65	1,099	1,132
12	NSFR derivative liabilities	94				
13	All other liabilities and capital instruments not included in the above categories		12,871	65	1,099	1,132
14	Total available stable funding (ASF) as at 31/03/2025					

Template EU LIQ2 - Net Stable Funding Ratio (2 of 2) - 31/03/2025

		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Required stable funding (RSF) items						
15	Total high-quality liquid assets (HQLA)					1,428
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	8,772	7,456
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		28,499	8,440	67,772	67,329
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		4,408	-	-	-
19	Performing securities financing transactions with financial customers collateralised by other assets and loans and advances to financial institutions		3,588	956	5,427	6,262
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns and PSEs, of which:		12,507	6,106	35,603	38,470
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		1,792	1,962	8,060	7,140
22	Performing residential mortgages, of which:		671	807	17,584	13,421
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		615	734	15,857	11,828
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		7,325	572	9,159	9,176
25	Interdependent assets		-	-	-	-
26	Other assets:		6,622	48	18,558	19,522
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		973	-	8	834
29	NSFR derivative assets		-			-
30	NSFR derivative liabilities before deduction of variation margin posted		576			29
31	All other assets not included in the above categories		5,073	48	18,551	18,660
32	Off-balance sheet items		4,013	1,686	10,949	1,564
33	Total RSF as at 31/03/2025					97,299
34	Net Stable Funding Ratio (%) as at 31/03/2025					123.65%

Section 8 - Disclosure of credit risk quality

Table EU CRA - General qualitative information about credit risk

a) In the concise risk statement in accordance with point (f) of Article 435(1) CRR, how the business model translates into the components of the institution's credit risk profile

Please refer to point (a) of the OVA table.

b) When discussing their strategies and processes to manage credit risk and the policies for hedging and mitigating that risk in accordance with points (a) and (d) of Article 435(1) CRR, the criteria and approach used for defining the credit risk management policy and for setting credit risk limits

Credit risk is the risk that a debtor of the Group (including counterparties in financial transactions involving over-the-counter derivatives - which in this case more specifically involves counterparty credit risk, for which please refer to the specific section on Counterparty Credit Risk) does not comply with their obligations, entirely or partially, or that their credit standing deteriorates.

Concentration risk is closely connected to credit risk, and derives from exposure to counterparties, groups of associated counterparties, or counterparties in the same economic sector or which carry out the same business, or are located in the same geographic area.

With regard to guarantees, the residual risk is managed in relation to the possibility that generally accepted techniques to mitigate credit risk used by banks may be less effective than expected.

Internal regulations have been envisaged to handle this risk, which govern the processes of acquisition, finalisation and management of guarantees in a standardised way throughout the entire Group.

The assessment of possible losses that could be incurred by the Group with regard to a single credit exposure or the total loan portfolio depends upon many factors, including the general economic conditions or those of specific production sectors, the change in the rating of single counterparties, structural and technological changes within borrowing companies, a deterioration in the competitive position of counterparties, the possible mismanagement of companies or borrowing counterparties, the growing indebtedness of households, as well as structural macroeconomic factors and other external factors, such as legal and regulatory requirements applicable to this matter.

Group credit policies

Banco BPM Group pursues credit policy objectives that seek to:

- support the growth of the business activities operating in its market territories, with a strong customer-relationship focus on small and medium-sized companies and on households;
- diversify its portfolio, limiting loan concentration on single counterparties/groups and on single sectors of economic activity or geographical areas above all in particularly adverse economic scenarios;
- apply a homogeneous credit management model, based on internal IT and regulatory rules, methodologies, processes and procedures that have been standardised for all Group banks.

The loan portfolio monitoring, carried out by the Parent Company's Credit Function, is focused on the performance analysis of the risk profile of economic sectors, geographical areas, customer segments and types of granted credit lines, as well as on other analysed spheres of action,

allowing the definition of possible corrective actions at central level. Reports produced are submitted periodically for the attention of the Parent Company's collective bodies.

The organisational model of the Group with respect to its lending activity complies with the following principles:

- the Parent Company guarantees a consistent management, planning, coordination and control of the credit process and of the associated risks for the Group banks and companies, by defining policies, procedures and processes, roles and responsibilities, assessment criteria, adequate organisational, operational, IT and training tools and making sure that they are properly adopted;
- the banks and operating companies of the Group autonomously (i.e. within the set limits established by the Parent Company) assess and approve the loans they grant directly, and retain the ownership of the relationships and of the related profit and risk components.

With the aim of optimising credit quality and minimising global credit risk costs for the Group and the individual companies, under the organisational model, the Parent Company's Credit Function is in charge of guiding, coordinating and controlling credit policies.

To actually implement the Group credit model, the Parent Company:

- defines Group credit policies in keeping with the strategies, risk appetite and economic objectives specified by the Governance Bodies, with the aim of guiding the overall size, risk profile and diversification of the loan portfolio;
- determines the principles and rules for assigning decision-making responsibilities and credit authorities, taking the most significant credit decisions;
- prepares line controls and risk management controls, carrying out monitoring on overall loan portfolio trends;
- defines "country risk" limits.

With respect to the procedures to assess creditworthiness, and the approval and management of positions, each lending company adopts its own structure of decision-making bodies and defines the delegated powers to authorise loans, in keeping with the guidelines issued by the Parent Company.

Within the context of the Group, guidelines are established relative to the assumption of credit risk, in order to avoid excessive concentration, limit potential losses and guarantee credit quality. In particular, when credit is granted, the Parent Company serves to guide, govern and support the Group through:

- lending rules, regulating credit risk assumption procedures with respect to customers in the approval phase as well as in the lending formalisation phase;
- the lending ceiling, that is, the global limit for loans that Group companies can grant to larger risk groups;
- the formulation of "prior approvals" on the total amount of loans that can be granted to a single customer or a group of customers borrowing from the Group.

A careful assessment of creditworthiness is carried out also for institutional counterparties (banks and investment banks), in particular with regard to financial transactions (trading of derivatives and money market instruments, lending, investments in bonds).

The key principles underlying the management of risk originating from these counterparties, as indicated above, are as follows:

- centralisation of the lending process in the Parent Company;
- internal system for the assignment and periodic review of ratings (in addition to those issued by international agencies);
- systems that measure and control credit exposure and compliance with limits on a daily basis;
- minimisation of the risk generated by OTC derivative contracts by making extensive use of risk mitigation mechanisms (Credit Support Annex agreements with all main counterparties).

Management and control processes and instruments

Banco BPM Group makes use of a detailed combination of tools to monitor trends in the quality of the loan portfolio, which also includes internal ratings. These latter are calculated using differentiated models, estimated specifically by customer segment (large corporate, mid corporate plus, mid corporate, small business and private customers).

The rating, together with other parameters underlying the Risk Weighted Assets (RWA) calculation, contributes to the resolution of the competent decision-making body for the approval of loans and helps guide the decisions of loan managers when classifying positions based on their performance.

Rating plays a key role in loan granting, monitoring and management. When specific cases occur, the Rating Desk organisational unit must examine the positions and decide whether to change the rating ("override" process).

As to the internal lending limits of Banco BPM Group, in addition to the compliance with risk concentration limits defined by supervisory regulations, whenever a pre-set loan threshold is exceeded in case of major customers, the Group Credit Function must approve maximum ceiling or the Parent Company's competent boards must express their decision thereon.

The Parent Company also decides the country classification and the Group's maximum exposure level for each country.

Coverage and mitigation policies

Banco BPM Group gives particular attention to the acquisition of loan collateral and securities, i.e. the use of tools and techniques that mitigate credit risk.

When deemed necessary, the typical bank guarantees are acquired, namely mortgages on properties, collaterals on securities, guarantees with authorised entities, in addition to personal guarantees issued by the guarantors.

In general, the decision on the acquisition of a guarantee is based on the customer's creditworthiness and on the characteristics of the transaction.

The system for the recording of collateral property for loan transactions, which also allows for periodically revaluing the property, has been strengthened.

The value of financial collateral is constantly and automatically monitored, so as to compare the present value of the guarantee to the initial one, and to allow the manager to act in time in case the guarantee suffers from a significant impairment loss.

With regard to derivative transactions with market counterparties, we favour entities with which we have entered into agreements requiring the provision of collateral, especially ISDA - Credit Support Annex, to obtain a significant credit risk mitigation.

For more information on collateral management, see section 9 and 13.

c) When informing on the structure and organisation of the risk management function in accordance with point (b) of Article 435(1) CRR, the structure and organisation of the credit risk management and control function

Main management and control structures

The Parent Company's Credit Function defines credit rules which must be followed by the companies in the Group and formulates, in line with the economic strategies and objectives approved by the Parent Company Board of Directors, the relative credit policies with the aim of guiding the overall size, classification and diversification of the Group's loan portfolio, with the goal of minimising the cost of credit. The Credit Function is also responsible for monitoring and managing the Group's problem loan portfolio. In particular, the Monitoring and Prevention unit supports the commercial network in the proactive management of customers with signs of deteriorating trends, identifying needs and sharing the most appropriate credit interventions.

For "large customers" of the Group, the Function suggests reliability ceilings to be submitted for approval to the relevant decision-making bodies and expresses an obligatory but non-binding "preventive opinion" on the maximum amount of loans which can be granted to customers with exposures exceeding pre-established thresholds.

Within the Credit Function, the Rating Desk is tasked with examining and assessing possible changes to ratings on positions that could be contradictory and refers to the Risk Function for an analysis and possible measures on the rating models.

Risk Models & Methodologies involves the Credit Risk Function for the management and control of credit risk, through the following areas:

- Credit Risk Models: have the objective to develop and maintain the methods, models and metrics for the measurement of credit risks, with particular reference to the internal models for the calculation (i) of the risk factors (PD, LGD, EAD); as well as (ii) the credit risk according to a managerial approach (credit-VaR): these models are intended to (i) calculate the minimum capital requirements on an individual and consolidated basis in compliance with that authorised, from time to time, by the Supervisory Body; as well as (ii) calculate the internal capital in accordance with Basel Pillar 2;
- Credit Risk Measurement and Control: has the task of measuring, monitoring and controlling absorption of capital against credit risk, from a regulatory (Pillar 1 of Basel III) and managerial standpoint (Pillar 2 of Basel III), also with reference to the exposure limits defined from time to time. It also works together with the competent company structures for calculating the weighted assets for the risk for the entire loan portfolio as well as in order to estimate the Full Fair Value of performing mortgages and loans that incorporates PD and LGD risk measures.

d) When informing on the authority, status and other arrangements for the risk management function in accordance with point (b) of Article 435(1) CRR, the relationships between credit risk management, risk control, compliance and internal audit functions

Please refer to point (c) of this CRA table and point (b) of the OVA table.

Table EU CRB - Additional disclosure related to the credit quality of assets

in accordance with Article 442 (a) and (b) of the CRR

a) The scope and definitions of 'past-due' and 'impaired' exposures used for accounting purposes and the differences, if any, between the definitions of past due and default for accounting and regulatory purposes as specified by the EBA Guidelines on the application of the definition of default in accordance with Article 178 CRR

Non-performing Banco BPM Group exposures are classified for accounting purposes into the following categories, in line with the prudential supervisory regulations:

- non-performing past due and/or overdue exposures: these are exposures which at the reference date have continuously exceeded the relevance threshold for more than 90 days which, under the new definition of default, is calculated by considering the simultaneous existence of a situation in which the "absolute" threshold has been exceeded (sum at customer level of past due or overdue amounts equal to 100 euro for "Retail" customers and 500 euro for customers belonging to other segments) and where the "relative" threshold has been exceeded equal to 1% of the total overdue amount with respect to the total balance, irrespective of the customer segment, based on the rules in the Supervisory instructions which regulate the technical calculation methods in a detailed manner;
- unlikely to pay: these are exposures for which the Bank believes it is unlikely that the debtor will fully fulfil their obligations (principal and interest) without changing the repayment profile or using actions such as enforcement of guarantees;
- bad loans: these are exposures regarding loans to customers who are insolvent, even if not legally ascertained, relative to which targeted loan collection actions are carried out, total or partial (for principal and interest).

b) The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this

With reference to the Banco BPM Group, the case described is not applicable.

c) Description of methods used for determining general and specific credit risk adjustments

Exposures classified as "performing"

As from 1 January 2018, the Banco BPM Group has adopted IFRS 9 for the calculation of value adjustments relating to performing exposures.

For the purposes of the inclusion of forward-looking information, proprietary sector satellite models developed in-house by the Bank are used.

Regarding the AIRB parameters, on which the performing loan measurement model for financial statements purposes is based, note that from March 2021, the Regulator authorised the Bank to use a more updated IRB framework with the introduction into the various areas of application (regulatory and operational) of new PD, LGD and EAD parameters for retail and corporate customers. The effects of these new parameters, which moreover incorporate the new regulatory definition of default (EBA/GL/2016/07) and anticipate a range of aspects regarding the EBA guidelines on the estimation of PD, LGD and downturn (respectively EBA/GL/2017/16 and EBA/GL/2019/03), are therefore also considered in the expected non-performing exposure loss calculation framework for financial statements purposes.

In addition, as of May 2024, the Bank has incorporated the use of the Slotting Criteria on specialised lending exposures originated and managed by structured finance into its systems for calculating impairment losses on performing exposures.

Also note that, when preparing the financial statements as at 31 December 2025, it was deemed appropriate to apply a number of "post model adjustments/management overlays" with respect to the process for calculating value adjustments to performing exposures where it was considered that the estimation models in use were not able to adequately capture certain risk factors relevant for the expected loss calculation. These post model adjustments/management overlays, which in fact almost completely eliminate the positive economic impacts that would have otherwise been recognised, strengthen the Group's ability to absorb any negative macroeconomic effects considering the significant factors of uncertainty existing at the reporting date as at 31 December 2025.

The transitional nature of the "post-model adjustments/management overlays" remains valid, in addition to the consideration that the results deriving from the expected credit loss calculation models are influenced by macroeconomic scenarios that are largely dependent on phenomena that are not fully consolidated and in any case still subject to extreme variability and uncertainty.

For an illustration of the new macroeconomic scenarios incorporated into the calculation of value adjustments to performing exposures for financial statements purposes and for the sensitivity analyses produced, reference should be made to the Consolidated Annual Financial Report, paragraph "Methods for measuring IFRS 9 expected losses for financial reporting purposes" contained in "Part E – Information on risks and related hedging policies" of the Notes.

Non-performing exposures

The collective methodology is applied to:

- Bad loans with a nominal amount exposure of less than 1 million euro at the time of classification under bad loans;
- Unlikely to Pay (UTP) and, starting from 31 December 2024, past due defaulted exposures with a nominal amount of less than 1 million euro.

In June 2025, the bank completed the project to revise the model adopted for the quantification of value adjustments relating to exposures with a nominal amount of less than 1 million euro, integrated the point-in-time and forward-looking effects deriving from macroeconomic scenarios through the application of the satellite LGD templates.

The positions with exposure exceeding one million euro are assessed analytically by managers, based on specific decision-making trees aimed at identifying the most appropriate methodology for measuring loss forecasts. In the event the methodology defined is of the "going concern" kind, the recovery forecasts are estimated on the basis of the counterparty's future income flows. On the other hand, if the methodology is of the "gone concern" kind, the recovery forecasts are estimated on the basis of the presence and value of the guarantees and/or recovery curves guided by the characteristics of the individual position.

Following the application of accounting standard IFRS 9, from 1 January 2018, the calculation of value adjustments for financial statements purposes includes forward-looking elements. This is done through the introduction of specific sales scenarios in which the Group's non-performing loan management strategy sets forth that the recovery of the aforementioned exposures may also occur through disposal on the market, with the aim of pursuing a derisking strategy to decrease the NPE ratio, i.e. the percentage impact of non-performing exposures with respect to total exposures.

In line with the disposal objectives as defined from time to time by the Board of Directors, the Group's exposures classified under the non-performing loan status are measured by configuring two different estimates of expected cash flows:

- the first is determined by assuming a reference scenario in which the credit collection derives from activities developed directly by the bank and/or through external credit recovery companies (work out scenario);
- the second is determined by assuming a reference scenario involving credit collection through its disposal (sales scenario).

Estimates of recoverable amounts are therefore equal to the weighted average of the probabilities assigned to the two scenarios used to estimate cash flows the Group expects to receive from the scenarios.

For more details on the impairment model, please refer to the explanatory notes to the financial statements included in the Consolidated Annual Financial Report.

d) The institution's own definition of a restructured exposure used for the implementation of point (d) of Article 178(3) CRR specified by the EBA Guidelines on default in accordance with Article 178 CRR when different from the definition of forborne exposure defined in Annex V to Commission Implementing Regulation (EU) 680/2014

The definition of restructured exposure used by the Group is consistent with the definition of forborne exposure.

Template EU CR1 - Performing and non-performing exposures and related provisions (1 of 2)

The CR1 template, in accordance with Article 442 (c) of the CRR, provides information on the amount and quality of performing and non-performing exposures for loans, debt securities and off-balance sheet exposures, including their related accumulated impairment, provisions, negative fair value changes due to credit risk and amounts of collateral and financial guarantees received.

		a	b	c	d	e	f	g	h	i
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		Performing exposures		Non-performing exposures				Performing exposures - accumulated impairment and provisions		
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2
005	Cash balances at central banks and other demand deposits	5,910	5,910	-	-	-	-	-	-	-
010	Loans and advances	102,675	94,036	8,002	2,444	-	2,236	(455)	(98)	(355)
020	Central banks	1	1	-	-	-	-	-	-	-
030	General governments	1,848	1,840	6	1	-	1	(5)	(4)	0
040	Credit institutions	2,802	2,743	59	-	-	-	(1)	(1)	0
050	Other financial corporations	11,794	11,049	324	81	-	81	(21)	(8)	(13)
060	Non-financial corporations	53,956	47,406	6,370	1,858	-	1,655	(371)	(76)	(293)
070	Of which SMEs	27,056	23,713	3,280	1,345	-	1,230	(243)	(44)	(199)
080	Households	32,273	30,997	1,242	504	-	499	(57)	(9)	(48)
090	Debt securities	45,891	45,763	105	800	-	772	(11)	(7)	(4)
100	Central banks	-	-	-	-	-	-	-	-	-
110	General governments	37,598	37,592	1	-	-	-	(2)	(2)	0
120	Credit institutions	3,745	3,710	35	15	-	-	(3)	(2)	0
130	Other financial corporations	2,870	2,828	22	779	-	772	(5)	(2)	(3)
140	Non-financial corporations	1,678	1,632	46	5	-	-	(1)	(1)	0
150	Off-balance sheet exposures	67,436	48,446	1,449	624	-	280	(26)	(7)	(11)
160	Central banks	-	-	-	-	-	-	-	-	-
170	General governments	2,168	1,991	151	0	-	0	0	0	0
180	Credit institutions	2,751	1,768	110	-	-	-	0	0	0
190	Other financial corporations	10,514	4,068	59	1	-	0	(2)	(1)	(1)
200	Non-financial corporations	48,134	38,443	1,072	615	-	276	(19)	(5)	(7)
210	Households	3,869	2,176	58	8	-	4	(4)	(1)	(3)
220	Total	221,913	194,154	9,556	3,868	-	3,289	(492)	(112)	(370)

Template EU CR1 - Performing and non-performing exposures and related provisions (2 of 2)

		j	k	l	m	n	o
		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	Collateral and financial guarantees received	
		Non-performing exposures - accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 2	Of which stage 3			
005	Cash balances at central banks and other demand deposits	-	-	-		-	-
010	Loans and advances	(1,114)	-	(1,025)	(47)	64,217	916
020	Central banks	-	-	-	-	-	-
030	General governments	(1)	-	(1)	-	166	-
040	Credit institutions	-	-	-	-	1,154	-
050	Other financial corporations	(21)	-	(21)	-	6,035	9
060	Non-financial corporations	(876)	-	(789)	(47)	26,269	645
070	Of which SMEs	(680)	-	(593)	(37)	17,176	523
080	Households	(216)	-	(214)	-	30,594	263
090	Debt securities	(35)	-	(7)	-	123	765
100	Central banks	-	-	-	-	-	-
110	General governments	-	-	-	-	-	-
120	Credit institutions	(15)	-	-	-	-	-
130	Other financial corporations	(14)	-	(7)	-	123	765
140	Non-financial corporations	(5)	-	-	-	-	-
150	Off-balance sheet exposures	(78)	-	(20)		7,948	11
160	Central banks	-	-	-		-	-
170	General governments	0	-	0		0	-
180	Credit institutions	-	-	-		595	-
190	Other financial corporations	0	-	0		5,671	-
200	Non-financial corporations	(76)	-	(19)		1,265	10
210	Households	(1)	-	(1)		417	2
220	Total	(1,226)	-	(1,052)	(47)	72,289	1,693

Template EU CR1-A - Maturity of exposures

Template CR1-A, in accordance with Article 442 (g) of the CRR, shows the breakdown of loans and debt securities according to residual maturity.

		a	b	c	d	e	f
		Net exposure value					
		On request	≤ 1 year	> 1 year ≤ 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	14,897	12,592	30,511	45,544	8	103,551
2	Debt securities	4	2,982	16,463	27,198	-	46,646
3	Total	14,900	15,574	46,974	72,742	8	150,197

Template EU CR2 - Changes in the stock of non-performing loans and advances

Template CR2, in accordance with Article 442 (f) of the CRR, shows the changes in the gross amount of on and off-balance sheet defaulted exposures, information on the opening and closing balances, the gross amount of any exposure returned to performing status or subject to impairment.

		a
		Gross carrying amount
010	Initial stock of non-performing loans and advances	3,223
020	Inflows to non-performing portfolios	809
030	Outflows from non-performing portfolios	(1,588)
040	Outflows due to write-offs	(361)
050	Outflow due to other situations	(1,228)
060	Final stock of non-performing loans and advances	2,444

Template EU CQ1 - Credit quality of forborne exposures

Template CQ1, in accordance with Article 442 (c) of the CRR, provides information on the amount and quality of forborne exposures for loans, debt securities and off-balance sheet exposures, including their related accumulated impairment, provisions, negative fair value changes due to credit risk and amounts of collateral and financial guarantees received.

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	1,224	876	876	686	(99)	(361)	1,177	354
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	0	0	0	0	0	0	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	10	13	13	13	(1)	(9)	11	3
060	Non-financial corporations	956	698	698	509	(87)	(294)	825	246
070	Households	257	165	165	165	(10)	(57)	341	105
080	Debt securities	-	-	-	-	-	-	-	-
090	Loan commitments given	15	16	16	16	(1)	(1)	1	0
100	Total	1,238	892	892	702	(99)	(362)	1,178	354

Template EU CQ3 - Credit quality of performing and non-performing exposures by past due days

Template CQ3, in accordance with Article 442 (d) of the CRR, reports information on the accounting of past-due, performing and non-performing exposures, based on past due days.

		a	b	c	d	e	f	g	h	i	j	k	l	
		Gross carrying amount/nominal amount												
		Performing exposures			Non-performing exposures									
						Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted	
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days											
005	Cash balances at central banks and other demand deposits	5,910	5,910	-	-	-	-	-	-	-	-	-	-	
010	Loans and advances	102,675	102,480	196	2,444	798	187	458	487	445	19	50	2,444	
020	Central banks	1	1	-	-	-	-	-	-	-	-	-	-	
030	General governments	1,848	1,848	0	1	1	-	0	-	0	0	-	1	
040	Credit institutions	2,802	2,802	-	-	-	-	-	-	-	-	-	-	
050	Other financial corporations	11,794	11,794	0	81	59	5	0	3	14	0	0	81	
060	Non-financial corporations	53,956	53,900	55	1,858	566	130	374	409	339	8	32	1,858	
070	Of which SMEs	27,056	27,003	53	1,345	351	102	252	285	327	7	22	1,345	
080	Households	32,273	32,134	140	504	172	52	83	76	92	11	18	504	
090	Debt securities	45,891	45,891	-	800	792	-	-	-	8	-	-	800	
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	
110	General governments	37,598	37,598	-	-	-	-	-	-	-	-	-	-	
120	Credit institutions	3,745	3,745	-	15	15	-	-	-	-	-	-	15	
130	Other financial corporations	2,870	2,870	-	779	777	-	-	-	2	-	-	779	
140	Non-financial corporations	1,678	1,678	-	5	-	-	-	-	5	-	-	5	
150	Off-balance sheet exposures	67,436			624								624	
160	Central banks	-			-								-	
170	General governments	2,168			0								0	
180	Credit institutions	2,751			-								-	
190	Other financial corporations	10,514			1								1	
200	Non-financial corporations	48,134			615								615	
210	Households	3,869			8								8	
220	Total	221,913	154,281	196	3,868	1,590	187	458	487	453	19	50	3,868	

Template EU CQ4 - Quality of non-performing exposures by geography

Template CQ4, in accordance with Article 442 (c) and (e) of the CRR, shows the gross carrying amounts of defaulted and non-defaulted exposures (loans, debt securities and off-balance sheet exposures), the accumulated specific and general credit risk adjustments, the accumulated write-offs taken against those exposures, as well as their distribution by geographical area.

		a	b	c	d	e	f	g
		Gross carrying amount/nominal amount				Accumulated impairment	Provisions for off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing	Of which defaulted	Of which subject to impairment			
010	On-balance sheet exposures	157,721	3,244	3,244	156,924	(1,509)		(105)
020	Italy	125,276	3,235	3,235	124,523	(1,492)		(105)
070	Rest of the world	32,444	9	9	32,401	(17)		-
080	Off-balance sheet exposures	68,060	624	624			104	
090	Italy	62,811	624	624			103	
140	Rest of the world	5,250	1	1			1	
150	Total	225,781	3,868	3,868	156,924	(1,509)	104	(105)

Template EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry

Template CQ5, in accordance with Article 442 (c) and (e) of the CRR, shows the gross carrying amounts of defaulted and non-defaulted exposures (loans, debt securities and off-balance sheet exposures), the accumulated write-offs taken against those exposures, as well as their distribution by sector of economic activity.

		a	b	c	d	e	f
		Gross carrying amount			Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing	Of which defaulted			
010	Agriculture, forestry and fishing	1,727	48	48	1,727	(27)	-
020	Mining and quarrying	166	17	17	166	(7)	-
030	Manufacturing	18,589	658	658	18,575	(388)	(2)
040	Electricity, gas, steam and air conditioning supply	1,610	8	8	1,610	(13)	-
050	Water supply	832	18	18	832	(14)	-
060	Construction	4,789	287	287	4,789	(229)	-
070	Wholesale and retail trade	8,376	321	321	8,357	(209)	(15)
080	Transport and storage	2,302	42	42	2,302	(35)	-
090	Accommodation and food services	2,191	53	53	2,188	(34)	-
100	Information and communication	1,863	47	47	1,863	(36)	-
110	Financial and insurance activities	445	0	0	412	(4)	-
120	Real estate activities	4,857	240	240	4,637	(73)	(57)
130	Professional, scientific and technical activities	4,698	63	63	4,686	(60)	(2)
140	Administrative and support service activities	1,654	29	29	1,654	(20)	-
150	Public administration and defence, compulsory social security	10	-	-	10	0	-
160	Education	118	2	2	118	(1)	-
170	Human health services and social work activities	854	11	11	854	(9)	-
180	Arts, entertainment and recreation	487	5	5	487	(4)	-
190	Other services	245	9	9	245	(5)	-
200	Total	55,814	1,858	1,858	55,515	(1,170)	(77)

Template EU CQ7 - Collateral obtained by taking possession and execution processes

The CQ7 template, in accordance with Article 442 (c) of the CRR, provides information on the value at the time of initial recognition and on the accumulated impairment, in relation to the guarantees obtained by acquiring ownership.

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	63	(44)
020	Other than PP&E	698	(385)
030	<i>Residential immovable property</i>	23	(12)
040	<i>Commercial immovable property</i>	646	(366)
050	<i>Movable property (auto, shipping, etc.)</i>	-	-
060	<i>Equity and debt instruments</i>	16	(7)
070	<i>Other collateral</i>	14	-
080	Total	761	(429)

Section 9 - Disclosure of credit risk mitigation techniques

Table EU CRC - Qualitative disclosure requirements related to CRM techniques

a) A description of the core features of the policies and processes for on- and off-balance sheet netting and an indication of the extent to which institutions make use of balance sheet netting (Article 453 (a) CRR)

The Banco BPM Group can carry out transactions to hedge exposures through credit derivatives, stipulated with national and international counterparties of excellent standing.

With reference to its activities in derivatives with institutional counterparties, the Group has also adopted, in line with best market practices, ISDA agreements supported by Credit Support Annexes (CSAs) to mitigate counterparty risk.

b) The core features of policies and processes for eligible collateral evaluation and management (Article 453 (b) CRR)

The texts of guarantees adopted are legally valid insofar as they are prepared on the basis of standard models developed by the Bank's Legal Function or prepared ad hoc by the same function (or by designated external attorneys) for transactions that are not standard. Consequently, the contracts give the bank a full and enforceable right in court which allows the liquidation, or preservation, of assets which provide protection in the event of the debtor's insolvency or bankruptcy or other credit events envisaged in the documentation relative to the individual transaction. The standard contractual texts are constantly updated to ensure their compliance with the governing regulations at the time.

Once the transaction has been completed, the contracts are archived centrally and the information set relating to the guarantee asset necessary for management, reporting and financial statement purposes is recorded in the specific relevant applications.

Monitoring guarantees

In order to continuously monitor the integrity and capacity of acquired guarantees, as well as to comply with the regulatory requirement of adequate oversight and determine the value of risk mitigation to include when calculating capital requirements, the value of financial and mortgage collateral is updated over time.

In particular, for properties used as guarantee, specific rules for updating values using statistical methods have been established.

Following statistical revaluations, assets which meet conditions for updating the relative appraisal are identified. Additionally, in compliance with the EBA Guidelines, periodic reviews of appraisals are also required for properties exceeding pre-established thresholds.

Relative to pledges, the following is required:

- initial acquisition of the value of the pledge when the loan is disbursed, based on its market value adjusted by a prudential haircut (percentage of the value of the security used as guarantee) and differentiated based on the type and risk level of the underlying security;
- daily update of the market value of securities pledged, including the prudential haircut applied as a function of the type and riskiness of the security, with automatic notification of actions to update the guarantee in the case its value falls below the pre-established thresholds for the coverage parameters envisaged.

c) A description of the main types of collateral taken by the institution to mitigate credit risk (Article 453 (c) CRR)

Techniques used to mitigate credit risk include accessory contracts or other instruments and techniques which Banco BPM Group acquires in its execution of its banking business, aimed at reducing credit risk.

The main types of collateral used by Banco BPM Group can be summarised within the macro-categories indicated below:

- mortgages on properties (residential and commercial);
- pledges on cash, securities and mutual funds deposited with the Bank;
- pledges on insurance policies;
- pledges on goods;
- pledges on cash/securities deposited with third parties;
- mortgages on registered moveable assets.

The first two types of guarantees represent the majority of collateral acquired and comply with the technical/legal/organisational requirements indicated under the regulatory provisions for the application of the rules established for credit risk mitigation.

For the above mentioned macro-categories of collateral, there are:

- IT procedures which cover all aspects associated with management of these guarantees (acquisition, valuation, revaluation, management, repayment/enforcement);
- internal regulations for all involved organisational structures (network and central structures), governing the roles and responsibilities and providing both regulatory and technical/operational support indications.

At the time the guarantees are acquired:

- in order to ensure constant and uniform monitoring of the guarantee acquisition and preservation process, the responsibility for finalising the mortgage collateral and pledges is attributed to specialist support structures, which are separate from those granting and managing loans.
- these structures are assigned specific verifications with reference to the accuracy and completeness of the contractual documentation of the guarantees, as well as to the correct entry of the data in the procedure and document archiving.
- the value of collateral consisting of financial instruments is acquired automatically and continuously updated on a daily basis. The value thus acquired is compared to the guaranteed commitment through specific haircuts determined centrally based on the liquidity of the instrument and its volatility.
- for real estate guarantees, the process involves verifications, by means of a specific technical-legal investigation, including with reference to compliance with the types of properties accepted as guarantee and insurance protection against the risk of damage.

The value for security purposes of real estate guarantees is certified by obtaining appraisals from independent experts accredited in accordance with the reference regulations. The quality of the appraisals is verified by a separate structure with respect to those for granting and managing loans.

To ensure standardisation in the estimates methodological approach, as well as for transparency purposes, the forms for preparing the appraisals and the estimation methods used to determine the value of the properties are compliant with ABI (Italian Banking Association) Guidelines.

With specific reference to the real estate guarantees for the portfolio assessed using the standard approach, in the preliminary phase of granting the loan, it is verified whether the property's value depends to a significant extent on the debtor's creditworthiness and, similarly, if the risk of the debtor depends to a significant extent on the performance of the real estate project or underlying properties, rather than on the debtor's ability to repay the loan from other sources; hence, it is ascertained that the repayment of the debt does not depend to a significant extent on the cash flows generated by the properties used as guarantee.

d) For guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purposes of reducing capital requirements, excluding those used as part of synthetic securitisation structures (Article 453 (d) CRR)

In recent years, the use of contractual guarantees has grown, i.e. through Guarantee Entities with state participation, in reference to new loans and advances granted in response to the Covid-19 emergency health crisis (Italian Legislative Decree of 8 April 2020 converted into Italian Law on 5 June 2020 with a public guarantee from the Small and Medium Enterprises Management Fund and/or Sace) and/or to tackle the energy crisis (Italian Legislative Decree of 17 May 2022 converted into Italian Law on 15 July 2022, known as the "Aiuti [Aid] Decree Law") and/or to support the transition to energy sustainability (SACE GREEN NEW DEAL).

Personal guarantees are considered admissible in the presence of a legal commitment assumed explicitly by a third party to fulfil an obligation towards the Bank in the event of failure by the principal to fulfil it.

Personal guarantees must be direct, their amount and extent must be clearly defined and incontrovertible and they must not contain any clause whose fulfilment is beyond the direct control of the Bank or which may allow the guarantor to unilaterally cancel the guarantee granted.

e) Information about market or credit risk concentrations within the credit mitigation taken (Article 453 (e) CRR)

Real estate collateral constitutes the largest part of instruments used to mitigate credit risk. The structure of the Group's loan portfolio for the most part consists of loans to private customers and small and medium-sized enterprises. This favours the limitation of concentration, also in the context of risk mitigation tools.

Changes in real estate values are analysed periodically, in order to measure their value retention.

Template EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

Template CR3, in accordance with Article 453 (f) of the CRR, shows the value of the total exposure covered and not covered by eligible credit protection, separately for loans and debt securities.

		Unsecured carrying amount	Secured carrying amount			
			Of which secured by collateral	Of which secured by financial guarantees		Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	44,327	65,134	48,190	16,943	2
2	Debt securities	45,758	888	-	888	
3	Total	90,085	66,022	48,190	17,832	2
4	Of which non-performing exposures	415	1,681	446	1,235	-
EU-5	Of which defaulted	415	1,681			

Section 10 - Disclosure of credit risk SA

Table EU CRD - Qualitative disclosure requirements related to standardised approach

a) Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) nominated by the institution, and the reasons for any changes over the disclosure period (Article 444 (a) CRR)

List of ECAIs (External Credit Assessment Institutions) and ECAs (Export Credit Agencies) used as part of the standardised approach, as well as of the portfolios to which the relative ratings are applied.

Portfolios	ECA/ECAI	Rating Characteristics (Solicited/Unsolicited)
Exposures to Central Governments and Central Banks	Moody's	Solicited
	Standard & Poor's	
	Fitch	
Exposures to international organisations	Moody's	Solicited
	Standard & Poor's	
	Fitch	
Exposures to multilateral development banks	Moody's	Solicited
	Standard & Poor's	
	Fitch	
Exposures to corporates and others	Moody's	Solicited
	Standard & Poor's	
	Fitch	
	Cerved	Unsolicited
Exposures to undertakings for collective investment in transferable securities (UCITS)	Moody's	Solicited
	Standard & Poor's	
	Fitch	

Portfolios	ECA/ECAI
Securitisation exposures	Moody's
	Standard & Poor's
	Fitch
	Scope
	DBRS

b) The exposure classes for which each ECAI or ECA is used (Article 444 (b) CRR)

Please refer to point (a) of this CRD table.

c) A description of the process used to transfer the issuer and issue credit ratings onto comparable assets items not included in the trading book (Article 444 (c) CRR)

The process for assessing the creditworthiness of the issuer/issue requires transposing the available information supplied by external providers for counterparties/securities, irrespective of the presence and type of business of the banking book (e.g., exposures in banking book securities, mortgage loans, etc.) and the nature of the security. In the case of common customers, this information is subsequently disseminated to all of the Group's entities, in order to standardise the assessment of creditworthiness and subsequent weighting.

If there are assessments from more than one ECAI, the capital requirements calculation software (B3PRO) determines the creditworthiness assessment to be used for reporting purposes in compliance with the regulatory indications envisaged in Regulation (EU) no. 575/2013. Specifically, as required by Article 138, if there are two assessments, the rating relative to the highest weighting factor is assigned. If there are more than two assessments, the ratings corresponding to the lowest weighting factors are selected, and of these, if different, the highest weighting factor applies.

d) The association of the external rating of each nominated ECAI or ECA (as referred to in row (a)) with the risk weights that correspond with the credit quality steps as set out in Chapter 2 of Title II of Part Three CRR (except where the institution complies with the standard association published by the EBA) (Article 444 (d) CRR)

With reference to the association of the external rating of each nominated ECAI or export credit agency with the credit quality steps, it should be noted that the mapping adopted is that defined by Commission Implementing Regulation (EU) 2024/1872²¹.

²¹ The regulation issued on 1 July 2024 amends the implementing technical standards laid down in Implementing Regulation (EU) 2016/1799 as regards the mapping tables specifying the correspondence between the credit risk assessments of external credit assessment institutions and the credit quality steps set out in Regulation (EU) no. 575/2013 of the European Parliament and of the Council

Template EU CR4 - Standardised approach - Credit risk exposure and CRM effects (1 of 2)

Template CR4 shows the exposures subject to standardised credit risk and the related RWAs, according to the provisions of Article 453 (g), (h) and (i) and Article 444 (e) of the CRR.

Specifically, the exposures are presented:

- **before CCF and before CRM**, namely without the effects of risk mitigation techniques resulting from the presence of collateral or personal guarantees and without the application of credit conversion factors on off-balance sheet exposures;
- **post CCF and post CRM**, namely considering the effects of risk mitigation techniques that are implemented in the presence of collateral or personal guarantees and applying credit conversion factors on off-balance sheet exposures. It should be noted that, through the application of the CRM, the effects of the transfer of exposures from the secured portfolio to the guarantor's portfolio may be recorded, also with transfers from portfolios with IRB treatment to Standard portfolios. The effect of the transfers can be observed, for example, in the class of central governments, where the on-balance sheet exposure post CRM recorded an increase of 13,210 million compared to the exposure before CRM.

This information is detailed by exposure class.

Template EU CR4 - Standardised approach - Credit risk exposure and CRM effects (2 of 2)

	Exposure classes	Exposures before CCF and before CRM		Exposure post CCF and post CRM		RWAs and RWAs density	
		On-balance sheet exposures	Off-balance sheet exposures	On-balance sheet exposures	Off-balance sheet exposures	RWEAs	RWEA density (%)
		a	b	c	d	e	f
1	Central governments or central banks	49,775	107	62,985	857	2,570	4.03%
2	Non-central government public sector entities	1,034	1,933	921	621	516	33.46%
EU 2a	Regional governments and local authorities	252	545	278	213	87	17.66%
EU 2b	Public sector entities	782	1,388	643	408	429	40.85%
3	Multilateral development banks	413	-	419	0	-	-
3a	International organisations	182	211	182	0	-	-
4	Institutions	7,222	2,199	7,193	306	2,191	29.21%
5	Covered bonds	587	-	587	-	59	10.00%
6	Corporates	4,145	3,554	3,479	705	3,474	83.04%
6.1	Of which: Specialised Lending	22	4	10	1	10	89.65%
7	Subordinated debt exposures and equity	3,184	9	3,184	4	4,446	139.46%
EU 7a	Subordinated debt exposures	293	9	293	4	445	150.00%
EU 7b	Equity	2,892	-	2,892	-	4,002	138.38%
8	Retail	896	2,675	461	21	350	72.68%
9	Secured by mortgages on immovable property and ADC exposures	312	61	312	10	208	64.73%
9.1	Secured by mortgages on residential immovable property - non IPRE	78	-	78	-	20	25.23%
9.2	Secured by mortgages on residential immovable property - IPRE	17	20	17	-	23	131.70%
9.3	Secured by mortgages on commercial immovable property - non IPRE	174	18	174	7	115	63.39%
9.4	Secured by mortgages on commercial immovable property - IPRE	29	16	29	-	26	89.25%
9.5	Acquisition, Development and Construction (ADC)	14	8	14	3	26	150.00%
10	Exposures in default	67	57	63	54	145	123.56%
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
EU 10b	Collective investment undertakings (CIU)	2,597	696	2,596	408	2,982	99.25%
EU 10c	Other items	4,067	-	4,067	-	3,191	78.46%
11	Not applicable						
12	TOTAL	74,482	11,502	86,449	2,987	20,133	22.51%

The incidence of collateral and personal guarantees (calculated on the amount of exposures before CCF and before CRM) is also shown below, by standard exposure classes.

	Exposure classes	Personal guarantees	Percentage of personal guarantees	Collateral	Percentage of collateral
1	Central governments or central banks	-	0%	-	0%
2	Non-central government public sector entities	241	8%	-	0%
EU 2a	Regional governments and local authorities	-	0%	-	0%
EU 2b	Public sector entities	241	11%	-	0%
3	Multilateral development banks	-	0%	-	0%
3a	International organisations	-	0%	-	0%
4	Institutions	37	0%	70,854	86%
5	Covered bonds	-	0%	-	0%
6	Corporates	1,170	13%	1,435	16%
6.1	Of which: Specialised Lending	12	46%	-	0%
7	Subordinated debt exposures and equity	-	0%	-	0%
EU 7a	Subordinated debt exposures	-	0%	-	0%
EU 7b	Equity	-	0%	-	0%
8	Retail	12	0%	586	16%
9	Secured by mortgages on immovable property and ADC exposures	-	0%	-	0%
9.1	Secured by mortgages on residential immovable property - non IPRE	-	0%	0	1%
9.2	Secured by mortgages on residential immovable property - IPRE	-	0%	-	0%
9.3	Secured by mortgages on commercial immovable property - non IPRE	-	0%	0	0%
9.4	Secured by mortgages on commercial immovable property - IPRE	-	0%	0	0%
9.5	Acquisition, Development and Construction (ADC)	-	0%	-	0%
10	Exposures in default	4	3%	-	0%
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	0%	-	0%
EU 10b	Collective investment undertakings (CIU)	22	1%	631	15%
EU 10c	Other items	-	0%	-	0%
12	TOTAL	1,486	1%	73,508	46%

Template EU CR5 - Standardised approach (1 of 3)

Template CR5 shows the exposure classes subject to credit risk, treated with the standardised approach, distributed according to the weighting factor, in accordance with the disclosure of Article 444 (e) of the CRR.

	Exposure classes	Risk weight								
		0%	2%	4%	10%	20%	30%	35%	40%	45%
		a	b	c	d	e	f	g	h	i
1	Central governments or central banks	61,894	-	-	70	152	-	-	-	-
2	Non-central government public sector entities	193	-	-	-	961	-	-	-	-
EU 2a	Regional governments and local authorities	57	-	-	-	434	-	-	-	-
EU 2b	Public sector entities	136	-	-	-	526	-	-	-	-
3	Multilateral development banks	419	-	-	-	-	-	-	-	-
EU 3a	International organisations	182	-	-	-	-	-	-	-	-
4	Institutions	0	1,073	-	-	2,035	2,828	16	103	-
5	Covered bonds	-	-	-	587	-	-	-	-	-
6	Corporates	-	-	-	-	93	-	-	-	-
6.1	Of which: Specialised Lending	-	-	-	-	-	-	-	-	-
7	Subordinated debt exposures and equity	114	-	-	-	-	-	-	-	-
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-	-	-
EU 7b	Equity	114	-	-	-	-	-	-	-	-
8	Retail exposures	-	-	-	-	-	-	-	-	-
9	Secured by mortgages on immovable property and ADC exposures	-	-	-	-	70	2	1	-	0
9.1	Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	70	-	-	-	-
9.1.1	no loan splitting applied	-	-	-	-	-	-	-	-	-
9.1.2	loan splitting applied (secured)	-	-	-	-	70	-	-	-	-
9.1.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-
9.2	Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	2	1	-	0
9.3	Secured by mortgages on commercial immovable property - non IPRE	-	-	-	-	-	-	-	-	-
9.3.1	no loan splitting applied	-	-	-	-	-	-	-	-	-
9.3.2	loan splitting applied (secured)	-	-	-	-	-	-	-	-	-
9.3.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-
9.4	Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-	-	-	-
9.5	Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
EU 10b	Collective investment undertakings (CIU)	365	-	-	-	27	10	-	-	-
EU 10c	Other items	874	-	-	-	2	-	-	-	-
11	Not applicable									
EU 11c	TOTAL	64,042	1,073	-	658	3,340	2,840	17	103	0

Template EU CR5 - Standardised approach (2 of 3)

	Exposure classes	Risk weight								
		50%	60%	70%	75%	80%	90%	100%	105%	110%
		j	k	l	m	n	o	p	q	r
1	Central governments or central banks	74	-	-	-	-	-	1,091	-	-
2	Non-central government public sector entities	129	-	-	-	-	-	259	-	-
EU 2a	Regional governments and local authorities	-	-	-	-	-	-	-	-	-
EU 2b	Public sector entities	129	-	-	-	-	-	259	-	-
3	Multilateral development banks	-	-	-	-	-	-	-	-	-
EU 3a	International organisations	-	-	-	-	-	-	-	-	-
4	Institutions	1,224	-	-	76	-	-	34	-	-
5	Covered bonds	-	-	-	-	-	-	-	-	-
6	Corporates	848	-	-	250	-	-	2,956	-	-
6.1	Of which: Specialised Lending	-	-	-	-	-	-	11	-	-
7	Subordinated debt exposures and equity	-	-	-	-	-	-	1,962	-	-
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-	-	-
EU 7b	Equity	-	-	-	-	-	-	1,962	-	-
8	Retail exposures	-	-	-	454	-	-	28	-	-
9	Secured by mortgages on immovable property and ADC exposures	-	152	-	8	-	0	29	-	-
9.1	Secured by mortgages on residential immovable property - non IPRE	-	-	-	6	-	-	1	-	-
9.1.1	no loan splitting applied	-	-	-	2	-	-	-	-	-
9.1.2	loan splitting applied (secured)	-	-	-	-	-	-	-	-	-
9.1.3	loan splitting applied (unsecured)	-	-	-	5	-	-	1	-	-
9.2	Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	-	-	-	-
9.3	Secured by mortgages on commercial immovable property - non IPRE	-	152	-	2	-	-	27	-	-
9.3.1	no loan splitting applied	-	-	-	1	-	-	19	-	-
9.3.2	loan splitting applied (secured)	-	152	-	-	-	-	-	-	-
9.3.3	loan splitting applied (unsecured)	-	-	-	1	-	-	8	-	-
9.4	Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	0	-	-	-
9.5	Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	62	-	-
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
EU 10b	Collective investment undertakings (CIU)	96	-	-	30	-	-	1,805	-	-
EU 10c	Other items	-	-	-	-	-	-	3,191	-	-
11	Not applicable									
EU 11c	TOTAL	2,371	152	-	817	-	0	11,418	-	-

Template EU CR5 - Standardised approach (3 of 3)

	Exposure classes	Risk weight							Total	Of which unrated
		130%	150%	250%	370%	400%	1250%	Other		
		s	t	u	v	w	x	y		aa
1	Central governments or central banks	-	-	562	-	-	-	-	63,842	16,541
2	Non-central government public sector entities	-	-	-	-	-	-	-	1,542	957
EU 2a	Regional governments and local authorities	-	-	-	-	-	-	-	492	431
EU 2b	Public sector entities	-	-	-	-	-	-	-	1,051	526
3	Multilateral development banks	-	-	-	-	-	-	-	419	419
EU 3a	International organisations	-	-	-	-	-	-	-	182	182
4	Institutions	-	109	-	-	-	-	-	7,499	2,784
5	Covered bonds	-	-	-	-	-	-	-	587	-
6	Corporates	-	36	-	-	-	-	-	4,184	2,823
6.1	Of which: Specialised Lending	-	-	-	-	-	-	-	11	11
7	Subordinated debt exposures and equity	-	297	816	-	-	-	-	3,188	2,951
EU 7a	Subordinated debt exposures	-	296	-	-	-	-	-	296	59
EU 7b	Equity	-	0	816	-	-	-	-	2,892	2,892
8	Retail exposures	-	-	-	-	-	-	-	482	450
9	Secured by mortgages on immovable property and ADC exposures	-	41	-	-	-	-	19	322	321
9.1	Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	-	-	-	78	76
9.1.1	no loan splitting applied	-	-	-	-	-	-	-	2	2
9.1.2	loan splitting applied (secured)	-	-	-	-	-	-	-	70	69
9.1.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	6	6
9.2	Secured by mortgages on residential immovable property - IPRE	-	15	-	-	-	-	-	17	17
9.3	Secured by mortgages on commercial immovable property - non IPRE	-	-	-	-	-	-	-	181	181
9.3.1	no loan splitting applied	-	-	-	-	-	-	-	20	20
9.3.2	loan splitting applied (secured)	-	-	-	-	-	-	-	152	152
9.3.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	9	9
9.4	Secured by mortgages on commercial immovable property - IPRE	-	9	-	-	-	-	19	29	29
9.5	Acquisition, Development and Construction (ADC)	-	17	-	-	-	-	-	17	17
10	Exposures in default	-	55	-	-	-	-	-	117	117
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
EU 10b	Collective investment undertakings (CIU)	-	309	-	-	-	16	346	3,004	2,282
EU 10c	Other items	-	-	-	-	-	-	-	4,067	4,067
11	Not applicable									
EU 11c	TOTAL	-	847	1,378	-	-	16	365	89,437	33,894

Section 11 - Disclosure of credit risk IRB

Table EU CRE - Qualitative disclosure requirements related to IRB approach

a) The competent authority's permission of the approach or approved transition. (Article 452 (a) CRR)

Following the merger between the former Banco Popolare Group and the former BPM Group, the European Supervisory Authority authorised the use of internal models according to the A-IRB (Advanced Internal Rating Based model) methodology, previously validated on the former Banco Popolare scope, also on the corresponding scope of the new Banco BPM Group to calculate the capital requirements up to 31 December 2017.

Following the ECB inspection process, on 16/02/2018, the Group received authorisation to adopt its internal risk management systems with extension to BPM S.p.A.

The validation scope consists of the assets attributable to the regulatory classes "credit exposures to corporates" and "retail credit exposures" (acceptance and monitoring models) of the Parent Company Banco BPM. As at 31 December 2025, the Banco BPM Group is authorised to use:

- five rating models, used to estimate the Probability of Default (PD), respectively for the counterparties segmented using the Large Corporate, Mid Corporate Plus, Mid Corporate, Small Business and Private rating models;
- three LGD models (LGD performing, ELBE and Defaulted Asset) for estimating the loss rate in the event of default of Corporate and Private counterparties, respectively;
- an EAD model in relation to the Private portfolio and a model relating to the Corporate scope.

During 2019, the Group developed a number of significant changes to the PD, LGD and EAD risk parameters, aimed above all at resolving IMI and TRIM obligations deriving from the two inspections of its ratings models, which led to the application of specific add-ons when calculating capital requirements. The changes made are incorporated in the regulatory context of Model Change and received approval from the ECB.

In addition to resolving the IMI and TRIM findings (respectively deriving from the authorisation letters of 16/02/2018 and of 25/04/2019), these Model Changes will allow for the removal of the corresponding add-ons after approval, as well as (i) address certain significant regulatory dictates regarding new EBA guidelines for estimating PD, LGD and Downturn; (ii) make it possible to calculate EAD through internal CCF for the corporate scope, also envisaged in the Group's roll-out plan.

May 2021 saw the conclusion of inspection IMI-4738, with receipt of the Final Decision from the Regulator. The application included the update of the IT systems, internal procedures and processes and risk parameters via technical calibration to the new definition of default in view of the entry into force of the relevant EBA guidelines (EBA/GL/2016/07). At the beginning of 2022, Banco BPM submitted a model change application (IMI 0180439) envisaging alignment of the models to the regulatory provisions deriving from the EBA guidelines²². The application was formalised with the receipt of the Final Decision on 15 December 2023, with the authorisation to use the new framework of internal models.

In addition, in May 2023 the Bank started the formal authorisation request process for the use of

²² EBA Guidelines on the development of PD and LGD models (EBA/GL/2017/16), estimation of downturn (EBA/GL/2019/03, but also EBA/RTS/2018/04) and Credit Risk Mitigation techniques (EBA/GL/2020/05)

the Slotting Criteria on Specialised Lending exposures (as per the provision of Article 147-8 of Regulation (EU) No. 575/2013) originated and managed by structured finance. At the same time, authorisation was requested to extend standardised A-IRB models to Specialised Lending exposures originated and managed by the commercial network.

The inspection process was concluded in the fourth quarter of 2023 and resulted in the receipt of the Final Decision on 17 May 2024. In this context, the June regulatory reporting included among the advanced models both the specialised lending treated with Slotting Criteria (if they originate from the Structured Finance business structure) and the lines relating to less complex transactions originated by the commercial network and managed using generalist A-IRB models. Specialised Lending exposures are divided into two different segments, Income Producing Real Estate and Project Finance, respectively.

During 2024, the A-IRB PD and LGD Corporate models (hereinafter Next Application Airb 25²³) were redeveloped in order to adapt them to the regulations deriving from Basel III finalised, the ECB guidelines (ECB guide to internal models), as well as to resolve the findings reported by the ECB in the last IML. This initiative led to an A-IRB model change application limited to the corporate segments carried out in July 2025 for which, now that the inspection activities have been completed, the Group is awaiting validation by the Regulator.

In the second half of 2025, the Bank also launched a project to revise the PD and LGD Retail risk parameters (hereinafter Next Application AIRB 26²⁴), with reference to the Small Business and Private segments, which pursues the same purposes indicated for activities on the Corporate portfolio. This project consists of a Pre-Application carried out in December 2025 to allow the addressing of the IML 0180439 obligations within the deadlines imposed by the ECB and the subsequent Application that will be finalised in the second half of 2026.

Banco BPM Group exposures by reporting approach

As at 31 December 2025, the EAD of the Banco BPM Group amounted to 182.6 billion euro, of which 94.5 billion treated under the standardised approach, 0.3 billion relating to contributions to the default fund of central counterparties, 76.3 billion under internal models (A-IRB, F-IRB, Supervisory Slotting Criteria) and 11.4 billion deriving from transactions treated according to the revised securitisation framework reported in Part III, Title II, Chapter 5 of EU Regulation 575/2013.

Three subsystems can be identified within the standardised area:

- “Roll-Out”, exposures subject to the progressive extension of the A-IRB approach;
- “PPU” (Permanent Partial Use), i.e. the exposure classes for which the Group can use the standardised approach;
- “Other”, i.e. exposures in other assets and Deferred Tax Assets (DTAs).

Below are EAD amounts²⁵ at the reporting date:

²³ NAA25 Framework

²⁴ NAA26 Framework

²⁵ Value of the exposure as per CoRep (sheets C07 column 200, C08.01 column 110, C13 column 200)

Perimeter	EAD	%
	€ billion	
IRB	76.3	41.8%
Standard	94.5	51.8%
Roll-Out	2.2	1.2%
PPU	86.6	47.5%
OTHER	5.7	3.1%
Default fund	0.3	0.2%
Securitisations	11.4	6.3%
Total	182.6	100.0%

The "Roll-Out" scope includes the types of exposure that the Banco BPM Group included in the application package sent to the Regulator on 26 January 2026 in relation to the extension of the internal models²⁶. In particular, they are divided into three macro-categories based on the timing envisaged for the extension:

- NAA25 (Next Application AIRB) framework which includes corporate counterparties falling under the following categories: SPVs, NewCos (established for less than 24 months and without valid financial statements), foreign companies and joint accounts between companies (at least one joint entity other than a natural person) for 1.1 billion euro;
- NAA26 (Next Application AIRB) framework, which instead includes the same types of exposure referring to retail counterparties for 0.03 billion;
- corporate and retail exposures managed by the legal entity Banca Aletti, credit cards and exposures to non-profit entities.

It should be noted that the Banco BPM Group has already sent an NAA25 application package in July 2025 and an NAA26 pre-application package in December 2025. The request for an extension for the residual Roll-Out exposures is instead expected to start from 2028.

b) The control mechanisms for rating systems at the different stages of model development, controls and changes, which shall include information on (Article 452 (c) CRR):

- i) the relationship between the risk management function and the internal audit function;**
- ii) the rating system review;**
- iii) the procedure to ensure the independence of the function in charge of reviewing the models from the functions responsible for the development of the models;**
- iv) the procedure to ensure the accountability of the functions in charge of developing and reviewing the models.**

A prerequisite for the adoption of internal risk measurement systems to calculate capital requirements is the presence of a process of validation and internal auditing of the rating systems, both at the stage of setting up these systems, with a view to obtaining authorisation from the

²⁶ As part of this communication, the types of exposures for which it is intended to maintain the PPU standardised approach based on Article 150 of the CRR were consistently indicated

Supervisory Authorities, and at the stage of continual management/maintenance of the same once authorisation has been obtained.

Within the Banco BPM Group, the Internal Validation Function, part of the staff of the Risk Function, is responsible for the validation processes of risk measurement and management systems. These activities are carried out, at least on a yearly basis and independently, by the Functions tasked with risk measurement and management and by the Function responsible for Internal Audit. The structure is responsible for continual and iterative validation activity related to the risk measurement and management systems, in order to assess their adequacy with respect to legislative requirements, corporate operating needs and those of the reference market. The results of its evaluations are presented to the Corporate Bodies in a specific report.

The Internal Audit activity provided for in the Supervisory Regulations is carried out by Banco BPM's Audit Function. With specific regard to credit risks, the structure audits the entire process of adoption and management of the internal measurement systems, according to methods and areas of responsibility defined by the corporate regulations and on the basis of a specific work plan.

The structure is tasked with assessing the functionality of the overall arrangement of the process of measuring, managing and controlling the Group's exposure to credit risks, including through periodic audits of the process of internal validation of the related models prepared under the terms of the prudential Supervisory Regulations.

At least on an annual basis, the Audit Function presents the results of its assessments in a specific report to the Corporate Bodies. The latter also includes a general risk assessment in line with the reference regulations, which constitutes the prerequisite for defining the periodic audit plan.

c) The role of the functions involved in the development, approval and subsequent changes of the credit risk models. (Article 452 (d) CRR)

The Group governs credit risk by assigning specific responsibilities to the Bodies, Functions and Committees of the Parent Company and its Subsidiaries, in line with its Internal Control System and on the basis of an organisational model that provides for the centralised control within the Parent Company to convey a consistent policy and governance when managing the risks.

To measure the different aspects and components of credit risk, the Group adopts models and metrics developed in accordance with supervisory regulations, with a view to guaranteeing the sound and prudent management of the risk positions assumed and to comply with regulatory requirements, also assessing the effect of changes in the scenario to which the loan portfolio is exposed.

The internal models adopted are based on a development and updating process consisting of a set of activities and procedures aimed at defining, initially or when later updated, the rating models applicable to credit exposures, i.e., statistical or empirical models designed to support the credit assessments made by the Banking Group Companies and to enable the capital requirements of the same against the risk of unexpected losses to be calculated. The periodic calibration of risk parameters is also part of the development process.

These models are subject to periodic backtesting and stress testing in order to guarantee that they are statistically robust and prudential. They are validated by an operational unit independent of the function responsible for their development, and are audited at least annually by the Audit function.

On an annual basis, analyses and activities are carried out with a view to calibrating the rating models in order to incorporate the most recent evidence relating to the default and loss rates observed for the credit counterparties.

The initial commissioning proposals, extensions, modifications and any disposals of the internal models used for regulatory purposes and, where substantial, the internal models used for management purposes for measuring credit risks are approved by the Board of Directors.

The Risk Function is the structure responsible for managing the rating models development and updating process. It is also responsible for keeping the models used for credit risk measurement updated over time, ensuring they are adequate and guaranteeing, through functional analyses, their consistency and compliance with the reference regulations and with the Group's business model.

The Internal Validation function is responsible, at the phase of initial commissioning and continuously, for validating the models and metrics used to measure credit risks, assessing the adequacy of the MoCs identified by the Risk function and evaluating the substantial or non-substantial modifications that exceed the materiality criteria established by Supervisory Regulations and that require express prior authorisation from the Supervisory Authority.

d) The scope and main content of the reporting related to credit risk models. (Article 452 (e) CRR)

Structure of internal rating systems (PD)

The rating models involved in the validation are intended to respond to a precise rationale, that of obtaining, for both reporting and management purposes, risk measures:

- capable of incorporating the fundamental drivers underlying creditworthiness of parties in relation to which the Group has or intends to assume loan exposures;
- relatively stable over time, so as to reflect, in each customer segment, the long-term expected riskiness of the Group's current and potential loan exposures;
- capable of preventing phenomena of uncontrolled growth of risk in positive cycle periods and, vice versa, of indiscriminate restriction of loans in negative cycle periods (countercyclicity).

In light of these objectives, advanced statistical techniques were used in the various stages of the estimation process (e.g. identification of the explanatory/predictive variables of default, integration of the scores, etc.) as well as calibration of the internal ratings.

The rating models were developed internally under the responsibility of the Risk Models & Methodologies unit. The various stages of development of the models were structured to provide for the active involvement — in order to facilitate consistency of the models with management practices — of all internal stakeholders, namely the Group's Credit Function, the Organisation Function, the Retail and Corporate Commercial Function, the Administration and Financial Statements Function and the Information Technology (IT) Function.

In the process of developing the models, statistical techniques were used to support the methodological choices with solid empirical evidence. In particular, the interpretability and economic-financial value of the indicators used in the context of the rating models were the subject of verification by the Risk Function during the estimation activity (i.e. economic as well as statistical significance of the indicators) and discussions in the context of the planning Workgroup (e.g. Credit, Internal Validation, Internal Audit Functions).

The statistical significance of the information was ascertained through appropriate analyses, which led to successive selections of the most significant indicators. This approach enabled the identification of the most significant information, avoiding the inclusion of redundant or superfluous information which would have increased its complexity, with no effective added value in terms of accuracy of the estimates produced.

The set of information used to estimate the rating models was defined with the objective of making the best use of the whole available database and was developed on the basis of the experience gained on the rating models previously estimated and of consistency with loan management practices, verified through the active collaboration of the competent Corporate Functions.

In particular, the historical series used in the estimation stage feature the greatest time depth available, and the development samples were selected to ensure the highest representativeness with respect to the Group's loan portfolio.

Structure of internal rating systems (LGD)

The internal models for calculating Loss Given Default (LGD) were developed with the objective of prioritising—in identifying the explanatory drivers of the estimates—consistency with the Group's lending processes.

The existing models are differentiated by exposure bands, type of technical macro-form, presence/absence of guarantee, administrative status of the counterparty (performing, past due, unlikely to pay and bad loans) and vintage for defaults.

These were estimated by analysing the losses suffered by the Group on historic defaults (LGD workout), with a definition of default consistent with that applied to PD estimation models.

In order to include the impacts deriving from recessive short-term periods in the LGD calculation structure, the downturn component is estimated on the basis of the type of portfolio being analysed.

As required by the EBA guidelines, a MoC (Margin of Conservatism) component was estimated to take into account additional conservatism margins.

Additionally, the model includes the estimate of indirect costs, i.e. administrative costs which are not directly attributable to the single procedure.

The new LGD defaulted asset models also make it possible to identify unexpected values of losses (or LGD DA), the difference of which from the best estimate of LGD (or LGD ELBE) makes it possible to calculate (by using a specific regulatory formula) the Risk Weighted Assets on defaults.

Structure of internal rating systems (EAD)

The Exposure at Default (EAD) parameter represents the expected credit exposure at the time of default and is given by the sum of the drawn portion and the undrawn portion of the credit line, appropriately adjusted by means of a Credit Conversion Factor (CCF), according to the following ratio:

$$\text{EAD} = \text{Drawn Exposure} + (\text{Undrawn Amount} \times \text{CCF})$$

For on-balance sheet exposures, the EAD parameter is represented, at each future payment date, by the remaining payable resulting from the repayment plan, plus any past due and/or unpaid instalments.

For off-balance sheet exposures, the EAD parameter is equal to the nominal value of the commitment weighted by the Credit Conversion Factor (CCF), determined on the basis of internal

models validated and appropriately calibrated only with reference to the revolving loans perimeter. For the remaining exposures, the CCF is determined according to the standardised approach.

The Banco BPM Group is authorised to use the two internal EAD models: an EAD model in relation to the Private portfolio and a model relating to the Corporate scope.

Use of the rating system for management purposes

The main characteristics of the rating system used in the process of granting, monitoring and managing loans, in pricing, in capital adequacy (Pillar 2) and in reporting are described briefly below.

Granting Loans

The allocation of credit authorities to the decision-making bodies of the Parent Company's functions and of the Banking Group's companies follows the principle that credit risk and evidence risk are expressed by the value of Risk-Weighted Assets (RWA), developed with calculation logics aligned with the methodologies envisaged by EU Regulation no. 575/2013 both for the loan portfolio valued under the standardised approach and for the loan portfolio valued under the internal ratings-based approach.

To define the decision-making authority, the amount of risks already assumed and to be assumed is quantified, identified as the risk-weighted amount (the higher of the proposed credit lines and the exposure), direct and indirect (outside the group), towards a risk group or a single legal entity not linked to the risk group, at the level of the individual banking Group company and the entire Banco BPM Group.

The weighting of the amount of risks assumed or to be assumed is based on the RWA calculation method, which makes it possible to summarise the most important risk aspects characterising the creditworthiness of the counterparty in a single value.

The Parent Company's Credit Function defines the credit policy guidelines, taking into account the economic and geo-sectoral information acquired from external sources in relation to the probabilities of default and the expected losses of the various economic sectors.

The distribution of the growth of lending volumes is divided into the various sectors based on the values of the above metrics, providing for power reservations for counterparties with higher rating levels.

Loan Monitoring and Management

Positions that show the first symptoms of negativity are automatically placed in a monitoring and management process. These positions are identified automatically once a month based on a series of indicators, including the rating.

The positions of each segment that present the worst ratings classes are detected and placed into the process. In addition, for each position included in the process, the Manager must analyse the consistency of the rating with the management class proposed and assess, case by case, any need to activate the process to change (override) the rating.

Pricing

The Group has a credit risk-adjusted pricing model; this tool is capable of quantifying the minimum spread with respect to the internal funds transfer rate that the company must apply to ensure

coverage of the expected credit loss, of the cost of capital and of all the components which enable value generation.

Capital Adequacy: Pillar 2

The system of internal models is used as input to the portfolio model for the estimate of economic capital against the credit risk of both performing and default exposures, in the context of updating the risk propensity and of monitoring the risk limits (using Pillar 2 economic capital metrics), both on a final-figure basis and on a prospective basis.

Reporting

The rating and the LGD are the foundation of the management and operational reporting on the risks of the loan portfolio. As regards the management reporting, the Risk Function periodically prepares the Integrated Risk Report, which provides an overview of the Group's risk position with reference to the set of all risk factors, according to a framework compliant with Basel III (Pillar 1 and Pillar 2).

Direct reporting is produced every quarter by the Risk Models & Methodologies unit, addressed to the Performance Session Credit Committee of Banco BPM Group containing a series of analyses of which an example list is provided below:

- Performance of average PDs and rating class for each internal model.
- Change in EAD and RWA by administrative status and rating model (incoming/outgoing from performing/transitions between Default/continuing performing statuses). RWA, Expected Loss and EAD data by administrative status and portfolio.
- Opening of overall portfolio by reporting treatment (IRB, Standard), with details of the Roll-Out plan and exposures subject to PPU. Calculation of triggers relating to monitoring of the PPU perimeter. Calculation of coverage for the A-IRB portfolio.
- A comparison between the PD and default rates observed over 12 months by rating class and model.
- Summary overviews of the Impacts of the CCF/K templates with updated historical series and comparison with STANDARD EAD.
- Specialised Lending portfolio monitoring and impacts deriving from the use of the slotting criteria approach.
- Application of stress to PD and LGD, to static balance sheet, for quantification of impacts in terms of RWA, PA, shortfall and CET1 ratio at one year with baseline and adverse scenarios.
- Final and performance overviews of the risk parameters, fair value and economic capital (Second Pillar Credit Risk), distinction between Default Risk, migration risk and Recovery Risk, with details between the portfolio model and regulatory residual model.
- Analysis of geo-sector and single name concentration on the A-IRB performing portfolio with a focus on the Real Estate sector.
- Quantification of the impacts deriving from regulatory add-ons in terms of RWA and expected losses.
- Performance of regulatory expected losses and value adjustments -shortfall/excess - by administrative status and rating model.
- Analysis of guarantees in the reporting domain (Pillar 1) with performance overviews of EAD on ratios, portion covered, fair value of guarantees and reasons for rejection.
- Quantification of overrides present on counterparties rated with corporate models.

- Quantification of the impacts in terms of RWA and PA deriving from each component of the rating model (starting from the score).
- Positioning of the risk parameters (PD and LGD) of Banco BPM with respect to Italian peers.
- Estimate of the floor in terms of RWA required by Basel III Finalised.
- Evidence of the portfolio's exposure to ESG risks (transition, physical and environmental risks) with views by EAD, number of counterparties and properties as collateral, as well as a description of the scoring methodology adopted by the group.

e) A description of the internal ratings process by exposure class, including the number of key models used with respect to each portfolio and a brief discussion of the main differences between the models within the same portfolio, covering (Article 452 (f) CRR):

- i) the definitions, methods and data for estimation and validation of PD, which shall include information on how PDs are estimated for low default portfolios, whether there are regulatory floors and the drivers for differences observed between PD and actual default rates at least for the last three periods;**
- ii) where applicable, the definitions, methods and data for estimation and validation of LGD, such as methods to calculate downturn LGD, how LGDs are estimated for low default portfolio and the time lapse between the default event and the closure of the exposure;**
- iii) where applicable, the definitions, methods and data for estimation and validation of conversion factors, including assumptions employed in the derivation of those variables.**

Description of the internal rating models for the regulatory Corporate and Private segments

Aspects common to the various models

Calibration of the model is based on a long-term central tendency. The calibration function was created to define a correspondence between integrated scores and the long-term probabilities of default (PDs).

The calibration philosophy adopted by the former Banco is based on a "through-the-cycle" (TTC) approach, which neutralises the possible impacts deriving from an economic cycle in the phase of expansion or recession.

The PD models return ratings broken down into 7 performing rating classes for the Large Corporate segment and 11 performing rating classes for the other segments, with average class PDs differentiated for each rating model.

Additionally, the Group has defined a methodological approach, on the basis of which the counterparty's rating undergoes notching to consider whether the counterparty belongs to an Economic Group (only legal links between parent company and subsidiary are considered).

The following table shows the main exposure classes to which each internal model is applied.

Internal Model Segment	Type of exposure classes
Large Corporate	Corporate - Other
Mid Corporate Plus	Corporate - Other
Mid Corporate	Corporate SME & Retail SME Other Exposure
Small Business	Retail SME: Mortgage & Other Exposure
Private	Retail Non-SME

Large Corporate model

The Large Corporate rating model was defined taking into account the classification of customers provided by the Credit Department experts (expert rank ordering). The objective of this decision was to obtain an assessment of the counterparty, which, on the one hand, would be based on statistical principles and, on the other, would incorporate the specialised experience of the Credit Function on this customer segment.

This model is made up of two modules: economic-financial and qualitative.

The score obtained by the qualitative model is achieved through notching (positive, negative or neutral) of the rating class arising from the economic-financial score.

The counterparty's rating can subsequently be changed for companies belonging to an economic group.

Lastly, the Rating Desk attributes the final rating by reviewing the rating assigned by the model on the basis of warning signals or other performance-related information available but not directly captured by the model.

Business models

The models related to Small Business, Mid Corporate and Mid Corporate Plus segmented counterparties are developed starting from four information sources processed in specific modules that contribute, through statistical scores, to determining the final probability of default (PD) for each individual counterparty, through the adoption of integration functions differentiated by segment and by seniority of customers (acceptance portfolio and monitoring portfolio). The elementary modules on which these models are based, corresponding to the four information sources, are the following:

- Internal Performance module: its purpose is to detect the trend of creditworthiness of trusted counterparties over time and is based on data concerning relations of the said counterparties with the banks in the Group;
- Central Credit Register module: its purpose is to detect the evolution over time of the counterparty's relationship (if reported) with the other banks of the system, based on the reporting data of the Central Credit Register;
- Economic-Financial module: its purpose is to assess the creditworthiness of customers based on economic-financial information, with particular reference to counterparties that prepare financial statements according to the provisions of the Civil Code (or ordinary accounting);
- Qualitative module: based on information coming from qualitative questionnaires, divided into the counterparties' business activity segments.

Starting from the single scores of the modules, an integrated score is statistically calculated (integration function) to summarise in a single risk indicator the results coming from the elementary modules (Internal Performance, Central Credit Register and Economic-Financial for the monitoring model; Central Credit Register, Economic-Financial and Qualitative for the acceptance model).

The score produced by the integration function is subsequently associated with a probability of default (PD) through the definition and application of a specific calibration function; this probability of default is, finally, mapped on the rating classes.

The calibration functions, which are differentiated for each rating segment, aim to "anchor" the Probability of Default to the long-term Central Tendency.

Then, after the calibration phase, the qualitative questionnaire on the monitoring model is used for notching the rating class, starting from specific ranges (cut-offs) of the qualitative scores (in particular, each cut-off corresponds to a certain number of notches above or below the rating class).

Finally, in the case of a Large Corporate, Mid Corporate Plus, Mid Corporate or Small Business segmented counterparty belonging to a Group with a consolidating Parent Company which is Large Corporate or Mid Corporate Plus (with consolidated financial statements), the rules on notching (upgrading/downgrading of the counterparty's rating) defined by the Group are applied.

Private model

The probability of default is calculated and attributed by counterparty. For customers shared with several banks in the Group, the principle of data accumulation is adopted in order to calculate a single rating for these counterparties.

The development sample is made up of all Private counterparties, i.e. counterparties whose legal status is "Natural Persons or Joint Accounts of natural persons", with an exposure recorded in relation to the Group banks, with no connection to a sole trader, or joint accounts of natural persons.

Each module is based on a different information source and provides an "intermediate" score, which contributes to the various integration functions that assign the final PD to the counterparty.

The model is made up of four elementary modules which contribute to determining the final counterparty PD through four integration functions, divided by seniority of relationship between customer and bank and by presence/absence of a new product.

Description of the Corporate and Private LGD models

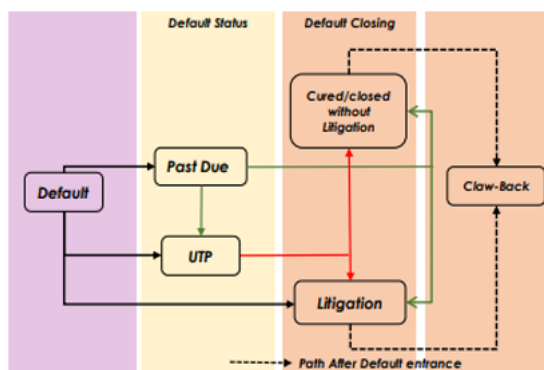
These models are differentiated by exposure bands, type of technical macro-form, presence/absence of guarantee and status of the counterparty (performing, past due, unlikely to pay and bad loans).

These were estimated by analysing the losses suffered by the Group on historic defaults (LGD workout), with a definition of default consistent with that applied to PD estimation models.

Conditioned upon entry into default status, a resolution case for their cycle may be associated with each counterparty, irrespective of the progress made in the intermediate stages of default. These cases may be:

- return to performing: the case of a counterparty in default that returns to being part of the performing portfolio. This can happen regardless of whether the Bank incurs a loss;
- closure of the position: when a counterparty in default does not transfer to Bad Loans and closes the commercial relationships with the Bank during the status of Past Due or Unlikely to Pay. This can happen regardless of whether the Bank incurs a loss;
- transfer to Bad Loans: the most serious default status, from which it is not possible to return either to a previous default status or to performing. When a counterparty is transferred to Bad Loans, all relationships with the Bank are closed, and the process begins of recovering the amount for which the counterparty is exposed.

All the possible routes that a counterparty in default may follow, and which were considered in the LGD models, are shown in the figure below:



The default statuses related to Past Due and Unlikely to Pay can occur as initial entry statuses or, only in cases of Unlikely to Pay, also later.

Lastly, an additional possibility for resolution of the default is activation of the Revocation procedure (or action), which can occur after transfer to Bad Loans following a closure or return to performing.

The LGD models consist of five versions, according to the administrative status of the counterparty. In order to include the impacts deriving from recessive short-term periods in the LGD calculation structure, the downturn component is estimated on the basis of the type of portfolio being analysed. The addition of this effect to the LGD estimate is determined through the application of a specific correction factor (add-on).

This approach consists of estimating the main components of the model in downturn periods identified along the historical series taken as a reference and verifying the impact with respect to the result obtained from the LGD estimate performed on the entire observation period. The models also include the estimate of indirect costs (administrative costs that are not directly attributable to the individual file), which is obtained through the following steps: identification of the average cost per year for a bad loan file, allocation - based on the duration of the default file - of the annual average cost and, finally, prudential allocation of the same amount also for pre-bad loan statuses. To comply with the relevant legislative requirements, the new LGD defaulted asset models also make it possible to identify unexpected values of losses (LGD DA), the difference of which from the best estimate of LGD (LGD ELBE) makes it possible to calculate (through a specific regulatory formula) the Risk Weighted Assets on defaults.

Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range (1 of 10)

Template CR6 provides the main risk metrics used to calculate capital requirements for exposures under the IRB approach, for each exposure class (broken down by F-IRB and A-IRB approach), pursuant to Article 452 (g) of the CRR.

As required by the instructions for its completion, exposures to counterparty credit risk (CCR), exposures to securitisations, exposures in other non credit-obligation assets, exposures to collective investment undertakings and equity exposures are excluded from this template.

Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range (2 of 10)

A-IRB	PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post-CCF and post-CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
		a	b	c	d	e	f	g	h	i	j	k	l
- Corporates - Other A-IRB	0.00 to < 0.15	3,080	6,669	13.70%	3,994	0.08%	4,788	39.29%	2	648	16.22%	1	(1)
	0.00 to < 0.10	2,196	4,875	13.11%	2,836	0.06%	3,209	41.45%	2	411	14.48%	1	(1)
	0.10 to < 0.15	884	1,794	15.29%	1,158	0.13%	1,579	33.99%	2	237	20.48%	1	0
	0.15 to < 0.25	1,569	1,091	14.92%	1,732	0.18%	2,419	37.13%	2	387	22.34%	1	(1)
	0.25 to < 0.50	3,021	3,408	17.78%	3,627	0.34%	3,289	36.40%	2	1,258	34.69%	4	(4)
	0.50 to < 0.75	2,023	1,079	14.04%	2,174	0.63%	2,647	38.18%	2	967	44.48%	5	(10)
	0.75 to < 2.50	3,837	2,810	15.68%	4,277	1.27%	3,192	38.13%	2	2,938	68.69%	21	(21)
	0.75 to < 1.75	2,883	2,193	15.19%	3,215	1.07%	2,397	38.24%	2	2,056	63.94%	13	(16)
	1.75 to < 2.5	954	616	17.44%	1,062	1.89%	795	37.81%	2	882	83.10%	8	(5)
	2.50 to < 10.00	2,066	898	18.10%	2,228	4.50%	1,627	38.26%	2	2,277	102.23%	38	(60)
	2.5 to < 5	1,476	685	17.61%	1,597	3.49%	1,159	38.76%	2	1,538	96.30%	22	(30)
	5 to < 10	589	213	19.67%	631	7.06%	468	37.01%	2	740	117.21%	16	(30)
	10.00 to < 100.00	697	165	22.64%	735	29.84%	992	37.11%	2	1,025	139.53%	80	(105)
	10 to < 20	319	84	19.25%	335	13.55%	581	37.63%	2	482	143.95%	17	(28)
	20 to < 30	178	37	23.18%	186	24.15%	117	38.33%	3	301	161.43%	17	(35)
	30.00 to < 100.00	201	45	28.47%	213	60.36%	294	35.23%	3	242	113.51%	46	(41)
	100.00 (Default)	799	319	44.27%	940	100.00%	1,116	56.46%	2	529	56.33%	488	(540)
Sub-total (exposure class)		17,090	16,439	15.91%	19,705	6.83%	20,070	38.82%	2	10,030	50.90%	639	(742)
Total (all exposure classes)		53,071	27,272	15.66%	57,337		648,702		2	16,709	29.14%	1,319	(1,451)

Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range (3 of 10)

A-IRB	PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post-CCF and post-CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
		a	b	c	d	e	f	g	h	i	j	k	l
Corporates - Specialised Lending A-IRB	0.00 to < 0.15	33	1	35.08%	33	0.12%	11	23.29%	2	4	12.15%	0	0
	0.00 to < 0.10	8	1	35.08%	8	0.07%	5	30.97%	4	1	16.49%	0	0
	0.10 to < 0.15	25	-	-	25	0.14%	6	20.75%	2	3	10.72%	0	0
	0.15 to < 0.25	6	1	43.17%	6	0.19%	15	31.23%	3	1	19.68%	0	0
	0.25 to < 0.50	19	13	1.67%	19	0.31%	12	26.86%	4	5	28.09%	0	0
	0.50 to < 0.75	34	1	49.04%	34	0.63%	22	33.56%	4	16	47.13%	0	0
	0.75 to < 2.50	48	3	2.61%	48	1.42%	25	33.89%	4	33	68.38%	0	0
	0.75 to < 1.75	46	3	2.02%	46	1.39%	22	34.19%	4	32	69.25%	0	0
	1.75 to < 2.5	2	0	21.31%	2	2.27%	3	25.89%	4	1	45.21%	0	0
	2.50 to < 10.00	47	0	49.59%	47	4.33%	17	41.90%	4	48	103.02%	1	(3)
	2.5 to < 5	37	-	-	37	3.44%	12	41.66%	3	35	95.38%	1	(2)
	5 to < 10	10	0	49.59%	10	7.68%	5	42.78%	5	13	131.55%	0	(2)
	10.00 to < 100.00	6	0	50.00%	6	31.21%	8	26.09%	2	5	92.85%	0	0
	10 to < 20	4	0	50.00%	4	18.20%	7	27.48%	2	4	105.81%	0	0
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to < 100.00	2	-	-	2	54.59%	1	23.58%	2	1	69.54%	0	0
	100.00 (Default)	18	0	40.00%	18	100.00%	5	48.89%	3	16	87.98%	8	(8)
Sub-total (exposure class)		209	18	7.66%	211	10.89%	115	34.32%	3	129	61.13%	9	(12)
Total (all exposure classes)		53,071	27,272	15.66%	57,337		648,702		2	16,709	29.14%	1,319	(1,451)

Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range (4 of 10)

A-IRB	PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post-CCF and post- CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
		a	b	c	d	e	f	g	h	i	j	k	l
Corporates - Purchased receivables A-IRB	0.00 to < 0.15	22	-	-	22	0.10%	24	25.25%	0	2	7.92%	0	0
	0.00 to < 0.10	11	-	-	11	0.06%	18	25.26%	0	1	4.89%	0	0
	0.10 to < 0.15	11	-	-	11	0.14%	6	25.24%	1	1	11.02%	0	0
	0.15 to < 0.25	2	-	-	2	0.16%	6	25.18%	1	0	9.46%	0	0
	0.25 to < 0.50	17	-	-	17	0.32%	8	26.33%	1	4	22.71%	0	0
	0.50 to < 0.75	2	-	-	2	0.60%	6	44.72%	1	1	42.46%	0	0
	0.75 to < 2.50	31	-	-	31	0.96%	27	33.96%	1	15	48.34%	0	0
	0.75 to < 1.75	28	-	-	28	0.85%	21	34.11%	1	13	46.92%	0	0
	1.75 to < 2.5	3	-	-	3	1.81%	6	32.70%	0	2	59.77%	0	0
	2.50 to < 10.00	6	-	-	6	6.20%	7	25.00%	1	5	79.17%	0	0
	2.5 to < 5	1	-	-	1	3.36%	4	25.00%	0	1	56.55%	0	0
	5 to < 10	5	-	-	5	6.91%	3	25.00%	1	4	84.83%	0	0
	10.00 to < 100.00	0	-	-	0	23.58%	1	25.00%	0	0	96.64%	0	0
	10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to < 30	0	-	-	0	23.58%	1	25.00%	0	0	96.64%	0	0
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total (exposure class)		80	-	-	80	0.96%	79	29.38%	1	27	33.11%	0	0
Total (all exposure classes)		53,071	27,272	15.66%	57,337		648,702		2	16,709	29.14%	1,319	(1,451)

Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range (5 of 10)

A-IRB	PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post-CCF and post-CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
		a	b	c	d	e	f	g	h	i	j	k	l
Retail - Qualifying revolving A-IRB	0.00 to < 0.15	28	240	24.20%	86	0.12%	32,387	63.22%	-	4	4.37%	0	0
	0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to < 0.15	28	240	24.20%	86	0.12%	32,387	63.22%	-	4	4.37%	0	0
	0.15 to < 0.25	9	50	32.15%	25	0.19%	10,388	65.04%	-	2	6.51%	0	0
	0.25 to < 0.50	16	74	36.52%	42	0.37%	18,806	69.33%	-	5	12.17%	0	0
	0.50 to < 0.75	25	92	36.85%	59	0.60%	24,676	68.97%	-	10	17.72%	0	0
	0.75 to < 2.50	56	94	33.30%	87	1.54%	28,593	65.78%	-	30	34.18%	1	0
	0.75 to < 1.75	31	60	33.70%	51	1.05%	17,295	66.20%	-	13	26.30%	0	0
	1.75 to < 2.5	26	34	32.60%	37	2.21%	11,298	65.20%	-	16	45.11%	1	0
	2.50 to < 10.00	7	5	33.26%	9	5.44%	2,921	64.63%	-	8	83.12%	0	0
	2.5 to < 5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to < 10	7	5	33.26%	9	5.44%	2,921	64.63%	-	8	83.12%	0	0
	10.00 to < 100.00	6	3	35.03%	8	17.18%	2,386	63.96%	-	11	149.56%	1	(1)
	10 to < 20	4	2	34.46%	5	11.60%	1,599	65.72%	-	6	133.01%	0	0
	20 to < 30	3	1	36.04%	3	25.94%	787	61.19%	-	5	175.55%	0	0
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	2	0	36.97%	2	100.00%	472	74.21%	-	1	46.08%	2	(1)
Sub-total (exposure class)		150	558	30.29%	317	1.88%	120,629	66.08%	-	70	22.19%	4	(2)
Total (all exposure classes)		53,071	27,272	15.66%	57,337		648,702		2	16,709	29.14%	1,319	(1,451)

Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range (6 of 10)

A-IRB	PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post-CCF and post-CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
		a	b	c	d	e	f	g	h	i	j	k	l
Retail - Real estate collateral A-IRB	0.00 to < 0.15	12,688	5	24.74%	12,689	0.11%	127,976	23.53%	-	773	6.09%	3	(1)
	0.00 to < 0.10	2,766	1	14.26%	2,766	0.07%	23,251	23.43%	-	114	4.13%	0	0
	0.10 to < 0.15	9,922	4	27.37%	9,923	0.13%	104,725	23.56%	-	659	6.64%	3	(1)
	0.15 to < 0.25	4,936	3	36.46%	4,938	0.19%	55,833	23.71%	-	441	8.94%	2	(1)
	0.25 to < 0.50	3,048	2	27.40%	3,048	0.37%	34,093	23.37%	-	442	14.50%	3	(1)
	0.50 to < 0.75	2,789	6	33.99%	2,791	0.61%	30,874	23.39%	-	572	20.51%	4	(3)
	0.75 to < 2.50	1,700	10	22.21%	1,702	1.49%	19,023	24.29%	-	639	37.54%	6	(5)
	0.75 to < 1.75	1,103	8	20.48%	1,105	1.10%	12,412	24.90%	-	360	32.55%	3	(3)
	1.75 to < 2.5	596	2	28.89%	597	2.22%	6,611	23.16%	-	279	46.79%	3	(2)
	2.50 to < 10.00	515	0	40.00%	515	5.34%	5,023	26.35%	-	430	83.56%	7	(11)
	2.5 to < 5	102	0	40.00%	102	3.73%	407	37.10%	-	95	93.39%	1	(4)
	5 to < 10	413	0	39.99%	413	5.74%	4,616	23.70%	-	335	81.13%	6	(7)
	10.00 to < 100.00	510	0	39.99%	511	20.24%	5,473	22.49%	-	580	113.56%	23	(24)
	10 to < 20	264	0	39.07%	264	12.05%	3,022	22.62%	-	280	106.35%	7	(10)
	20 to < 30	220	0	39.99%	220	25.85%	2,165	22.00%	-	275	124.84%	13	(12)
	30.00 to < 100.00	27	0	40.00%	27	54.76%	286	25.27%	-	25	91.91%	4	(3)
	100.00 (Default)	309	0	5.10%	309	100.00%	3,625	37.54%	-	109	35.29%	107	(111)
Sub-total (exposure class)		26,495	27	27.44%	26,502	1.95%	281,920	23.78%	-	3,987	15.04%	156	(158)
Total (all exposure classes)		53,071	27,272	15.66%	57,337		648,702		2	16,709	29.14%	1,319	(1,451)

Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range (7 of 10)

A-IRB	PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post-CCF and post-CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
		a	b	c	d	e	f	g	h	i	j	k	l
Retail - Purchased receivables A-IRB	0.00 to < 0.15	2	-	-	2	0.07%	12	30.00%	-	0	4.21%	0	0
	0.00 to < 0.10	2	-	-	2	0.06%	10	30.00%	-	0	3.95%	0	0
	0.10 to < 0.15	0	-	-	0	0.12%	2	30.00%	-	0	6.50%	0	0
	0.15 to < 0.25	1	-	-	1	0.22%	4	30.00%	-	0	9.75%	0	0
	0.25 to < 0.50	1	-	-	1	0.36%	3	41.23%	-	0	18.06%	0	0
	0.50 to < 0.75	0	-	-	0	0.60%	2	30.00%	-	0	18.23%	0	0
	0.75 to < 2.50	1	-	-	1	1.62%	4	30.00%	-	0	27.57%	0	0
	0.75 to < 1.75	1	-	-	1	1.46%	3	30.00%	-	0	26.86%	0	0
	1.75 to < 2.5	0	-	-	0	2.27%	1	30.00%	-	0	30.34%	0	0
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	0	-	-	0	100.00%	1	50.89%	-	0	20.08%	0	0
Sub-total (exposure class)		5	-	-	5	0.50%	26	31.82%	-	1	12.68%	0	0
Total (all exposure classes)		53,071	27,272	15.66%	57,337		648,702		2	16,709	29.14%	1,319	(1,451)

Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range (8 of 10)

A-IRB	PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post-CCF and post-CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
		a	b	c	d	e	f	g	h	i	j	k	l
Retail - Other A-IRB	0.00 to < 0.15	1,852	4,404	12.59%	2,406	0.09%	46,530	38.63%	-	158	6.58%	1	(1)
	0.00 to < 0.10	920	3,449	11.61%	1,320	0.06%	20,095	41.04%	-	69	5.22%	0	0
	0.10 to < 0.15	932	955	16.10%	1,086	0.12%	26,435	35.70%	-	90	8.25%	0	0
	0.15 to < 0.25	1,367	1,875	13.23%	1,615	0.22%	24,000	38.22%	-	202	12.50%	1	(1)
	0.25 to < 0.50	1,419	1,510	14.40%	1,636	0.39%	27,429	38.48%	-	301	18.43%	2	(2)
	0.50 to < 0.75	1,443	1,125	14.84%	1,609	0.68%	28,110	38.70%	-	409	25.44%	4	(5)
	0.75 to < 2.50	1,440	827	21.20%	1,612	1.58%	38,488	39.30%	-	586	36.37%	10	(14)
	0.75 to < 1.75	1,011	627	18.71%	1,127	1.28%	23,057	39.45%	-	389	34.52%	6	(8)
	1.75 to < 2.5	428	200	29.00%	485	2.26%	15,431	38.93%	-	197	40.68%	4	(5)
	2.50 to < 10.00	625	310	21.14%	689	5.22%	16,550	39.27%	-	308	44.70%	14	(32)
	2.5 to < 5	396	213	20.66%	440	3.85%	9,579	39.83%	-	192	43.64%	7	(16)
	5 to < 10	229	97	22.20%	250	7.63%	6,971	38.29%	-	116	46.55%	7	(16)
	10.00 to < 100.00	336	103	23.67%	362	32.73%	62,434	37.93%	-	239	66.03%	44	(48)
	10 to < 20	167	49	22.78%	180	15.97%	55,910	39.32%	-	112	62.38%	11	(19)
	20 to < 30	35	7	17.10%	36	24.86%	1,745	34.03%	-	25	68.34%	3	(4)
	30.00 to < 100.00	133	48	25.45%	145	55.47%	4,779	37.17%	-	102	69.98%	30	(26)
	100.00 (Default)	560	76	35.12%	587	100.00%	26,090	77.41%	-	261	44.44%	434	(435)
Sub-total (exposure class)		9,042	10,230	14.45%	10,516	7.51%	269,631	40.84%	-	2,465	23.44%	511	(537)
Total (all exposure classes)		53,071	27,272	15.66%	57,337		648,702		2	16,709	29.14%	1,319	(1,451)

Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range (9 of 10)

F-IRB	PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post-CCF and post-CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
		a	b	c	d	e	f	g	h	i	j	k	l
Corporates - Other F-IRB	0.00 to < 0.15	2,169	5,002	16.74%	3,007	0.06%	534	40.10%	3	597	19.87%	1	(1)
	0.00 to < 0.10	2,023	4,317	16.94%	2,755	0.05%	362	40.15%	3	537	19.51%	1	0
	0.10 to < 0.15	146	686	15.46%	252	0.14%	172	39.50%	1	60	23.78%	0	(1)
	0.15 to < 0.25	4,030	8,160	17.64%	5,470	0.16%	457	40.22%	3	2,070	37.85%	4	(1)
	0.25 to < 0.50	2,341	5,142	18.51%	3,293	0.44%	449	39.85%	3	2,074	62.99%	6	(2)
	0.50 to < 0.75	99	88	7.84%	106	0.61%	163	39.14%	2	73	68.84%	0	(1)
	0.75 to < 2.50	1,606	1,663	16.24%	1,877	1.32%	451	39.90%	2	1,693	90.22%	10	(11)
	0.75 to < 1.75	1,193	1,276	17.04%	1,411	1.15%	331	39.41%	2	1,199	84.97%	6	(10)
	1.75 to < 2.5	413	387	13.62%	466	1.82%	120	41.38%	3	494	106.10%	4	(1)
	2.50 to < 10.00	273	251	22.29%	329	4.86%	357	40.77%	2	454	138.13%	7	(8)
	2.5 to < 5	163	122	18.38%	186	3.50%	277	40.88%	2	239	128.86%	3	(4)
	5 to < 10	109	129	25.98%	143	6.62%	80	40.64%	2	215	150.15%	4	(4)
	10.00 to < 100.00	136	54	32.63%	153	20.21%	109	38.69%	3	299	194.52%	12	(14)
	10 to < 20	69	35	39.16%	82	13.68%	73	37.68%	3	145	176.59%	4	(7)
	20 to < 30	50	18	18.94%	53	24.26%	19	39.89%	3	119	221.80%	5	(4)
	30.00 to < 100.00	17	1	52.53%	18	38.46%	17	39.72%	2	35	195.63%	3	(3)
	100.00 (Default)	98	107	59.11%	161	100.00%	46	39.87%	2	-	-	64	(74)
Sub-total (exposure class)		10,753	20,467	17.79%	14,395	1.79%	2,566	40.05%	3	7,260	50.44%	103	(111)
Total (all exposure classes)		11,322	20,467	17.79%	14,965		2,588		3	7,414	49.54%	104	(112)

Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range (10 of 10)

F-IRB	PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post-CCF and post- CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
		a	b	c	d	e	f	g	h	i	j	k	l
Corporates - Purchased receivables F-IRB	0.00 to < 0.15	101	-	-	101	0.06%	13	40.00%	0	7	6.51%	0	0
	0.00 to < 0.10	90	-	-	90	0.05%	10	40.00%	0	5	5.27%	0	0
	0.10 to < 0.15	12	-	-	12	0.14%	3	40.00%	0	2	16.15%	0	0
	0.15 to < 0.25	325	-	-	325	0.16%	15	40.00%	1	74	22.89%	0	0
	0.25 to < 0.50	100	-	-	100	0.43%	10	40.00%	0	37	36.66%	0	0
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	38	-	-	38	1.68%	15	40.00%	0	28	72.19%	0	0
	0.75 to < 1.75	9	-	-	9	1.29%	12	40.00%	0	6	62.14%	0	0
	1.75 to < 2.5	29	-	-	29	1.81%	3	40.00%	0	22	75.42%	0	0
	2.50 to < 10.00	6	-	-	6	6.75%	5	40.00%	2	8	139.78%	0	0
	2.5 to < 5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to < 10	6	-	-	6	6.75%	5	40.00%	2	8	139.78%	0	0
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total (exposure class)		569	-	-	569	0.36%	58	40.00%	1	153	26.87%	1	0
Total (all exposure classes)		11,322	20,467	17.79%	14,965		2,588		3	7,414	49.54%	104	(112)

Template EU CR6-A - Scope of the use of IRB and SA approaches

Pursuant to Article 452 (b) of the CRR, template CR6-A reports the exposure value subject to the standardised approach, the IRB approach and the progressive extension of internal models ("Roll-Out"). It should be noted that, in line with the EBA instructions for completion and mapping tool, the total of column (a) is consistent with CoRep reporting, which also includes the "Institutions" exposure class (row 4).

		Exposure value as defined in Article 166 CRR for exposures subject to IRB approach	Total exposure value for exposures subject to the Standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA (%)	Percentage of total exposure value subject to IRB Approach (%)	Percentage of total exposure value subject to a roll-out plan (%)
		a	b	c	d	e
1	Central governments or central banks	51,523	51,541	100.00%	-	-
2	Regional governments and local authorities	466	466	100.00%	-	-
3	Public sector entities	1,233	1,259	100.00%	-	-
4	Institutions		7,856	100.00%	-	-
5	Corporates	51,262	52,156	11.11%	88.84%	0.05%
5.1	Of which: Corporates General		47,277	10.73%	89.27%	-
5.2	Of which: Corporates Specialised lending		3,882	0.11%	99.29%	0.61%
5.2.1	Of which: Corporates Specialised lending, excluding slotting approach		235	1.75%	88.22%	10.03%
5.2.2	Of which: Corporates Specialised lending under slotting approach		3,647	-	100.00%	-
5.3	Of which: Corporates Purchased receivables		997	30.21%	69.79%	-
6	Retail	43,777	43,184	2.59%	97.41%	-
6.1	Of which: Retail - Qualifying revolving		408	50.19%	49.81%	-
6.2	Of which: Retail - Secured by residential real estate		28,078	0.20%	99.80%	-
6.3	Of which: Retail - Purchased receivables	17	16	71.49%	28.51%	-
6.4	Of which: Retail - Other retail exposures	15,049	14,682	5.77%	94.23%	-
7	Equity	4,860	4,859	100.00%	-	-
EU 7a	Collective investment undertakings (CIU)	2,632	2,651	100.00%	-	-
8	Other non-credit obligation assets	4,199	4,199	100.00%	-	-
9	Total	167,625	168,172	47.68%	52.31%	0.01%

Template EU CR7 – IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques

Template CR7 shows the potential effect on RWAs of derivatives, used as a risk mitigation technique, in accordance with the disclosure required by Article 453 (j) of the CRR.

Banco BPM does not use derivatives for Credit Risk Mitigation, consequently the amounts of the two columns of the template (which require the RWAs without the recognition of credit derivatives as a CRM technique and the actual RWAs) are the same.

		Pre-credit derivatives risk weighted exposure amount	Actual risk weighted exposure amount
		a	b
1	Central governments and central banks – F-IRB	-	-
EU 1a	Regional governments and local authorities – F-IRB	-	-
EU 1b	Public sector entities – F-IRB	-	-
2	Central governments and central banks – A-IRB	-	-
EU 2a	Regional governments and local authorities – A-IRB	-	-
EU 2b	Public sector entities – A-IRB	-	-
3	Institutions – F-IRB	-	-
4	not applicable		
5	Corporates – F-IRB	7,414	7,414
EU 5a	Corporates - General	7,260	7,260
EU 5b	Corporates - Specialised lending	-	-
EU 5c	Corporates - Purchased receivables	153	153
6	Corporates – A-IRB	12,965	12,965
EU 6a	Corporates - General	10,030	10,030
EU 6b	Corporates - Specialised lending	2,909	2,909
EU 6c	Corporates - Purchased receivables	27	27
7	not applicable		
8	not applicable		
EU 8a	Retail – A-IRB	6,524	6,524
9	Retail – Qualifying revolving (QRRE)	70	70
10	Retail - Secured by residential real estate	3,987	3,987
EU10a	Retail - Purchased receivables	1	1
EU10b	Retail - Other retail exposures	2,465	2,465
11	not applicable		
12	not applicable		
13	not applicable		
14	not applicable		
15	not applicable		
16	not applicable		
17	Exposures under F-IRB	7,414	7,414
18	Exposures under A-IRB	19,489	19,489
19	Total exposures	26,903	26,903

Template EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques (1 of 3)

Template CR7-A shows the exposures under the IRB approach and the incidence of credit risk mitigation techniques with and without substitution effect, in accordance with the disclosure required by Article 453 (g) of the CRR.

The Group reports that, from the disclosure of data as at 30 June 2025, the A-IRB and F-IRB templates have been completed in accordance with the EBA instructions referred to in annex XXII “Disclosure of the use of the IRB Approach to credit risk (excluding counterparty credit risk)”, departing from the latest mapping tool published by the EBA.

Specifically, the exposures and the incidence of the relative risk mitigation techniques are shown on the basis of the exposure class applicable to the obligor, without considering the substitution effect due to the existence of a guarantee, i.e. before Credit Risk Mitigation.

In this context, any IRB exposures covered by Standard guarantors (e.g. SACE, SME Fund counter-guaranteed by the State) are represented in the secured exposure class.

The same approach was followed for the compilation of column m) “RWEA without substitution effects” while column n) shows the RWEA figure with substitution effects. It should be noted that the minimal variance between the RWAs between columns m) and n) derives mainly from the substitution effect on exposures that migrate to standard portfolios with a weighting of 0% and to a marginal extent only on the Foundation approach, where substitution is envisaged of the metrics of secured exposures with those of the guarantor.

Template EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques (2 of 3)

A-IRB		Total exposures	Credit risk mitigation techniques											Credit risk mitigation methods in the calculation of RWEAs	
			Funded credit protection (FCP)									Unfunded credit protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)
			Part of exposures covered by Financial collaterals (%)	Part of exposures covered by Other eligible collaterals (%)			Part of exposures covered by Other funded credit protection (%)			Part of exposures covered by Guarantee s (%)	Part of exposures covered by Credit derivatives (%)				
				Part of exposures covered by Immovable property collaterals (%)	Part of exposures covered by Receivable s (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)						
		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional governments and local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Corporates	28,859	0.99%	13.79%	13.79%	-	-	-	-	-	-	19.46%	-	13,032	12,965
5.1	Corporates - General	24,858	1.15%	15.29%	15.29%	-	-	-	-	-	-	22.51%	-	10,093	10,030
5.2	Corporates - Specialised lending	3,912	0.00%	4.59%	4.59%	-	-	-	-	-	-	0.25%	-	2,909	2,909
5.3	Corporates - Purchased receivables	89	-	-	-	-	-	-	-	-	-	10.87%	-	30	27
6	Retail	42,881	0.49%	65.54%	65.54%	-	-	-	-	-	-	13.76%	-	6,525	6,524
6.1	Retail - Qualifying revolving	317	-	-	-	-	-	-	-	-	-	-	-	70	70
6.2	Retail - Secured by residential real estate	28,179	0.02%	93.85%	93.85%	-	-	-	-	-	-	5.95%	-	3,987	3,987
6.3	Retail - Purchased receivables	5	-	-	-	-	-	-	-	-	-	0.10%	-	1	1
6.4	Retail - Other retail exposures	14,380	1.42%	11.53%	11.53%	-	-	-	-	-	-	29.36%	-	2,466	2,465
7	Total	71,741	0.69%	44.72%	44.72%	-	-	-	-	-	-	16.05%	-	19,556	19,489

Template EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques (3 of 3)

F-IRB		Total exposures	Credit risk mitigation techniques											Credit risk mitigation methods in the calculation of RWEAs	
			Funded credit protection (FCP)									Unfunded credit protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)
			Part of exposures covered by Financial collaterals (%)	Part of exposures covered by Other eligible collaterals (%)			Part of exposures covered by Other funded credit protection (%)			Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit derivatives (%)				
				Part of exposures covered by Immovable property collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)						
		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional governments and local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Corporates	16,791	0.54%	1.73%	1.73%	-	-	-	-	-	-	12.34%	-	7,431	7,414
5.1	Corporates General	16,184	0.56%	1.79%	1.79%	-	-	-	-	-	-	12.56%	-	7,262	7,260
5.2	Corporates Specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.3	Corporates Purchased receivables	608	-	-	-	-	-	-	-	-	-	6.26%	-	169	153
6	Total	16,791	0.54%	1.73%	1.73%	-	-	-	-	-	-	12.34%	-	7,431	7,414

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

Template CR8 shows the variations in the risk-weighted exposure amounts of the current disclosure period compared to the immediately preceding disclosure period that result from the use of internal models, including an outline of the key drivers explaining those variations, in accordance with Article 438 (h) of the CRR.

		Risk weighted exposure amount
		a
1	Risk weighted exposure amount as at the end of the previous reporting period	28,100
2	Asset size (+/-)	1,188
3	Asset quality (+/-)	(822)
4	Model updates (+/-)	-
5	Methodology and policy (+/-)	-
6	Acquisitions and disposals (+/-)	(1,566)
7	Foreign exchange movements (+/-)	-
8	Other (+/-)	3
9	Risk weighted exposure amount as at the end of the reporting period	26,903

The Group reports that the change in the RWEA amount compared to the previous quarter is mainly due to the following factors:

- during the fourth quarter of 2025, Banco BPM completed three synthetic securitisation transactions respectively called Sean, Tranché Cover 2009 and Tranché Cover 2010. In the first transaction, Sean, a guarantee was issued on the Junior tranche through the subscription by investors of securities issued by a securitisation company pursuant to Law no. 130/99. The notional amount is equal to the guaranteed tranche and, with the deriving revenue, the vehicle granted a limited recourse loan to Banco BPM on 26 November, the effective date of the guarantee. The two Tranché Cover transactions envisage hedging of the Junior tranche through a direct personal guarantee released by the Guarantee Fund for Small and Medium-sized Enterprises ("SMEGF") and a counter-guarantee from the State starting from 26 November and 29 December, respectively;
- between October and December 2025, a number of single-name and massive sales relating to non-performing loans were completed, in part already approved during the previous half year.

Template CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale) (1 of 12)

In order to calculate capital requirements against Credit Risk and only on the scope of the Parent Company, Banco BPM Group adopts internal estimates of PD, LGD and EAD for Corporate and Private customer portfolios.

The comparison between estimates and empirical data is made separately for PD, LGD and EAD, by means of backtesting conducted by the Internal Validation function.

With reference to the PD models, Banco BPM Group adopts performance measurements to check the accuracy ratio (AR) of the estimates and calibration tests (Jeffrey's Test for individual and overall rating classes) to compare the decay rates (DRs) recorded over an annual time horizon with the estimated PD values.

The last backtesting shows adequate results for the Corporate and Private segments, both in terms of discriminating power and calibration. The discriminating capacity, assessed at the level of individual modules and for the final integrated score, obtains comparable values to those obtained during the development phase. The calibration tests showed positive results for all rating segments.

With reference to the LGD parameter, tests were carried out based on the metrics envisaged by internal policy on both the performing and default component, adopting the LGD one step approach. Internal Validation did not reveal any relevant problems with regard to the estimates produced for performing and default templates.

Testing was conducted in accordance with internal policy also in relation to the Corporate and Private EAD models, without identifying any particular areas of concern. The activities conducted highlighted the prudential nature of the estimates used by the Bank.

The overall assessment also takes into account further developments for which the bank is awaiting the ECB authorisation.

Comparison between PD and default (DR) data by exposure class

In this paragraph Internal Validation compares default rates with estimated PDs, dividing the IRB regulatory book by exposure class. The latter are further broken down by PD range. The reference database is the reporting environment, with the regulatory definition of default.

The internal models included in the IRB regulatory exposure classes are:

- Large Corporate, turnover/assets $\geq$ 500 million euro
- Mid Corporate Plus, turnover/assets between 50 million euro and 500 million euro
- Mid Corporate, turnover/assets between 5 million euro and 50 million euro
- Small Business, turnover/assets $<$ 5 million euro
- Private

Unlike the Private customer segment, the first four models are included in the Corporate macro-category.

With reference to the reporting of 31 December 2025, the breakdown in terms of RWAs of the internal models for IRB regulatory exposure classes is as follows:

Internal Models	% RWAs
Large Corporate	20.44%
Mid Corporate Plus	28.15%
Mid Corporate	22.46%
Small Business	13.09%
Private	15.86%

For the figures contained in the model below, it should be noted that:

- starting from February 2024, the new IRB models (NAA project) went into production; while from June 2024, the counterparties pertaining to the "Corporates - Specialised Lending" exposure class are also included in the IRB report;
- starting from March 2025, new parameters have been applied following the update of the calibration time series;
- the average historical annual default rate is calculated as the average of the last five years: 2021-2025 with PD threshold relative to the models in force on each year;
- number of obligors at the end of the previous year, 31 December 2024;
- simple arithmetic average PD referring to the end of the previous year, as at 31 December 2024;
- the average long-term interest rates are calculated using the "overlapping window" approach;
- counterparties with short-term contracts are 137,455, and the exposure class "Exposures to or guaranteed by businesses - Other businesses" has the highest number of counterparties with short-term contracts.

Template CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale) (2 of 12)

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
A-IRB - Total	0.00 to < 0.15	197,446	90	0.05%	0.10%	0.12%	0.05%
	0.00 to < 0.10	51,642	12	0.02%	0.06%	0.07%	0.03%
	0.10 to < 0.15	145,804	78	0.05%	0.13%	0.14%	0.06%
	0.15 to < 0.25	65,498	50	0.08%	0.19%	0.21%	0.11%
	0.25 to < 0.50	111,188	282	0.25%	0.36%	0.40%	0.19%
	0.50 to < 0.75	58,412	156	0.27%	0.63%	0.65%	0.30%
	0.75 to < 2.50	120,183	1,162	0.97%	1.39%	1.43%	0.76%
	0.75 to < 1.75	82,906	648	0.78%	1.12%	1.06%	0.58%
	1.75 to < 2.5	37,277	514	1.38%	2.07%	2.24%	1.05%
	2.50 to < 10.00	30,741	1,368	4.45%	4.77%	5.92%	2.89%
	2.5 to < 5	10,531	446	4.24%	3.57%	4.17%	2.41%
	5 to < 10	20,210	922	4.56%	6.75%	6.84%	4.10%
	10.00 to < 100.00	63,481	7,977	12.57%	27.41%	18.65%	12.51%
	10 to < 20	52,375	5,869	11.21%	13.61%	13.27%	7.47%
	20 to < 30	3,989	617	15.47%	25.06%	26.02%	14.27%
	30.00 to < 100.00	7,117	1,491	20.95%	58.11%	54.13%	19.26%
	100.00 (Default)	34,590	-	-	100.00%	100.00%	-

Template CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale) (3 of 12)

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
- Corporates - Other A-IRB	0.00 to < 0.15	1,263	-	-	0.08%	0.05%	0.02%
	0.00 to < 0.10	1,239	-	-	0.06%	0.05%	0.02%
	0.10 to < 0.15	24	-	-	0.13%	0.13%	-
	0.15 to < 0.25	1,038	-	-	0.18%	0.16%	0.13%
	0.25 to < 0.50	785	-	-	0.34%	0.30%	0.22%
	0.50 to < 0.75	188	-	-	0.63%	0.55%	-
	0.75 to < 2.50	1,243	7	0.56%	1.27%	1.16%	0.94%
	0.75 to < 1.75	1,235	7	0.57%	1.07%	1.15%	1.02%
	1.75 to < 2.5	8	-	-	1.89%	2.37%	0.13%
	2.50 to < 10.00	474	17	3.59%	4.50%	4.77%	2.90%
	2.5 to < 5	291	8	2.75%	3.49%	3.43%	1.89%
	5 to < 10	183	9	4.92%	7.06%	6.88%	4.53%
	10.00 to < 100.00	171	30	17.54%	29.84%	32.09%	12.90%
	10 to < 20	76	8	10.53%	13.55%	13.37%	10.12%
	20 to < 30	41	12	29.27%	24.15%	25.57%	9.76%
	30.00 to < 100.00	54	10	18.52%	60.36%	63.39%	19.06%
	100.00 (Default)	102	-	-	100.00%	100.00%	-

Template CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale) (4 of 12)

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Corporates - Specialised Lending A-IRB	0.00 to < 0.15	7	-	-	0.12%	0.08%	-
	0.00 to < 0.10	5	-	-	0.07%	0.05%	-
	0.10 to < 0.15	2	-	-	0.14%	0.13%	-
	0.15 to < 0.25	5	-	-	0.19%	0.15%	-
	0.25 to < 0.50	25	-	-	0.31%	0.32%	-
	0.50 to < 0.75	15	-	-	0.63%	0.60%	-
	0.75 to < 2.50	43	-	-	1.42%	1.45%	-
	0.75 to < 1.75	32	-	-	1.39%	1.13%	-
	1.75 to < 2.5	11	-	-	2.27%	2.37%	-
	2.50 to < 10.00	27	-	-	4.33%	5.67%	-
	2.5 to < 5	15	-	-	3.44%	3.88%	-
	5 to < 10	12	-	-	7.68%	7.90%	-
	10.00 to < 100.00	11	3	27.27%	31.21%	32.21%	27.27%
	10 to < 20	6	-	-	18.20%	17.93%	-
	20 to < 30	1	1	100.00%	-	23.49%	100.00%
	30.00 to < 100.00	4	2	50.00%	54.59%	55.82%	50.00%
	100.00 (Default)	5	-	-	100.00%	100.00%	-

Template CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale) (5 of 12)

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Corporates - Purchased receivables A-IRB	0.00 to < 0.15	-	-	-	0.10%	-	-
	0.00 to < 0.10	-	-	-	0.06%	-	-
	0.10 to < 0.15	-	-	-	0.14%	-	-
	0.15 to < 0.25	-	-	-	0.16%	-	-
	0.25 to < 0.50	-	-	-	0.32%	-	-
	0.50 to < 0.75	-	-	-	0.60%	-	-
	0.75 to < 2.50	-	-	-	0.96%	-	-
	0.75 to < 1.75	-	-	-	0.85%	-	-
	1.75 to < 2.5	-	-	-	1.81%	-	-
	2.50 to < 10.00	-	-	-	6.20%	-	-
	2.5 to < 5	-	-	-	3.36%	-	-
	5 to < 10	-	-	-	6.91%	-	-
	10.00 to < 100.00	-	-	-	23.58%	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	23.58%	-	-
	30.00 to < 100.00	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-

Template CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale) (6 of 12)

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Retail - Qualifying revolving A-IRB	0.00 to < 0.15	33,646	12	0.04%	0.12%	0.12%	0.03%
	0.00 to < 0.10	9,756	2	0.02%	-	0.08%	0.03%
	0.10 to < 0.15	23,890	10	0.04%	0.12%	0.14%	0.03%
	0.15 to < 0.25	10,848	10	0.09%	0.19%	0.21%	0.06%
	0.25 to < 0.50	21,878	25	0.11%	0.37%	0.43%	0.10%
	0.50 to < 0.75	22,861	41	0.18%	0.60%	0.66%	0.16%
	0.75 to < 2.50	30,012	154	0.51%	1.54%	1.51%	0.38%
	0.75 to < 1.75	18,329	52	0.28%	1.05%	1.09%	0.22%
	1.75 to < 2.5	11,683	102	0.87%	2.21%	2.16%	0.66%
	2.50 to < 10.00	4,434	102	2.30%	5.44%	5.54%	1.62%
	2.5 to < 5	-	-	-	-	-	1.45%
	5 to < 10	4,434	102	2.30%	5.44%	5.54%	2.30%
	10.00 to < 100.00	2,469	222	8.99%	17.18%	16.65%	7.08%
	10 to < 20	1,677	97	5.78%	11.60%	12.14%	4.10%
	20 to < 30	792	125	15.78%	25.94%	26.20%	15.78%
	30.00 to < 100.00	-	-	-	-	-	13.77%
	100.00 (Default)	528	-	-	100.00%	100.00%	-

Template CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale) (7 of 12)

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Retail - Real estate collateral A-IRB	0.00 to < 0.15	131,128	41	0.03%	0.11%	0.13%	0.05%
	0.00 to < 0.10	24,214	3	0.01%	0.07%	0.07%	0.03%
	0.10 to < 0.15	106,914	38	0.04%	0.13%	0.14%	0.06%
	0.15 to < 0.25	48,532	30	0.06%	0.19%	0.21%	0.12%
	0.25 to < 0.50	40,930	71	0.17%	0.37%	0.43%	0.17%
	0.50 to < 0.75	29,144	74	0.25%	0.61%	0.66%	0.34%
	0.75 to < 2.50	25,498	172	0.67%	1.49%	1.39%	0.84%
	0.75 to < 1.75	18,274	95	0.52%	1.10%	1.07%	0.77%
	1.75 to < 2.5	7,224	77	1.07%	2.22%	2.20%	0.97%
	2.50 to < 10.00	7,496	178	2.37%	5.34%	5.66%	2.45%
	2.5 to < 5	765	19	2.48%	3.73%	4.27%	2.50%
	5 to < 10	6,731	159	2.36%	5.74%	5.82%	2.24%
	10.00 to < 100.00	6,602	611	9.25%	20.24%	21.90%	10.68%
	10 to < 20	3,537	196	5.54%	12.05%	13.11%	6.28%
	20 to < 30	2,420	314	12.98%	25.85%	26.19%	9.94%
	30.00 to < 100.00	645	101	15.66%	54.76%	53.96%	14.67%
	100.00 (Default)	6,395	-	-	100.00%	100.00%	-

Template CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale) (8 of 12)

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Retail - Purchased receivables A-IRB	0.00 to < 0.15	-	-	-	0.07%	-	-
	0.00 to < 0.10	-	-	-	0.06%	-	-
	0.10 to < 0.15	-	-	-	0.12%	-	-
	0.15 to < 0.25	-	-	-	0.22%	-	-
	0.25 to < 0.50	-	-	-	0.36%	-	-
	0.50 to < 0.75	-	-	-	0.60%	-	-
	0.75 to < 2.50	-	-	-	1.62%	-	-
	0.75 to < 1.75	-	-	-	1.46%	-	-
	1.75 to < 2.5	-	-	-	2.27%	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-
	100.00 (Default)	-	-	-	100.00%	-	-

Template CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale) (9 of 12)

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Retail - Other A-IRB	0.00 to < 0.15	50,066	48	0.10%	0.09%	0.10%	0.08%
	0.00 to < 0.10	20,553	9	0.04%	0.06%	0.06%	0.06%
	0.10 to < 0.15	29,513	39	0.13%	0.12%	0.14%	0.10%
	0.15 to < 0.25	8,664	20	0.23%	0.22%	0.20%	0.16%
	0.25 to < 0.50	51,293	202	0.39%	0.39%	0.38%	0.30%
	0.50 to < 0.75	9,549	54	0.57%	0.68%	0.64%	0.47%
	0.75 to < 2.50	67,745	869	1.28%	1.58%	1.42%	1.02%
	0.75 to < 1.75	47,339	493	1.04%	1.28%	1.04%	0.78%
	1.75 to < 2.5	20,406	376	1.84%	2.26%	2.30%	1.40%
	2.50 to < 10.00	19,799	1,106	5.59%	5.22%	6.15%	3.40%
	2.5 to < 5	8,940	405	4.53%	3.85%	4.24%	2.65%
	5 to < 10	10,859	701	6.46%	7.63%	7.73%	4.67%
	10.00 to < 100.00	56,660	7,367	13.00%	32.73%	18.32%	13.80%
	10 to < 20	48,281	5,618	11.64%	15.97%	13.26%	8.19%
	20 to < 30	1,946	356	18.29%	24.86%	25.97%	15.54%
	30.00 to < 100.00	6,433	1,393	21.65%	55.47%	53.98%	20.91%
	100.00 (Default)	30,338	-	-	100.00%	100.00%	-

Template CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale) (10 of 12)

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Total F-IRB	0.00 to < 0.15	-	-	-	0.06%	-	-
	0.00 to < 0.10	-	-	-	0.05%	-	-
	0.10 to < 0.15	-	-	-	0.14%	-	-
	0.15 to < 0.25	-	-	-	0.16%	-	-
	0.25 to < 0.50	-	-	-	0.44%	-	-
	0.50 to < 0.75	-	-	-	0.61%	-	-
	0.75 to < 2.50	-	-	-	1.32%	-	-
	0.75 to < 1.75	-	-	-	1.15%	-	-
	1.75 to < 2.5	-	-	-	1.82%	-	-
	2.50 to < 10.00	-	-	-	4.89%	-	-
	2.5 to < 5	-	-	-	3.50%	-	-
	5 to < 10	-	-	-	6.63%	-	-
	10.00 to < 100.00	-	-	-	20.21%	-	-
	10 to < 20	-	-	-	13.68%	-	-
	20 to < 30	-	-	-	24.26%	-	-
	30.00 to < 100.00	-	-	-	38.46%	-	-
	100.00 (Default)	-	-	-	100.00%	-	-

Template CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale) (11 of 12)

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Corporates - Other F-IRB	0.00 to < 0.15	-	-	-	0.06%	-	-
	0.00 to < 0.10	-	-	-	0.05%	-	-
	0.10 to < 0.15	-	-	-	0.14%	-	-
	0.15 to < 0.25	-	-	-	0.16%	-	-
	0.25 to < 0.50	-	-	-	0.44%	-	-
	0.50 to < 0.75	-	-	-	0.61%	-	-
	0.75 to < 2.50	-	-	-	1.32%	-	-
	0.75 to < 1.75	-	-	-	1.15%	-	-
	1.75 to < 2.5	-	-	-	1.82%	-	-
	2.50 to < 10.00	-	-	-	4.86%	-	-
	2.5 to < 5	-	-	-	3.50%	-	-
	5 to < 10	-	-	-	6.62%	-	-
	10.00 to < 100.00	-	-	-	20.21%	-	-
	10 to < 20	-	-	-	13.68%	-	-
	20 to < 30	-	-	-	24.26%	-	-
	30.00 to < 100.00	-	-	-	38.46%	-	-
	100.00 (Default)	-	-	-	100.00%	-	-

Template CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale) (12 of 12)

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Corporates - Purchased receivables F-IRB	0.00 to < 0.15	-	-	-	0.06%	-	-
	0.00 to < 0.10	-	-	-	0.05%	-	-
	0.10 to < 0.15	-	-	-	0.14%	-	-
	0.15 to < 0.25	-	-	-	0.16%	-	-
	0.25 to < 0.50	-	-	-	0.43%	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	1.68%	-	-
	0.75 to < 1.75	-	-	-	1.29%	-	-
	1.75 to < 2.5	-	-	-	1.81%	-	-
	2.50 to < 10.00	-	-	-	6.75%	-	-
	2.5 to < 5	-	-	-	-	-	-
	5 to < 10	-	-	-	6.75%	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-

Comparison between Expected Loss and Actual Loss

This paragraph compares the Expected Loss values, defined on the total performing A-IRB positions as at 31 December of the year prior to the reference year, with Actual Loss values, recorded by the positions moving to default status during the reference year.

While the expected loss is defined by the product of the A-IRB parameters of PD, LGD and EAD of the performing positions, the actual loss is represented by the amount of provisions recognised in the reference year against exposures classified as defaulted during the period and charged to the income statement.

Internal segment	Expected Loss (December 2022)	Actual Loss (2023)	Δ %	Expected Loss (December 2023)	Actual Loss (2024)	Δ %	Expected Loss (December 2024)	Actual Loss (2025)	Δ %
Corporates	256	232	-9.4%	221	224	1.6%	266	220	-17.3%
Private	68	30	-56.0%	60	23	-61.2%	55	22	-59.0%
Total	324	262	-19.2%	280	247	-11.7%	321	243	-24.4%

(figures in million euro)

The comparison over the last three reference years shows that overall expected losses are always higher than actual losses, with the exception of the Corporate segment for the 2024 period (+1.6%). The most recent year recognised an expected loss higher than the actual loss on both the Corporate and Private segments.

Section 12 - Disclosure of specialised lending and equity exposures

Template EU CR10 - Specialised lending and equity exposures

Template CR10 shows on- and off-balance sheet exposures, the risk-weighted exposure amounts and associated expected losses for each category of specialised lending treated with the slotting approach, in accordance with Article 438 (e) of the CRR.

Template EU CR10.1

<i>Specialised lending: Project finance (Slotting approach)</i>							
Regulatory categories	Remaining maturity	On-balance sheet exposures	Off-balance sheet exposures	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
		a	b	c	d	e	f
Category 1	Less than 2.5 years	53	11	50%	54	20	-
	Equal to or more than 2.5 years	160	176	70%	227	153	1
Category 2	Less than 2.5 years	48	30	70%	58	37	0
	Equal to or more than 2.5 years	1,334	336	90%	1,434	1,167	11
Category 3	Less than 2.5 years	6	1	115%	6	5	0
	Equal to or more than 2.5 years	12	1	115%	13	13	0
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	-	-	-	-	-	-
	Equal to or more than 2.5 years	-	-	-	-	-	-
Total	Less than 2.5 years	107	43		117	63	0
	Equal to or more than 2.5 years	1,507	514		1,674	1,334	13

<i>Specialised lending: Income-producing real estate and high volatility commercial real estate (Slotting approach)</i>							
Regulatory categories	Remaining maturity	On-balance sheet exposures	Off-balance sheet exposures	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
		a	b	c	d	e	f
Category 1	Less than 2.5 years	173	66	50%	191	92	-
	Equal to or more than 2.5 years	711	218	70%	754	508	3
Category 2	Less than 2.5 years	462	23	70%	463	321	2
	Equal to or more than 2.5 years	313	215	90%	371	327	3
Category 3	Less than 2.5 years	72	17	115%	73	79	2
	Equal to or more than 2.5 years	42	-	115%	42	48	1
Category 4	Less than 2.5 years	9	16	250%	16	39	1
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	32	-	-	32	-	16
	Equal to or more than 2.5 years	-	-	-	-	-	-
Total	Less than 2.5 years	749	123		775	530	21
	Equal to or more than 2.5 years	1,067	433		1,167	883	7

The exposures relating to the portfolio of Specialised Lending generated by Structured Finance include two types of transactions represented by Project Finance and Real Estate, respectively 48% and 52% of the exposure treated under Slotting Criteria.

As can be seen from the above models, for both types of exposure, the concentration is mainly in the first two best categories (99% Project and 92% IPRE, respectively), while non-performing exposures are negligible (absent for the Project and equal to 2% for IPRE Specialised Lending).

During the half-year, EAD increased by approximately 430 million euro, for the most part observed on the performing portfolio (approximately 413 million euro), mainly due to the entry of new positions in the half-year and ordinary portfolio trends.

Section 13 - Disclosure of counterparty credit risk

Table EU CCRA - Qualitative disclosure related to CCR

a) Description of the methodology used to assign internal capital and credit limits for counterparty credit exposures, including the methods to assign those limits to exposures to central counterparties. (Article 439 (a) CRR)

Counterparty credit risk is a type of credit risk, defined as the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows (Article 272 Reg. EU 575/2013)

The risk is bilateral (the value of the transaction may be positive or negative for both counterparties), the development of which depends both upon changes in market parameters that condition the exposure, and on the riskiness of the counterparty (PD and LGD).

Policies relative to guarantees and measurements of counterparty credit risk depend on the type of financial instruments traded which, in line with the regulatory scope, may fall into one of the following categories:

- Derivatives (according to the provisions of Annex II of Reg. (EU) 575/2013).
- Securities Financing Transactions (SFT): typically associated with repurchase transactions and reverse repurchase transactions on securities or commodities, securities or commodities lending or borrowing transactions and margin lending transactions, medium/long-term loans.
- Long settlement transactions: transactions with a settlement or delivery date that is later than the market standard or five business days after the date on which the institution enters into the transaction, whichever is earlier.

Capital requirements relative to counterparty credit risk relate to both positions in the trading book and those in the banking book.

In quantifying the exposure to risk, Banco BPM Group has been using, from June 2021, for reporting purposes, the standardised SA-CCR method (Regulation (EU) 2019/876) for derivative transactions; the above-mentioned approach is more sensitive, with respect to previous methodologies, to the risks connected with institutions' derivative transactions.

For SFT type transactions (repurchase agreements and securities lending), the Financial Collateral Comprehensive Method is adopted with application of supervisory adjustments (Articles 223 and 224 of Reg. (EU) 575/2013) in order to take account of the associated volatility.

In compliance with the Basel 3 framework, the additional capital requirements relating to exposures relative to transactions with Qualifying Central Counterparties (QCCP) are also calculated, through the adoption of the methods envisaged under Articles 303 et seq. of Regulation (EU) no. 876/2019.

In order to estimate the internal capital, from March 2023, Banco BPM Group has prudentially adopted the same standard methods used for supervisory reporting purposes to calculate the exposure to counterparty risk.

b) Description of policies related to guarantees and other credit risk mitigants, such as the policies for securing collateral and establishing credit reserves. (Article 439 (b) CRR)

Risk is quantified through the application to the exposure to risk parameters (Probability of Default and Loss Given Default) used in the credit risk domain.

With an eye to improving risk mitigation relative to the counterparties with which it has derivative transactions, "ISDA Master Agreements" and "CSA - Credit Support Annexes" can be prepared, which respectively provide for netting and payment of reciprocal financial guarantees.

As at 31 December 2025, 77% of the overall exposure to derivative instruments is mitigated by the effects of contractual netting (ISDA) and 47% also by contractual guarantees (CSA).

Risk deriving from the execution of securities lending transactions and repurchase agreements is mitigated through Global Master Securities Lending Agreements (GMSLA) and Global Master Repurchase Agreements (GMRA) with the aim of establishing a system of guarantees.

Forward exchanges may be included under CSAs and hence subject to margining, as occurs for OTC derivatives.

In the context of the contractual negotiation of the CSA, a threshold is determined, mainly set at zero, which when exceeded gives a party the right to request the establishment of a collateral.

The guarantees are updated based on the frequency indicated in the contract (generally daily), either increasing or decreasing in relation to changes in market value equal to, or exceeding, a minimum amount established in the contract for each counterparty (MTA - Minimum Transfer Amount).

Negotiation of guarantee agreements (Credit Support Annexes) mainly occurs in the absence of clauses with impacts on the amount of guarantees to be provided in the case the Group's credit standing is downgraded.

Based on the valuations of the contracts negotiated as at 31 December 2025, the collateral is represented exclusively by cash (not subject to "haircuts").

With regard to exposures with qualifying central counterparties (QCCP), Group Companies are clearing members of certain sectors of Cassa di Compensazione e Garanzia and of the bond segment of Eurex Clearing AG and LCH SA.

As regards transactions in credit derivatives, the Group works with the Central Counterparties ICE Clear Europe Limited and LCH Clearnet SA; transactions carried out with leading banks are also present.

For the purposes of compliance with Regulation (EU) no. 648/2012 ("EMIR Regulation") indirect participation in LCH Clearnet Limited and Eurex Clearing AG is active, for transactions in OTC derivatives.

c) Description of policies with respect to Wrong-Way risk as defined in Article 291 of the CRR. (Article 439 (c) CRR)

In calculating exposure for the purposes of prudential requirements, the Banco BPM Group also takes into account the alpha factor, set at a fixed value of 1.4, as envisaged by the regulations on risk mitigation techniques and counterparty credit risk.

This ratio reflects the presence of wrong-way risk, i.e. the possibility that the credit protection loses its effectiveness when the counterparty's credit quality deteriorates, generating a negative correlation between the guarantee value and the same counterparty's default risk.

d) Any other risk management objectives and relevant policies related to CCR. (Article 431 (3) and (4) CRR)

Please refer to the other points of this CCRA table.

**e) The amount of collateral the institution would have to provide if its credit rating was downgraded.
(Article 439 (d) CRR)**

As at 31 December 2025, there are CDS in place with the following characteristics: four purchase contracts for a notional total of 93 million euro. More specifically:

- 1 contract for a notional 25 million euro, expiry 2026;
- 3 contracts for a notional total of 68 million euro, expiry 2030, negotiated with LCH Clearnet SA.

To oversee CDS operations, the Bank adopts a standardised contractual framework based on ISDA/CSA agreements and on the use of the Central Counterparty LCH Clearnet SA, which ensures the centralised margin management and the reduction of counterparty credit risk. Positions are subject to contractual netting mechanisms and daily collateralisation, in compliance with the regulatory framework and internal risk management and mitigation policies.

Reporting process

The reporting process includes a periodic managerial reporting, with aggregate and detailed analysis of the main factors determining counterparty credit risk.

By way of example, trend data for risk and exposure is provided, broken down by segment (OTC derivatives, SFT transactions, etc.) and by legal entity. The reporting system also includes daily monitoring of usage amounts relative to credit lines for OTC derivative transactions supported by Credit Support Annexes, also highlighting any overdrafts which may occur.

Template EU CCR1 - Analysis of CCR exposure by approach (1 of 2)

Template CCR1 shows the exposures subject to counterparty credit risk (excluding those with a QCCP counterparty) differentiated by approach adopted, in application of the requirements of Article 439 (f), (g) and (k) of the CRR. Specifically, for derivative transactions and securities financing transactions, the exposure values before and after the effect of the credit risk mitigation are reported, as well as the exposure value (having applied all CRM techniques and considering the deduction of the CVA loss) and the relative weighted amount.

Banco BPM adopts the following approaches to calculate counterparty credit risk:

- Standardised Approach for derivatives;
- Financial collateral comprehensive method (for SFTs).

Template EU CCR1 - Analysis of CCR exposure by approach (2 of 2)

		a	b	c	d	e	f	g	h	
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA	
EU-1	EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-	
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-	
1	SA-CCR (for derivatives)	405	623		1.4	3,287	1,440	1,437	578	
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-	
2a	Of which securities financing transactions netting sets			-		-	-	-	-	
2b	Of which derivatives and long settlement transactions netting sets			-		-	-	-	-	
2c	Of which from contractual cross-product netting sets			-		-	-	-	-	
3	Financial collateral simple method (for SFTs)					-	-	-	-	
4	Financial collateral comprehensive method (for SFTs)					11,238	1,875	1,875	519	
5	VaR for SFTs					-	-	-	-	
6	Total					14,525	3,315	3,312	1,097	

Template EU CCR3 - Standardised approach - CCR exposures by regulatory exposure class and risk weights (1/2)

Template CCR3 provides details of the exposures (including exposure to QCCP), broken down by class and weight, subject to counterparty credit risk, treated with the standardised approach, in accordance with the provisions of Article 444 (e) of the CRR.

The exposures reported in the template below relate to derivative contracts for 1,266 million and securities financing transactions (SFT) for 3,807 million. Almost all of these transactions are in place with counterparties belonging to the class of Institutions (95% of the total exposure value).

Exposure classes		Risk weight					
		a	b	c	d	e	f
		0%	2%	4%	10%	20%	50%
1	Central governments or central banks	-	-	-	-	-	-
2	Regional governments and local authorities	-	-	-	-	0	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	-	2,095	-	-	1,713	247
7	Corporates	-	-	-	-	-	38
8	Retail	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-
11	Total exposure value	-	2,095	-	-	1,714	285

Template EU CCR3 - Standardised approach - CCR exposures by regulatory exposure class and risk weights (2/2)

Exposure classes		Risk weight					
		g	h	i	j	k	l
		70%	75%	100%	150%	Other	Total exposure value
1	Central governments or central banks	-	-	1	-	-	1
2	Regional governments and local authorities	-	-	-	-	-	0
3	Public sector entities	-	-	0	-	-	0
4	Multilateral development banks	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	-	0	1	2	761	4,820
7	Corporates	-	0	6	-	-	44
8	Retail	-	0	-	-	-	0
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
10	Other items	-	-	207	-	-	207
11	Total exposure value	-	1	215	2	761	5,073

Template EU CCR4 - IRB approach - CCR exposures by exposure class and PD scale (1 of 4)

Template CCR4 shows the exposure classes, under the IRB approach, subject to counterparty credit risk, broken down by PD range, in application of Article 452 (g) of the CRR.

It should be noted that for each exposure class, in addition to the IRB total, the total broken down by F-IRB and A-IRB approach was also indicated.

			a	b	c	d	e	f	g
		PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
1	Corporates - Other F-IRB	0.00 to < 0.15	9	0.08%	60	40.13%	3	2	26.19%
2		0.15 to < 0.25	19	0.16%	55	40.01%	2	6	34.51%
3		0.25 to < 0.50	25	0.44%	74	40.20%	3	15	59.74%
4		0.50 to < 0.75	1	0.63%	15	40.15%	2	1	67.87%
5		0.75 to < 2.50	14	1.31%	62	40.91%	3	14	100.97%
6		2.50 to < 10.00	3	4.26%	26	40.45%	3	4	136.56%
7		10.00 to < 100.00	1	23.55%	4	40.00%	4	2	230.58%
8		100.00 (Default)	0	100.00%	8	40.00%	1	-	-
X	Sub-total		72	1.22%	304	40.29%	3	45	62.09%
Y	Total (all CCR relevant exposure classes)		296	2.32%	11,132	29.56%	3	134	45.28%
Total F-IRB (all CCR relevant exposure classes)			72	1.22%	304	40.29%	3	45	62.09%

Template EU CCR4 - IRB approach - CCR exposures by exposure class and PD scale (2 of 4)

			a	b	c	d	e	f	g
		PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
1	Corporates - Other A-IRB	0.00 to < 0.15	46	0.10%	932	25.49%	3	7	15.32%
2		0.15 to < 0.25	15	0.19%	598	25.57%	4	4	23.17%
3		0.25 to < 0.50	35	0.33%	857	25.45%	4	12	33.00%
4		0.50 to < 0.75	18	0.64%	665	25.69%	4	7	40.38%
5		0.75 to < 2.50	49	1.27%	731	25.52%	4	29	58.48%
6		2.50 to < 10.00	19	4.33%	380	25.35%	3	14	74.70%
7		10.00 to < 100.00	6	24.42%	148	25.35%	4	7	113.63%
8		100.00 (Default)	2	100.00%	90	25.06%	4	4	202.15%
X	Sub-total		191	2.71%	4,401	25.49%	4	84	43.84%
Y	Total (all CCR relevant exposure classes)		296	2.32%	11,132	29.56%	3	134	45.28%
Total A-IRB (all CCR relevant exposure classes)			224	2.68%	10,828	26.12%	4	89	39.90%

Template EU CCR4 - IRB approach - CCR exposures by exposure class and PD scale (3 of 4)

			a	b	c	d	e	f	g
		PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
1	Corporates - Specialised Lending A-IRB	0.00 to < 0.15	0	0.12%	1	22.25%	1	0	11.49%
2		0.15 to < 0.25	0	0.19%	5	25.20%	2	0	16.26%
3		0.25 to < 0.50	0	0.30%	3	18.43%	5	0	20.54%
4		0.50 to < 0.75	0	0.63%	7	21.23%	4	0	28.89%
5		0.75 to < 2.50	1	1.34%	4	20.28%	5	0	49.02%
6		2.50 to < 10.00	-	-	-	-	-	-	-
7		10.00 to < 100.00	-	-	-	-	-	-	-
8		100.00 (Default)	0	100.00%	1	12.50%	4	0	64.09%
X	Sub-total		1	1.47%	21	20.42%	5	0	40.01%
Y	Total (all CCR relevant exposure classes)		296	2.32%	11,132	29.56%	3	134	45.28%
Total A-IRB (all CCR relevant exposure classes)			224	2.68%	10,828	26.12%	4	89	39.90%

Template EU CCR4 - IRB approach - CCR exposures by exposure class and PD scale (4 of 4)

			a	b	c	d	e	f	g
			Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
1	Retail - Other A-IRB	0.00 to < 0.15	9	0.08%	1,736	30.04%	-	0	4.69%
2		0.15 to < 0.25	6	0.21%	1,100	30.05%	-	1	9.51%
3		0.25 to < 0.50	6	0.37%	976	30.05%	-	1	13.77%
4		0.50 to < 0.75	5	0.68%	941	30.12%	-	1	19.46%
5		0.75 to < 2.50	4	1.56%	788	30.05%	-	1	27.07%
6		2.50 to < 10.00	1	5.47%	411	30.14%	-	0	34.27%
7		10.00 to < 100.00	1	32.98%	260	27.38%	-	1	47.78%
8		100.00 (Default)	0	100.00%	194	31.57%	-	1	249.58%
X	Sub-total		32	2.49%	6,406	29.98%	-	5	16.60%
y	Total relevant classes (all CCR exposure)		296	2.32%	11,132	29.56%	3	134	45.28%
Total A-IRB relevant classes (all CCR exposure)			224	2.68%	10,828	26.12%	4	89	39.90%

Template EU CCR5 - Composition of collateral for CCR exposures

Template CCR5 shows the details of the collateral at fair value used in derivative transactions and SFTs, in application of Article 439 (e) of the CRR.

	Collateral type	a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash domestic currency	498	496	317	200	-	2	-	4
2	Cash - other currencies	20	-	82	17	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	-	13,504
4	Other sovereign debt	-	-	-	-	-	-	-	-
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	4,250
7	Equity instruments	-	-	-	-	-	307	-	342
8	Other collateral	41	-	-	-	-	16,804	-	35,653
9	Total	560	496	399	217	-	17,112	-	53,753

Template EU CCR6 - Credit derivatives exposures

Template CCR6 shows the notional amounts and the fair value of credit derivative transactions (broken down by product type), in application of Article 439 (j) of the CRR.

		a	b
		Protection bought	Protection sold
Notionals			
1	Single-name credit default swaps	25	-
2	Index credit default swaps	68	-
3	Total return swaps	-	-
4	Credit options	-	-
5	Other credit derivatives	-	-
6	Total notionals	93	-
Fair values			
7	Positive fair value (asset)	-	-
8	Negative fair value (liability)	(5)	-

Template EU CCR8 - Exposures to CCPs

Template CCR8 provides details of existing transactions with a CCP, namely a central counterparty, in application of Article 439 (i) of the CRR.

It should be noted that the Banco BPM Group operates exclusively with qualifying central counterparties (QCCP), benefiting from a more favourable prudential treatment.

		a	b
		Exposure value	RWEA
1	Exposures to QCCPs (total)		111
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	2,095	42
3	(i) OTC derivatives	110	2
4	(ii) Exchange-traded derivatives	54	1
5	(iii) SFTs	1,932	39
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	384	
8	Non-segregated initial margin	689	14
9	Prefunded default fund contributions	307	55
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Section 14 - Disclosure of exposures to securitisation positions

Table EU SECA - Qualitative disclosure requirements related to securitisation exposures (1 of 3)

Securitisations where Banco BPM acts as originator and Covered Bond issues

a) Description of securitisation and re-securitisation activities; including institutions' risk management and investment objectives in connection with those activities, their role in securitisation and re-securitisation transactions whether they use the Simple Transparent and Standardised (STS) securitisation framework and the extent to which they use securitisation transactions to transfer the credit risk of the securitised exposures to third parties with, where applicable, a separate description of their synthetic securitisation risk transfer policy. (Article 449 (a) CRR)

The completion of the transactions in question, with underlying assets sold by the Group as originator, seeks mainly to diversify the sources of funding and reduce the cost of funding for the Group, rather than carrying out derisking actions on non-performing credit exposures (bad loans and unlikely to pay).

Securitisation transactions of performing loans for funding purposes

These transactions provide for the transfer of assets from the Group (originator) to a Special Purpose Vehicle (SPV) which, to finance the purchase, issues securities that are placed on the market and/or subscribed by the originator. Securitisation transactions in which the Group fully subscribes the securities issued by the SPV are defined as "self-securitisations".

The transactions completed in 2025 and those in place are briefly illustrated below.

Following the closure of the "Profamily SPV S.r.l." securitisation transaction completed in March, Banco BPM Group had the following securitisation transactions in place as at 31 December 2025:

- BPL Mortgages S.r.l. Series V (December 2012 - self-securitisation): securitisation of performing residential mortgages originated by Banco Popolare Soc. Coop. and Credito Bergamasco S.p.A. and by Banca Popolare di Milano S.p.A., now Banco BPM;
- BPL Mortgages S.r.l. Series VIII (April 2022 - self-securitisation): securitisation of loans deriving from mortgage, landed, agricultural and other loans by Banco BPM to small and medium-sized enterprises;
- BPL Mortgages S.r.l. Series IX (November 2025 - self-securitisation): securitisation of the loan portfolio in favour of small and medium-sized enterprises disbursed by Banco BPM and backed by direct guarantees granted by the "SME Central Guarantee Fund".

Synthetic securitisations

Synthetic securitisations envisage, through the contracting of collateral arrangements, the purchase of protection from the credit risk underlying a portfolio of loans, of which the originator retains full ownership. Thus, the purpose of those transactions is to transfer the credit risk from the originator to an external counterparty, without derecognising the assets, which are therefore kept in the originator's financial statements.

In March 2025, Banco BPM concluded two synthetic securitisations with specialised investors.

The first transaction, called Clint, was finalised on a portfolio consisting of performing loans disbursed to Corporate customers for approximately 3.0 billion (approximately 2.5 billion net of retention), with investors hedging the junior tranche. As at 31 December 2025, the portfolio

involved in the transaction, including retention, amounted to 2.1 billion and the net exposure of Banco BPM was 1.7 billion.

The second transaction, called Gregory, was finalised on a portfolio consisting of performing loans disbursed to Mid Corporate Plus, Mid Corporate and Small Business customers for approximately 2.3 billion (2.1 net of retention), with investors hedging the mezzanine tranche. As at 31 December 2025, the portfolio involved in the transaction, including retention, amounted to 1.5 billion and the net exposure of Banco BPM was 1.4 billion.

In November, Banco BPM concluded a transaction, called Sean, on a portfolio consisting of performing loans disbursed to Corporate customers for approximately 3.4 billion (approximately 2.8 billion net of retention), with investors hedging the junior tranche. As at 31 December 2025, the portfolio involved in the transaction, including retention, amounted to 3.2 billion and the net exposure of Banco BPM was 2.7 billion.

During the year, Banco BPM concluded six Tranché Cover synthetic securitisations with the Guarantee Fund for Small and Medium-sized Enterprises ("SMEGF"), each on a portfolio composed of new loans disbursed to SME and Corporate customers of approximately 300 million euro (approximately 240 million euro net of retention).

As at 31 December 2025, the portfolios involved in the six transactions, including retention, amounted to a total of 1.5 billion and the net exposure of Banco BPM was approximately 1.2 billion.

The transactions envisage hedging of the junior tranche through a direct personal guarantee from the SMEGF and a counter-guarantee from the State.

The Group also has nine synthetic securitisations in place, arranged between 2022 and 2024:

- Specialised Lending 2022 - Sofia: transaction that envisages hedging of the junior and mezzanine tranche by a number of market investors and an insurance company. As at 31 December 2025, the portfolio involved in the transaction, including retention, amounted to around 500 million euro and the net exposure of the Group was 300 million euro.
- SME 2022 - Greta: transaction that envisages hedging of the mezzanine tranche by a market investor. As at 31 December 2025, the portfolio involved in the transaction, including retention, amounted to around 550 million euro and the net exposure of the Group was 500 million euro.
- Large Corporate 2023 - Grace: transaction that envisages hedging of the junior tranche by several market investors. As at 31 December 2025, the portfolio involved in the transaction, including retention, amounted to around 1.2 billion euro and the net exposure of the Group was 850 million euro.
- SME 2023 - Marlene: transaction that envisages hedging of the mezzanine tranche by several market investors. As at 31 December 2025, the portfolio involved in the transaction, including retention, amounted to around 800 million euro and the net exposure of the Group was 750 million euro.
- Large Corporate 2024 - Aretha: transaction that envisages hedging of the junior tranche by market investors. As at 31 December 2025, the portfolio involved in the transaction, including retention, amounted to approximately 1.8 billion and the net exposure of Banco BPM was approximately 1.4 billion.
- Tranché Cover: four transactions that envisage the hedging of the junior tranche through a direct personal guarantee from the SMEGF and a counter-guarantee from the State. As at 31 December 2025, the portfolios involved in the transactions, including retention,

amounted to around 800 million euro and the net exposure of the Group was 700 million euro.

Covered Bond issues

As at 31 December 2025, the Group had two programmes for the issue of Covered Bonds ("CB") intended for institutional investors or retained by the issuer for use in bilateral loan transactions or collateral switches with institutional counterparties, including any refinancing transactions with the Central Bank. Both programmes were created by the former BPM S.c.ar.l. ("BPM CB1" and "BPM CB2") and guaranteed respectively by the SPVs BPM Covered Bond S.r.l. and BPM Covered Bond 2 S.r.l. In the programmes cited above, Banco BPM acts as the issuer bank for the CBs, as the bank selling the assets (pursuant to Article 7-bis of Italian Law 130 of 30 April 1999) and as the lending bank.

For further details, please see the contents of paragraph "D.4 Prudential consolidation - covered bond transactions" contained in the credit risk section of "Part E - Information on risks and related hedging policies" of the Notes to the Group's Annual Financial Report as at 31 December 2025.

New transactions in the year

On 6 March 2025, Banco BPM issued the "12th Series" of CB under the BPM CB2 programme for a nominal value of 750 million euro, with a four and half year expiry, listed on the Luxembourg Stock Exchange and placed with institutional investors.

There has been considerable interest in the Group from Italian and foreign investors: the issue has collected orders for 2 billion euro placed with the following geographical breakdown: Italy 32%, Germany 15%, Nordic countries 14%, Austria and Switzerland 11%, Spain and Portugal 10%, United Kingdom 7%, France 7%, and Benelux 4%. The investors who participated in the transaction, of which more than 40% with a significant ESG focus, were mainly banks (39%), funds/asset managers (35%) and Institutional Bodies (19%).

The issue was placed under the "European Covered Bond (Premium)" brand in compliance with Directive (EU) 2019/2162, implemented on 31 March 2023 with the update of the Supervisory provisions by the Bank of Italy, and Regulation (EU) 2019/2160, which made some changes to Article 129 of the CRR.

b) The type of risk that institutions are exposed to in their securitisation and re-securitisation activities by level of seniority of the relevant securitisation positions, providing a distinction between STS and non-STS positions and:

i) risk retained in own-originated transactions;

ii) risk incurred in relation to transactions originated by third parties.

Risk management in traditional securitisation and covered bond transactions

The main risks relating to the securitisation transactions, with the exception of those fully derecognised from financial statements, and the CBs can be summarised as follows: (i) interest rate risk, linked to possible fixed-rate/floating-rate tranches/series on an underlying portfolio of mortgages with different types of rates; (ii) credit risk, attributable to the quality of the loans transferred to the special-purpose vehicle and, therefore, to their performance; (iii) counterparty risk, consisting in the possibility that the creditworthiness of third party counterparties involved in transactions (swap counterparties, cash managers, account banks, etc.) could deteriorate to such an extent as to create a liquidity problem with a consequent negative impact on the ratings of individual tranches/series issued; (iv) reputational risk, consisting of the possibility that a specific

event negatively influences the credibility and the image of the Group on the reference market (failure to observe the regulatory tests envisaged in the CB programmes, delay in the reporting sent out for external purposes); also the lack of actions by Banco BPM so as to support the operations if it is envisaged may negatively influence the Group's credibility on the market; (v) liquidity risk, linked to the performance of the collateral book: a deterioration in the portfolio securitised or transferred as part of a CB programme may create a shortfall in the transaction's financial structure and, as a result, the inability of the entity to reimburse the securities issued or to pay the interest on the securities in the case of default by the issuer (for CBs), or cause the failure of the regulatory or contractual tests envisaged in the CB programmes.

There is an additional type of risk in the self-securitisations structured by the Group, and the series of CBs repurchased by the Originator and used in monetary policy transactions with the ECB, also linked to the quality of the underlying portfolio.

A deterioration in the transferred loans could result in a reduction in the price of the senior tranche by the supervisory authorities in refinancing transactions, as well as a reduction in the rating of the securities also below the floor for ECB eligibility, with a resulting impact on the value of the portfolio of securities which can be lodged and are eligible and, therefore, on the bank's liquidity.

In the securitisation transactions carried out (with the exception of those relative to derisking projects), Banco BPM serves as the Originator (transferor bank) and Servicer (monitoring and management) of the transferred portfolios and sometimes as the Subordinated Lender.

The role of Originator involves the transfer of loan portfolios to special purpose vehicles incorporated under the form of "società per la cartolarizzazione di crediti" (loan securitisation companies) pursuant to Italian Law 130/1999, which finance the purchase of portfolios through the issue of ABS securities.

Furthermore, Banco BPM performs certain specific activities within the securitisation and covered bond transactions, including the role of "Administrative Servicer", meaning the party in charge of performing certain accounting and administration services on behalf of the SPV, and, as Interim Account Bank (custodian bank of the SPV's accounts) with the obligation of transferring the funds credited to current accounts held by the SPV to the Account Bank.

In the securitisation transaction BPL Mortgages S.r.l. Series V, BPL Mortgages S.r.l. Series VIII, BPL Mortgages S.r.l. Series IX and with regard to the two CB programmes (BPM CB1 and BPM CB2), Banco BPM also acts as Custodian Bank, holding some accounts in the names of the relative SPVs.

Banco BPM Group has arranged a set of periodic assessments to monitor the changes in risks relating to the securitisations and CB programmes.

In the area of securitisation transactions, the following are periodically monitored: (i) the performance of the portfolio in terms of levels of default, delinquency and prepayment, and (ii) the levels of ratings of senior and mezzanine tranches.

In the area of Covered Bonds, in addition to periodically monitoring the performance of the portfolio in terms of levels of default, delinquency and prepayment, regulatory tests are conducted as well as those required by the rating agencies, at a greater frequency than set forth in the programme's contractual documentation: the official tests are carried out on a quarterly basis as envisaged by the contracts, but the same tests for management purposes are carried out monthly, in order to be able to promptly act to support the transaction, thus avoiding failure of the tests and the related consequences.

For risks relating to securitisations and Covered Bond programmes, Banco BPM has adopted a series of useful mitigation mechanisms.

Specifically, to mitigate counterparty risk in the transactions, counterparties with high ratings are involved, and contractual provisions are entered which state that in the event of downgrading of said counterparties, certain guarantees may be given or they may be replaced.

Reputational risk, instead, is mitigated by means of effective relations with the market and with institutional investors.

The selection of a high quality loan portfolio, as well as the monitoring and management of transferred loans, along with the level of credit enhancement/overcollateralisation significantly reduce liquidity risk.

Lastly, with regard to interest rate risk, recourse to the signing of derivative contracts, if necessary, protects the SPV from unexpected movements in the interest rate curve, shielding it from interest rate risk.

The securities issued as part of a securitisation transaction or a CB programme may be:

- placed on the market through parties assigned for such activity in advance (dealer/lead manager, book-runner, etc.); or
- fully subscribed by the originator of the transferred assets, for the securitisations or by the issuer, in the case of CB, to be then used in loan transactions or collateral switch transactions with market counterparties or in refinancing transactions within monetary policy schemes defined by the Eurosystem.

Risk management in synthetic securitisation transactions

The synthetic securitisation transactions allow the release of regulatory and economic capital as a result of the reduction of the credit risk of the underlying portfolio (Significant Risk Transfer), thus contributing to the creation of value by optimising the use of the capital itself.

For the duration of the transactions, the Significant Risk Transfer (SRT) must be constantly monitored in order to verify that the criteria established by current regulations regarding the effective transfer of credit risk are observed.

c) Institutions' approaches to calculating the risk-weighted exposure amounts that they apply to their securitisation activities, including the types of securitisation positions to which each approach applies with a distinction between STS and non-STS positions. (Article 449 (c) CRR)

To calculate risk-weighted exposure amounts for securitisation risks, the Banco BPM Group applies two different approaches, ordered hierarchically:

- if the loan exposures included in the securitised book are subject to the application of the standardised approach, the same approach is likewise applied to the exposure towards the securitisation;
- if the loan exposures included in the securitised book are subject to the application of the advanced approaches based on internal models, the same approach is likewise applied to the exposure towards the securitisation.

For more details, please refer to the quantitative disclosure included in the SEC3 and SEC4 templates.

d) A list of SSPEs falling into any of the following categories, with a description of types of institution's exposures to those SSPEs, including derivatives contracts (Article 449 (d) CRR):

- i) SSPEs which acquire exposures originated by the institutions;**
- ii) SSPEs sponsored by the institutions;**
- iii) SSPEs and other legal entities for which the institutions provide securitisation-related services, such as advisory, asset servicing or management services;**
- iv) SSPEs included in the institutions' regulatory scope of consolidation.**

Please refer to point (a) of this SECA table.

- e) A list of any legal entities in relation to which the institutions have disclosed that they have provided support in accordance with Chapter 5 of Title II of Part Three CRR. (Article 449 (e) CRR)**

Please refer to point (a) of this SECA table.

- f) A list of legal entities affiliated with the institutions and that invest in securitisations originated by the institutions or in securitisation positions issued by SSPEs sponsored by the institutions. (Article 449 (f) CRR)**

Please refer to point (a) of this SECA table.

- g) A summary of their accounting policies for securitisation activity, including where relevant a distinction between securitisation and re-securitisation positions. (Article 449 (g) CRR)**

In securitisation transactions, the transfer of financial assets to an SPV, even without recourse, involves the derecognition of such assets only if there is a substantial transfer of risks and rewards.

For securitisations originated by the Group, the loans were not derecognised from the financial statements when the transaction was executed, even though they were transferred.

This is because the Group has maintained the credit risk associated with the securitised portfolio and the relative rewards, by subscribing the tranche of junior securities, i.e., the securities that bear the risk of the initial losses, or the assumption of similar exposures.

As a result, the loans continue to be recognised in the originator bank's separate financial statements as "Assets sold and not derecognised"; the consideration received from the transfer is recognised as a balancing entry to the recognition of a payable to the SPV, net of the securities subscribed by the bank.

In the consolidated financial statements, the primary effect of the consolidation of the SPV and the relative securitisation assets, if the control requirements established by IFRS 10 are respected, is that the securities issued by the SPV and subscribed by entities not belonging to the Group are included in the statement of financial position.

Note that the disposals finalised by the Group did not result in any recognition of profits or losses at the transfer date, as the value of the loans sold was equal to the book value.

Synthetic securitisations envisage, through the contracting of collateral arrangements, the purchase of protection from the credit risk underlying a portfolio of loans, of which the Originator retains full ownership. Thus, the purpose of those transactions is to transfer the credit risk from the Originator to an external counterparty, without derecognising the assets, which are therefore kept in the Originator's financial statements.

h) The names of the ECAs used for securitisations and the types of exposure for which each agency is used (Article 449 (h) CRR)

Banco BPM Group securitisation transactions	Rating agencies involved
BPL Mortgages S.r.l. (December 2012)	Moody's Investors Service Ltd
	DBRS Ltd
BPL Mortgages S.r.l. (April 2022)	Moody's Investors Service Ltd
	DBRS Ltd
BPL Mortgages S.r.l. (November 2025)	Moody's Investors Service Ltd
	S&P Global Ratings
Banco BPM Group Covered Bond transactions	Rating agencies involved
BPM Covered Bond S.r.l. (June 2008)	Moody's Investors Service Ltd
BPM Covered Bond 2 S.r.l. (August 2015)	Moody's Investors Service Ltd

i) Where applicable, a description of the Internal Assessment Approach as set out in Chapter 5 of Title II of Part Three CRR including the structure of the internal assessment process and the relation between internal assessment and external ratings of the relevant ECAI disclosed in accordance with point (h), the control mechanisms for the internal assessment process including discussion of independence, accountability, and internal assessment process review, the exposure types to which the internal assessment process is applied and the stress factors used for determining credit enhancement levels. (Article 449 (i) CRR)

The internal assessment approach referred to in Chapter 5 of Title II of Part Three of the CRR is not applicable to the Banco BPM Group.

Table EU SECA - Qualitative disclosure requirements related to securitisation exposures (2 of 3)

Traditional securitisations in which Banco BPM acts as Sponsor and investor

a) Description of securitisation and re-securitisation activities; including institutions' risk management and investment objectives in connection with those activities, their role in securitisation and re-securitisation transactions whether they use the Simple Transparent and Standardised (STS) securitisation framework and the extent to which they use securitisation transactions to transfer the credit risk of the securitised exposures to third parties with, where applicable, a separate description of their synthetic securitisation risk transfer policy. (Article 449 (a) CRR)

The Group is active in the market of financing the receivables of its corporate customers through the securitisation of trade receivables in which the Group acts as sponsor, pursuant to Article 6 (3) (a) of Regulation (EU) no. 2017/2402, and/or as senior investor.

Securitisation in the wholesale of electronic components sector - Sun SPV - lot 4

The securitisation programme concerns performing trade receivables for a maximum revolving amount of approximately 20 million originated by a Group customer, deriving from the wholesale trade of electronic telecommunications equipment and other electronic components. The Group acts as senior noteholder, sponsor and account bank.

The revolving purchase by SUN SPV S.r.l. was financed through the issue of three tranches of unrated ABS (Senior, Mezzanine and Junior classes).

Banco BPM subscribed 100% of the Senior security and 5% of the Mezzanine and Junior securities, for a total value of 16.7 million. The securitisation is currently in the revolving phase, and the investment as at 31 December 2025 is equal to 9.2 million.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior security	16,535	16,535	16,535	9,074
Mezzanine security	2,864	144	144	79
Junior security	736	37	37	37
Total	20,135	16,716	16,716	9,190

Securitisation in the energy sector - Sun SPV - lot 1

The securitisation programme regards performing trade receivables for a maximum revolving amount of around 50 million originated by a Group customer, operating in the energy distribution sector, and resulting from the provision of natural gas and electricity. The Group acts as senior noteholder, sponsor and account bank.

The revolving purchase by SUN SPV S.r.l. was financed through the issue of three tranches of unrated ABS (Senior, Mezzanine and Junior classes).

Banco BPM subscribed 100% of the Senior security and 5% of the Mezzanine and Junior securities, for a total initial value of 43.0 million, which was then increased to 67.0 million in 2022 and reduced to 41.9 million during 2024. The securitisation is currently in the revolving phase, and the investment as at 31 December 2025 is equal to 31 million.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior security	41,460	41,460	41,460	30,145
Mezzanine security	6,787	341	341	248
Junior security	1,500	75	75	75
Total	49,747	41,876	41,876	30,468

Traditional securitisations in which Banco BPM acts as investor

The Group also holds ABS securities relating to 23 structured loan securitisation transactions for which Banca Akros acted as Arranger in most cases.

The transactions envisaged the issue of different classes of ABS (Asset-Backed Securities) by several SPVs established pursuant to Italian Law 130/99.

Banco BPM intervened by purchasing all or part of the Senior tranche alone.

Tricolore 2019 S.r.l.

The transaction concerns a portfolio of performing loans granted to SMEs originated by Banca Privata Leasing S.p.A. and deriving from real estate, operating and registered movable asset lease contracts, of which roughly 30% backed by the Guarantee Fund for a weighted average guarantee percentage equal to approximately 80% of the loan amount.

The purchase price was financed with the issue of four tranches of securities: Senior A1 class, Senior A2 class, Mezzanine class and Junior class.

Banco BPM subscribed 100% of the Senior A2 class for a total value of 50 million. The transaction is being amortised and Banco BPM's investment as at 31 December 2025 amounted to 6.6 million. The Junior securities were subscribed by the originator.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior Security – Class A1	130,000	-	-	-
Senior security – Class A2	50,000	50,000	50,000	6,632
Mezzanine security	45,000	-	-	-
Junior security	65,000	-	-	-
Total	290,000	50,000	50,000	6,632

Pontormo SME 2023 S.r.l.

The transaction concerns a portfolio of loans originated by Banca Cambiano 1884 S.p.A. and granted to SMEs, secured by a guarantee of the Central Guarantee Fund for SMEs, as envisaged by the provisions of the law issued following the Covid-19 emergency.

The purchase price was financed with the issue of two tranches of securities: a Senior class and a Junior class.

Banco BPM subscribed 100% of the Senior class for a total value of 100 million. The transaction does not envisage a ramp-up phase, and Banco BPM's investment as at 31 December 2025 amounted to 33.0 million. The Junior securities were subscribed by the originator.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior security	100,000	100,000	100,000	32,984
Junior security	25,000	-	-	-
Total	125,000	100,000	100,000	32,984

San Felice Finance S.r.l.

The transaction relates to a portfolio of loans deriving from residential mortgage loans granted to natural persons by Banca San Felice 1893 S.C.p.A..

The purchase price was financed with the issue of two tranches of securities: a Senior class and a Junior class.

Banco BPM subscribed 100% of the Senior class for a total value of 66.1 million. The transaction does not envisage a ramp-up phase, and Banco BPM's investment as at 31 December 2025 amounted to 48.1 million. The Junior securities were subscribed by the originator.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior security	66,120	66,120	66,120	48,103
Junior security	29,681	-	-	-
Total	100,000	66,120	66,120	48,103

Golem SPV S.r.l.

The transaction relates to a portfolio of loans deriving from residential mortgage loans granted to natural persons by Banca Valsabbina S.C.p.A..

In December 2025, the amount of the transaction was increased with the sale of a new portfolio of loans, financed with the issue of a new Senior Class entirely subscribed by Banco BPM (Senior A Class - 2025 SERIES).

The purchase price was financed with the issue of three tranches of securities, of which two Senior classes pari passu and pro rata (Senior A Class - 2023 SERIES and Senior A Class - 2025 SERIES) and a Junior class.

Banco BPM subscribed 100% of the Senior class for a total value of 150 million. Banco BPM's investment as at 31 December 2025 amounted to 67,852 million for the Senior A Class - 2023 SERIES securities and 48,907 million for the Senior A Class - 2025 SERIES securities. The Junior securities were subscribed by the originator.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior A 2023 Security	100,000	100,000	100,000	67,852
Senior A 2025 Security	50,000	50,000	50,000	48,907
Junior security	27,257	32,330	-	-
Total	177,257	182,330	100,000	116,759

Securitisation in the energy sector - Sun SPV – lot 5

The securitisation programme regards trade receivables for a maximum revolving amount of 24.2 million, originated by Group customers, operating in the energy sector, and resulting from the provision of natural gas and electricity to consumers, small businesses and e-businesses. The Group acts as senior noteholder and account bank.

The revolving purchase by Sun SPV S.r.l. was financed through the issue of the tranche of the unrated Senior ABS.

Banco BPM subscribed 100% of the Senior security for a total value of 24.2 million. Banco BPM's investment as at 31 December 2025 amounted to 4.9 million. The securitisation is currently in the revolving phase. The first loss risk tranche takes the form of a deferred purchase price borne by the originators.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior security	24,193	24,193	24,193	4,881
Total	24,193	24,193	24,193	4,881

General SPV securitisation

The securitisation programme concerns the sale without recourse of loans deriving from factoring contracts originated by a company operating in the financial sector as part of factoring activities. Banco BPM acts as senior noteholder together with a pool of banks.

The General SPV transaction envisages the issue of three different tranches of ABS securities based on the degree of subordination in absorbing losses: Senior securities classified as variable funding, Mezzanine securities and Junior securities, both of which classified as partly paid.

During 2025, the transaction saw the increase in the committed portion of the credit line held by Banco BPM from 50 million to 70 million, and the entry of an additional bank as a senior lender, envisaging the issue of an additional class of senior and mezzanine securities.

The securitisation is currently in the revolving phase, and the investment as at 31 December 2025 is equal to 50 million. The Junior securities were subscribed by the originator.

The table below shows the total securities issued by the SPE and the share subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior Security – Class A1, A2, A4	550,000	-	-	-
Senior security – Class A3	100,000	50,000	70,000	50,000
Mezzanine Security – Class B1, B2, B3, B4	74,200	-	-	-
Junior security	37,000	-	-	-
Total	761,200	50,000	70,000	50,000

SPV Project 2011 S.r.l.

The transaction regards several Project Finance loans disbursed to companies operating in the wind power and photovoltaic sector. The transaction is currently being amortised and the Senior security held by Banco BPM has been partially repaid.

Banco BPM originally subscribed a nominal amount of 15.7 million of the Senior tranche. The securitisation is currently in the security repayment phase, and the residual investment as at 31 December 2025 amounted to 2.3 million.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior security	16,500	15,675	15,675	2,281
Junior security	9,068	-	-	-
Total	25,568	15,675	15,675	2,281

Perseveranza SPV S.r.l.

The transaction regards a portfolio of loans granted to SMEs secured by a guarantee of the Central Guarantee Fund for SMEs, as envisaged by the provisions of the law issued following the Covid-19 emergency.

This is an ABS classified as partly paid and envisages the payment by the investor of the amount subscribed in different tranches, on the request of the issuer. Banco BPM invested exclusively in Class A - Senior, which concluded the ramp-up phase in 2022. As at 31 December 2025, the transaction is in its amortisation phase, and the residual investment of Banco BPM amounts to 14.1 million.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Class A - Senior	285,000	51,600	51,600	14,144
Class B - Mezzanine	28,000	-	-	-
Class C - Junior	35,000	-	-	-
Total	348,000	51,600	51,600	14,144

Igloo SPV S.r.l.

The transaction regards a portfolio of loans granted to SMEs and mid-caps, secured by a guarantee of the Central Guarantee Fund for SMEs or by SACE, as envisaged by the provisions of the law issued following the Covid-19 emergency.

Banco BPM subscribed a nominal amount of 35 million of the Senior tranche. As at 31 December 2025, the transaction is in its amortisation phase, and the residual investment of Banco BPM amounts to 10.99 million euro.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Class A1, A2 – Senior	134,700	35,000	35,000	10,986
Class B – Upper Mezzanine	23,300	-	-	-
Class Y – Lower Mezzanine	7,800	-	-	-
Class J – Junior	4,200	-	-	-
Total	170,000	35,000	35,000	10,986

Securitisation in the energy sector - Sun Spv - lot 3

The securitisation programme concerns trade receivables for a maximum revolving amount of 25 million, originated by a customer of the Group, operating in the sector of electricity and gas distribution and sale to consumer end users (residential users), condominiums and small businesses, and in the telecommunications sector. The Group acts as senior noteholder and account bank.

The revolving purchase by SUN SPV S.r.l. was financed through the issue of two tranches of unrated ABS (Senior and Junior classes).

Banco BPM subscribed 100% of the Senior security for a total value of 21.2 million, while the Junior security was fully subscribed by the Originator. Banco BPM's investment as at 31 December 2025 amounted to 2.28 million. The securitisation entered the amortisation phase in December 2025.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior security	21,250	21,250	21,250	2,279
Junior security	3,850	-	-	-
Total	25,100	21,250	21,250	2,279

Alba 14 SPV S.r.l.

The transaction concerns a portfolio of performing loans originated by Alba Leasing S.p.A., owned by Banco BPM S.p.A., and deriving from real estate, operating and registered movable asset lease contracts.

The purchase price was financed with the issue of three tranches of securities with a different degree of subordination in the absorption of any portfolio losses, with ratings assigned by Moody's and DBRS, excluding the junior class.

Banco BPM subscribed approximately 19.9% of the nominal value of the senior class for a total value of 60 million. Banco BPM's investment as at 31 December 2025 amounted to 32.08 million. The Junior securities were subscribed by the originator.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior Class	550,300	60,000	60,000	32,085
Mezzanine Class	175,100	-	-	-
Junior Class	115,639	-	-	-
Total	841,039	60,000	60,000	32,085

BP Fondi RMBS SPV S.r.l.

The transaction relates to a portfolio of performing loans deriving from residential mortgages granted to natural persons and guaranteed by a first-degree mortgage on the relative property, originated by Banca Popolare di Fondi Soc. Coop.

The purchase price was financed with the issue of two tranches of securities: a Senior class and a Junior class. Banco BPM acts as senior noteholder and account bank.

Banco BPM subscribed 100% of the Senior class for a total value of 54.8 million. The Banco BPM's investment amounted to 42.2 million as at 31 December 2025. The Junior securities were subscribed by the originator.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior security	54,821	54,821	54,821	42,239
Junior security	14,822	-	-	-
Total	69,643	54,821	54,821	42,239

Civetta IV SPV S.r.l.

The securitisation transaction concerns performing loans, originated by Sigla S.r.l., deriving from salary and/or pension-backed loans and deduction of loan repayment from salary.

The transaction envisages a total amount of 80 million euro and a ramp-up period of 18 months.

The purchase price of the portfolios sold during the ramp-up period by Civetta IV SPV S.r.l. was financed through two tranches of partly paid unrated ABS (Senior and Junior class).

Banco BPM acts as senior noteholder, account bank and hedging counterparty.

Banco BPM subscribed 100% of the Senior security for a total value of 70 million. The securitisation is currently in the ramp-up phase, and the investment as at 31 December 2025 is equal to 31.9 million. The Junior securities were subscribed by the originator.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior security	70,000	70,000	70,000	31,894
Junior security	11,000	-	-	-
Total	81,000	70,000	70,000	31,894

Securitisation in the medium/long-term rental sector

The securitisation transaction relates to “dedicated assets” established pursuant to Art. 4-bis of Law 162/2019, equal to 561 million, consisting of receivables deriving from medium/long-term rental payments, the relative contracts and underlying vehicles, originated by a leading group operating in the medium/long-term car rental sector, whose cash flows and income are directed towards repaying a limited recourse loan obtained by an SPV pursuant to Art. 7, paragraph 1 (a) and paragraph 2-octies of Law 130/99.

Banco BPM purchased a share of the Senior securities for a total nominal value of 196 million. The transaction includes an 18-month revolving period during which the ABS securities are not amortised and the income from the portfolio is used to replenish the dedicated assets on a monthly basis. Banco BPM's investment as at 31 December 2025 amounted to 196 million. The Junior securities were subscribed by the originator.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior security	400,000	196,000	196,000	196,000
Junior security	188,777	-	-	-
Total	588,777	196,000	196,000	196,000

Securitisation in the circular economy sector - Sun SPV - lot 6

The securitisation programme concerns performing trade receivables for a maximum revolving amount of approximately 25 million originated by the subsidiaries of a leading industrial group operating in the circular economy sector. Banco BPM acts as senior noteholder and account bank.

The revolving purchase by SUN SPV S.r.l. was financed through the issue of three tranches of unrated ABS (Senior, Mezzanine and Junior classes).

Banco BPM subscribed 100% of the Senior security for a total value of 20.7 million. The securitisation is currently in the revolving phase, and the investment as at 31 December 2025 is equal to 17.1 million.

The originators withheld 5% of the nominal value of each receivable transferred in the securitisation.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior security	20,664	20,664	20,664	17,045
Mezzanine security	3,580	-	-	-
Junior security	920	-	-	-
Total	25,164	20,664	20,664	17,045

Securitisations in the iron and steel sector

The securitisation programme concerns performing trade receivables for a maximum revolving amount of 50.0 million, originated by the Italian subsidiaries of a leading international industrial group operating in the iron and steel industry, and deriving from the production and sale of iron, steel and ferro-alloys to corporate and SME customers.

The Group acts as senior noteholder and account bank.

The revolving purchase by Siderurgica Futura SPV S.r.l. was financed through the issue of an unrated Senior ABS.

Banco BPM subscribed 100% of the Senior security for a total value of 41.1 million. The securities were issued on 9 July 2024 and Banco BPM's investment as at 31 December 2025 amounted to 41.06 million. The securitisation is currently in the revolving phase.

The first loss risk tranche takes the form of a deferred purchase price borne by the originators.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior security	41,061	41,061	41,061	41,061
Total	41,061	41,061	41,061	41,061

Alba 15 SPV S.r.l.

The transaction concerns a portfolio of performing loans originated by Alba Leasing S.p.A., owned by Banco BPM S.p.A., and deriving from real estate, operating and registered movable asset lease contracts.

The purchase price was financed with the issue of three tranches of securities with a different degree of subordination in the absorption of any portfolio losses, with ratings assigned by Moody's, DBRS and Fitch, excluding the junior class.

Banco BPM purchased approximately 13.38% of the nominal value of the senior class for a total value of 80 million. Banco BPM's investment as at 31 December 2025 amounted to 67.7 million. The Mezzanine and Junior securities were subscribed by the originator.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior Class	550,300	80,000	80,000	67,673
Mezzanine Class	175,100	-	-	-
Junior Class	115,639	-	-	-
Total	841,039	80,000	80,000	67,673

BPP DF SPV S.r.l.

The transaction relates to a portfolio of performing loans deriving from residential mortgages granted to natural persons and guaranteed by a first-degree mortgage on the relative property, originated by Banca Popolare Pugliese S.C.p.A.

The purchase price was financed with the issue of two tranches of securities: a Senior class and a Junior class. Banco BPM acts as senior noteholder, account bank and hedging counterparty.

Banco BPM subscribed 100% of the Senior class for a total value of 77 million. Banco BPM's investment as at 31 December 2025 amounted to 72.053 million.

The Junior securities were subscribed by the originator.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior Class	77,000	77,000	77,000	72,053
Junior Class	34,620	-	-	-
Total	111,620	77,000	77,000	72,053

Cresco SPV S.r.l.

The transaction relates to portfolios of performing loans to SMEs guaranteed by Confidi and counter-guaranteed by the Central Guarantee Fund, originated by Confidi Systema!, Cofidi.it and Garanzia Fidi.

The purchase price was financed with the issue of two tranches of securities: a Senior class and a Junior class. Banco BPM acts as senior noteholder and account bank.

Banco BPM subscribed 100% of the Senior class for a total value of 64 million. The transaction includes an 12-month ramp-up period, and Banco BPM's investment as at 31 December 2025 amounted to 12.6 million.

The securitisation is currently in the ramp-up phase.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior Class	64,000	64,000	64,000	12,608
Junior Class	19,000	-	-	-
Total	83,000	64,000	64,000	12,608

Securitisation in the medium/long-term rental sector - Labirs SPV

The securitisation transaction relates to "dedicated assets" established pursuant to Article 4-bis of Law 162/2019, consisting of receivables deriving from medium/long-term rental payments, the relative contracts and underlying vehicles, originated by a leading group operating in the medium/long-term car rental sector, whose cash flows and income are directed towards repaying a limited recourse loan obtained by an SPV pursuant to Article 7, paragraph 1 (a) and paragraph 2-octies of Law 130/99.

Banco BPM subscribed the Senior A6 class for a total nominal value of 50 million. The transaction includes a 12-month revolving period during which the ABS securities are not amortised and the

income from the portfolio is used to replenish the dedicated assets on a monthly basis. Banco BPM's investment as at 31 December 2025 amounted to 50 million. The Junior securities were subscribed by the originator.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior A1-A2-A3-A4-A5 security	1,450,000	-	-	-
Senior A6 security	50,000	50,000	50,000	50,000
Junior security	811,440	-	-	-
Total	2,311,440	50,000	50,000	50,000

Civitas SPV S.r.l.

The transaction relates to a portfolio of performing loans deriving from residential mortgages granted to natural persons and guaranteed by a first-degree mortgage on the relative property, originated by Banca di Cividale S.p.A. – Sparkasse Group.

The purchase price was financed with the issue of three tranches of securities: two Senior classes and a Junior class. Banco BPM acts as senior noteholder and account bank.

Banco BPM subscribed 100% of the Senior A1 class for a total value of 80 million. Banco BPM's investment as at 31 December 2025 amounted to 80 million.

The Junior securities were subscribed by the originator.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior A1 security	80,000	80,000	80,000	80,000
Senior A2 security	60,000	-	-	-
Junior security	63,088	-	-	-
Total	203,088	80,000	80,000	80,000

Securitisation in the energy sector - Sun Spv - lot 7

The securitisation programme concerns trade receivables for a maximum revolving amount of 40 million, originated by a customer of the Group, operating in the sector of electricity and gas

distribution to consumer end users (residential users), condominiums and small businesses, and in the telecommunications sector. The Group acts as senior noteholder and account bank.

The revolving purchase by SUN SPV S.r.l. was financed through the issue of four tranches of unrated ABS (Senior, Upper Mezzanine, Lower Mezzanine and Junior classes).

Banco BPM subscribed approximately 71% of the Senior security for a total value of 24.3 million.

Banco BPM's investment as at 31 December 2025 amounted to 17.9 million. The securitisation is currently in the revolving phase.

The originators retains 5% of the nominal value of each receivable transferred in the securitisation.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior security	34,275	24,275	24,275	17,928
Upper Mezzanine security	2,000	-	-	-
Lower Mezzanine security	2,400	-	-	-
Junior security	1,600	-	-	-
Total	40,275	24,275	24,275	17,928

Securitisation in the energy sector - Sun Spv - lot 8

The securitisation programme concerns trade receivables for a maximum revolving amount of 38 million, originated by a customer of the Group, operating in the sector of electricity and gas distribution to end users: domestic, individuals, small businesses and SMEs. The Group acts as senior noteholder and account bank.

The revolving purchase by SUN SPV S.r.l. was financed through the issue of three tranches of unrated ABS (Senior, Mezzanine and Junior classes).

Banco BPM subscribed 100% of the Senior security for a total value of 32.3 million. Banco BPM's investment as at 31 December 2025 amounted to 1.65 million. The securitisation is currently in the revolving phase.

The originators retains 5% of the nominal value of each receivable transferred in the securitisation.

The table below shows the total securities issued by the SPE and the part subscribed by Banco BPM.

Figures in thousands of euro

Class – Type	Nominal issue value	BANCO BPM		
		Nominal value subscribed by Banco BPM on the issue date	Nominal value of Banco BPM as at 31/12/2025	Exposure as at 31/12/2025
Senior security	32,300	32,300	32,300	1.646
Mezzanine security	4,450	-	-	-
Junior security	1,500	-	-	-
Total	38,250	32,300	32,300	1.646

Transactions repaid

Alba 13 SPV S.r.l.

The senior note subscribed by Banco BPM S.p.A. was repaid in full in June 2025.

Real Estate SPV Project 2307

The senior mortgage loan disbursed by Banco BPM to the SPV pursuant to Article 7.2 of Italian Law 130/99 for a total amount of 10 million was fully repaid in September 2025

b) The type of risk that institutions are exposed to in their securitisation and re-securitisation activities by level of seniority of the relevant securitisation positions, providing a distinction between STS and non-STS positions and (Article 449 (b) CRR):

i) risk retained in own-originated transactions;

ii) risk incurred in relation to transactions originated by third parties.

As part of the securitisation transactions mentioned in point (a), the Banco BPM Group plays the role of senior investor, depending on the case, of sponsor, account bank (custodian bank of the accounts in the name of the special purpose vehicle with the exception of the payment account) and, in some cases, also the role of hedging counterparty (Civetta IV SPV S.r.l., BPP DF SPV S.r.l., SUN SPV 4 S.r.l.).

In particular, the role of senior investor involves the subscription of senior ABS securities issued by a securitisation vehicle ("SPV") pursuant to Law 130/1999 against the transfer of a portfolio of loans by the originator to the securitisation vehicle. The first loss risk on the underlying portfolio is retained by the originator or by third-party investors as subscribers of the junior security.

The main risks inherent in securitisation transactions, both STS and non-STS, in which Banco BPM plays the role of senior investor can be summarised as: (i) credit risk, attributable to the quality of the loans transferred to the SPV and therefore to their performance; (ii) market risk, associated with the volatility of general economic and financial conditions; (iii) exchange rate risk and/or interest rate risk, the latter linked to the presence of senior ABS securities at floating rate against an underlying portfolio of fixed rate assets; (iv) reputational risk, consisting of the possibility that a specific event negatively affects the Group's credibility and image within the reference market (e.g. insolvency events, insolvency proceedings or other distress situations pertaining to the originator or to third parties involved in the transaction such as master servicers, paying agents, etc.); (v) operational risks including, by way of example only, risks linked to the correct routing of

collections, potential reporting errors or delays in their production, business continuity.

The Banco BPM Group has set up appropriate mechanisms during both the structuring phase and the transaction, with relative periodic reporting to the Group's internal structures, to monitor changes in the risks inherent in these transactions.

With regard to credit risk, during the transaction structuring phase, the Banco BPM Group carries out sensitivity analyses using various stress parameters to define adequate credit enhancement to protect the senior investor from potential losses. In addition, throughout the life of the transaction, performance triggers are periodically monitored in terms of default, delinquency and prepayment levels as are, in the case of transactions with rated senior notes, the rating levels of the senior tranche.

Potential liquidity shortfalls deriving from a deterioration in the credit quality of the underlying assets are mitigated by the presence of some specific structural elements, including first and foremost an adequate Credit Enhancement level or the presence of cash and/or liquidity reserves.

With regard to exchange rate or interest rate risk, the latter is mitigated by the presence of a hedging derivative or, in the absence of a derivative, by the presence of sufficient Credit Enhancement to provide adequate protection to the senior investor.

Reputational risk is mitigated through effective market relations and engagement with the originator's relationship managers, also through periodic monitoring of the originator through the updating of the Stage 2 classification, the Central Credit Register return flow and reports on the originator's position.

With regard to operational risks, the Banco BPM Group constantly monitors the financial and credit strength of the originators through internal and external information, verifies the performance of operational activities that lead to an adequate routing of collections and verifies the results of the reports sent by third parties if inconsistent with the transaction performance, also through annual audit procedures carried out by specifically appointed third parties.

c) Institutions' approaches to calculating the risk-weighted exposure amounts that they apply to their securitisation activities, including the types of securitisation positions to which each approach applies with a distinction between STS and non-STS positions. (Article 449 (c) CRR)

For the calculation of the risk-weighted exposure amounts of the securitisation transactions listed in point (a), the Banco BPM Group applies the SEC-SA standardised approach, with the exception of rated transactions, for which, if possible, it applies the SEC-ERBA approach.

For more details, please refer to the SEC3 and SEC4 templates.

d) A list of SSPEs falling into any of the following categories, with a description of types of institution's exposures to those SSPEs, including derivatives contracts (Article 449 (d) CRR):

- i) SSPEs which acquire exposures originated by the institutions;**
- ii) SSPEs sponsored by the institutions;**
- iii) SSPEs and other legal entities for which the institutions provide securitisation-related services, such as advisory, asset servicing or management services;**
- iv) SSPEs included in the institutions' regulatory scope of consolidation.**

Please refer to point (a) of this SECA table.

- e) A list of any legal entities in relation to which the institutions have disclosed that they have provided support in accordance with Chapter 5 of Title II of Part Three CRR. (Article 449 (e) CRR)**

Please refer to point (a) of this SECA table.

- f) A list of legal entities affiliated with the institutions and that invest in securitisations originated by the institutions or in securitisation positions issued by SSPEs sponsored by the institutions. (Article 449 (f) CRR)**

Please refer to point (a) of this SECA table.

- g) A summary of their accounting policies for securitisation activity, including where relevant a distinction between securitisation and re-securitisation positions. (Article 449 (g) CRR)**

In securitisation transactions in which the Group plays the role of senior investor, the senior security is recognised in the financial statements under financial assets at amortised cost. If the role of Sponsor is performed by subscribing 5% of the nominal value of the junior and mezzanine securities, these are generally recognised under financial assets at fair value.

- h) The names of the ECAs used for securitisations and the types of exposure for which each agency is used (Article 449 (h) CRR)**

The securitisation transactions in which the Banco BPM Group holds the role of investor are unrated except for Alba 14 SPV S.r.l. and Alba 15 SPV S.r.l. for which the senior securities are rated by the following agencies:

Securitisation transactions	Rating agencies involved
Alba 14 SPV S.r.l.	Moody's
	DBRS
Alba 15 SPV S.r.l.	Moody's
	DBRS
	Fitch

- i) Where applicable, a description of the Internal Assessment Approach as set out in Chapter 5 of Title II of Part Three CRR including the structure of the internal assessment process and the relation between internal assessment and external ratings of the relevant ECAI disclosed in accordance with point (h), the control mechanisms for the internal assessment process including discussion of independence, accountability, and internal assessment process review, the exposure types to which the internal assessment process is applied and the stress factors used for determining credit enhancement levels. (Article 449 (i) CRR)**

The internal assessment approach referred to in Chapter 5 of Title II of Part Three of the CRR is not applicable to the Banco BPM Group.

Table EU SECA - Qualitative disclosure requirements related to securitisation exposures (3 of 3)

Traditional securitisation of Non-Performing Loans (NPEs) in which Banco BPM plays the role of originator

a) Description of securitisation and re-securitisation activities; including institutions' risk management and investment objectives in connection with those activities, their role in securitisation and re-securitisation transactions whether they use the Simple Transparent and Standardised (STS) securitisation framework and the extent to which they use securitisation transactions to transfer the credit risk of the securitised exposures to third parties with, where applicable, a separate description of their synthetic securitisation risk transfer policy. (Article 449 (a) CRR)

The completion of the transactions in question, with underlying assets sold by the Group as originator, seeks mainly to carry out derisking actions on non-performing credit exposures (bad loans and unlikely to pay).

These transactions provide for the transfer of assets from the Group (originator) to a Special Purpose Vehicle (SPV) which, to finance the purchase, issues securities that are placed on the market and/or subscribed by the originator. Usually, for NPE securitisations, the Bank retains 100% of the senior notes and at least 5% of the mezzanine and junior notes, in compliance with the "Retention Rules".

To date, there are no NPE securitisation transactions in which the Group has fully retained the securities issued by the SPE ("self-securitisations") or has retained the SPE equity investment.

The transactions in place as at 31 December 2025 are briefly illustrated below.

For traditional NPE securitisations, the Group plays the role of originator (assignor) and investor pursuant to Art. 2 of Regulation (EU) no. 2017/2042 (to date, the Group is not an investor in securitisations of non-performing loans originated by third parties).

New transactions in the year

During 2025, no new securitisations of non-performing loans were finalised.

Traditional NPE securitisations not fully derecognised from the financial statements

The only securitisation of non-performing loans (UTP portfolio) not subject to full derecognition from the financial statements is represented by "Lilium SPV" ("Wolf Project").

In this transaction, the underlying loans were not fully derecognised from the financial statements, but were classified as assets sold and not derecognised.

The following table shows the details of the notes issued by Lilium SPV:

- Banco BPM Group subscribed and maintained over 80% of the mezzanine and junior notes (fully paid) in classes B, C, D and E.
- The Class A notes (AS, AJ and AX) are partly paid as they were partially subscribed by third party investors. Banco BPM did not subscribe the Class A notes.

Class	Nominal issue value of the Notes	Nominal issue value of the Notes subscribed by BBPM	Nominal issue value of the Notes subscribed by BBPM and sold to third parties	Nominal issue value of the Notes subscribed by third parties as at 31 December 2025
SENIOR CLASS AS (*)	142,500			21,299
MEZZANINE CLASS AJ (*)	7,125			1,065
MEZZANINE CLASS AX (*)	375			56
MEZZANINE CLASS B1	17,680	17,680		
MEZZANINE CLASS B2	3,120	3,120	3,120	
MEZZANINE CLASS C1	31,790	31,790		
MEZZANINE CLASS C2	5,610	5,610	5,610	
MEZZANINE CLASS D1	24,735	24,735		
MEZZANINE CLASS D2	4,365	4,365	4,365	
JUNIOR CLASS E1	326,804	326,804		
JUNIOR CLASS E2	81,701	81,701	81,701	
TOTAL	645,805	495,805	94,796	22,420

(*) partly paid securities

Lilium SPV securities were not subject to external rating.

As at 31 December 2025, the AS, AJ, AX, C1 and C2 notes were partially redeemed, while the B1 and B2 securities were fully repaid.

Securitisation transactions fully derecognised from the financial statements

The non-performing loans securitisation transactions, which have been fully derecognised from the financial statements, comprise the following transactions:

Portfolio of bad loans only	Portfolios of mixed loans (bad loans/unlikely to pay)
• "Red Sea SPV" ("Exodus Project" - June 2018), • "Leviticus SPV" ("Ace Project" – February 2019), • "Titan SPV" ("Titan Project" - December 2020), • "Aurelia SPV" ("Rocket Project" - June 2021),	• "Tiberina SPV" ("Django Project" - December 2020), • "Tevere SPV" ("ARGO Project" - June 2022)

For the above transactions, Banco BPM Group substantially transferred the risks and rewards of the assets sold to the vehicles, having sold 95% of the junior tranche and the mezzanine tranche (the classes with the highest risk), retaining only 5% of these classes while retaining 100% of the senior note.

With regard to transactions relating to the disposal of a portfolio of bad loans, Red Sea SPV, Leviticus SPV, Titan SPV and Aurelia SPV, the senior securities were secured by government guarantees pursuant to Italian Decree Law 18/2016 (GACS), issued by the Ministry of Economy and Finance with an external rating.

b) The type of risk that institutions are exposed to in their securitisation and re-securitisation activities by level of seniority of the relevant securitisation positions, providing a distinction between STS and non-STS positions and (Article 449 (b) CRR):

i) risk retained in own-originated transactions;

ii) risk incurred in relation to transactions originated by third parties.

The main risk inherent in NPE securitisation transactions is the liquidity risk, related to the performance of the collateral portfolio purchased by the SPV with consequent deterioration in the collection performance and potential shortfall in the financial structure of the transaction.

As a result, it could be impossible for the vehicle company to repay the securities issued or to pay interest on the securities in the event of the issuer's default. For the senior securities of Red Sea SPV, Leviticus SPV, Titan SPV and Aurelia SPV, this risk is mitigated by the presence of the GACS.

The Banco BPM Group periodically monitors NPE securitisation transactions and reports on internal structures and supervisory authorities, providing the required reports. In particular, the following are periodically monitored: (i) the performance of the portfolio in terms of Cumulative Collection Ratio levels and deviations from the Business Plans; (ii) the external ratings of the senior tranches; (iii) the performance of interest payments and principal repayments on the notes.

Lastly, the securitisation transaction contracts envisage Trigger Events which, if activated, modify the vehicle's payment cascade in favour of the senior note.

c) Institutions' approaches to calculating the risk-weighted exposure amounts that they apply to their securitisation activities, including the types of securitisation positions to which each approach applies with a distinction between STS and non-STS positions. (Article 449 (c) CRR)

For the calculation of the risk-weighted exposure amounts of the securitisation assets, Banco BPM Group applies two different approaches for the calculation of the risk-weighted exposure amounts of the securitisation assets:

- For senior securities backed by GACS, the SEC_ERBA method is applied with zero weighting considering the presence of a government guarantee;
- For the other securities, the SEC_SA standardised approach is applied, with a possible deduction from own funds if the weighting reaches 1250%. Given the characteristics and performance, it is specified that the senior security of Tevere SPV is attributed a weighting of 100%.

For more details, please refer to the SEC3 and SEC4 templates.

d) A list of SSPEs falling into any of the following categories, with a description of types of institution's exposures to those SSPEs, including derivatives contracts (Article 449 (d) CRR):

i) SSPEs which acquire exposures originated by the institutions;

ii) SSPEs sponsored by the institutions;

iii) SSPEs and other legal entities for which the institutions provide securitisation-related services, such as advisory, asset servicing or management services;

iv) SSPEs included in the institutions' regulatory scope of consolidation.

The list of special purpose vehicles, which all fall under point (i), is as follows:

- Red Sea SPV;
- Leviticus SPV;
- Aurelia SPV;
- Titan SPV;
- Tiberina SPV;
- Tevere SPV;
- Lilium SPV.

e) A list of any legal entities in relation to which the institutions have disclosed that they have provided support in accordance with Chapter 5 of Title II of Part Three CRR. (Article 449 (e) CRR)

Portfolio	SPV	Transfer date	Issue date	Servicer
PJ EXODUS	RED SEA SPV	01/06/2018	15/06/2018	Prelios Credit Servicing S.p.A.
PJ ACE	LEVITICUS SPV	28/12/2018	06/02/2019	doNext S.p.A.
PJ TITAN	TITAN SPV	12/12/2020	28/12/2020	Prelios Credit Servicing S.p.A.
PJ DJANGO	TIBERINA SPV	11/12/2021	22/12/2020	doNext S.p.A.
PJ ROCKETS	AURELIA SPV	03/06/2021	22/06/2021	doNext S.p.A.
PJ ARGO	TEVERE SPV	16/06/2022	16/06/2022	doNext S.p.A.
PJ WOLF	LILIUM SPV	28/12/2022	12/12/2022	AREC Neprix S.p.A.

f) A list of legal entities affiliated with the institutions and that invest in securitisations originated by the institutions or in securitisation positions issued by SSPEs sponsored by the institutions. (Article 449 (f) CRR)

Banco BPM Group is recognised.

g) A summary of their accounting policies for securitisation activity, including where relevant a distinction between securitisation and re-securitisation positions. (Article 449 (g) CRR)

In securitisation transactions, the transfer of financial assets to an SPE, even without recourse, involves the derecognition of such assets only if there is a substantial transfer of risks and rewards.

For traditional NPE securitisations originated by the Group, at the date of execution of the transaction, the loans were fully derecognised from the financial statements.

The receivables assigned without recourse are settled and derecognised from the financial statements and the securities issued by the SPE (and subscribed by the Bank) are in exchange as consideration collected from the sale. These securities are recognised in the Bank's financial statements under assets.

With respect to the scheme shown above, the only exception is represented by the LILIUM SPV transaction for which receivables were not cancelled from the Bank's information systems, but were classified as "assets sold and not derecognised", and the consideration collected for the sale was recognised as a balancing entry to a payable to the SPE, net of securities subscribed by the Bank.

No SPE pertaining to the securitisations of non-performing loans belongs to the Group nor is consolidated therein.

Note that the disposals of non-performing loans finalised by the Group resulted in the recognition of a loss on disposal, as the underlying loans were sold at a discount to the book value.

h) The names of the ECAIs used for securitisations and the types of exposure for which each agency is used (Article 449 (h) CRR)

For the external rating agencies involved in each securitisation transaction, see the table below.

Banco BPM Group securitisation transactions	Rating agencies involved
Red Sea (June 2018)	Moody's Investors Service Ltd Scope
Leviticus SPV (February 2019)	DBRS Ltd Scope
Titan SPV (December 2020)	DBRS Ltd Scope
Aurelia SPV (June 2021)	DBRS Ltd Scope

Leviticus SPV (February 2019)

- On 16 April 2025, the rating agency DBRS downgraded the rating of the Class A (Senior) Notes from "B" to "CCC+".
- *Red Sea SPV (June 2018)*
- On 1 April 2025, the rating agency Moody's downgraded the rating of the Class A (Senior) Notes from "BA2" to "B2";
- On 24 November 2025, the rating agency Scope downgraded the rating of the Class A (Senior) Notes from "B" to "CCC".

Titan SPV (December 2020)

- On 11 July 2025, the rating agency DBRS upgraded the rating of the Class A (Senior) Notes from "BBB+" to "A".

Aurelia SPV (June 2021)

- On 28 May 2025, the rating agency DBRS upgraded the rating of the Class A (Senior) Notes from "A-" to "A".
- On 10 December 2025, the rating agency DBRS upgraded the rating of the Class A (Senior) Notes from "BBB+" to "A2".

i) Where applicable, a description of the Internal Assessment Approach as set out in Chapter 5 of Title II of Part Three CRR including the structure of the internal assessment process and the relation between internal assessment and external ratings of the relevant ECAI disclosed in accordance with point (h), the control mechanisms for the internal assessment process including discussion of independence, accountability, and internal assessment process review, the exposure types to

which the internal assessment process is applied and the stress factors used for determining credit enhancement levels. (Article 449 (i) CRR)

The internal assessment approach referred to in Chapter 5 of Title II of Part Three of the CRR is not applicable to the Banco BPM Group.

Template EU SEC1 - Securitisation exposures in the non-trading book

Template SEC1 provides details of the securitisation transactions in the banking book, broken down by underlying type and by role played by the Banco BPM Group (originator, sponsor, investor), in application of Article 449 (j) of the CRR.

It should be noted that, as part of traditional transactions, there are no ABCP transactions.

The Banco BPM Group has no securitisation transactions included in the trading book; therefore, template EU SEC2 is not applicable.

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
	Traditional				Synthetic	Synthetic of which SRT	Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
	STS	of which SRT	Non-STS	of which SRT				STS	Non-STS			STS	Non-STS		
1 Total exposures	-	-	2	2	10,447	10,447	10,450	30	9	-	40	536	422	-	958
2 Retail (total)	-	-	1	1	-	-	1	-	-	-	-	410	241	-	651
3 Residential mortgage	-	-	-	-	-	-	-	-	-	-	-	360	-	-	360
4 Credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Other retail exposures	-	-	1	1	-	-	1	-	-	-	-	50	241	-	291
6 Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Wholesale (total)	-	-	1	1	10,447	10,447	10,448	30	9	-	40	126	181	-	307
8 Loans to corporates	-	-	1	1	10,447	10,447	10,448	-	-	-	-	-	65	-	65
9 Commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Lease and receivables	-	-	0	0	-	-	0	30	9	-	40	126	115	-	241
11 Other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template EU SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor

Template SEC3 shows the amounts of securitisation positions, in which the Banco BPM Group acts in the role of originator or sponsor, and the related risk-weighted assets and capital requirements, broken down by regulatory approach, including exposures deducted from own funds, in application of Article 449 (k) (i) of the CRR.

It should be noted that Banco BPM deducts all amounts that would have a weight of 1250% from own funds. The exposure values shown in columns (a) to (d) and (f) to (h) are net of the deduction, reported in specific columns (e) and (i).

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
	≤ 20% RW	> 20% to 50% RW	> 50% to 100% RW	> 100% to < 1250% RW	1250% RW/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW
1 Total exposures	10,436	9	-	31	13	10,238	-	238	13	1,558	-	209	-	125	-	6	-
2 Traditional transactions	-	9	-	31	2	-	-	40	2	-	-	176	-	-	-	4	-
3 Securitisations	-	9	-	31	2	-	-	40	2	-	-	176	-	-	-	4	-
4 Retail	-	-	-	0	1	-	-	0	1	-	-	0	-	-	-	0	-
5 of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Wholesale	-	9	-	31	1	-	-	40	1	-	-	176	-	-	-	4	-
7 of which STS	-	-	-	30	0	-	-	30	0	-	-	169	-	-	-	3	-
8 Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Synthetic transactions	10,436	-	-	-	11	10,238	-	198	11	1,558	-	33	-	125	-	3	-
10 Securitisations	10,436	-	-	-	11	10,238	-	198	11	1,558	-	33	-	125	-	3	-
11 Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Wholesale	10,436	-	-	-	11	10,238	-	198	11	1,558	-	33	-	125	-	3	-
13 Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template EU SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

Template SEC4 shows the amounts of securitisation positions in which the Banco BPM Group acts in the role of investor, and the related risk-weighted assets and capital requirements, broken down by regulatory approach, including exposures deducted from own funds, in application of Article 449 (k) (ii) of the CRR.

It should be noted that Banco BPM deducts all amounts that would have a weight of 1250% from own funds.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
		Exposure values (by RW bands/deductions)				Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap				
		≤ 20% RW	> 20% to 50% RW	> 50% to 100% RW	> 100% to < 1250% RW	1250% RW/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW
1	Total exposures	928	-	-	30	-	-	100	858	-	-	15	187	-	-	1	11	-
2	Traditional securitisation	928	-	-	30	-	-	100	858	-	-	15	187	-	-	1	11	-
3	Securitisations	928	-	-	30	-	-	100	858	-	-	15	187	-	-	1	11	-
4	Retail underlying	651	-	-	0	-	-	-	651	-	-	-	77	-	-	-	6	-
5	of which STS	410	-	-	-	-	-	-	410	-	-	-	41	-	-	-	3	-
6	Wholesale	277	-	-	30	-	-	100	207	-	-	15	110	-	-	1	5	-
7	of which STS	126	-	-	-	-	-	100	26	-	-	15	3	-	-	1	0	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Securitisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template EU SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments

Template SEC5 shows, for transactions in which the Banco BPM Group plays the role of originator or sponsor, the amounts of exposures in default and the amount of the specific credit risk adjustments made during the current period, broken down by type of underlying exposure, in application of Article 449 (l) of the CRR.

During 2025, Banco BPM did not carry out new securitisation transactions, as originator or sponsor, with underlying portfolios in default.

		a	b	c
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount	of which exposures in default	Total amount of specific credit risk adjustments made during the period
1	Total exposures	30,778	9,607	83
2	Retail (total)	18,499	8,716	39
3	Residential mortgage	2,750	11	9
4	Credit card	-	-	-
5	Other retail exposures	15,749	8,706	30
6	Re-securitisation	-	-	-
7	Wholesale (total)	12,279	890	44
8	Loans to corporates	12,134	769	44
9	Commercial mortgage	-	-	-
10	Lease and receivables	145	121	-
11	Other wholesale	-	-	-
12	Re-securitisation	-	-	-

Section 15 - Disclosure of market risk

Table EU MRA - Qualitative disclosure requirements related to market risk

a) A description of the institution's strategies and processes to manage market risk, including (Article 435 (1) (a) and (d) CRR):

- **An explanation of management's strategic objectives in undertaking trading activities, as well as the processes implemented to identify, measure, monitor and control the institution's market risks;**
- **A description of their policies for hedging and mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges.**

Market risk consists in the possibility of generating fewer revenues than expected, impairment in balance sheet items or capital losses on financial positions held, due to sharp adverse changes in market conditions and, specifically, in interest rates, share prices, exchange rates, prices of commodities and the associated volatilities and correlations (general risk), or due to events that may impair the issuer's repayment capacity (specific risk).

With regard to trading portfolios, the market risks deriving from the commercial activities carried out by the Group banks are systematically transferred to the Parent Company.

The organisational model adopted by Banco BPM Group for trading portfolios is based on the centralisation of the Parent Company's Finance function:

- of Treasury positions, in charge of coordinating the management of short-term liquidity and interest rate risk and exchange risk positions within the Group, and of managing the Proprietary portfolio to optimise its overall risk/return profile, by diversifying risks across different asset classes of financial instruments;
- of the risk positions and the operating flows associated with securities, currency, OTC derivative trading and other financial assets.

Control of financial risk management, with the aim of identifying the type of risks, defining and implementing the risk measurement methods and controlling limits at strategic level is centralised within the Risk Function for the main Group companies.

For the identification, measurement, management and operating control of the risk positions of the Banks of the Group, the Group's Finance Function makes use of position-keeping and risk control systems that provide a constant control over exposure levels and over the accurate verification of compliance with the operating limits defined by the Corporate Bodies.

In case of financial instruments with very complex and innovative structures, these models are complemented by pricing and sensitivity measurement models developed internally, that consider product characteristics and the dynamics of the underlying market variables. For each new pricing model, or any changes in models already in place, validation tests are carried out by the Risk Function.

This consists in the verification and validation of the pricing model being analysed, so it can be used in Front Office systems and to control and measure risks. The quality of a model is subsequently verified on a continuous basis, through appropriate revision of models.

The sale of each new product and its inclusion on the product catalogue are systematically preceded by an in-depth analysis of the measures required to ensure correct product management in terms of accounting, laws/regulations, settlement, pricing and risk management.

These activities are coordinated by a specific Product Innovation Committee, composed of the managers of the main structures involved.

The Committee assesses and analyses observations made by individual operating and governing structures and, if necessary, deals with issues identified. It approves proposals for new products, possibly formulating its comments and/or operating instructions by drawing up a specific document, according to a predefined template, which becomes the "product information sheet" setting forth all the features of the new products and the certification of the effective examination and assessment of related risks.

b) A description of the structure and organisation of the market risk management function, including a description of the market risk governance structure established to implement the strategies and processes of the institution discussed in row (a) above, and that describes the relationships and the communication mechanisms between the different parties involved in market risk management. (Article 435 (1) (b) CRR)

Please refer to point (a) of this MRA table.

c) Scope and nature of risk reporting and measurement systems. (Article 435 (1) (c) CRR)

Generic and specific risk on the trading book is monitored on a daily basis using deterministic indicators, such as risk exposure, sensitivity, and probabilistic indicators as well as Value at Risk (VaR).

In particular, these indicators are considered the most appropriate instruments to ensure an effective and precise measurement and control of market risks generated by exposures to complex derivatives, also from a regulatory standpoint.

Value at Risk (VaR) is a synthetic measurement of risk, expressing the maximum potential loss caused by market changes under normal conditions. The methods used to calculate VaR are part of the class of historic simulation VaR models. Historical simulation is a method used to construct the distribution of probability for a risk factor, based on past changes in the same. No hypotheses are adopted regarding the type of distribution for the factor, but a (discrete) distribution is generated starting from the current value of the factor and assuming changes (generally logarithmic) identical to those seen in the historical series. Another significant characteristic of the model adopted is "full joint evaluation" of transactions. Each transaction is repriced with the market parameters obtained through application of the historical scenarios for each of the past days. These parameters are jointly changed, in this way capturing the effects of interactions between them when measuring financial instruments.

In order to gauge the risk deriving from the credit component implicit in bond positions, credit derivatives and bond futures, the VaR method based on historic simulation implemented also includes the credit spread risk factor.

The risk estimate is made with a confidence level of 99% and a time horizon of one day. The observation period is 250 days. The correlations used are those implicit in historical scenarios applied to estimate the empirical distribution of values in the trading book.

In order to verify overall capital adequacy, the Risk Function also takes a monthly measurement of market risk with a confidence level of 99% and a time horizon of 10 business days for VaR and VaR in stressed conditions, including the specific risk on debt securities and of the exchange rate risk in the banking book, and of 12 months for the measurement of Incremental Risk Charge (IRC), as well as considering a residual risk component not covered by existing models, if material (Risk Not In Model Engine). In addition, at operational level and for the purposes of assessing capital

adequacy under Pillar 2, an indicator of operational VaR data is also used, with a confidence level of 99.9% and a time horizon of one year (12 months) obtained by applying the $\sqrt{250}$ to daily data. In order to identify historical volatility, the Stressed VaR is taken as a reference, adding a number of contiguous dates more recent than the risk metric calculation date until 1000 historical observations are obtained.

The Incremental Risk Charge (IRC) measures the default and migration risk component of the bond portfolio with respect to the current value of the securities. More specifically, the risk in question is measured by means of a model that estimates, using a Monte Carlo simulation, the value of the issuers and, if these surpass specific thresholds, this would result in a migration to other rating classes or a default.

The reference aggregate for calculating the VaR and the IRC is represented by the trading book; as regards the VaR measurement, the exchange rate risk component of the banking book, recently introduced in the scope of the internal model, is also included.

The VaR model currently in use entirely covers generic and exchange rate risks and specific risk, both for debt securities and equity securities. The risk factors considered are interest rate, equity, exchange rate and credit spread risks. Correlation and dividend risks are also included in the measurement of operational VaR.

VaR reports are prepared, through which monitoring is ensured at Group level, by organisational unit, and by trading book. Said reports are sent to the Bank Head Office, the Finance Function and to Internal Audit.

With regard to scenario analyses ("stress testing"), simulations are implemented by applying predefined shocks to the main risk factors, in order to assess the current and prospective level of capital adequacy, as required by the Basel III Pillar II regulations. The calculation methods envisage historical, hypothetical and discretionary stress tests.

With reference to the trading book specific maximum daily VaR, IRC and RWA limits are defined, determined according to the metrics illustrated above.

Compliance with these limits is generally required of the Chief Executive Officer and, on a top-down basis, of the specialist departments, which periodically report to the Board of Directors, highlighting any overruns and the actions implemented to restore normal conditions.

The Parent Company's Risk Function is in charge of monitoring compliance with these limits, which is carried out on a daily basis, promptly reporting any overruns.

Moreover, the Risk Function notifies the parties in charge of risk management when 90% of the risk limits (warning level) has been reached, regarding the consequent assessments and possible corrective measures.

The Banco BPM Group is actively engaged in the evolution and adaptation of the systems, structures and activities relating to the FRTB (Fundamental Review of the Trading Book) regulatory framework. Specifically:

- As part of the Standardised approach (FRTB SA), the Supervisory Authority has approved the request for the adoption of alternative sensitivities (as required by Article 325 ter), considered more precise than those indicated by the current legislation.
- With regard to the Internal model (FRTB IMA), considering the computational complexity of the new metrics and the organisational restructuring of the structures dedicated to the

trading book, at the time of application, the Banco BPM Group decided not to request the authorisation to implement the model, reserving the right to submit a request in the future.

In order to ensure standard conditions between the financial institutions of the European Union and those of other jurisdictions (level playing field), the European Commission had initially provided for the postponement of the date of application of the new framework from 1 January 2025 to 1 January 2026 (delegated act of July 2024). Subsequently, with a further delegated act adopted in June 2025, the application date was further deferred to 1 January 2027.

Template EU MR1 - Market risk under the standardised approach

The MR1 template was completed in accordance with Implementing Regulation 2021/637, applicable until the entry into force of the "Fundamental Review of the Trading Book (FRTB)" framework.

		a
		RWEAs
Outright products		
1	Interest rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	-
4	Commodity risk	10
Options		
5	Simplified approach	-
6	Delta-plus approach	-
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	Total	10

Table EU MRB - Qualitative disclosure requirements for institutions using the internal Market Risk Models

EU (a) Description of the procedures and systems implemented for the assurance of tradability of the positions included in the trading book in order to comply with the requirements of Article 104.

Description of the methodology used to ensure that the policies and procedures implemented for the overall management of the trading book are appropriate. (Article 455 (c) CRR)

The instruments recognised in the proprietary portfolios, recorded in the financial statements in accordance with the accounting standards applicable according to the Business Model, are divided for prudential purposes between the banking book and the trading book, on the basis of the provisions of Regulation (EU) no. 575/2013 ("CRR") and in the Finance Function internal regulations.

All positions in the Trading Book and foreign exchange positions in the Banking Book are subject to market risk measurement. The Trading Book is identified as all positions present in the portfolios that have been assigned the attribute of portfolio containing transactions for trading purposes. This attribute is assigned when a new portfolio is entered into the Front Office applications by the applicant operator. To this end, there is a specific process rule "Opening new portfolios in the position-keeping system" which defines the players involved and the activities that each of them must perform for the portfolio to be recorded. At the same time, this process guarantees a precise distinction between the Trading Book portfolios and those of the Banking Book.

EU (b) For exposures from the trading and the non-trading book that are measured at fair value in accordance with the applicable accounting framework and that have their exposure value adjusted in accordance with Part Two, Title I, Chapter 2, Article 34 and Part Three, Title I, Chapter 3, Article 105 of the CRR (as well as the Commission Delegated Regulation (EU) No 2016/101), institutions shall describe systems and controls to ensure that the valuation estimates are prudent and reliable. These disclosures shall be provided as part of the market risk disclosures for exposures from the trading book. (Article 455 (c) CRR)

Fair value policy

To ensure increasing clarity, transparency and comparability of data relating to the fair value measurement of financial instruments, for the benefit not only of shareholders but also of all the bank's stakeholders, the Banco BPM Group has set in place internal rules and an internal policy that provide transparent and comprehensive governance of the methodological approach and operating model adopted by the Bank for the fair value measurement of financial instruments, in compliance with regulations in force (accounting standards, financial statement regulations).

The fair value policy is applied to all valuations made in financial statements (balance sheet, income statement and explanatory notes) of financial instruments represented by debt securities, equity instruments and derivatives and concerns the positions of the books owned by Group Banks, excepting third party trading books.

Fair value measurement of financial instruments may occur:

- through use of market prices or values that meet certain requirements ("mark to market");
- through use of market prices or values of similar instruments or transactions that meet certain requirements ("comparable approach");

- through use of measurement techniques and models based on market parameters ("mark to model"), whether entirely observable or in part deriving from hypotheses and assumptions.

The best evidence of the fair value of a financial instrument is a price listed on an active market.

If the market is not active and the listed price does not provide a correct representation of the instrument's fair value, the Bank determines the fair value by adopting a valuation technique.

The valuation technique aims to establish the price at which the transaction would have occurred at the valuation date in normal business conditions.

Valuation techniques take the following into consideration:

- if available, the prices of recent transactions on similar instruments suitably corrected to reflect changes in market conditions and technical differences between the instrument to be valued and the instrument selected as similar ("comparable approach");
- valuation models commonly used by the financial community that have proven over time to produce reliable estimates of prices with regard to current market conditions.

With regard to the latter type (valuation models), the Bank makes maximum use of observable market parameters reducing as far as possible the input from internal assumptions and/or estimates.

In conducting its assessments with a pricing model, the Bank takes into account all the relevant factors for the purpose of determining a price that may be considered representative of a hypothetical market transaction.

The Bank also periodically conducts a calibration exercise on the valuation techniques to test, on an ongoing basis, their validity with regard to actual market transactions or to any other observable value that is representative of fair value.

Fair value measurement also involves the application of valuation adjustments to take into account the risk premiums considered by operators when pricing the instruments.

If not explicitly considered in the valuation model, the valuation adjustments include:

- model adjustments: to consider the weaknesses of the models highlighted during the calibration phases;
- liquidity adjustments: if the model estimates a mid-price, it must be adjusted to take the bid/ask spread into account;
- credit risk adjustments: if the model does not take the counterparty risk into account, it must be adjusted accordingly;
- other risk adjustments: if the model does not take a risk premium priced on the market into account (e.g., concerning the complexity of valuation or hedging of the instrument), it must be appropriately corrected.

These corrections are permitted only to the extent to which they help to obtain a better estimate. Accordingly, valuation adjustments are not adopted if they move the valuation farther from the fair value, for example, merely for prudential purposes.

The Fair Value Policy consists of two main documents: a first document describing the procedures and the source of valuation of the securities and a second document that applies to derivatives.

The aim of the first document concerning securities is to define and formalise the Bank's operating decisions for fair value measurement of non-derivative financial instruments. Specifically, within the Mark-to-Market Policy, the document defines:

- the procedures for choosing the markets from which the prices are taken;
- the price configurations adopted;
- the information sources;
- the types of operating controls on availability and quality of prices.

With regard to the Mark-to-Model Policy, the document describes:

- the criteria for finding market parameters using the comparable approach;
- the market parameters to be used in the technical valuations;
- the operating controls on availability and quality of market data.

The aim of the second document concerning derivatives is to define and formalise the Bank's operating decisions for fair value measurement of derivative financial instruments. Specifically, within the Mark-to-Market Policy, the document defines:

- the procedures for choosing the markets from which the prices are taken;
- the price configurations adopted;
- the information sources.

With regard to Mark-to-Model Policy, which includes OTC derivative instruments, the document describes:

- the market parameters to be used in the technical valuations;
- the criteria for finding market parameters using the comparable approach.

Fair Value Policy - Compliance with regulations

Compliance with regulations of the Fair Value Policy — validated by the Internal Validation function at the time of application for the validation of the internal model for market risk — is constantly guaranteed by organisational safeguards in place for its process of maintenance and change. More specifically, proposals to change the technical annexes of this document are submitted for the approval of the Parent Company Risk Committee on the proposal of/following an investigation by the Risk Function, which also considers aspects of prudence and reliability (established by the regulatory legislation) of the assessment approaches proposed.

Pricing models

OTC derivative instruments are managed on a specific position-keeping application (namely the Risque application of the company Finastra) which allows calculation of the fair value, management of positions and risk (calculation of Greek values of risk, calculation of VaR, management of cash flows, management and accounting profit and loss account) and preparation of all input to the summary systems (accounting, reporting and credit line used).

The fair value is calculated by associating each product with a pricing model which considers the characteristics of the product and specifically the dynamics of the underlying market variables.

For particularly complex products or if the default valuation model of the Risque system is considered insufficient or not appropriate, the pricing models may be integrated with valuation models drawn up by the Financial Engineering function of Banco BPM.

In both cases, the models are validated and regularly reviewed by the Market Risks Unit, which is responsible for certifying the correctness of the pricing models for the positions managed within the Risque position-keeping system.

Validation of Models

The activity of validation arises from the need to use a new pricing model dictated by two different types of needs:

- make existing product pricing models more market compliant;
- value new pay-outs by Traders.

This activity consists of the following points:

- theoretical analysis of the model
- deterministic pay-out testing
- pay-out stress testing
- parameter stress testing
- repricing
- consistency of Greeks
- comparative testing with counterparties' prices
- drawing up Product/Model Validation report.

If the outcome of all the tests is positive, the Validation Report is submitted to the Product Innovation Committee.

Review of the models

Models are reviewed in order to check that previously validated models still reflect the changed market conditions and the review is carried out by repeating the validation tests and adding some consistency tests:

- price replication test using Greeks;
- ongoing comparison with the market.

A) Institutions using VaR models and SVaR models must disclose the following information. (Article 455 (a) (i) CRR):

a) Description of activities and risks covered by VaR and SVaR models, specifying how they are distributed in portfolios/sub-portfolios for which the competent authority has granted permission (Article 455 (a) (i) and Article 455 (b) CRR)

The risk factors considered by the VaR model for regulatory purposes are:

- share prices;
- volatility of share prices;
- interest rates;
- volatility of interest rates;
- exchange rates;
- volatility of exchange rates;
- inflation rate;
- volatility of inflation rates;
- credit spread;
- bond volatility.

The regulations provide for an additional prudential requirement to the VaR, calculated using market inputs related to periods of financial stress (Stressed VaR). The scope of application of the Stressed VaR includes all the risk factors in the VaR model for regulatory use.

Following extension of the internal model to the specific risk of debt securities, the regulation also envisages calculation of the Incremental Risk Charge, which measures the default and migration risk component of the portfolio with respect to the current value of the bonds. More specifically, the risk in question is measured by means of a model that simulates, using a Monte Carlo simulation, the value of the issuers and, if these surpass specific thresholds, this would result in a migration or a default. For regulatory purposes, the IRC perimeter includes positions in debt securities present in the Trading Book and is calculated considering a liquidity horizon of 1 year and a confidence level of 99.9%.

b) Description of the scope of application of the VaR and SVaR models for which the competent authority has granted permission, including which entities in the group use these models and how the models represent all the models used at the group level, as well as the percentage of own funds requirements covered by the models or if the same models of VaR/SVaR are used for all entities with market risk exposure (Article 455 (b) CRR)

At present, the following risk profiles are included in the internal model: generic and specific risk for debt securities, equity securities and UCITS units; exchange rate risk for the trading book and banking book.

At this stage of the validation process, the internal approach is also adopted for quantifying the risk arising from change in the price of instruments with irregular pay-off (options risk).

The table below provides a graphic illustration of the risk profiles that are measured using proprietary models as at the reference date:

	Position risk						Options	Commodity risk	Settlement risk	Concentration risk	Exchange rate risk
	Equity		Interest rate		UCITS						
	Gen.	Spec.	Gen.	Spec.	Gen.	Spec.					
Banco BPM											

Key

	Standard reporting
	Internal model reporting

Characteristics of the models used, including (Article 455 (a) (i) CRR):

c) General description of regulatory VaR and SVaR models

The main characteristics of the VaR internal model used to value market risk from a regulatory and management perspective are set forth below:

- Method: historical simulation
- Time horizon: 1 day (re-parameterised to 10 days for regulatory purposes)
- Depth of historical series: 1 year
- Confidence level: 99%

- Decay factor: 1 for regulatory and management purposes (or equal weighting of the historical scenarios of reference)
- Non-linearity of pay-outs: managed through an assessment of the portfolio in full evaluation.

The risk factors considered by the VaR model for regulatory purposes are:

- share prices;
- volatility of share prices;
- interest rates;
- volatility of interest rates;
- exchange rates;
- volatility of exchange rates;
- inflation rate;
- volatility of inflation rates;
- credit spread;
- bond volatility.

whose source is defined in the Parameter Manual, annexed to the Fair Value Policy.

The regulations provide for an additional prudential requirement to the VaR, calculated using market inputs related to periods of financial stress (Stressed VaR). The scope of application of the Stressed VaR includes all the risk factors in the VaR model for regulatory use.

In order to estimate the capital requirement using the internal model, it is therefore calculated using the following formula:

$$C_t = m_c(\max[VaR_{t-1}; \overline{VaR}] + addon_{RNIME_{VaR}}) + m_s(\max[sVaR_{t-1}; \overline{sVaR}] + addon_{RNIME_{sVaR}}) + (\max[IRC_{t-1}; \overline{IRC}] + addon_{RNIME_{IRC}})$$

- C_t : is the capital requirement at day t;
- VaR_{t-1} : is the value at risk calculated according to the internal model for the book held at day t-1, while $\overline{VaR}$ represents the average of the VaR measures calculated in the last 60 business days;
- $sVaR_t$: is the last available value for the "Stressed VaR" while $\overline{sVaR}$ represents the average of the "Stressed VaR" measures calculated in the last 60 business days;
- m_c and m_s : represent the multiplication factors for the VaR and Stressed VaR, respectively;
- IRC_{t-1} : represents the most recent IRC and $\overline{IRC}$ represents the average value of the IRC calculated in the previous 12 weeks;
- $addon_{RNIME}$: measurement representing the impact of risks not in the model engines (RNIME) with respect to single risk measurements (VaR, sVaR and IRC).

The multiplication factor envisaged for Banco BPM is 3 for both VaR and Stressed VaR (add-ons relative to the backtesting process are included in the beta, as in the specific section).

d) Discussion of the main differences, if any, between the model used for management purposes and the model used for regulatory purposes (10 day 99%) for VaR and sVaR models

At operational level and for the purposes of assessing capital adequacy under Pillar 2, an indicator of operational VaR data is also used, with a confidence level of 99.9% and a time horizon of one year (12 months) obtained by applying the $\sqrt{250}$ to daily data. In order to identify historical volatility, the Stressed VaR is taken as a reference, adding a number of contiguous dates more recent than the risk metric calculation date until 1000 historical observations are obtained.

e) For VaR models:

i) Data updating frequency;

Data is updated on a daily basis.

ii) Length of the data period that is used to calibrate the model. Describe the weighting scheme that is used (if any);

The Group has chosen to use one year of observations, or 250 observations, for the Regulatory model.

iii) How the institutions determine the 10-day holding period (for example, does it scale up a 1-day VaR by the square root of 10, or does it directly model the 10-day VaR?);

The Group measures the 10-day VaR as 1-day VaR $\times \sqrt{10}$ for the regulatory trading book, as part of the internal model (IMA).

iv) Aggregation approach, which is the method for aggregating the specific and general risk (i.e. do the institutions calculate the specific charge as a stand-alone charge by using a different method than the one used to calculate the general risk or do the institutions use a single model that diversifies general and specific risk?);

Specific and generic risk are calculated at the same time, as the risk calculation model uses the "full revaluation" method. This methodology implies that each position is repriced with the market parameters obtained from the application of the historical scenarios of each of the past observations, allowing the correct assessment of all pay-offs, including non-linear ones. In addition, these parameters are jointly changed, which means that the effects of interactions between them when measuring instruments are captured.

v) Valuation approach (full revaluation or use of approximations);

The application of the full revaluation approach perfectly captures the convexity of derivative instruments without making any type of approximation. With regard to derivative instruments, the valuation system is the same as the Front Office system used for risk management, confirmation management and for accounting purposes. This allows perfect alignment in terms of positions, transaction entry accuracy and valuation models between the system used for the purposes of risk measurement, risk management and pricing.

vi) Whether, when simulating potential movements in risk factors, absolute or relative returns (or a mixed approach) are used (i.e. proportional change in prices or rates or absolute change in prices or rates).

Historical simulation is a method used to construct the distribution of probability for a risk factor, based on past changes in the same. No hypotheses are made regarding the type of distribution for the factor (for example, normal, log-normal distribution, etc.), but a (discrete) distribution is generated starting from the current value of the factor and assuming changes (generally logarithmic) identical to those seen in the historical series.

f) For SVaR models, specify:

i) How the 10-day holding period is determined. For example, does the institution scale up a 1-day VaR by the square root of 10, or does it directly model the 10-day VaR? If the approach is the same as for the VaR models, the institutions may confirm this and refer to disclosure (e) (iii) above;

ii) The stress period chosen by the institution and the rationale for this choice;

The method for choosing the stress period is based on the calculation of the VaR over 250 rolling scenarios on the full set of historical scenarios available, i.e. from March 2008 to the analysis date, and on the rolling volatility of the P&L observed over the same period. The criterion for defining the initial set-up scenario is also used in the revisions of the stress scenario. On the basis of the scenario P&L figures obtained the period is identified, i.e. the set of scenario P&L for each specific date, for which the highest VaR value is recorded. Appropriate rules are envisaged for monitoring and any revision of the reference period identified.

iii) Valuation approach (full revaluation or use of approximations).

Specific and generic risk are calculated at the same time, as the risk calculation model uses the "full revaluation" method. This methodology implies that each position is repriced with the market parameters obtained from the application of the historical scenarios of each of the past observations, allowing the correct assessment of all pay-offs, including non-linear ones. In addition, these parameters are jointly changed, which means that the effects of interactions between them when measuring instruments are captured.

g) Description of stress testing applied to the modelling parameters (main scenarios developed to capture the characteristics of the portfolios to which the VaR and SVaR models apply at the group level). (Article 455 (a) (iii) CRR)

Stress Tests are tests carried out on a portfolio to identify the scenarios, i.e. the changes in a series of risk factors, the occurrence of which would result in a potentially significant loss.

These tests allow identification of the risk factors that contribute more than others to this negative result and consequently allow implementation of loss-limiting strategies when these scenarios occur.

Stress testing is mandatory for the purposes of validating Internal Models for quantifying minimum capital requirements for the market risk, as it provides banks with indication of the level of capital required to deal with any loss arising from long-lasting deterioration of the economic-financial conditions.

It is also a supporting tool for other risk management and measurement techniques, in that it:

- provides a forward-looking view of risks and their economic impact;
- exceeds the limits arising from risk management models based on historical data (Historical VaR with inclusion of the last 250 observations);
- integrates managerial reporting and public disclosure;
- provides input data for capital and liquidity planning processes;
- provides indications on a bank's level of risk tolerance;
- guarantees development of risk mitigation and recovery plans in certain stress situations.

For Banco BPM Group, stress tests are carried out regularly for the entire trading book. In order to establish the value of the book in stress scenarios, the full revaluation approach has been chosen to ensure that all irregularities in pay-offs of instruments are fully noted.

Two types of scenarios are applied: historical scenarios (in which the changes in each risk parameter are consistent with the worst historical observations) and hypothetical scenarios in which the changes in the risk parameters are defined through expert valuation.

In order to represent the overall risk associated with a trading book, the link between market risk and liquidity risk, specifically in terms of market liquidity risk, i.e. the risk that a bank - due to a sudden shortage in market liquidity - is unable to close some positions promptly (at a price approaching the theoretical price), is of particular importance. The time required to allow timely closing of the risk positions of a trading book is considered to be 10 business days. This horizon is consistent with supervisory recommendations, traders' opinions and historical quantitative data.

Hence, in Stress Test evaluation, scenarios are identified - when possible - based on 10-day ranges or, for data concerning daily fluctuations in parameters, the VaR data is reparametrized on a 10-day horizon.

h) Description of the approach used for backtesting/validating the accuracy and internal consistency of data and parameters used for the internal models and modelling processes. (Article 455 (a) (iv) CRR)

The backtesting process entails a comparison between the values of expected losses (VaR) and the values of the portfolio's actual or theoretical losses.

Once these two comparable figures have been obtained, it is possible to statistically analyse the frequency of exceptions, i.e. of those cases in which the VaR measure estimated by the model proves less serious (minor) than the actual loss recorded.

The prudential supervisory regulations establish that the change in value of the book (or individual position) must be as significant as possible for comparison with the VaR (not only is a direct comparison between the VaR calculated on a portfolio and its profit and loss result of little real value, but it may also lead to incorrect conclusions).

To this end, the best measure is the actual net change, that is, the measure obtained by excluding commissions and the contribution for accrued interest from the operating results.

In addition, backtesting is conducted on the basis of the hypothetical change in the portfolio, obtained by revaluing the quantities present in the portfolio on day $t-1$ with the day t (test date) prices.

Each day, the VaR result is compared with the P&L result, both actual and theoretical, as described above, and a report is provided on how the ratio between the two measures has evolved on a historical basis, that is, over the last 250 observations.

The Group chose to carry out backtesting not only on the Bank's entire portfolio, but also to compare at portfolio sub-aggregates level, the P&L backtesting result and the VaR result.

This decision was dictated by the intention to check and monitor the performance and reliability of the VaR model results on various levels of the company's organisational structure, where the result is less influenced by the effects of netting.

The decision is also consistent, in management terms, with the attribution of VaR limits on various levels.

From an operational point of view, this decision means that it is possible to check the extent to which the model in use is valid for the various portfolios, highlighting those areas in which modelling of the changes in P&L on the basis of historical simulation is more efficient and where it is less.

Furthermore, if exceptions should arise, it is possible to precisely identify the individual component that produced the event and therefore to take appropriate action.

B) Institutions using internal models to measure the own funds requirements for the incremental default and migration risk (IRC) must disclose the following information (Article 455 (a) (ii) CRR):

a) Description of risks covered by the IRC models, specifying how they are distributed in portfolios/sub-portfolios for which the competent authority has granted permission. (Article 455 (a) (ii) and (b) CRR)

The term Incremental Risk Charge (IRC) means the indicator that measures the default and migration risk component of the portfolio with respect to the current value of the securities. More specifically, the risk in question is measured by means of a model that simulates, using a Monte Carlo simulation, the value of the issuers and if these surpass specific thresholds, there will be a migration or a default. The inspiring prototype for this procedure is the Merton model. For regulatory purposes, the IRC perimeter includes positions in debt securities present in the Trading Book and is calculated considering a liquidity horizon of 1 year.

b) Description of the scope of application of the IRC model for which the competent authority has granted permission, including which entities in the group use these models and how the models represent all the models used at the group level, the percentage of own funds requirements covered by the models or if the same models of IRC are used for all entities with market risk exposure. (Article 455 (b) CRR)

Please refer to point (B) (a).

c) General description of the methodology used for internal models for incremental default and migration risk, including: (Article 455 (a) (ii) CRR)

i) Information about the overall modelling approach (notably, the use of spread-based models or transition matrix-based models);

The steps envisaged for calculating the IRC value are summarised:

1. Calculation of daily logarithmic returns of historical series of issuers and credit drivers;
2. Multivariate linear regression of the time series of the daily returns of each issuer on the time series of the credit drivers;
3. Estimate of the correlation matrix between the credit drivers selected as representative of the positions in the portfolio;
4. Monte Carlo simulation-based generation of vectors of normal random numbers representative of the normalised log-returns of the credit drivers, appropriately reproducing the structure of the asset correlations between credit drivers;
5. Determination for each issuer of the realisations of a standardised normal variable, known as the Credit Worthiness Index (CWI), based on the calculations performed in points 2 and 4;
6. Estimation of transition matrices of the time horizon defined for each sector starting from Moody's annual input transition matrices;
7. Assessment of Default threshold and migration starting from the transition matrices;
8. Calibration of the Beta distribution (by macroeconomic sector and seniority) used to extract the value of the recovery rate (RR) for each scenario and for each issuer, on the basis of the severity (distance between CWI and Default threshold);

9. Generation of the empirical distribution of Default and Migration P&L in correspondence of the simulations in which the CWI is lower than the Default threshold or is such as to generate a migration. The Default and Migration P&L will be

$$P\&L_{default} = N \cdot RR - Ctv \text{ in the case of Bonds}$$

$$P\&L_{default} = N \cdot (1 - RR) - Ctv \text{ in the case of CDS}$$

$$P\&L_{migration} = sensy * (ASW(rating_{final}) - ASW(rating_{initial})) \text{ for both}$$
10. where N, RR and Ctv respectively indicate Nominal, Recovery Rate and Countervalue by issuer. For more complex derivatives, second-order Greeks will also be taken into account, and the P&L in the event of default will be reproduced based on the instrument's intrinsic value;

The Incremental Risk Charge measure is equivalent to the VaR calculated on the distribution defined in the previous point with a confidence interval of 99.9%.

ii) Information on the calibration of the transition matrix;

The simulation of changes in the creditworthiness of issuers takes place on the basis of the annual transition probabilities measured by specific matrices. The Group has chosen to use the Credit Risk Calculator service provided by Moody's. In detail, the probabilities used were estimated on the basis of the historical average annual transition frequencies observed in OECD countries over a 15-year interval, updated at the beginning of each year. As for Recovery Rates, the transition matrices are differentiated by macro-sector (Corporate, Financial and Government).

iii) Information about correlation assumptions.

Please refer to point (B) (c) (i).

d) Approach used to determine liquidity horizons.

Please refer to point (B) (c) (i).

e) Methodology used to achieve a capital assessment that is consistent with the required soundness standard.

Please refer to point (B) (c) (i).

f) Approach used in the validation of the models.

Please refer to point (B) (c) (i).

g) Description of stress testing applied to the modelling parameters (main scenarios developed to capture the characteristics of the portfolios to which the IRC models apply at the group level). (Article 455 (a) (iii) CRR)

Base and Adverse scenarios were defined for the main risk factors of the model (PD, ASW, Downgrade and LGD).

h) Description of the approach used for backtesting/validating the accuracy and internal consistency of data and parameters used for the IRC internal models and modelling processes. (Article 455 (a) (iv) CRR)

Please refer to points (B) (c) and (B) (g).

C) Institutions using internal models to measure own funds requirements for correlation trading portfolio (comprehensive risk measure) must disclosure the following information: (Article 455 (a) (ii) CRR)

- a) Description of risks covered by the comprehensive risk measure models, specifying how they are distributed in portfolios/sub-portfolios for which the competent authority has granted permission. (Article 455 (a) (ii) and (b) CRR)
- b) Description of the scope of application of the comprehensive risk measure models for which the competent authority has granted permission, including which entities in the group use these models and how the models represent all the models used at the group level, including the percentage of own funds requirements covered by the models or if the same models of IRC are used for all entities with market risk exposure. (Article 455 (b) CRR)
- c) General description of the methodology used for correlation trading, including: (Article 455 (a) (ii) CRR)
 - i) Information about the overall modelling approach (choice of model correlation between default/migrations and spread: (i) separate but correlated stochastic processes driving migration/default and spread movement; (ii) spread changes driving migration/default; or (iii) default/migrations driving spread changes);
 - ii) Information used to calibrate the parameters of the base correlation: LGD pricing of the tranches (constant or stochastic);
 - iii) Information on the choice of whether to age positions (profits and losses based on the simulated market movement in the model calculated based on the time to expiry of each position at the end of the 1-year capital horizon or using their time to expiry at the calculation date).
- d) Approach used to determine liquidity horizons.
- e) Methodology used to achieve a capital assessment that is consistent with the required soundness standard.
- f) Approach used in the validation of the models.
- g) Description of stress testing applied to the modelling parameters (main scenarios developed to capture the characteristics of the portfolios to which the comprehensive risk measure models apply at the group level). (Article 455 (a) (iii) CRR)
- h) Description of the approach used for backtesting/validating the accuracy and internal consistency of data and parameters used for the comprehensive risk measure internal models and modelling processes. (Article 455 (a) (iv) CRR)
- i) Information on weighted average liquidity horizon for each subportfolio covered by the internal models for incremental default and migration risk and for correlation trading. (Article 455 (f) CRR)

The Banco BPM Group does not adopt internal models to measure own funds requirements for the correlation trading book (global risk measure).

Template EU MR2-A - Market risk under the Internal Model Approach (IMA)

The MR2-A template was completed in accordance with Implementing Regulation 2021/637, applicable until the entry into force of the "Fundamental Review of the Trading Book (FRTB)" framework.

		a	b
		RWEAs	Own funds requirements
1	VaR (higher of values a and b)	142	11
a)	Previous day's VaR (VaRt-1)		3
b)	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		11
2	sVaR (higher of values a and b)	550	44
a)	Latest available SVaR (SVaRt-1)		15
b)	Multiplication factor (ms) x average of previous 60 working days (SVaRavg)		44
3	IRC (higher of values a and b)	507	41
a)	Most recent IRC measure		38
b)	12 weeks average IRC measure		41
4	Comprehensive risk measure (higher of values a, b and c)	-	-
a)	Most recent risk measure of comprehensive risk measure		-
b)	12 weeks average of comprehensive risk measure		-
c)	Comprehensive risk measure - Floor		-
5	Other	-	-
6	Total	1,199	96

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

The MR2-B template was completed in accordance with Implementing Regulation 2021/637, applicable until the entry into force of the "Fundamental Review of the Trading Book (FRTB)" framework.

		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	212	632	612	-	-	1,457	117
1a	Regulatory adjustment	(171)	(417)	(97)	-	-	(685)	(55)
1b	RWEAs at the previous quarter-end (end of the day)	41	215	515	-	-	772	62
2	Movement in risk levels	11	(18)	(39)	-	-	(46)	(4)
3	Model updates/changes	-	-	-	-	-	-	-
4	Methodology and policy	-	-	-	-	-	-	-
5	Acquisitions and disposals	-	-	-	-	-	-	-
6	Foreign exchange movements	(21)	(12)	-	-	-	(32)	(3)
7	Other	-	-	-	-	-	-	-
8a	RWEAs at the end of the disclosure period (end of the day)	32	185	476	-	-	694	55
8b	Regulatory adjustment	109	365	31	-	-	506	40
8	RWEAs at the end of the disclosure period	142	550	507	-	-	1,199	96

The decrease in RWEAs for exposures subject to market risk is mainly attributable to the Stressed VaR component, mainly due to the reversal of the equity delta position from short to long, in particular with respect to European indices, following options and futures operations. The reduction of the IRC component, due to the expiry of Banca Ifis 19 million and the sale of Intesa 11 million and the change of the indicator driver from Intesa to Banco BPM, following the upgrade of Intesa's Moody's rating from Baa1 to A3, has also contributed to this.

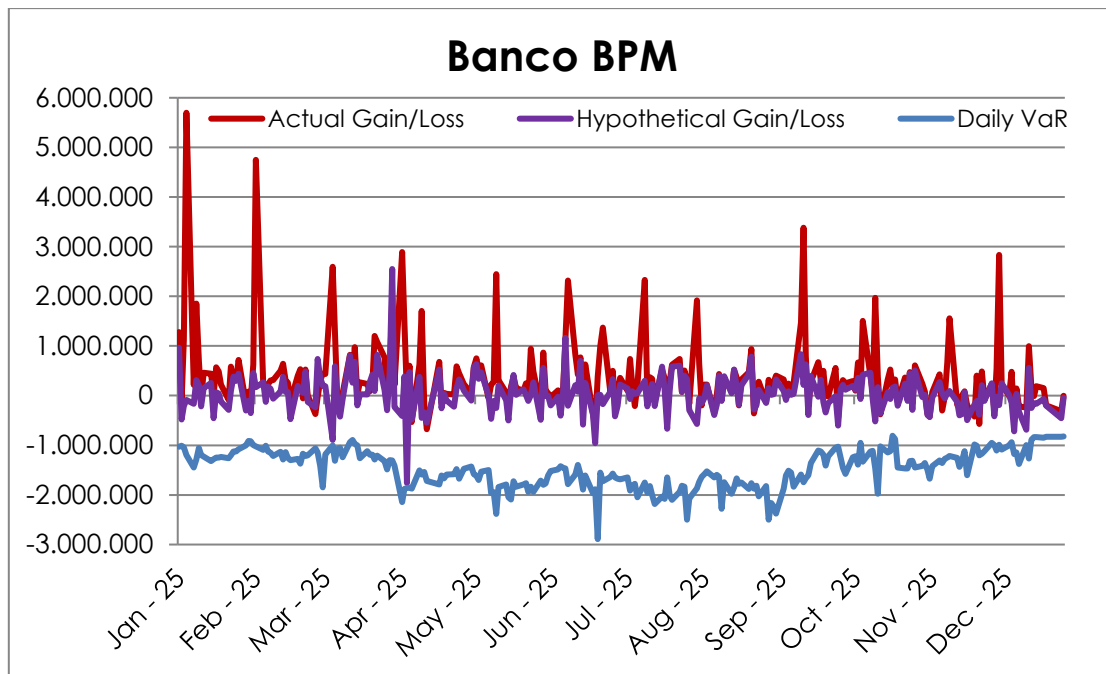
Template EU MR3 - IMA values for trading portfolios

The MR3 template was completed in accordance with Implementing Regulation 2021/637, applicable until the entry into force of the "Fundamental Review of the Trading Book (FRTB)" framework.

		a
VaR (10 day 99%)		
1	Maximum value	9
2	Average value	5
3	Minimum value	3
4	Period end	3
sVaR (10 day 99%)		
5	Maximum value	25
6	Average value	15
7	Minimum value	9
8	Period end	15
IRC (99.9%)		
9	Maximum value	67
10	Average value	51
11	Minimum value	32
12	Period end	38
Comprehensive risk measure (99.9%)		
13	Maximum value	-
14	Average value	-
15	Minimum value	-
16	Period end	-

Template EU MR4 - Comparison of VaR estimates with gains/losses

The MR4 template was completed in accordance with Implementing Regulation 2021/637, applicable until the entry into force of the "Fundamental Review of the Trading Book (FRTB)" framework.



The situation as at 31 December 2025 is as follows:

- Actual Backtesting: no limit exceeded
- Hypothetical Backtesting: no limit exceeded

Section 16 - Disclosure of credit valuation adjustment

Table EU CVAA - Qualitative disclosure requirements related to credit valuation adjustment risk

a) A description of the institution's processes to manage credit valuation adjustment risk, including (Article 445a (1) (a) CRR):

- **A description of the processes implemented to identify, measure, monitor and control the institution's credit valuation adjustment risks;**

The Banco BPM Group manages the Credit Valuation Adjustment risk in compliance with the regulatory framework defined by Regulation (EU) 2024/1623 (CRR3), which governs the methodologies for determining the capital requirement with regard to the deterioration of the creditworthiness of the counterparties involved in transactions in OTC derivatives and, when relevant, securities financing transactions. The management process envisages the identification of the scope of the counterparties concerned, consisting of the financial counterparties required for regulatory purposes, with management extension also to non-financial counterparties in order to obtain a more complete view of the overall risk.

Risk measurement takes place through the application of the Basic Approach in a reduced form, envisaged by Article 384 (3) of the CRR3. This approach does not consider the possible recognition of CVA hedges and makes it possible to determine the aggregate requirement starting from the contribution of the individual counterparties. The methodology uses the regulatory exposures, the actual maturities of the transactions and the risk weightings associated with the economic sectors and the credit quality steps according to the classification established by the regulator. The requirement is aggregated through the application of the correlation factor, which makes it possible to determine the overall value of the portfolio CVA risk exposure. The Banco BPM Group continuously monitors the requirement trend, updated on a monthly basis, verifying the evolution of the exposures, the characteristics of the counterparties and the regulatory parameters applied, so as to ensure the consistency of the capital requirement with the market risk profile and with the applicable regulatory conditions.

- **A description of their policies for hedging and mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges.**

With regard to risk hedging and mitigation, the Group does not apply hedging policies for the purposes of regulatory recognition. In fact, the reduced basic approach does not allow the inclusion of mitigation instruments such as credit default swaps or other hedging forms specific for the counterparties' creditworthiness deterioration risk. Risk management is therefore based on the measurement process quality, on sector classifications monitoring, on data accuracy and on the correct application of regulatory parameters, guaranteeing continuous control of the potential exposure deriving from changes in counterparty creditworthiness.

b) An explanation whether the institution meets all the conditions set out in Article 273a(2); where those conditions are met, whether institution has chosen to calculate the own funds requirements for CVA risk using the simplified approach set out in Article 385; where institutions have chosen to calculate the own funds requirements for CVA risk using the simplified approach, the own funds requirements for CVA risk in accordance with that approach. (Article 445a (1) (b) CRR)

The conditions set forth in Article 273-bis (2) of the CRR are relevant if an institution decides to use the simplified approach for the calculation of CVA risk governed by Article 385. The Banco BPM

Group does not apply the simplified approach and therefore does not verify the conditions required by this provision. The methodology adopted for the calculation of the own funds requirements for the CVA risk is the Basic Approach in reduced form, envisaged by Article 384 (3) of the CRR3, which does not contemplate the inclusion of regulatory hedges and establishes a set of deterministic parameters for calculation purposes.

Template EU CVA1 - Credit valuation adjustment risk under the Reduced Basic Approach (R-BA)

The CVA1 template, pursuant to Article 445a (3) (a), reports the components of the own funds requirements and the corresponding requirement for the CVA (Credit Valuation Adjustment) Risk, calculated under the Reduced Basic Approach (R-BA) adopted by the Bank.

		a	b
		Components of Own Funds Requirements	Own Funds Requirements
1	Aggregation of systematic components of CVA risk	67	
2	Aggregation of idiosyncratic components of CVA risk	27	
3	Total		27

Section 17 - Disclosure of operational risk

Table EU ORA - Qualitative information on operational risk

a) Disclosure of the risk management objectives and policies (Article 446 (1) (a) and Article 435 (1) (a) CRR)

Operational risk is the risk of suffering losses caused by inadequacy or failure attributable to procedures, human resources and internal systems, or caused by external events.

This definition does not include strategic or reputational risk, but does include legal risk, understood as the risk of infringing laws and other regulations, of failing to comply with contractual and non-contractual liabilities, as well as other disputes that may arise with counterparties in the course of business activities.

The main sources of operational risk are: the low reliability of operational processes - in terms of effectiveness/efficiency - internal and external frauds, operational mistakes, the qualitative level of physical and logical security, inadequate IT structure compared to the size of operations, the growing recourse to automation, the outsourcing of corporate functions when not adequately structured and monitored, the excessive concentration of the number of suppliers, changes in strategies, incorrect personnel management and training policies and finally social and environmental impacts.

The quantitative assessment is based on internal loss data, gathered through a loss collection process and combined with external loss data pertaining to the Italian banking scenario (inbound flows of the DIPO consortium, set up by the major Italian Banking Groups within the ABI - Italian Banking Association), and on data deriving from the Risk Self Assessment, in which also qualitative information resulting from the ongoing assessment of the internal and external operational context is used.

b) Disclosure of the structure and organisation of the operational risk management function (Article 446 (1) (a) and Article 435 (1) (b) CRR)

Also in compliance with the relevant regulations, Banco BPM Group adopted an operational risk management model that illustrates the management methods and the people involved in risk identification, measurement, monitoring, mitigation and reporting. In particular, the model refers to centralised oversight functions (governance and control functions) and decentralised oversight functions (coordinators and ORM contacts - Operational Risk Management - who are specifically involved in the key processes of collecting operating loss data, continuously assessing the operating scenario and forecasting exposure to risk).

This model is governed by a specific Group Regulation approved by the Corporate Bodies.

c) Description of the scope and nature of the measurement system (Article 446 (1) (a) and Article 435 (1) (c) of the CRR)

From 1 January 2025 (in compliance with what is established by Regulation (EU) no. 575/2013 of 26 June 2013 and subsequently updated by Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024), the Banco BPM Group fully adopts the SMA Standardised Measurement Approach to calculate capital requirements for all companies that make up the Supervised Group, while with regard to the other qualitative-quantitative elements envisaged by Supervisory Regulations, as requested by the ECB, it meets all of the requirements of the CRR for the SMA method.

d) Description of the scope and nature of the operational risk reporting framework (Article 446 (1) (a) and Article 435 (1) (c) CRR)

Banco BPM Group has a reporting process which envisages:

- a management reporting, with quarterly analyses and assessments of all significant issues concerning operational risk (in particular, material losses and the associated recoveries, based on historical or income statement data, the overall assessment of the risk profile, capital absorption, the outcome of risk self-assessment processes and the monitoring and assessment of the operating environment and the risk management and mitigation policies implemented and/or planned) in addition to the disclosure relating to the insurance sector);
- an operational reporting, which is also quarterly, understood as a tool for the operating structures that take part in loss collection processes, useful for adequate risk assessment and management in the related specific areas.

The Group pursues an objective to continuously develop the risk management framework in accordance with the objectives of the Strategic Plan, best practices in the industry and regulatory changes.

In 2025, the following activities are worth a specific mention:

- constant rationalisation and continuing streamlining of the processes for the collection of internal loss data of the Commercial Network and the Central Headquarters, also via adaptation of the IT infrastructure, as well as relying on the training/informational support provided by the ORM oversight bodies (central and local) to the staff responsible for surveying operating losses;
- constant development of active risk management processes (monitoring, reporting and mitigation);
- definition, implementation and monitoring of specific operational risk indicators within the RAF (Risk Appetite Framework) system adopted by the Group;
- monitoring and assessment of the Group's outsourcing initiatives;
- constant focus on and adequate monitoring of all aspects related to cyber risk, in consideration of the external importance of these issues.
- extension of the operational risk monitoring framework to the entities belonging to the asset management

e) Description of the policies and strategies of the risk mitigation and risk hedge (Article 446 (1) (a) and Article 435 (1) (d) CRR)

The Banco BPM Group has adopted a structured and continuous framework for the prevention, mitigation and transfer of operational risk. The system is designed to ensure effective risk management throughout the life cycle of the operational event, integrating quantitative and qualitative evidence as part of the Loss Data Collection, Risk Self Assessment and Continuous Assessment processes.

The identification of vulnerabilities takes place through the collection and classification of operational losses (LDC) and the results of the RSA (Risk Self Assessment) and Continuous Assessment processes, which respectively highlight potential risk scenarios from a forward-looking perspective and potential existing vulnerabilities. In line with the vulnerabilities identified, the competent operating units are required to define actions aimed at mitigating the risk (e.g. processes review, control strengthening, IT components improvement, etc.). These actions are not

only monitored but also included in the quarterly reports. Where deemed appropriate, the Group also adopts risk transfer instruments.

The Banco BPM Group also adopts a Risk Appetite Framework (RAF) that defines the set of objectives, thresholds and risk limits within which the Organisation must operate, in line with the business model and the level of risk considered acceptable by the Group. Within the scope of operational risk, the RAF includes indicators used to monitor the evolution of exposure to operational risks and to ensure the timely identification of any deterioration in the risk profile.

The RAF indicators are essential to guide mitigation actions, determine any escalation and support governance processes. The tolerance and attention thresholds defined in the RAF are subject to continuous monitoring by the control functions and are disclosed in the quarterly reporting on operational risk, ensuring transparency towards the Corporate Bodies and full consistency with regulatory developments and with the Group risk management framework.

Template EU OR1 - Operational risk losses (1 of 2)

The OR1 template provides information on annual losses from operational risk, accounted for in the last 10 financial years, with reference to the total amount of losses net of recoveries deriving from loss events in excess of the 20,000/100,000 euro threshold. Exceeding the thresholds refers to the sum of the impacts recorded in the income statement in the last 10 years for each loss event. The table also provides the number of losses recorded for each year. The reference scope includes all the companies falling within the scope of consolidation.

Template EU OR1 - Operational risk losses (2 of 2)

		A	b	c	d	e	f	g	h	i	j	k
		31/12/2025	31/12/2024	31/12/2023	31/12/2022	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016	Ten-year average
Using €20,000 threshold												
1	Total amount of operational risk losses net of recoveries (no exclusions)	53	34	38	77	33	47	121	257	90	99	85
2	Total number of operational risk losses	1,008	1,113	1,462	1,616	1,693	1,538	2,848	5,384	1,567	1,362	1,959
3	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
4	Total number of excluded operational risk events	-	-	-	-	-	-	-	-	-	-	-
5	Total amount of operational risk losses net of recoveries and net of excluded losses	53	34	38	77	33	47	121	257	90	99	85
Using €100,000 threshold												
6	Total amount of operational risk losses net of recoveries (no exclusions)	45	25	27	63	22	32	56	110	63	69	51
7	Total number of operational risk losses	277	300	376	406	427	424	467	643	393	350	406
8	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
9	Total number of excluded operational risk events	-	-	-	-	-	-	-	-	-	-	-
10	Total amount of operational risk losses net of recoveries and net of excluded losses	45	25	27	63	22	32	56	110	63	69	51
Details of operational risk capital calculation												
11	not applicable											
12	not applicable											
13	not applicable											

Template EU OR2 - Business Indicator, components and subcomponents

The template in question includes the disclosure required by Article 446 (1) (c) and (d) of the CRR. It should be noted that, as at 31 December 2025, since the COREP disclosure update on operational risk has not yet entered into force, in line with what is noted in the report, only the average values of the indicators shown below are disclosed, calculated over the last three years, corresponding to the components included in the calculation of the Business Indicator (BI).

		a	b	c	d
	BI and its subcomponents	31/12/2025	31/12/2024	31/12/2023	Average value
1	Interest, lease and dividend component (ILDC)				3,278
EU 1	ILDC related to the individual institution/consolidated Group (excluding entities considered by Article 314(3))				3,278
1a	Interest and lease income	-	-	-	-
1b	Interest and lease expense	-	-	-	-
1c	Total Assets/Asset component	-	-	-	-
1d	Dividend income/Dividend component	-	-	-	-
2	Service Component (SC)				3,209
2a	Fee and commission income	-	-	-	-
2b	Fee and commission expense	-	-	-	-
2c	Other operating income	-	-	-	-
2d	Other operating expense	-	-	-	-
3	Financial Component (FC)				415
3a	Net profit or loss applicable to trading book (TB)	-	-	-	-
3b	Net profit or loss applicable to banking book (BB)	-	-	-	-
EU 3c	Approach followed to determine the TB/BB boundary (PBA or accounting approach)				Accounting approach
4	Business Indicator (BI)				6,902
5	Business Indicator Component (BIC)				1,005

Disclosure on the BI:

	a
6a	BI gross of excluded divested activities
6b	Reduction in BI due to excluded divested activities
EU 6c	Impact in BI of mergers/acquisitions

Template EU OR3 - Operational risk own funds requirements and risk exposure amounts

The template in question is published in accordance with the provisions of Article 446 (1) (b) of the CRR. This template provides information on the calculation of operational risk own funds requirements in accordance with Articles 312 to 315 of Regulation (EU) no. 575/2013.

		a
1	Business Indicator Component (BIC)	1,005
EU 1	Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4)	-
2	<i>Not applicable</i>	
3	Minimum Required Operational Risk Own Funds Requirements (OROF)	1,005
4	Operational Risk Exposure Amounts (REA)	12,566

Section 18 - Disclosure of interest rate risk of non-trading book activities

Table EU IRRBBA - Qualitative information on interest rate risks of non-trading book activities

a) A description of how the institution defines IRRBB for purposes of risk control and measurement (Article 448 (1)(e))

The interest rate risk relating to the Group banking book is mainly associated with the process of transformation of maturities.

In particular, the granting of fixed-rate commercial and mortgage loans, the portfolio of investments in securities, funding from demand current accounts and the issue of fixed-rate bonds are the main sources of interest rate risk in terms of the economic outlook, while floating-rate financial assets and liabilities are the main sources of interest rate risk in terms of income prospects. For both prospects, the risk is also managed using hedging derivative strategies.

For interest rate risk on the banking book, in terms of both economic and income prospects, the Group has set up a system of prudential, RAF and operational limits, approved by the relevant Corporate Bodies, to contain the impact of any sudden rise or drop in market interest rates and, for equity market volatility, on the interest margin and on the value of equity.

The Parent Company Risk Models and Methodologies function measures and controls this risk, also on behalf of the banks and the main financial subsidiaries.

b) A description of the institution's overall IRRBB management and mitigation strategies (Article 448 (1)(f))

The structure in charge of managing the interest rate risk of the Group's banking book is the ALM of the Parent Company Finance Function, which also performs this activity on behalf of the banks and financial subsidiaries; it operates with a view to maximising the economic contribution from commercial activities and minimising the volatility of results, in compliance with the interest rate risk exposure limits assigned.

Interest rate risk is mainly managed through a natural hedge strategy. Furthermore, in order to reduce the exposure to interest rate risk on given expiries, the Group also enters into fair value hedges, mainly classified under hedge accounting, banking book securities, portfolios of homogeneous loans, bond loans and demand items.

c) The periodicity of the calculation of the institution's IRRBB measures, and a description of the specific measures that the institution uses to gauge its sensitivity to IRRBB (Article 448 (1)(e)(i) and (v); Article 448 (2)).

The Group applies Asset & Liability Management (ALM) processes in order to identify and therefore measure, on a monthly basis, the impacts ("sensitivity") of changes in the interest rate structure on the expected financial margin and on the economic value of capital related to the banking book.

As regards net interest income ("NII sensitivity"), the change over a twelve-month (annual) time horizon is estimated under the assumption of an instantaneous interest rate curve shock. Estimates are based - from a static analysis viewpoint - on the assumption therefore that the capital structure remains unchanged in terms of aggregate assets and liabilities, as well as in terms of financial characteristics (rates, spreads, duration). The static analyses are supplemented by dynamic

analyses, they too subject to risk limits, carried out on a quarterly basis and over a time horizon of up to three years.

With regard to the economic value ("EV sensitivity"), the assumption of change in the interest rate curve following instantaneous shocks is applied.

In addition, sensitivity analyses are carried out relating to the Credit Spread Risk of the Banking Book (CSRBB), with two stress scenarios that envisage both the widening and the narrowing of the credit spread curves.

The Group monitors on a monthly basis also the change, at the end of the 12 months following the analysis date, of the sum of total NII and the change in economic value of the Banking Book positions measured at fair value, following a parallel shift of +/- 200 basis points of the risk-free rate curves and in static balance sheet assumptions.

Again on a monthly basis, the value at risk of the banking book is also analysed through the internal FHS VaR methodology over a 12-month time horizon and with a confidence interval of 99.9%. The 12-month holding period is obtained through a bootstrap statistical procedure that recombines the historical scenarios, in order to obtain a distribution of annual P&Ls, from which to extract the desired percentile.

d) A description of the interest rate shock and stress scenarios that the institution uses to estimate changes in the economic value and in net interest income (if applicable) (Article 448 (1)(e)(iii); Article 448 (2))

As far as NII sensitivity is concerned, the deterministic interest rate curve shock is +/-100 and +/-200 basis points applied to all interest rate curves as an instantaneous and parallel change.

As regards EV sensitivity, the shock subject to the risk limit is +/-200 basis points.

The Group's monitoring framework includes additional non-parallel shocks, with and without the application of the floor, envisaged by the EBA Guidelines ("short up/down" and "steepening/flattening") and other internally calibrated shocks.

In addition, with reference to the CSRBB, two shocks were introduced, calibrated on historical data, which envisage both the widening and the narrowing of the credit spread curves.

Lastly, two specific stress scenarios are also considered for the assessment of basis risk from the perspective of current earnings.

e) A description of the key modelling and parametric assumptions different from those used for disclosure of template EU IRRBB1 (if applicable) (Article 448 (1)(e)(ii); Article 448 (2))

The banking book also includes items that are subject to statistical behavioural modelling, the most significant of which are on-demand and revocable items. In particular, the model makes it possible to capture the typical characteristics of the temporary persistence of volumes and the partial or non-immediate reactivity of the rates of these items to changes in market conditions.

A further behavioural statistical model makes it possible to measure the risk of early termination on the loan portfolio ("prepayment") by identifying a behavioural amortisation profile, adjusted for the mortgage repayment probability.

f) A general description of how the bank's hedges its IRRBB, as well as the associated accounting treatment (if applicable) (Article 448 (1)(e)(iv); Article 448 (2))

With regard to the accounting treatment of hedging relationships, it should be noted that fixed-rate loans, bonds and demand items are hedged through fair value hedges.

The certificates placed by the Parent Company with ordinary customers are hedged through the fair value option, while the securities portfolio is usually hedged through fair value hedges (or, only in some specific cases, cash flow hedges).

Derivatives are designated as hedges according to IAS 39 opt-out rules through relevant formal documentation. The hedge effectiveness depends on the extent to which the changes in the fair value of the hedged item and in the expected cash flows are actually offset by those of the hedging instrument.

g) A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB1 (if applicable) (Article 448 (1)(c); Article 448 (2))

Please refer to point (e) of this IRRBBA table.

h) Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures (Article 448 (1)(d))

The Group's banking book is exposed to the risk of falling interest rates from a current earnings perspective and rising interest rates from an economic value perspective.

i) Any other relevant information regarding the IRRBB measures disclosed in template EU IRRBB1 (optional)

Please refer to the EU IRRBB1 template.

1), 2) Disclosure of the average and longest repricing maturity assigned to non-maturity deposits (Article 448 (1)(g))

The average repricing maturity of modelled demand deposits is roughly 2.9 years (the average maturity of the inelastic core component alone is roughly 4 years), while the longest maturity is equal to around 26 years for the private segment.

Other key modelling and parametric assumptions used in internal measurement systems

For the purpose of calculating both management and regulatory metrics, the measurements are calculated in accordance with the EBA Guidelines in force on the scope of items sensitive to interest rates. In particular, capital is excluded from the evaluation of the change in economic value. The modelling assumptions relating to cash flows aligned between management and regulatory metrics are generally applied, except in the case of specific assumptions of the latter as regards the perimeter and the rules of aggregation of the impacts solely on material currencies.

Template EU IRRBB1 - Interest rate risks of non-trading book activities

Starting from the disclosure of 30 June 2025, the quantitative disclosure contained in template “EU IRRBB 1” has been aligned with the ITS IRRBB supervisory reports, applying the mapping proposed by the EBA. In particular, the values contained in the template refer to the “All currency” version, with the application of the weightings envisaged by the relative regulations.

In order to ensure consistency with the data as at 31 December 2025 (column a and c), the data relating to the previous period (column b and d) were updated to incorporate a change requested by the Regulator, with an impact on the “All currencies” template from which the disclosure derives. Therefore, the values on the reference date as at 30 June 2025 differ from the semi-annual disclosure previously published.

Supervisory shock scenarios		a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
		Current period	Last period	Current period	Last period
1	Parallel up	(1,297)	(1,253)	96	155
2	Parallel down	456	421	(265)	(324)
3	Steepener	(171)	248		
4	Flattener	140	50		
5	Short rates up	(262)	(344)		
6	Short rates down	332	538		

Section 19 - Disclosure of remuneration policy

Table EU REMA - Remuneration policy

in accordance with Article 450 of the CRR

a) Information relating to the bodies that oversee remuneration. Disclosures shall include:

- **name, composition and mandate of the main body (management body or remuneration committee as applicable) overseeing the remuneration policy and the number of meetings held by that main body during the financial year;**

The Remuneration Committee, established in April 2023, comprises three Directors: Manuela Soffientini (Chairperson), Mauro Paoloni and Paolo Bordogna, who will remain in office until the approval of the 2025 financial statements.

In 2025, the Committee met on fifteen occasions; average attendance of Committee members was roughly 96% from 1 January to 31 December 2025; on average each meeting lasted approximately one hour and thirty minutes. In line with what was tested in previous years, in order to make the supervision, control and challenge of the remuneration framework even more effective, the Committee implemented the following tools: (a) high frequency of meetings; (b) topics of particular relevance or interest dealt with in more than one working session; (c) systematic engagement with the control functions, to the extent of their responsibility, the Chief Risk Officer, Compliance and Audit areas; (d) involvement of the Internal Control and Risk Committee and the Sustainability Committee on specific issues; (e) dialogue with independent external entities with recognised experience on relevant issues. In the 2025 meetings, among other things: (i) it supervised the process for identifying identified staff; (ii) it carried out the assessment of the impacts of the non-recurring financial statements components on profit from continuing operations, the financial adjustment factor and the Key Performance Indicators for the 2024 financial year; (iii) it examined the verification of the access conditions to the variable remuneration components, in implementation of the 2024 Policy (2024 short-term incentive and additional variable remuneration components); (iv) with the advice of a leading company, it carried out benchmarking activities with respect to the external reference market for top management positions within the Group, aimed at verifying the competitiveness level of the various remuneration package components and proposed the related remuneration measures also from a retention point of view; (v) it examined the proposed 2025 Policy and the criteria for determining the remuneration to be granted in the event of early termination of the employment relationship or early termination of office; (vi) it conducted a preliminary investigation on the performance of the Chief Executive Officer in relation to the 2024 objectives; (vii) it carried out advisory activities on the remuneration of the representatives of the Group's bank subsidiaries; (viii) it extensively investigated the 2025-2027 long-term incentive plan, assessing access conditions and performance objectives; (ix) it examined the Banco BPM share-based remuneration plans proposals in relation to the 2025 short-term incentive plan and the 2025-2027 long-term incentive plan; (x) it quarterly monitored the performance of entry gates, of adjustment factors and of the main KPIs in relation to the 2025 short-term incentive plan and the achievement of the 2022-2024 long-term incentive plan objectives; (xi) it examined the project undertaken on "Pay Transparency" with the support of a qualified external consultant; (xii) it carried out preliminary activities on the determination of the 2025 short-term incentive plan objectives to be assigned to the Chief Executive Officer; (xiii) it investigated the proposals relating to the maximum incentive values to be associated with the 2025 short-term incentive plan; (xiv) it assessed the soundness of the 2024 short-term incentive plan with regard to

the correlation of the Group's performance with the individual incentives pursuant to the defined risk system; (xv) it received information on the 2025 short-term incentive plan objectives assigned to identified staff, with a particular focus on KPIs in terms of sustainability, findings resolution and risk based; (xvi) it carried out in-depth analyses on benchmarks with respect to the main competitors in relation to variable remuneration entry gates with a focus on the funding of the bonus pool; (xvii) in coordination with the Board of Statutory Auditors and the Internal Control and Risk Committee, it assessed the correct application of the rules established by the 2024 Policy for the variable remuneration of the corporate control function managers; (xviii) it received information on the performance achieved by personnel in relation to the 2024 short-term incentive plan; (xix) it continuously monitored the implementation of the 2025 short-term incentive plan; (xx) it paid particular attention to gender pay gaps, also in terms of representation as part of the Consolidated Sustainability Report; (xxi) it examined the criteria for defining the 2026 short-term incentive plan objective scorecards.

To perform its activities, it received the information deemed necessary and the support of the relevant company functions.

Unless otherwise decided on each occasion by the Chairperson, the Committee meetings were attended by the Human Resources Manager, the Remuneration Policy Manager, the Chief Risk Officer and/or the Head of Enterprise Risk Management and/or their delegates, the Compliance Manager and/or his/her delegate and the Audit Manager and/or his/her delegate. If deemed necessary and/or appropriate for the performance of its activities, the Committee also made use of the support of other managers of the Bank and external advisors.

The Statutory Auditor, specifically appointed to this effect, attended Committee meetings, without prejudice to the right of all members of the Board of Statutory Auditors to attend meetings, as established by Regulation.

- **external consultants whose advice has been sought, the body by which they were commissioned, and in which areas of the remuneration framework**

The Remuneration Committee, assisted by the competent corporate functions and by leading internationally recognised consulting firms, has based its methodological approach on constant comparison with peers and with market best practices. In particular, the areas in which it used the expertise of advisory firms relate to the system for evaluating positions with the international IPE (International Position Evaluation) methodology, recently supplemented with broad-banding logic at the request of the Committee itself, the analysis of remuneration competitiveness with the external market for the Group's top management roles and the analysis of the gender neutrality of the remuneration policy.

- **a description of the scope of the institution's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to subsidiaries and branches located in third countries;**

As part of the management and coordination activities of the subsidiaries, the Parent Company ensures the consistency of the remuneration and incentive systems within the Group, in compliance with the specificities of the sectors to which they belong and the related organisational structures.

In particular, the process of identifying identified staff for 2025, implemented at Group level for all companies, involved an assessment at corporate level for the Italian banks and the asset management company, carried out by the Parent Company by virtue of the outsourcing

contracts in place, and an assessment in the insurance Group, conducted by Banco BPM Vita in coordination with the Parent Company, in application of the provisions of the IVASS Regulation. The process took into account organisational positions, hierarchical levels, remuneration brackets and the impact on risks. For details on the process of identifying identified staff for 2026, please refer to paragraph 4 of section I of the Remuneration Policy document, published on the corporate website of BANCO BPM - Corporate Governance Section.

The 2025 short-term incentive plan, in implementation of the provisions of the 2025 Policy, was designed with regard to the specific nature of the businesses and/or organisation of the various Group companies.

- **a description of the staff or categories of staff whose professional activities have a material impact on institutions' risk profile.**

The process to establish identified staff was implemented in accordance with the specific policy approved by the Shareholder's Meeting of 30 April 2025 as an integral part of the remuneration policy and implemented within the Group's internal regulations.

The Human Resources function of the Parent Company coordinated the activities, involving the Chief Risk Officer and the Compliance, Organisation, Planning and Value Management and Audit functions, for matters within their competence.

For 2025, 206 organisational positions were identified, equal to approximately 1% of personnel.

In particular, the following were identified in the Group: 176 people in the Parent Company, 7 in Banca Akros and 9 in Banca Alelli. Compared to 2024, 14 people have been identified for the first time.

The Parent Company has not initiated any administrative proceedings regarding the non-inclusion of identified staff on the basis of quantitative criteria only.

For newly identified persons, the Parent Company Human Resources function (a) sent an individual letter informing each person that he/she had been identified as identified staff, (b) requested a statement of commitment not to adopt strategies of personal hedging or insurance on remuneration or on any other aspect that may alter or invalidate the risk-alignment effects of remuneration mechanisms in accordance with prevailing law and the 2025 Policy, and (c) requested the reporting, in the deferral and/or retention period, of any transactions relating to variable remuneration awarded, which could affect the risk-alignment mechanisms (for the calibration of remuneration and incentive systems) and (d) for Banking Group employees, provided a notification regarding the fact that the matter of remuneration is subject to specific provisions, as well as to company Policies, in force at the time, and to the legislative provisions that regulate the system. Said notification represented (where necessary and as far as necessary) an adjustment of the individual employment contracts as no deviations are allowed and any individual agreements that are considered non-compliant are to be considered as being replaced by law.

The Parent Company Human Resources function also requested all employees of the Banking Group included in the category of identified staff to inform it of the existence or opening of custody or administration accounts in their name or held jointly with other intermediaries.

b) Information relating to the design and structure of the remuneration system for identified staff.
Disclosures shall include:

- **an overview of the key features and objectives of remuneration policy, and information about the decision-making process used for determining the remuneration policy and the role of the relevant stakeholders;**

The remuneration policy represents an important management lever to attract, motivate and retain staff. This steers behaviour towards reducing the risks taken on (including legal and reputational), protecting customers and increasing loyalty while also being careful to manage conflicts of interest. The policy also pursues sustainable success, which produces long-term value for the benefit of shareholders in the interest of the Group's stakeholders.

The approval of the remuneration policy is reserved to the Shareholder's Meeting. Corporate bodies, internal board committees and company functions are involved in the process of drafting, preparation and approval, in particular:

- the Human Resources function provided technical support to the Corporate Bodies and prepared the supporting documentation;
- the Chief Risk Officer and Planning and Value Management function have identified the strategic and performance objectives to ensure that the remuneration system is consistent with the Company's risk appetite, long-term strategies and objectives;
- the Compliance function verified the compliance of the remuneration policy with the reference legislative framework;
- the Audit function verified the correct implementation of the remuneration policy;
- the Board of Directors, with the assistance of the Chief Executive Officer and internal Board Committees, drew up the remuneration policy to submit to the approval of the Shareholder's Meeting.

- **information on the criteria used for performance measurement and ex ante and ex post risk adjustment;**

For identified staff of the Group, established on the basis of qualitative criteria and incentive beneficiaries, the assessment of performance envisaged the assignment, at the start of the system, of cards with objectives related to the indicators to compare with results achieved at the end of the year.

The 2025 short-term incentive plan, in addition to providing for the assessment of the quantitative performances, was characterised by mechanisms aimed at monitoring risk, the compliance of behaviour vis-à-vis the reference (internal and external) laws from time to time in force, the respect of customers and the maximisation of their satisfaction.

This purpose was pursued through the joint action of three elements:

- the use of qualitative parameters that impact on the quantification of the incentive and are expressed with quantitatively measurable criteria, aimed at measuring customer satisfaction, operational excellence, excellence in the service offered, compliance with regulations (including but not limited to the results of the customer satisfaction survey, the number of complaints, the adequacy of customer advice, compliance with rules and regulations, the assessment of qualitative performance understood as an assessment of active behaviour). For the objective-cards of the commercial networks, the incidence of these elements on the total represents on average about one quarter. Therefore, the short-term incentive plan was not based exclusively on commercial objectives, also in compliance with the regulations on transparency with specific reference to networks;
- with reference to risk containment, the allocation:
- for commercial networks, wherever applicable, of objectives pertaining to the control of credit risk profiles and capital;

- for identified staff, where this does not generate a potential conflict of interest, of risk-based KPIs, consistent with the risks assumed in reference to the responsibilities and activities carried out, aligned with the Risk Appetite Framework, with particular attention to operational risk;
- the provision of malus and claw-back mechanisms, which directly affect the incentive until it is eliminated, to discourage misconduct, further align the interests of staff with those of customers and adjust the variable remuneration if unlawful conduct towards the customer is ascertained.

In order to support the dissemination of corporate culture oriented towards attention to ESG (Environmental, Social, Governance) issues, an increasingly widespread assignment and diversification of KPIs related to these areas are provided for in the short-term incentive plan. In particular, the 2025 short-term incentive plan for the retail network included a mechanism linked to customer profiling that also integrates the acquisition of customer ESG preferences. For the private network, provision is made for a mechanism related to the consistency of the portfolio with the ESG preferences expressed by customers. The objective related to "New medium/long-term Low-Carbon loans", the annual definition of the objective of the Strategic Plan, has directed the entire sales chain that manages corporate, business, small business, private and institutional customers to promote an ESG commercial offer in line with the objectives of the strategic plan.



In the short-term incentive plan, the non-financial adjustment factor, through the ECAP Reputational Risk indicator, correlated the economic resources of all staff to the Group's image, also in relation to the possible occurrence of ESG risks. This indicator was found to be within the relative risk threshold.

With reference to the area of transparency of banking and financial transactions and services, in the short-term incentive plan for the networks, there were no incentives for the following: (i) placing inadequate products in relation to customers' financial needs, (ii) the joint sale of an optional contract and the loan agreement to a greater extent than the sale of the two separate contracts, (iii) the offer of a specific product, or a specific category or combination of products, when this could be detrimental to the customer, (iv) the offer a specific product, which entails higher costs than another product which is also adequate, consistent and useful in relation to the interests, objectives and characteristics of the customer.

For details on the criteria used for 2026 performance measurement and ex ante and ex post risk adjustment of identified staff, please refer to paragraphs 6.4, 6.5 and 6.8 of Section I of the Remuneration Policy document, published on the corporate website of BANCO BPM - Corporate Governance Section.

- **whether the management body or the remuneration committee where established reviewed the institution's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration;**

For the main changes in the 2026 remuneration policy, please refer to the Executive Summary of the 2026 Policy (Section I) of the Remuneration Policy document, published on the corporate website of BANCO BPM - Corporate Governance Section.

- **Information of how the institution ensures that staff in internal control functions are remunerated independently of the businesses they oversee;**

In order to avoid the incentives of the identified staff of the functions with control tasks being linked to the economic results, the award is not subject to the entry gateway established by the profit from current operating activities before tax (net of non-recurring items) or the financial adjustment factor, consisting of the risk adjusted profitability indicator RORAC (Return On Risk Adjusted Capital) which can reduce (to zero) the financial resources of the short-term incentive plan, as well as the mechanism for reducing the aforementioned financial resources in the event of a consolidated accounting loss for the year.

The short-term incentive plans of the heads of the functions with control tasks envisage objectives that are not related to the economic performance and results of the Group or the units subject to their control, but rather to the individual qualitative performance. They actually include indicators related to the effectiveness of the control activity, the resolution of findings and remarks, the culture of risk, the area of responsibility, the activities carried out in relation to the role and evaluation referring to organisational behaviour and managerial skills.

The process to define and manage the short-term incentive plan is governed by the Group's internal regulations; the Remuneration Committee plays an active role, in particular to verify alignment with the risks assumed with the support of the Internal Control and Risk Committee.

The Board of Directors defines and approves the objective-card of the Audit Manager and on the basis of the opinion of the Internal Control and Risk Committee and the Board of Statutory Auditors, ensures the absence of potential conflicts of interest in the objective-cards assigned to the heads of internal control functions.

- **policies and criteria applied for the award of guaranteed variable remuneration and severance pay.**

The Banco BPM Group envisages that, during the recruitment phase and only for the first year at the company, welcome bonuses may be awarded, on an exceptional basis, to persons of high standing or highly professional and experienced people in the reference market. These amounts incentivise the change from the previous company by amortising the risk that could be associated with the same.

It is not the practice of the Group to award amounts at the time of hiring to compensate for any loss of remuneration accrued in previous employment.

As required by the law and the Bylaws, the Shareholder's Meeting approves the criteria for determining the amounts in the event of early termination of the employment relationship of all

Staff, including the limits set in terms of annual fixed remuneration and the maximum amount resulting from their application.

Details are reported in paragraph 6.11 of Section I of the Remuneration Policy document, published on the corporate website of BANCO BPM - Corporate Governance Section.

Information on these types of awards to identified staff is provided in table REM2 of this Section II of the Remuneration Policy document, published on the corporate website of BANCO BPM - Corporate Governance Section.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures shall include an overview of the key risks, their measurement and how these measures affect remuneration.

The process relating to the definition and management of the incentive system provides for the involvement of the Chief Risk Officer who, with the assistance of the Planning and Value Management function, identifies comparative indicators and values for the strategic and performance objectives, to which to relate the variable components of remuneration, in order to ensure the consistency of the remuneration and incentive system with respect to the Group's Risk Appetite Framework, the long-term corporate strategies and objectives, linked to the risk-adjusted company results, consistent with the levels of capital and liquidity needed for the activities undertaken.

In line with the Risk Appetite Framework, the award of 2025 incentives for the identified staff and the remaining staff was dependent on the indicators of: capital adequacy (Common Equity Tier 1 ratio (CET1) and Maximum Distributable Amount (MDA) buffer at consolidated level, Solvency ratio at the level of the insurance companies and only applied to them, Regulatory capital for the asset management company) liquidity adequacy (regulatory Liquidity Coverage Ratio (LCR) and regulatory Net Stable Funding Ratio (NSFR) at consolidated level), profitability at consolidated and corporate level, in the latter case for the subsidiary banks and for the asset management company.

With regard to the short-term incentive plan, the following also have an effect: the risk adjusted profitability indicator RORAC (Return On Risk Adjusted Capital) which can reduce (to zero) the financial resources, and the ECAP Reputational risk and Anti-Money Laundering indicators, respectively related to reputational risk and money laundering risk, which could reduce the financial resources.

The details for the 2026 short-term incentive plan are provided in paragraphs 6.3 and 6.4 and for the long-term incentive plan in paragraph 6.9 of Section I of the Remuneration Policy document, published on the corporate website of BANCO BPM - Corporate Governance Section.

d) The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD

The upper limit of the variable to fixed component ratio is:

- 2:1 for specific figures deemed to be strategic and selected from top identified staff and finance, corporate, investment banking and private banking staff;
- 70% for the financial reporting manager in charge of preparing the corporate accounting documents;
- 1/3 for staff belonging to functions with control tasks not included in the previous point;
- 1:1 for all staff not included in the categories above.

Supplemented for 2026 with the specific details concerning the staff of the Anima Group, the details are reported in paragraph 6.1 of Section I of the Remuneration Policy document, published on the corporate website of BANCO BPM - Corporate Governance Section.

e) Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration. Disclosures shall include:

- **an overview of main performance criteria and metrics for institution, business lines and individuals;**

The award of 2025 incentives for identified staff and the remaining staff was dependent on the following indicators: capital adequacy (Common Equity Tier 1 ratio (CET1) and Maximum Distributable Amount (MDA) buffer at consolidated level, Solvency ratio at the level of the insurance companies and only applied to them, Regulatory capital for the asset management company), liquidity adequacy (regulatory Liquidity Coverage Ratio (LCR) and regulatory Net Stable Funding Ratio (NSFR) at consolidated level) and profitability at consolidated and corporate level, in the latter case for the subsidiary banks and for the asset management company.

Details are reported in paragraphs 6.3, 6.4, 6.5 and 6.6 of Section I of the Remuneration Policy document, published on the corporate website of BANCO BPM - Corporate Governance Section), for the 2026 short-term incentive plan (including performance criteria and metrics) and at paragraph 6.9 for the long-term incentive plan.

- **an overview of how amounts of individual variable remuneration are linked to institution-wide and individual performance;**

As regards the variable remuneration related to the short-term incentive plan, the objective-card includes a predefined number of indicators, which focus on the priority objectives. Each indicator is assigned a weight in percentage terms on the total and a result curve on achievement levels (minimum, target and maximum). The result obtained by each KPI determines a weighted score, in a variable awarding curve between a minimum and a maximum achievable. The sum of the weighted scores corresponds to the performance achieved in proportion to which, only if at least equal to a pre-established minimum score, the amount of the incentive, which cannot exceed a pre-established maximum level, is quantified.

If the financial resources of the short-term incentive plan are not enough with respect to the total amount of incentives calculated on the basis of performance achieved, an equalisation mechanism will be applied that will reduce, on a proportional basis, the individual incentives by the same percentage.

With regard to the variable remuneration related to the long-term incentive plan, the details are provided in paragraph 6.9 of Section I of the Remuneration Policy document, published on the corporate website of BANCO BPM - Corporate Governance Section.

- **information on the criteria used to determine the balance between different types of instruments awarded including shares, equivalent ownership interest, options and other instruments;**

A significant part of the 2025 variable remuneration is deferred and paid with shares to align the interests between management and shareholders, remunerating the identified staff of the Group based on the creation of value in the medium-long-term.

For details relating to 2026, see paragraphs 6.7 and 6.9.1.3 of Section I of the Remuneration Policy document, published on the corporate website of BANCO BPM - Corporate Governance Section.

- **information of the measures the institution will implement to adjust variable remuneration in the event that performance metrics are weak, including the institution's criteria for determining 'weak' performance metrics.**

The Group's bonus pool (see paragraph 6.2 of section I) represents part of the consolidated staff costs, approved by the Parent Company's Board of Directors at the end of the Group's budgeting process. Its annual amount is defined on the basis of time series, budget profit forecasts, as well as the remuneration of shareholders' target. The bonus pool is set also considering the Group's capitalisation and liquidity objectives. In the event of a recessionary phase, the annual amount cannot, in any case, exceed the limit of 20% of the consolidated profit from continuing operations before tax (net of non-recurring items) envisaged in the budget.

The award of 2025 incentives for identified staff and the remaining staff was dependent on the following indicators: capital adequacy (Common Equity Tier 1 ratio (CET1) and Maximum Distributable Amount (MDA) buffer at consolidated level, Solvency ratio at the level of the insurance companies and only applied to them, Regulatory capital for the asset management company), liquidity adequacy (regulatory Liquidity Coverage Ratio (LCR) and regulatory Net Stable Funding Ratio (NSFR) at consolidated level) and profitability at consolidated and corporate level, in the latter case for the subsidiary banks and for the asset management company.

In the presence of the positive verification of the entry gates, a financial adjustment factor is applied to the financial resources of the short-term incentive plan defined in the budget for the year, the measure of which is proportional to the value of the consolidated Return on Risk adjusted Capital (RORAC) which can, inter alia, reduce them to zero.

The vesting of the deferred portions of the incentives is subject to total compliance with the consolidated entry gates and with the relative threshold comparative values envisaged for the short-term incentive plan of the year preceding the year of vesting of the same for the relevant staff category in the same year. This ex post correction system, therefore, operates in the deferral period, before the actual vesting of the deferred portions of the incentive.

The Risk Trigger threshold defined within the Risk Appetite Framework is the minimum condition to be pursued for each aforementioned indicator, below which no short- or long-term incentive is awarded, and the deferred portions do not vest.

For details relating to 2026, see paragraphs 6.3 and 6.4 of Section I of the Remuneration Policy document, published on the corporate website of BANCO BPM - Corporate Governance Section.

f) Description of the ways in which the institution seeks to adjust remuneration to take account of long-term performance. Disclosures shall include:

- **an overview of the institution's policy on deferral, payout in instrument, retention periods and vesting of variable remuneration including where it is different among staff or categories of staff;**

The 2025 incentive for identified staff established in the year is divided into an up-front portion and five or four annual deferred portions, conditional to the fulfilment of future conditions. At least 50% of the incentive recognised for the short-term incentive plan and 100% of that recognised for the long-term incentive plan is paid through ordinary Banco BPM shares. Each share portion vested is subject to a retention clause of one year.

As required by the Bank of Italy Supervisory Regulations, in cases where the annual individual variable remuneration is lower than or equal to the significance threshold of Euro 50,000, and, at the same time, lower than or equal to one third of the total annual individual remuneration, the relative amount is paid out in cash and in a lump sum.

With a view to staff retention and in line with the ESMA guidelines on certain aspects of the remuneration requirements of MiFID II, for the recipients of the objective cards in the private banking network, provision is made for the deferred disbursement in the following year of any incentive to be awarded for the portion corresponding to 25% of the same.

For details relating to 2026, see paragraphs 6.7 and 6.9.1.3 of Section I of the Remuneration Policy document, published on the corporate website of BANCO BPM - Corporate Governance Section.

- **information of the institution' criteria for ex post adjustments (malus during deferral and clawback after vesting, if permitted by national law);**

The disbursements of the variable components of the remuneration are subject to the ex post correction system (malus and claw-back), consisting of both elements related to the performance of the Group and of the performance of each employee.

For details relating to 2026, see paragraphs 6.8 of Section I of the Remuneration Policy document, published on the corporate website of BANCO BPM - Corporate Governance Section.

- **where applicable, shareholding requirements that may be imposed on identified staff.**

Even though no shareholding requirements are provided by law, the value of the number of shares held by the Chief Executive Officer of the Parent Company as at 31/12/2025 greatly exceeds the minimum requirements set for companies that adopt shareholding guidelines (normally included between 0.5 and 3 times the fixed remuneration).

To align the interests between management and shareholders, and to remunerate the Group's identified staff in relation to the creation of value in the medium-to-long-term, a significant part of the variable remuneration is deferred and paid with ordinary Banco BPM shares subject to retention clauses.

The schedule regarding the information on shares held by members of management and supervisory bodies, general managers and other executives with strategic responsibilities is provided in paragraph 2 of Section II, Part 2 of the Remuneration Policy document, published on the corporate website of BANCO BPM - Corporate Governance Section.

g) The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR. Disclosures shall include:

- **information on the specific performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between different types of instruments awarded, including shares, equivalent ownership interests, share-linked instruments, equivalent non cash-instruments, options and other instruments.**

The short-term incentive plan consists of the set of entry gates, the financial and non-financial adjustment factors and the principles and methods of implementation, which are applied in the assignment of annual objectives. These elements, on the whole, ensure correlation with company and individual performance, connection with risks (including legal and reputational risks),

compatibility with the Group's capital and liquidity levels, orientation towards medium-long-term results and compliance with the rules.

The short-term incentive plan, in addition to providing for the assessment of the quantitative performances, is characterised by mechanisms aimed at monitoring risk, the compliance of behaviour vis-à-vis the reference (internal and external) laws from time to time in force, the respect of customers and the maximisation of their satisfaction, and the avoidance of potential conflicts of interest. Close attention was also paid to the assessment of ESG-related performance, as better specified in paragraph 6.10 of Section I of the Remuneration Policy document, published on the corporate website of BANCO BPM - Corporate Governance Section. For details, see paragraph 6.5 of Section I and, for the long-term incentive plan, paragraph 6.9 of Section I of the Remuneration Policy document, published on the corporate website of BANCO BPM - Corporate Governance Section.

A significant part of the variable remuneration of the identified staff is deferred and paid with shares to align the interests between management and shareholders, remunerating the identified staff of the Group based on the creation of value in the medium-long-term.

For details, see paragraphs 6.7 and 6.9.1.3 of Section I of the Remuneration Policy document, published on the corporate website of BANCO BPM - Corporate Governance Section.

With regard to the implementation of the 2025 remuneration policy, see paragraph 1 of Section II of the Remuneration Policy document, published on the corporate website of BANCO BPM - Corporate Governance Section.

h) Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management

For information on total remuneration of the chairperson of the body with strategic supervision functions, each member of the body with management functions and the Co-General Managers of Banco BPM, please refer to the tables below as required by the Issuers' Regulation.

NAME AND SURNAME	OFFICE	COMPANY	PERIOD FOR WHICH OFFICE WAS HELD	TOTAL REMUNERATION FOR THE OFFICE HELD DURING THE PERIOD
Umberto Ambrosoli	Chairperson of the Board of Directors	Banca Aletti	01/01/2025 31/12/2025	150,000
Alessandro Varaldo	Chief Executive Officer	Banca Aletti	01/01/2025 31/12/2025	638,700 (*)
Leonardo Rigo	General Manager	Banca Aletti	01/01/2025 31/12/2025	426,004 (*)
Mauro Paoloni	Chairperson of the Board of Directors	Banca Akros	01/01/2025 31/12/2025	150,000
Giuseppe Maria Bernardo Puccio	General Manager	Banca Akros	01/01/2025 31/12/2025	709,455 (*)

Notes:

(*) Including the estimate of the 2025 short-term incentive (STI). In compliance with the provisions of the remuneration policy, the amount of said incentive is in part deferred over a multi-year period; the individual deferred portions will vest from 2027 onwards subject to the positive fulfilment of the access conditions envisaged at the time.

i) Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD, as referred to in point (k) of Article 450(1) CRR.

- **For the purposes of this point, institutions that benefit from such a derogation shall indicate whether this is on the basis of point (a) and/or point (b) of Article 94(3) CRD. They shall also indicate for which of the remuneration principles they apply the derogation(s), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration.**

The derogation based on point (b) is applied to the remuneration requirements referred to in Article 94 (1) (l) and (m). The number of staff members benefiting from the derogation is 81. Their total remuneration is Euro 13.94 million, of which the fixed remuneration is Euro 10.82 million and the variable remuneration is Euro 3.12 million.

- j) Large institutions shall disclose the quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members, as referred to in Article 450(2) CRR.**

For information on Banco BPM's remuneration, please refer to the tables set out below in compliance with the Issuers' Regulation.

Template EU REM1 - Remuneration awarded for the financial year

Total variable remuneration (row 10) includes the estimate of the entire 2025 short-term incentive (STI). In compliance with the provisions of the remuneration policy, the amount of said incentive is in part deferred over a multi-year period; the individual deferred portions will vest from 2027 onwards subject to the positive fulfilment of the access conditions envisaged at the time.

			a	b	c	d
			MB Supervisory function	MB Management function	Other senior manage ment	Other identified staff
1	Fixed remuneration	Number of identified staff	14	1	8	172
2		Total fixed remuneration	2.83	1.72	3.91	28.09
3		Of which: cash-based	2.83	1.62	3.70	26.01
4		(Not applicable in the EU)	-	-	-	-
EU-4a		Of which: shares or equivalent ownership interests	-	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x		Of which: other instruments	-	-	-	-
6		(Not applicable in the EU)	-	-	-	-
7		Of which: other forms	-	0.09	0.21	2.08
8		(Not applicable in the EU)	-	-	-	-
9	Variable remuneration	Number of identified staff	-	1	8	158
10		Total variable remuneration	-	1.95	3.08	11.26
11		Of which: cash-based	-	0.92	1.47	7.28
12		Of which: deferred	-	0.53	0.71	1.56
EU-13a		Of which: shares or equivalent ownership interests	-	1.03	1.61	3.88
EU-14a		Of which: deferred	-	0.64	0.86	1.56
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-14b		Of which: deferred	-	-	-	-
EU-14x		Of which: other instruments	-	-	-	-
EU-14y		Of which: deferred	-	-	-	-
15		Of which: other forms	-	-	-	0.10
16		Of which: deferred	-	-	-	-
17	Total remuneration (2 + 10)		2.83	3.67	6.99	39.35

Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

Severance payments awarded during the financial year - Total amount (row 7) include non-competition clauses and notice period extension clauses.

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff	-	-	-	1
2	Guaranteed variable remuneration awards - Total amount	-	-	-	0.08
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	0.08
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	-	-	-
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff	-	-	1	43
7	Severance payments awarded during the financial year - Total amount	-	-	0.02	0.42
8	Of which paid during the financial year	-	-	0.02	0.42
9	Of which deferred	-	-	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	0.02	0.30
11	Of which highest payment that has been awarded to a single person	-	-	0.02	0.03

Template EU REM3 - Deferred remuneration (1 of 2)

		a	b	c	d
	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year
1	MB Supervisory function	-	-	-	-
2	Cash-based	-	-	-	-
3	Shares or equivalent ownership interests	-	-	-	-
4	Share-linked instruments or equivalent non-cash instruments	-	-	-	-
5	Other instruments	-	-	-	-
6	Other forms	-	-	-	-
7	MB Management function	4.73	1.29	3.44	-
8	Cash-based	1.03	0.32	0.71	-
9	Shares or equivalent ownership interests	3.69	0.96	2.73	-
10	Share-linked instruments or equivalent non-cash instruments	-	-	-	-
11	Other instruments	-	-	-	-
12	Other forms	-	-	-	-
13	Other senior management	5.85	1.54	4.31	-
14	Cash-based	1.37	0.36	1.01	-
15	Shares or equivalent ownership interests	4.48	1.18	3.30	-
16	Share-linked instruments or equivalent non-cash instruments	-	-	-	-
17	Other instruments	-	-	-	-
18	Other forms	-	-	-	-
19	Other identified staff	8.62	2.93	5.69	-
20	Cash-based	2.49	0.75	1.74	-
21	Shares or equivalent ownership interests	6.13	2.18	3.96	-
22	Share-linked instruments or equivalent non-cash instruments	-	-	-	-
23	Other instruments	-	-	-	-
24	Other forms	-	-	-	-
25	Total amount	19.21	5.76	13.45	-

Template EU REM3 - Deferred remuneration (2 of 2)

The theoretical implicit adjustment (column f) is calculated as the difference between the value determined on the basis of the official market price of 5 February 2026 (equal to Euro 12.930) and the relative value at grant. This adjustment refers to the amounts due to vest in the year and those vesting in subsequent years.

		e	f	EU-g	EU-h
	Deferred and retained remuneration	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function	-	-	-	-
2	Cash-based	-	-	-	-
3	Shares or equivalent ownership interests	-	-	-	-
4	Share-linked instruments or equivalent non-cash instruments	-	-	-	-
5	Other instruments	-	-	-	-
6	Other forms	-	-	-	-
7	MB Management function	-	11.93	1.09	0.24
8	Cash-based	-	-	0.30	-
9	Shares or equivalent ownership interests	-	11.93	0.79	0.24
10	Share-linked instruments or equivalent non-cash instruments	-	-	-	-
11	Other instruments	-	-	-	-
12	Other forms	-	-	-	-
13	Other senior management	-	13.34	1.18	0.35
14	Cash-based	-	-	0.28	-
15	Shares or equivalent ownership interests	-	13.34	0.89	0.35
16	Share-linked instruments or equivalent non-cash instruments	-	-	-	-
17	Other instruments	-	-	-	-
18	Other forms	-	-	-	-
19	Other identified staff	-	17.06	2.35	0.66
20	Cash-based	-	-	0.62	-
21	Shares or equivalent ownership interests	-	17.06	1.73	0.66
22	Share-linked instruments or equivalent non-cash instruments	-	-	-	-
23	Other instruments	-	-	-	-
24	Other forms	-	-	-	-
25	Total amount	-	42.33	4.61	1.24

Template EU REM4 - Remuneration of 1 million EUR or more per year

Remuneration includes the estimate of the 2025 short-term incentive (STI). In compliance with the provisions of the remuneration policy, the amount of said incentive is in part deferred over a multi-year period; the individual deferred portions will vest from 2027 onwards subject to the positive fulfilment of the access conditions envisaged at the time.

		a
	EUR	Identified staff that are high earners as set out in Article 450(i) CRR.
1	1,000,000 to below 1,500,000	3
2	1,500,000 to below 2,000,000	-
3	2,000,000 to below 2,500,000	-
4	2,500,000 to below 3,000,000	-
5	3,000,000 to below 3,500,000	-
6	3,500,000 to below 4,000,000	1
7	4,000,000 to below 4,500,000	-
8	4,500,000 to below 5,000,000	-
9	5,000,000 to below 6,000,000	-
10	6,000,000 to below 7,000,000	-
11	7,000,000 to below 8,000,000	-

Template EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff) (1 of 2)

The variable remuneration (row 6) includes the estimate of the 2025 short-term incentive (STI). In compliance with the provisions of the remuneration policy, the amount of said incentive is in part deferred over a multi-year period; the individual deferred portions will vest from 2027 onwards subject to the positive fulfilment of the access conditions envisaged at the time.

		a	b	c
		Management body remuneration		
		MB Supervisory function	MB Management function	Total MB
1	Total number of identified staff			
2	Of which: members of the MB	14	1	15
3	Of which: other senior management			
4	Of which: other identified staff			
5	Total remuneration of identified staff	2.83	3.67	6.50
6	Of which: variable remuneration	-	1.95	1.95
7	Of which: fixed remuneration	2.83	1.72	4.55

Template EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff) (2 of 2)

		d	e	f	g	h	i	j
		Business areas						
		Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of identified staff							195
2	Of which: members of the MB							
3	Of which: other senior management	4	2	-	2	-	-	
4	Of which: other identified staff	44	87	2	24	14	1	
5	Total remuneration of identified staff	13.08	19.65	0.36	9.68	3.19	0.38	
6	Of which: variable remuneration	4.72	5.69	0.11	2.99	0.72	0.12	
7	Of which: fixed remuneration	8.36	13.96	0.25	6.69	2.48	0.26	

Section 20 - Disclosure of encumbered and unencumbered assets

Templates AE1, AE2 and AE3, pursuant to Article 443 of the CRR, report information on encumbered and unencumbered assets. In line with the instructions, the figures shown are calculated as rolling quarterly medians for the last 12 months.

Template EU AE1 - Encumbered and unencumbered assets (1 of 2)

		Carrying amount of encumbered assets		Fair value of encumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA
		010	030	040	050
010	Assets of the disclosing institution	56,643	26,693		
030	Equity instruments	357	144	342	144
040	Debt securities	27,013	26,550	27,111	26,559
050	of which: covered bonds	33	33	60	33
060	of which: securitisations	-	-	-	-
070	of which: issued by general governments	26,667	26,437	26,686	26,446
080	of which: issued by financial corporations	336	130	537	130
090	of which: issued by non-financial corporations	26	21	26	21
120	Other assets	29,299	-		

Template EU AE1 - Encumbered and unencumbered assets (2 of 2)

		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which EHQLA and HQLA		of which EHQLA and HQLA
		060	080	090	100
010	Assets of the disclosing institution	136,784	26,944		
030	Equity instruments	3,475	72	3,498	72
040	Debt securities	22,408	15,439	22,343	15,552
050	of which: covered bonds	619	612	619	611
060	of which: securitisations	1,731	-	1,739	-
070	of which: issued by general governments	13,079	12,692	13,190	12,803
080	of which: issued by financial corporations	7,487	1,622	7,504	1,623
090	of which: issued by non-financial corporations	1,699	1,184	1,524	1,186
120	Other assets	109,960	12,420		

Template EU AE2 - Collateral received and own debt securities issued

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
			of which notionally eligible EHQLA and HQLA	Fair value of collateral received or own debt securities issued available for encumbrance	
					of which EHQLA and HQLA
		010	030	040	060
130	Collateral received by the disclosing institution	5,714	5,283	5,787	5,522
140	Loans on demand	-	-	-	-
150	Equity instruments	357	153	145	14
160	Debt securities	5,230	5,127	5,642	5,494
170	of which: covered bonds	7	7	-	-
180	of which: securitisations	-	-	-	-
190	of which: issued by general governments	4,952	4,950	5,494	5,494
200	of which: issued by financial corporations	150	29	148	-
210	of which: issued by non-financial corporations	96	70	-	-
220	Loans and advances other than loans on demand	-	-	-	-
230	Other collateral received	-	-	-	-
240	Own debt securities issued other than own covered bonds or securitisations	-	-	-	-
241	Own covered bonds and securitisations issued and not yet pledged			1,901	-
250	TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	61,490	30,300		

Template EU AE3 - Sources of encumbrance

		31/12/2025	
		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
010	Carrying amount of selected financial liabilities	46,977	56,467

Table EU AE4 - Accompanying narrative information

Disclosure pursuant to Article 443 of the CRR

a) General narrative information on asset encumbrance

The main types of encumbered assets are:

- residential mortgage and landed loans and commercial mortgage loans originated by Banco BPM, used as collateral in the Group's CB programmes;
- residential mortgage and landed loans and loans disbursed to SMEs originated by Banco BPM sold as part of "RMBS" and "SME" securitisation transactions;
- unsecured loans granted to SMEs backed by direct guarantees granted by the Central Guarantee Fund for SMEs managed by Mediocredito Centrale - Banca del Mezzogiorno S.p.A. originated by Banco BPM and sold as part of an SME securitisation transaction;
- mortgages and unsecured loans and other commercial and residential loans used for Central Bank refinancing operations (ABACO);
- securities used for short-term financing transactions with the Cassa Compensazione e Garanzia (CC&G - settlement and clearing house) and other market counterparties.

The main types of encumbered assets are represented by loans and by debt securities recognised in the financial statements. The debt securities, mainly Italian government securities, are used as collateral to raise funds in the short-term through repurchase agreements. Instead, the loans are used as collateral or as the underlying assets of longer-term financing arrangements such as, respectively, the issue of CB or securitisation transactions. The remaining part of the encumbered loans is used as collateral for financing transactions in place with the Central Bank and in Repo transactions with market counterparties.

Unencumbered assets are mainly represented by loans and debt securities. Both types of assets can potentially be used as collateral in the main transactions listed above.

The use of collateral in financing transactions requires that the value of the encumbered assets is higher than the amount of the funds raised.

More specifically, under CB issue programmes, it is envisaged that a portion of the additional portfolio is maintained as a guarantee for the CBs issued in order to ensure a certain level of over-collateralisation. The loan portfolio underlying the CB Programmes is weighted, in order to take into account (i) any write-down/revaluation of the assets securing the transferred mortgage loans, (ii) the performance of those loans and (iii) also considering any cash reserves present in the SPV and (iv) the loan reserves required by the rating agencies to hedge set off, commingling and negative carry risks. Comparing the value of the portfolio and of the reserves with the amount of the CB, the programme's credit support is obtained, which provides an indication of the effective level of over-collateralisation.

For securitisations, the rating agencies require a "credit enhancement" constituted by junior securities and cash reserves agreed upon when the various transactions are structured.

Lastly, also as regards the loans and securities used as collateral in financing transactions with the Central Bank, with the Cassa di Compensazione e Garanzia and with other market counterparties, haircuts are applied to the value of the encumbered loans and securities.

b) Narrative information on the impact of the business model on assets encumbrance and the importance of encumbrance to the institution's business model, which provides users with the context of the disclosures required in Template EU AE1 and EU AE2.

Please refer to point (a) of this AE4 table and to the quantitative disclosure in section 20 "Disclosure of encumbered and unencumbered assets".

Section 21 - Disclosure of prudential disclosures on ESG risks

As a leading banking institution, the Banco BPM Group (hereinafter also the Group or Banco BPM) is aware of the impact that environmental, social and governance factors and the relative risks can have on its business model, market competitiveness and corporate strategy in terms of risks and business opportunities, as well as the impacts that its operations can have on people and the environment.

Banco BPM considers it essential to support businesses and private individuals in the transition process towards a more resilient, inclusive and sustainable economic system, with particular reference to the need to finance the necessary interventions, in the context of climate change mitigation, to decarbonise the most emissive production processes and to reduce energy consumption and, in the context of climate change adaptation, to prevent or limit the damage deriving from adverse weather events to which its customers are potentially exposed.

There is, in fact, the firm conviction that a “modern” assessment of the sustainability of a company or a private individual must combine traditional economic, financial and capital components with the more innovative ones inherent in ESG areas, assessed as a whole by taking into account the evolution of the reference operating context.

In particular, to prosper in the medium/long-term, in addition to the ability to generate profits while maintaining a balanced economic and financial situation, a company must pay increasingly more attention also to the need to be well managed (i.e. it must have adequate governance based on orderly and effective internal processes, with clear allocation of roles and responsibilities), to use new technologies (for example by digitising the production and marketing processes of products), to support the territory in which it operates by interacting with the communities it comes into contact with and, lastly, to mitigate its direct and indirect impacts on the climate and the environment, with the aim of eliminating them in the long term, at the same time adapting to a context characterised by increasingly frequent and extensive adverse climate change events with material impacts.

Therefore, banks are particularly interested in integrating ESG factors into their operations and, in particular, into risk exposure estimation models, as the greater their borrowers' exposure to ESG risk factors, the higher negative consequences may be on the income statement, on capital adequacy levels and on the banks' liquidity endowments.

For these reasons, Banco BPM has been working for five years to integrate ESG risk factors into the main strategic processes (Strategic Plan, Financial Planning, RAF, Credit Policies, Remuneration Policies, Disclosure) and business processes (credit brokerage, proprietary investments, customer investments, insurance sector).

Specifically:

- **Business Model.** With regard to climate mitigation, Banco BPM is pursuing a process of decarbonisation in relation to its loans and securities portfolios that envisages the development of multiple activities, also described in the Net-Zero transition plans published in May 2025: customer engagement, exclusion policies, divestment, acquisition of new skills, development of new tools and products, assessment of portfolio risk alignment and exposure, adoption of new strategies and policies to grow the customer base; in addition, Banco BPM is developing its own strategies also in the context of climate adaptation and in topics linked

to nature, while it has always demonstrated significant attention to territories and the related corporate issues;

- **Credit policies.** The framework applied for the definition of credit strategies, integrated with ESG factors, makes it possible to assess for each counterparty both the climate transition risk, and the impacts that unfavourable physical events could have on the customer's production assets and consequently on their operational continuity, as well as on the value of collateral pledged as security. In addition, the inclusion of mitigation elements with respect to adverse weather events is investigated; considerations related to nature issues have also been integrated since 2026, while social and governance issues have always been taken into consideration;
- **Management and measurement of risks.** The Group carries out materiality assessments and business environment scans of ESG drivers aimed at assessing and measuring the potential current and future impact of climate, environmental, social, and governance risk factors on its risk profile. Together with the adoption of specific indicators used to manage and monitor the main ESG risk factors, these activities make it possible to provide useful data to inform the Group's decision-making and operating processes. In addition, as required by the CRD VI (Directive 2013/36/EU, updated through Directive (EU) 2024/1619 of 31 May 2024, applicable since January 2026), activities are underway to define and implement prudential transition plans, which will include objectives, actions and processes to monitor and manage the potential impact of ESG factors on ESG risk in the short/medium and long term;
- **IT Architecture & Data Governance.** In order to integrate and manage ESG data, Banco BPM has implemented suitable IT infrastructure development activities, setting up and using a dedicated data warehouse.

Table 1 - Qualitative information on Environmental risk

in accordance with Article 449a CRR

Business strategy and processes

a) Institution's business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning

The Group's ESG vision was defined in the 2023-2026 Strategic Plan approved by the Board of Directors of Banco BPM in December 2023 and was reconfirmed on 12 February 2025 with the approval and presentation to the Market of the 2024-2027 Strategic Plan, which extended the targets to 2027.

Defining the Group's strategic ambition in all ESG sustainability areas, the Plan is based on solid pillars to support customers and the community, aiming for sustainable growth in governance and business models, as well as the creation of value for all stakeholders.

The Strategic Plan reflects the outcome of a path towards growth and innovation that Banco BPM has undertaken in recent years, also through the increasing integration of sustainability factors in its own operations.

In particular, with reference to the main strategic goals of the Plan relating to the Environmental component, Banco BPM confirms that:

1. With reference to the most emissive (GHG) sectors present in the loan and securities portfolios of the banking book, it has identified a decarbonisation process necessary to achieve Net-Zero emission levels consistent with the 2050 objectives of the European Green Deal, publishing metrics and interim 2030 targets and transition plans;
2. It supports customers in their transition path to a carbon-free economy, through a complete and effective advisory, commercial and training offer;
3. It commits to collect increasingly accurate, comprehensive, timely and adequate quality information regarding its customers' climate and environmental areas, submitting the information to the internal data quality framework;
4. It continues to implement increasingly sophisticated assessment approaches to identify exposure to climate and environmental risk factors, strengthening their management and monitoring;
5. It consolidates the leadership role as issuer of ESG bonds and the integration of ESG logic in its own investments;
6. It continues to reduce the direct environmental impact of GHG emissions (Scope 1 and 2).

The publication of Net-Zero Transition Plans in May 2025, which demonstrates the Bank's commitment to align its credit and investment portfolio (banking book) to achieving net zero emissions by 2050 is a central part of this strategic vision. Transition Plans outline short-term, already underway, and long-term actions to possibly activate for the achievement of the targets that Banco BPM has published, in August 2024, for the five most emissive sectors in their Loan and Securities portfolios: Automotive, Cement, Coal, Oil & Gas and Power Generation. In particular, as regards the sectors based on coal, Banco BPM opted for the application of a run-off strategy by 2026, confirmed in the update of the 2024-27 Strategic Plan.

Banco BPM's Net-Zero strategy, expressed in the main business processes, is based on the development of a commercial offer and investment proposals that are able to fully meet the needs of customers who have to decarbonise their production processes and make

consumption more energy efficient, with consequent benefits on the decarbonisation of Banco BPM's loans and securities portfolios.

In order to align company activities with the commitments undertaken and declared to the market, with reference to the disbursement and monitoring of credit, Banco BPM has progressively integrated the ESG factors within the processes relating to:

- governance: Strategic Plan, Financial Planning, Risk Appetite Framework, Credit Policies and Remuneration Policies, providing in particular specific analyses for counterparties operating in highly emitting sectors;
- business, developing a commercial offer of financing products to support customers' transition paths and products to cover catastrophic risks to which customers are or may be exposed;
- training, developing and delivering intensive training activities - also thanks to the support of the 2024-27 Strategic Plan initiative called "ESG Factory" - for the Group's employees and customers

With reference to the **proprietary portfolio**, Banco BPM assesses the issuing companies and their governance, also from an ESG perspective, using the information available for this purpose. In particular, the bank uses the classification provided by a leading external info-provider to identify/assess the ESG bond issues to be included in the Bond portfolio.

Specifically, in the "Guidelines for the integration of sustainability factors in the investment strategies of the proprietary portfolio", the following are envisaged:

- Exclusion criteria, aimed at avoiding investments in issuers that are involved in controversial activities or that violate certain principles established by treaties, International Guidelines or international initiatives to which the Group has adhered or, in the case of sovereign issuers, that the latter are involved in violations of human rights or subject to restrictive measures;
- Inclusion criteria, through which the bank undertakes to encourage investments in companies that are most active in the field of environmental responsibility and respect for human and minority rights, as well as investments in bonds aimed at financing environmental and social projects as well as projects for improving the issuer's governance.

These criteria also integrate specific references to the Net-Zero sectors.

In relation to the Group's own non-government portfolio, investments in ESG Bonds included in the scope reached the Strategic Plan target value, equal to 40%, in the second part of 2025. In particular, these amounted to around 2.6 billion euro, of which around 1.9 billion euro represented by Green Bonds.

As will be better explained (d) of this disclosure on environmental risks, the Group is also strongly committed to providing advice to customers in the ESG area. With regard to this activity and specifically the Bank's commitments in the Net-Zero area, specific training was carried out to enhance the specific technical skills/knowledge of the current specialist staff who provide support to the commercial networks.

In this context, it should be noted that Banco BPM has already prepared and applied a series of Guidelines, Frameworks and operational documentation to regulate the Group's operations in the ESG area. In addition to the credit policies and the proprietary portfolio policies mentioned above, the Group has set in place:

- Guidelines on the management of environmental and energy issues and the fight against climate change;
- Guidelines on sustainable investments, with a view to integrating ESG factors in the provision of investment activities and services;
- A Framework for ESG bond issues, updated starting from 2023, to incorporate the Taxonomy-alignment criteria.

Credit policies

The assessment of ESG factors and the impacts of potential climate change-related risks on the economic and capital prospects of the companies to which Group is exposed, have been integrated into the credit policy framework since 2022.

Over the years, the assessment of ESG factors has become increasingly important in the credit granting and monitoring process; in particular, the credit policy framework has been enriched by the "ESG Analyses", integrating the following specific components:

- **Transition risk** - each counterparty is associated with a score that summarises the transition risk based on the economic activity sector (NACE) and on any available company-specific information. The risk is expressed on a five-class scale: Very High, High, Medium, Negligible, Green.
- **Physical Risk** - the assessment of the counterparties subject to financing is carried out by calculating a score for each of the physical risk hazards to which the property is exposed, considering the two meanings of physical risk: (a) counterparty credit risk, which measures the impact of climate/physical phenomena on operations and business continuity, and which requires the presence of mitigation measures, such as insurance coverage ("cat-nat policies"), adoption of business continuity plans, and structural interventions; (b) risk associated with collateral, therefore the impact that climate/physical phenomena may have on the value of collateral assets.
- **ESG Questionnaire** - a tool aimed at understanding how the counterparty manages ESG risks and what strategic actions it intends to take in the medium/long-term, through the collection of both qualitative (strategies, policies, mitigation plans) and quantitative (such as collection of GHG emissions) data. The questionnaire is divided into questions differentiated by sector.

In addition to providing an increasingly complete assessment of companies' transition process, the questionnaire includes specific questions on social and governance aspects, including two "fatal" questions, one for each section ("S" and "G"), aimed at identifying any pending litigation and/or dispute, also in relation to corruption and anti-money laundering issues.

Its compilation is mandatory for all counterparties that present a transition risk classified as medium, high or very high or a physical risk assessed as high or very high (based on the assigned score). Companies belonging to the sectors considered to be a priority by the Bank and those that prepare a sustainability report in compliance with the CSRD regulations are also required to compile it.

During 2026, the ESG framework of credit policies will be further enhanced by environmental factors, with the aim of improving the Group's ability to anticipate, manage and mitigate climate and sustainability risks throughout the credit cycle. The interventions will cover:

- The introduction of the assessment of chronic physical and environmental risks in the counterparty analysis, in addition to the already present components of transition risk and acute physical risk, including the mitigation measures adopted, so as to obtain a more complete representation of the ESG risk profile of counterparties and a greater ability to identify those most exposed to structural climate risks. To this end, already from the end of December 2025, Banco BPM began collecting data on chronic and environmental risk factors, expanding the ESG questionnaire administered to counterparties.
- The modification of the ESG Questionnaire's mandatory scope, which will also be extended to counterparties with high or very high chronic physical risk and environmental risk, while smaller counterparties (Small Business/SEOs) will be excluded in order to focus information collection on the most relevant ESG exposures.
- **Green operation** - the credit policy framework supports the transition of companies through the assessment of the financing product offer with ESG KPIs and products aimed at hedging specific investments in the ESG area.

With reference to the counterparties operating in the **Construction and Real Estate Activities** sectors, two distinct frameworks are outlined:

- In the presence of a real estate initiative, the ESG assessment is carried out on the property subject to the initiative;
- In the absence of a real estate initiative, the counterparty's sectoral risk is assessed.

Activities aimed at the alignment of requirements for the classification of investment properties to the technical requirements of the European Union's Taxonomy and the incorporation of the physical risk assessments on the asset used as collateral have also been launched.

Furthermore, from 2023, specific evaluation criteria were introduced for the **five most emissive sectors** selected by the Bank. These sectors were subject to more stringent credit strategies, in particular with regard to those counterparties which have not begun a transition process. During 2025, the verification of the alignment of the transition targets of the Corporate and Large Corporate counterparties²⁷ falling within the Net-Zero scope with respect to the Bank's targets, carried out in the aforementioned climate sheet, represented an additional element of assessment in the definition of the credit strategy.

The application of a **run-off strategy** towards coal-related sectors, which are strongly impacted by the climate transition, is confirmed, consistent with the objective of progressively reducing their exposure to zero by 2026, as indicated in the 2024-2027 Strategic Plan.

The impact of ESG factors on the counterparty's forward-looking risk is assessed not only in the ESG Analysis, but also **in the forward-looking financial sustainability analysis**.

In addition to the ESG Questionnaire, the collection of transition plans can also take place through the assessment of the counterparty's Business Plans, using the **Forward Looking** advance tool. This tool incorporates ESG factors (such as the decarbonisation curve) and analyses their impact in terms of investments, costs and revenues deriving from the transition process and the costs of hedging physical risk, where present, allowing a forward-looking sustainability overview inclusive of the ESG component (investments and costs). Therefore, consistency between the information reported in the ESG Questionnaire and that present in the Business Plan is required, in order to guarantee an integrated and reliable approach.

²⁷ Companies with turnover > 75 million euro and Structured Finance transactions

From this point of view, the mandatory scope of compilation of the "Forward Looking" tool includes the counterparties that present a high and very high transition risk and those operating in priority sectors.

The forward-looking economic and financial assessments deriving from the Forward Looking analysis represent a key element in defining the final credit strategy associated with each counterparty.

Resolutions and associated credit strategies are monitored on a quarterly basis, incorporating the ESG elements described above. In addition, specific aspects are analysed such as the distribution of transition risk and of physical risk, and the level of use of the ESG Questionnaire, in order to ensure constant monitoring of the portfolio evolution and the framework effectiveness.

Commercial offer of the Group

Loans to businesses

During 2025 Banco BPM reiterated its commitment to the "**ESG transition**" of its customers as an integral part of the commercial offer proposed by the Group.

This commitment has materialised, in particular, through the continuous evolution of the range of financial products, also with a view to increasing the awareness of Business customers of the importance of ESG issues.

A summary of the main catalogue solutions aimed at supporting the green transition of business customers is provided below:

- **Unsecured Sustainable Business Loan:**

The "**Sustainable Business**" financing solution, both **standard** and **with a SMEGF guarantee**, allows business customers to access resources without restrictions on the allocation of funds, rewarding companies that effectively improve their ESG performance by reducing the interest rate applied, following the achievement of sustainability objectives monitored annually. The product was designed according to the guidelines set forth in the "Sustainability Linked Loan Principles" of the Loan Market Association. The "Sustainability Performance Targets" of the individual Key Sustainability Indicators are defined considering the main statutory references and sector sustainability objectives envisaged both at national and international level. In this regard, some KSIs are being updated to comply with the related 2025 regulatory developments.

- **Transition 5.0 Approach:**

The "**Transition 5.0 Approach**" financing solution allows business customers to access all medium and long-term instalment products available in the catalogue from both an ordinary and subsidised perspective. The "Transition 5.0 Approach" is a **solution** that supports companies that intend to evolve their production processes towards more efficient, sustainable and/or renewable energy-based models in strict compliance with the provisions of the **Transition Plan 5.0** measure established by the Italian government²⁸, with the aim of supporting the digital and energy transition process of companies.

- **Approach to Green Transition**

²⁸ Specifically, these are incentive measures as part of the decree revising the NRRP (Article 38 of Italian Law Decree no. 19/2024 converted into law 56/2024)

The financing solution "**Approach to Green Transition**" enables companies to achieve their "low carbon" investment plans in line with EU environmental targets²⁹. By following the methodology proposed with the "Approach to Green Transition", the transition paths of Italian companies and/or the construction of plants that produce energy from renewable sources are supported and enhanced.

- **Unsecured Loans for Companies Green Taxonomy**

The Unsecured Loans for Companies Green Taxonomy is the catalogue solution intended primarily for companies whose economic sectors are eligible for the EU Taxonomy and, specifically, for counterparties subject to the obligation to prepare a "sustainability report"³⁰

The purpose of the loan is to support green projects/investments of business customers with technical requirements consistent with the EU Taxonomy. Alignment with the Taxonomy (including consistency with the technical screening criteria and compliance with the DSNH principle) is certified by a third party.

- **"Ordinary" and "Energy Efficiency" Condominium Loan**

A project was launched to refocus the range of unsecured loans to Condominiums, Ordinary and **Energy Efficiency** Condominium Loan, intended to finance the costs of building recovery and energy efficiency of common areas, with a view to relaunching the commercial offer.

- **SACE Growth Guarantee**

In line with the objective of supporting the business customers most engaged in:

- transactions of strategic importance for the Italian economy (e.g. internationalisation, economic security, production and employment processes activation)
- **Green investment** transactions
- transactions involving infrastructures (including social ones), local public services, technological and digital innovation and working capital,

at the end of March 2025, the Bank joined the guarantee agreement proposed by SACE in order to offer financing solutions backed by the "SACE Growth guarantee".

This Agreement has made it possible to simplify and standardise the previous SACE Futuro, Green and Archimede guarantees, unifying them under a single agreement regulating loans of up to 50 million euro until 3 November 2025, this ceiling then reduced to 15 million euro in the last two months of 2025.

- **"Green" Financial Guarantees outside the agreement**

Operations outside the SACE agreement are still active in favouring hedging transactions in favour of companies involved in Green investment projects, transactions subject to a specific credit investigation carried out by SACE, which defines hedging percentages and "dedicated" pricing on a case by case basis.

- **Agri-food Sector**

²⁹ Reference is made to mitigation and adaptation to climate change, protection of water and marine resources, circular economy, biodiversity prevention and pollution prevention

³⁰ Reference is made to Directive 2014/95/EU (NFRD), or companies subject to Directive 2022/2464/EU (CSRD)

Activities in the primary sector continued to focus on the NRRP tenders for "**Agri-solar**", "**Agri-voltaic**" and "**Biomethane**" Parks, through which the Bank made a modular mix of products from the "**Sowing Catalogue**" available, able to meet and support investments and advance payment requirements.

Lastly, in light of the increasingly important focus on issues related to Sustainability and the Environment, and on the leading role that Banco BPM Group plays in supporting the Italian Agricultural Sector, an inter-functional working group was created in 2025 with the aim of exploring and developing concrete projects in the field of sustainable agriculture, to support the agro-ecological transition, the efficiency of resources in agricultural processes consistent with the new market guidelines and national and European regulations.

- **Other State subsidies for businesses**

With regard to other schemes that benefit SMEs, Banco BPM also participates in different initiatives that envisage tax relief (interest rate subsidies or non-repayable grants/plant and equipment grants) dictated by various national and regional regulations, thus confirming its close deep-rooted relationship with the local communities served.

In fact, the Bank grants unsecured loans under the national "**Capital Goods**" subsidy scheme, made available by the Ministry of Enterprise and Made in Italy, with a view to facilitating access to credit for businesses and increasing the competitiveness of the country's production system.

The subsidy supports investments to purchase or lease machinery, equipment, plants, capital goods for production use and hardware, as well as software and digital technologies. With the disbursement of plant and equipment grants for investments in capital goods and/or **investments in digital technologies (Industry 4.0) and/or green investments**.

With the aim of consolidating the Bank's support for the productive fabric and local areas, in 2025 the Bank contributed to various regional subsidy measures. As regards the **Lombardy Region**, important subsidy measures were introduced, managed by the regional company Finlombarda Spa, which envisage the granting of a bank loan backed by a regional guarantee at 70%, provided free of charge, and a capital contribution. Specifically:

- The purpose of the **Efficient Business Line ("Linea Impresa Efficiente") measure** is to facilitate the activation of projects that involve investments dedicated to energy efficiency, through the implementation of interventions to adapt and/or renew production plants, possibly combined with the use of renewable energy, aimed at reducing the environmental impact of production systems, both through the reduction of energy consumption and through the recovery of energy and/or the capture of greenhouse gases from existing production cycles.

- **Other commercial initiatives**

In addition to the ordinary offer, Banco BPM participates in the main bank financing pools, which cover interventions in both green project finance and infrastructure, as well as supporting the transition of industrial and technology groups.

By way of example, operations to be financed may include plants for the production of energy from renewable sources, technological infrastructure development work and interventions for the decarbonisation of production processes, both nationally and internationally.

Loans to Individuals

With reference to Private customers, the main instrument offered by Banco BPM is the green mortgage, introduced in order to incentivise its customers' energy-reducing redevelopments through the disbursement of mortgages with a "green factor" clause³¹, which grants borrowers a discount on the applicable interest rate against specific efficiency measures carried out on the property purchased, provided that they guarantee:

- a reduction in energy consumption of at least 30%; or
- an improvement in the energy rating of the house by two classes³².

The mortgages in this scope were awarded the Energy Efficient Mortgage Label (EEML)³³, a quality and transparency label promoted by the European Commission for best practices in the energy-efficient mortgage market.

In order to develop the product catalogue with a more complete green mortgage offer aligned with that of the main players in the market, in October 2023, Banco BPM launched a "promo" on mortgages for the purchase of a property in energy class A or B on which, in 2024, the value of the discount was increased from 10 to 20 bps.

In 2025, the CRIF simulator "Green BEES®" was made available to customers, a tool that can be accessed from the "Loans" menu of the YouWeb internet banking portal, which allows them to easily discover the benefits related to the energy efficiency of the properties examined, both in terms of reducing consumption and in terms of possible tax deductions.

Starting from some simple data on the property, the Green BEES® calculation engine returns a complete list of possible building and plant interventions, which could improve the energy efficiency of the property, providing an estimate of any costs to be sustained and potential savings in both economic and energy terms.

In addition, Green BEES® provides an estimate of the initial energy class, and the class that can be attained after the suggested energy efficiency measures, an estimate of the potential savings deriving from the tax benefits available from time to time and an estimate of the potential impact of the interventions on the market value of the property.

With the launch of this service, Banco BPM confirms its commitment to increasing the awareness of customers and colleagues with respect to the benefits of energy efficiency in residential properties.

Green, Social and Sustainability Bonds (GSS Bonds)

The Group consistently works to secure appropriate resources on financial markets to channel towards specific sustainable activities through the issuance of its own bonds with ESG characteristics.

³¹ The offer covers all mortgages taken out for the purposes of purchase, construction, renovation and purchase with simultaneous renovation, with the exception of those taken out for subrogation, liquidity or commercial purposes

³² The reduction in consumption is measured as a change in the overall non-renewable Energy Performance Index (EPgl, nren), while the improvement of at least two classes in the energy rating of the house is measured through the Energy Performance Certificate (APE) before and after the restructuring works

³³ Initiative to create a standardised European-wide energy efficiency mortgage to encourage the renovation of buildings and the purchase of highly efficient properties through favourable financial conditions

With regard to its own issues, at present bond issues are carried within the Green, Social and Sustainability Bonds Framework³⁴ (GSS Bonds Framework), a document aimed at governing the raising of funds to be used to finance projects with positive environmental and social impact in accordance with ICMA Principles. Since October, the Group has published an EU Green Bond Factsheet in compliance with EU Regulation 2023/2361, aimed at the financing and refinancing of assets aligned with the European Taxonomy criteria.

The categories of assets that can be financed with the proceeds raised through the issuance of green bonds are:

- Mortgages to individuals and residential and commercial construction (aligned with the EU Taxonomy or other "green" criteria);
- Renewable Energy (*Solar, Wind, Hydroelectric and Biomass Energy aligned with the EU Taxonomy and geothermal energy and infrastructure*);
- Production of organic base chemicals (*aligned with the EU Taxonomy*);
- Energy efficiency;
- Pollution prevention and control;
- Sustainable water infrastructure;
- Green transport;
- Loans with SACE Green Guarantee;
- Sustainable agriculture.

All activities with potentially negative or controversial environmental or social impacts are not considered - and are therefore excluded.

Specifically, any kind of investment related to the use of fossil fuels, the armaments sector or the tobacco and gambling sectors are excluded, as are investments finalised at the production of nuclear energy.

In order to ensure full transparency on the allocation of the proceeds of the issue and the related social and environmental impacts, in accordance with the ICMA principles, a report on the allocation and impacts is expected to be provided to the market at least on an annual basis throughout the remaining life of each bond issued.

In particular, in June 2025, the Green, Social & Sustainability Bonds Report was published, containing data and information on the allocation of the proceeds of the bonds issued and an estimate of the positive environmental and social impacts achieved as at 31 December 2024.

To confirm how sustainability topics are integrated into the Group's corporate strategies, the first EuGB was issued in the fourth quarter of 2025 in the Senior Non Preferred format, for a nominal amount of 500 million euro to refinance loans for the purchase of buildings aligned with the European Taxonomy³⁵.

³⁴ In this document, Banco BPM describes its ESG approach and the eligibility criteria of the green and social projects that it intends to finance with the proceeds from the issues, the rules and processes for management of the related income, as well as the reporting commitments relating to the allocation and impacts made by the Bank

³⁵ The categories of assets aligned with the European Taxonomy that can be financed with the proceeds collected through the issue of European green bonds are as follows: 7. Construction and real estate activities; 7.1. Construction of new buildings; 7.2. Renovation of existing buildings; 7.7. Acquisition and ownership of buildings; 4. Energy; 4.1. Electricity generation using solar photovoltaic technology; 4.3. Electricity generation from wind power; 4.5. Electricity generation from hydropower; 4.8. Electricity generation from bioenergy

In addition, Banco BPM's European Green Bonds follow the voluntary Green Bond Principles (GBP) guidelines published by ICMA.

Since 2021, the bank has issued 12 bonds totalling 7.5 billion euro in the form of Green and Social Bonds, of which 7 Green Bond issues amounting to 4.5 billion euro. In particular, the first EuGB in Senior Non Preferred format was issued in October 2025, for a nominal amount of 500 million euro to refinance loans for the purchase of buildings aligned with the European Taxonomy.

b) Objectives, targets and limits to assess and address environmental risks in the short-, medium- and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information about the design of business strategy and processes

c) Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities

As already specified in (a), with reference to the Net-Zero objectives, in line with that defined in the Strategic Plan, in August 2024 Banco BPM published the decarbonisation targets to 2030 for the 5 most emissive sectors present in its Loans and Securities portfolios and in May 2025, the Net-Zero Transition Plans were published, which outline the short-term actions already in place and any medium/long-term actions to be implemented to achieve targets.

³⁶For more information on the transition plan, please refer to point (a) of this section as well as the document "Transition Plans".

In addition to the above, in the 2024-2027 Strategic Plan, Banco BPM has identified an objective equal to at least 7 billion euro for 2027 for new medium/long-term disbursements called "medium/long-term Low-Carbon loans"³⁷ (Low-Carbon), which include green lending products (targeted loans, project financing and SLL) and ordinary loans granted to specific sectors classified as "green" or with a low exposure to climate-related risk factors, identified on the basis of the relative internally-developed score.

In order to support the achievement of the quoted target, the Bank has started to enrich and rationalise its product catalogue as well as the allocation of some of Banco BPM's top managers (including the Chief Executive Officer) to the commercial networks of specific objectives in terms of volumes disbursed in the short-term remuneration policies ("Short-Term Incentive"), in full compliance with the specific KPI introduced in the Group's strategic RAF.

Banco BPM is also committed to strengthen the management and monitoring of climate and environmental risks, for which the Strategic Plan's update reiterates the intention to pursue the activities aimed at the full implementation of the "ESG diagnostic tool" (ESG questionnaire) to integrate the credit policies defined by the Group.

100% of credit resolutions on companies in the Large Corporate and Corporate commercial segments, operating in highly emissive sectors, are currently subject to "ESG assessment"³⁸.

The 2024-2027 Strategic Plan also confirms Banco BPM's ambition of consolidating its leadership role in the "ESG issues" market. In particular, the target in the previous Strategic Plan, which envisaged "Issues of Green, Social and Sustainable bonds" of at least 5 billion euro in the 2024-2026 three-year period, was also replicated for the 2025-2027 three-year period in the updated Plan.

³⁶ See https://gruppo.bancobpm.it/media/dlm_uploads/Banco_BPM_Net-zero_Banking_Alliance_Transition-Plans.pdf.

³⁷ New loans to households, companies and businesses with a maturity of more than 18 months

³⁸ For an in-depth analysis of the actions and developments implemented by the Bank on this issue, please refer to the paragraph "credit policies"

In order to achieve the target, the Bank has planned a series of actions relating to IT processes and data that will make it possible to more accurately identify the eligible assets within the portfolios.

The Group is also operating on the financial markets to raise resources to finance ESG sustainable projects, both through the placement of its own ESG bond issues and by providing support to other issuers.

Through the work of Banca Akros, Banco BPM has set itself the objective to participate in the placement of ESG bonds, as joint bookrunner or joint lead manager, for a total value of at least 19.5 billion euro in the 2025-2027 three-year period.

The Group also integrates ESG logic into its investment decisions in order to consciously direct its financial resources and, in this regard, has defined a specific Strategic Plan target, with the aim of reaching at least 40% of ESG bonds in its non-government portfolio by the end of 2027. The main actions carried out to achieve this included a refocusing of investments towards those attributable to the companies most committed to addressing environmental and social sustainability issues, as well as decarbonisation if belonging to the most emissive sectors identified in the context of Net-Zero. This refocusing was achieved through the use of the inclusion and exclusion criteria defined in the Guidelines for the integration of sustainability factors in the investment strategies of the proprietary portfolio, already described in (a) of this section, to which reference is made.

With reference to the last goal indicated - inherent to the direct and indirect environmental impact of the Group's activities - Banco BPM has been engaged for some time in energy consumption monitoring and management and in the reduction of GHG emissions in order to obtain a gradual improvement of the environmental impact deriving from its operations. (Carbon Footprint from own operations).

In this perspective, the updated Strategic Plan integrates the energy consumption reduction target (Scope 1 and 2) indicated in the 2023-2026 Plan, setting a target for the reduction of Scope 1 and 2 emissions for 2027.

The pursuit of the Group objectives defined in the Strategic Plan is subject to careful monitoring through a reporting dashboard, presented quarterly to the Board of Directors.

Net-Zero target

In August 2024, Banco BPM published the decarbonisation targets to 2030 for the 5 most emissive sectors present in its banking book loans and securities portfolios: Automotive, Cement, Coal, Oil & Gas and Power Generation.

For this purpose, the "net-zero" 2050 scenarios proposed by the best market standards (International Energy Agency - IEA) were applied to the Bank's loan and securities portfolios, based on the situation as at 31 December 2022.

The target setting methodology was based on the so-called "physical WACI³⁹" metric, which represents the weighted average per utilised (loans and securities) of the total GHG emissions of each financed counterparty with respect to the amount of output that generated those emissions, summarised through the use of a metric typical of the business sector to which it belongs. In order to estimate the inertial path of the portfolio from the starting point until 2050, the metric was projected from a "static balance sheet" perspective for each counterparty based on the available information (transition plans published by the counterparty) or, alternatively, by

³⁹ Weighted Average Carbon Intensity

projecting the business metric of the sector to which it belongs using the STEPS⁴⁰ and APS⁴¹ inertial scenarios produced on a scientific basis by the IEA.

Below are the 2030 targets for each of the five sectors considered priority by the Bank, expressed as a percentage reduction from the end of 2022 of the weighted average emission intensity based on exposure to Large Corporate and Corporate counterparties):

Sector	Reference metric	2022 (base year)	TARGET 2030
Automotive (Scope 1, 2 & 3)	Tonnes of CO ₂ e per billion passenger-kilometres travelled by vehicles sold	0.45	-48%
Cement (Scope 1 & 2)	Tonnes of CO ₂ e per tonne of cement product	0.50	-23%
Oil & Gas (Scope 1, 2 & 3)	Grams of CO ₂ e per megajoules of oil/natural gas product produced or distributed	60.7	-14%
Power Generation (Scope 1 & 2)	Tonnes of CO ₂ e per megawatt-hour of energy produced	0.17	-56%

For more information on the Net-Zero targets, please refer to the transition plans published by the Group in May 2025, which also include a report on the progress achieved at the end of 2024⁴².

Banco BPM therefore continues its alignment with the Net-Zero objective, by defining and implementing the necessary actions in its strategies, aimed at supporting companies in their transition paths, constantly monitoring the evolution of their most emissive portfolios and their contribution in terms of emissions financed to the Group's overall Carbon Footprint.

d) Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks

In order to support customers and companies in their paths towards a carbon-free economy, ensuring that their strategies are aligned with the objectives and Transition Plans, Banco BPM has launched and is developing a series of projects aimed at sharing experiences and information with customers and other financial institutions, as well as through the promotion and participation in webinars, events and round tables and the creation of partnerships.

As part of Banco BPM's projects for customers, the sharing of knowledge and resources dedicated to ESG awareness with the business world is also conveyed through the internal ESG Factory initiative, which envisages the organisation of meetings, conferences and initiatives, in collaboration with Universities, Entities, Institutions and qualified partners and the involvement of Group colleagues. ESG Factory aims to provide concrete support to companies that wish to embark on a sustainable transition path through the disbursement of free ESG training.

Among the future projects, the integration of specialised modules is envisaged, with a view to the greater involvement of customers in issues relating to climate transition, with a focus on Transition Plans (e.g. through webinars).

During 2025, 1,048 hours of ESG training were provided to companies.

For customers who wish to embark on or accelerate their paths towards a sustainable transition, Banco BPM can make qualified partners available to them, to provide advisory and assistance services on sustainability issues, also with the possibility of offering an in-depth "check-up" in the ESG area, in order to identify, define and, therefore, embark on a structured path towards a more

⁴⁰ Stated Policies Scenario

⁴¹ Announced Pledges Scenario

⁴² Please refer to https://gruppo.bancobpm.it/media/dlm_uploads/Banco_BPM_Net-zero_Banking_Alliance_Transition-Plans.pdf

resilient, inclusive and sustainable economy, as well as a set of ESG services modulated according to different needs.

Lastly, as already described in (a) of this section, to which reference should be made for more information, the impacts of potential risks linked to climate change on the economic and financial prospects of customer companies are assessed as part of credit policies. The ESG assessment requires the customer to fill out a questionnaire differentiated by customer sector, which seeks to understand how the counterparty manages ESG risks and what strategic actions it has taken in the medium/long-term. This objective is achieved by obtaining both qualitative data (strategies/policies/plans aimed at mitigating ESG risks) and quantitative data in order to objectively measure ESG risk (e.g. GHG emissions) and assessing the reduction plans over time.

Banco BPM is aware that in order to provide more effective support to customers in defining strategies to mitigate and reduce risks linked to the climate and the environment, the other stakeholders need to be informed and involved, in particular other financial institutions, as well as governments and the public sector.

To this end, the Group has consolidated and perfected engagement activities with its stakeholders, including territorial committees, financial market operators, universities, employees, consulting companies, on one hand, through the periodic distribution of an online questionnaire to be completed, and on the other hand, by participating in ESG banking conferences and meetings with investors and credit rating agencies on ESG issues (e.g. active participation in the ICMA Principles).

As part of the dialogue with governments and the public sector, Banco BPM participated in the "High Level Forum for Sustainable Building Renovation", organised by the European Commission, and coordinated the Italian roundtable of the Energy Efficient Mortgages Initiative of the European Mortgages Federation (EMF).

In addition, the Bank will assess the further involvement of public sector stakeholders in the form of dialogue with government executives and leaders, feedback on the consultation processes of regulators and legislators, as well as the publication of research and reports.

Governance

e) Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels

The Group has adopted an integrated governance model with the aim of addressing sustainability issues in an increasingly effective way. In 2025, this model was also extended to Anima Holding S.p.A. and its subsidiaries (Anima Group).

In particular, the **Board of Directors** is responsible for the strategic supervision and management of the Bank, to be conducted, pursuant to the Articles of Association, also with a view to "sustainable success", understood as the creation of long-term value to the benefit of shareholders, taking into account the interests of other relevant stakeholders. In this context, the Board of Directors defines the Group's socio-environmental policies.

At its meeting of 26 April 2023, following the renewal of the corporate bodies by the Shareholders' Meeting, the Board of Directors set up a specific Sustainability Committee in order to further develop what had been ensured up to then by the Internal Control, Risk and Sustainability Committee (renamed the Internal Control and Risk Committee - ICRC). The Sustainability

Committee offers support in the assessment and in-depth analysis of ESG issues related to the Bank's operations and in the approval of strategic guidelines and policies on sustainability, including the social and cultural responsibility model and the fight against climate change, helping to ensure the best control of risks and taking into account the objectives of solid and sustainable creation and distribution of value for all stakeholders.

The Board of Directors is also responsible for approving the Regulations, including in the area of sustainability, and the Code of Ethics. On the other hand, the Chief Executive Officer is responsible for approving the Bank's Guidelines, including those relating to sustainability issues (such as, by way of example but not limited to, the: "Guidelines on environmental, energy and climate change matters and on operations in the coal and oil & gas sectors" updated in October 2025; "Guidelines on respect and protection of human rights" updated in July 2025; "Guidelines on the integration of sustainability risks in the provision of investment services to customers", updated in April 2025; "Guidelines regarding operations in the weapons materials and systems industry" updated in March 2025; "Guidelines for the integration of sustainability factors in the investment strategies of the real estate portfolio", updated in December 2025).

With specific reference to the Code of Ethics, it is worth pointing out that the Group's statement of values contained therein makes explicit reference to the areas of sustainability, equity, protection of human rights and combating climate change, together with the specific references of international regulations on sustainability, in order to ensure an improved formalisation of ESG topics.

The Board of Directors also defines the guidelines and coordination policies on sustainability reporting, approving the results of the double materiality assessment and, from 2024, in compliance with Directive 2022/2464, the Corporate Sustainability Reporting Directive (CSRD), the Consolidated Sustainability Reporting, included in a specific section of the Report on Operations. During 2025, the methodologies and the control system for the sustainability reporting process were also coordinated with Anima Holding, which was required to publish its own disclosure.

To further strengthen the implementation of the sustainability strategy, the Board of Directors created a "Transition and Sustainability" function in May 2024. This function, operational from July 2024, reports directly to the Co-General Manager - CFO.

The Parent Company's Board of Directors also has the key role of managing and controlling risks, including those related to ESG aspects, arising from the Group's activities.

The same Body establishes strategic guidelines, approves risk management policies, assesses the degree of efficiency and adequacy of the internal control system and guarantees a suitable level of internal communication and discussion.

In this context, in particular, the Board of Directors approves the Risk Appetite Framework (RAF), including the related indicators of the ESG dimensions (Key Sustainability Indicators - KSI) developed on different risk areas and on all hierarchical levels of the RAF (strategic, operational and early warning). These indicators are monitored on a quarterly basis by the Board of Directors as part of its periodic Risk Appetite Framework Monitoring (RAM), after detailed analysis by the Internal Control and Risk Committee (ICRC) and disclosure to the Sustainability Committee through its Chairperson.

Again, in the pursuit of sustainable success, the Board of Directors, also:

- in March 2023, resolved to join the Net-Zero Banking Alliance (NZBA), developed in the Net-Zero Banking Framework (NZBF), making a commitment to align its loan and investment portfolios with the achievement of the net zero emissions target by 2050, identifying the five most emissive sectors (Automotive, Cement, Coal, Oil & Gas and Power

Generation) and committing to communicate the relative targets within 18 months of membership; in compliance with the commitment undertaken, on 16 July 2024 the Board of Directors approved the calibration of the intermediate decarbonisation targets by 2030 for the five "NZBA sectors", communicating them to the market on 9 August 2024; in May 2025, it adopted the transition plans for 4 sectors for which decarbonisation targets to 2030 were set (Automotive, Cement, Oil & Gas and Power Generation), with the exclusion of the Coal sector for which the Bank opted to apply a run-off strategy by 2026. The aforementioned plans were published on the Banco BPM website in the "Sustainability - Environment and climate change" section;

- on 12 December 2023, approved the 2023-2026 Group Strategic Plan, which aims to fully integrate ESG sustainability goals within the initiatives and targets on which the Plan has been developed. This strategic vision was confirmed on 12 February 2025 with the approval and presentation to the market of the update of the aforementioned Plan, which extended the targets to 2027, taking into consideration the acquisition, in April 2025, and integration of the Anima Group;
- as part of the annual approval of Group credit policies for the direction of commercial activities, approved the adoption of guidelines and metrics aimed at achieving the progressive integration of ESG sustainability factors in the Group's business model. In this context, the credit policies approved in December 2025, valid for 2026, envisaged further adjustments to integrate sustainability factors as fundamental elements of the credit granting process⁴³;
- it draws up remuneration and incentive policies, including ESG performance targets, to submit to the Shareholders' Meeting for approval, reviews them at least once a year, and handles their proper implementation. In this regard, the Board is assisted by the Remuneration Committee, comprised by Board members who collectively possess adequate knowledge, skills and professional experience in terms of remuneration policies and practices and risk management and control activities, as well as by the Sustainability Committee, through its Chairperson, for profiles with expertise;
- it examines the results of the application of the framework to assess the materiality of areas of risk of ESG risk with respect to the business model defined and the risk profile of the Bank, based on the relevant transmission channels to traditional risk categories;
- in order to identify and update the materiality of the drivers referring to climate and environmental risks and the consequent business opportunities, it analyses the operating context in which the banking Group operates, with short, medium and long-term forward-looking assessments at sectoral and geographical level, according to multiple areas;
- it selects macroeconomic scenarios and financial sector KPIs that also incorporate climate and environmental risks considerations.

In addition to the above, the Board of Directors also: (i) approved the guidelines on spending and social responsibility policies for 2025 pursuant to Article 5.4. of the Articles of Association; (ii) approved the publication of the "European Green Bond Factsheet" document on the Bank's corporate website; (iii) resolved, as part of the annual Funding Plan, to issue: a Senior Preferred Social Bond for institutional investors issued for 500 million euro in January 2025; a Social Covered Bond issued for 750 million euro in February 2025; a Green Bond labelled "EU Green Bond (EuGB)" in October 2025. In addition, it should be noted that, in the composition of the Board, attention is paid to adequate diversity in terms of age, time in the office, gender and skills of the members,

⁴³ For more information, please refer to the paragraph "credit policies" in (a) of this disclosure dedicated to environmental risks

having also defined in Banco BPM's Articles of Association (updated to February 2026) clear rules to comply with the gender quota, as provided for by the relevant legislation in force and the Corporate Governance Code.

f) Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organisational structure both within business lines and internal control functions

Below is a summary representation of the other main company areas/functions that are involved in the ESG field:

- The **Transition and Sustainability** function, directly reporting to the Co-General Manager CFO, is responsible for integrating sustainability into the Banco BPM Group's strategies, business models and governance processes.
This function is divided into two areas:
 - *ESG Strategy*, which, among other activities, (i) supports the definition of strategic guidelines on sustainability and their implementation in the subsequent operational activities, (ii) oversees ESG project initiatives, and (iii) coordinates activities aimed at implementing the provisions of the CSRD aimed at the preparation of Sustainability Reporting.
 - *ESG Business Advisory*, which has specialised expertise to assist the business functions or the Group companies in correctly implementing the strategies and consequent methodologies at the level of business processes.
- **Area Chief Lending Officer (Loans)**, in the definition of credit policies integrated with climate and environmental risk factors;
- **Area Chief Risk Officer (Risk Management)**, in ensuring that the potential impact of ESG risk factors on the current and future risk profile of the Group is adequately assessed in the risk management framework. In summary, the Risk Function:
 - as part of the Risk Identification process, uses materiality assessment of the ESG risk factors for updating the long list, Risk Inventory and Risk Map;
 - contributes to the development and evolution of systems for measuring the potential impact of ESG risk factors on the risk profiles to which the Group is exposed, favouring their application in business processes;
 - monitors the ESG risk factors, with particular reference to the risk indicators included in the RAF, which are reported to the Board of Directors on a quarterly basis, after examination by the Internal Control and Risk Committee and disclosure to the Sustainability Committee.

Lastly, the Risk Function expresses prior technical opinions on the new products presented to the New Products and Markets Committee, of which it is a permanent member, also evaluating the reputational risk linked to ESG risks.

For detailed information on:

- responsibilities of the Risk Function and on information flows to the Corporate Bodies, please refer to the section "Risk management objectives and policies" of this disclosure;
 - identification, measurement and monitoring of ESG risks, please refer to paragraphs related to "Risk management".
- **Co-General Manager/Chief Business Officer Area and Corporate and Investment Banking CIB Area (for Investments and Wealth Management)**, in integrating sustainability aspects in the investment services provided, through evaluations of products, financial

instruments, services and policies to integrate sustainability risks of product companies, and in the creation and development of ESG Insurance Products;

- **Co-General Manager/Chief Business Officer Area and Corporate and Investment Banking CIB Area (Commercial, Marketing and Omnichannel, Private Banking, Corporate and Investment Banking)**, in analysing the needs and requirements of customers for the definition of an overall offer, in line with the segments served, of ESG and climate change products and services, as well as in promoting customer engagement on ESG issues, also through specific initiatives aimed at increasing customer awareness;
- **Co-General Manager/Chief Financial Officer Area**
 - **Finance**, in funding operations within the Green, Social and Sustainability Bonds Framework, financing assets with sustainability-linked features and increasing the share of portfolio invested in ESG securities;
 - **Value Planning and Management**, in overseeing the process of drafting and monitoring the Group's Strategic Plan, including ESG targets;
 - **Integrated Procurement Management**, in ensuring procurement from suppliers whose activities and products minimise environmental impacts and consider the safeguarding of human rights also by its supply chain;
- **Chief Innovation Officer Area**
 - **Operations and Property**, in measuring and managing the Group's direct and indirect environmental impacts and implementing energy reduction and efficiency initiatives;
 - **Information Technology and Security**, in ensuring the proper functioning, availability and continuous evolution of an information system capable of collecting, storing and processing information needed for the ESG risk factor assessment, for monitoring and reporting addressed to Regulators, and for calculating the various KPIs in the analyses and frameworks of each of the Group's Business Units;
 - **Data governance**, in defining and implementing IT security and business continuity policies and standards, as well as architecture guideline and data governance priorities;
 - **Personnel Health and Safety**, in overseeing ESG activities for workers' health and safety components.
- **Communication and Social Responsibility (reporting directly to the Chief Executive Officer)**, in monitoring the cultural and social dimensions of Corporate Social Responsibility, as well as in ESG-related communication to stakeholders;
- **Organisation (reporting directly to the Chief Executive Officer)**, in promoting evolutionary and transformational initiatives that support the sustainable development of the Group in line with the current organisational and operational model;
- **Human Resources (reporting directly to the Chief Executive Officer)**, in fostering the dissemination of an ESG culture within the Group, in promoting specific training activities on sustainability issues, in defining well-being and sustainable mobility policies for staff, in steering initiatives aimed at respecting people and diversity, in promoting gender equality, age, ethnicity, disability, religious orientation, emotional orientation, nationality and language, social inclusion and equality;
- **Compliance (reporting directly to the Chief Executive Officer)**, in overseeing the management of compliance risk with regard to all company activities, according to a risk-based approach, it carries out controls, audits and assessments on the adequacy and effectiveness of the organisational and control measures in place to mitigate compliance risks. With this in mind, in view of the ongoing evolution of the European regulatory

framework on sustainability, evolutionary activities of the compliance model have also been implemented, and others are underway, to measure the risks of non-compliance with climate and environmental, social and governance factors.

The head of the Compliance function, who also covers the role of Data Protection Officer (DPO), is therefore tasked with the responsibility for the protection of personal data from data breach reports and all other actions that impact this area;

- **Audit (reporting directly to the Board of Directors)**, in planning and carrying out third-level control function audits, also with the aim of assessing the quality and effectiveness of the overall internal control system framework with respect to climate, environmental, social and governance factors, in particular by assessing the structure of first and second level controls and the ESG risk factors governance model. This assessment can be carried out either as part of audits dedicated to specific risks or as part of audits on business processes that are impacted by these risk factors. In addition, the head of the Audit function is responsible for the internal violation reporting system envisaged by external regulations and receives reports on behaviours that may constitute violations of rules and/or be subject to disciplinary measures, etc.

g) Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels

The Group has adopted an integrated governance model with the aim of addressing ESG issues in an increasingly effective way.

The **Sustainability Committee** is assigned support functions for the Board of Directors and the other Board Committees of the Parent Company in matters of sustainability, with responsibility for the entire Group.

The tasks and functions of the Committee have been laid down in the relevant "Sustainability Committee Regulation", last updated in October 2024.

The Committee is entrusted with overseeing the ESG dimensions also in the light of development of legislation, practice and academia aspects, of the indications emerging from the materiality analysis, as well as market developments in the area of competence.

The Committee is composed of 3 Directors, all of whom are non-executive and the majority of whom (including the person elected to the office of Chairperson) meet the independence requirements set forth in the Articles of Association. The members of the Committee must have sufficient knowledge, skills and experience to be able to fully understand and monitor the pursuit of the Group's strategies and guidelines in the area of sustainability and its ESG dimensions. At least one member of the Committee must have adequate experience in the field of sustainability, in particular with regard to reporting and management of related risks, to be ascertained by the Board of Directors at the time of appointment.

All members of the Committee, in its current composition, are independent and meet the requirements indicated above, as verified at the time of appointment. Specifically, the Chairperson has adequate experience in the field of sustainability, having also acted as Director in charge of ESG issues during the previous mandate.

Pursuant to its Rules of Procedure, the Committee supports the Board of Directors in defining and approving strategic guidelines on sustainability, also examining proposals and making recommendations. In addition, the Committee supports the Board of Directors in assessing proposed project initiatives (i) in order to integrate sustainability into business processes, consistent with regulatory developments and the guidelines defined in the Strategic Plan with reference to

ESG dimensions; and (ii) for the development and promotion of the Group's important areas and communities.

With regard to sustainability reporting, the Committee:

- assesses the correct use of principles and standards envisaged by the reference regulations for the preparation of the Consolidated Sustainability Reporting, to this end coordinating with the Financial Reporting Manager and with the Board of Statutory Auditors, also consulting, if deemed appropriate, the parties responsible for the statement of compliance ("Audit Company");
- examines the Consolidated Sustainability Reporting, also for the purposes of the internal control and risk management system, and expresses its opinion on the matter to the Board of Directors.
- with regard to the assessment of the results presented by the Independent Auditors in a possible letter of recommendations, expresses its opinion to the Board of Directors.

As part of this periodic Pillar 3 disclosure, the Committee also assesses the contribution relating to the ESG dimensions, communicating its observations to the ICRC.

The Sustainability Committee has defined a structured system of information flows with regard to which, with the support of the qualified corporate functions, among other things it examines:

- interactions with the Supervisory Authorities on integrating the ESG dimensions in corporate processes, liaising with the ICRC;
- the outcomes of the Risk Identification, the Risk Appetite Framework, the related Guidelines and the Risk Appetite Statement, expressing its observations to the ICRC in relation to the indicators relating to the ESG dimensions;
- credit policy guidelines, their implementation and monitoring, forwarding its observations to the ICRC on the sustainability objectives, in line with the commitments undertaken by the Bank;
- the aspects of Data Quality and Data Governance in the ESG area, also in terms of suitable data control systems (first and second level), to support their adequate cross-functional use in the various business processes;
- ESG ratings assigned to the Bank.
- the performance of the main ESG indicators and metrics as well as the results achieved with respect to the strategic objectives defined in terms of sustainability (quarterly Dashboard);
- the results of the application of the materiality assessment framework in relating to ESG risk with respect to the business model defined by the Bank and its risk profile, based on the relevant transmission channels to traditional risk categories.

Lastly, the Sustainability Committee promotes the adoption of remuneration policies that envisage the integration of ESG objectives into incentive plans in order to underline the importance of these topics by enhancing management's contribution to achieving sustainability objectives. It coordinates and discusses these aspects with the Remuneration Committee.

The Committee acquires additional information flows on issues of interest through the participation of the Chairperson in the meetings of the other internal board committees, in particular the ICRC and Remuneration Committee when discussing topics with sustainability implications, coordinating with the latter in support of the Board of Directors.

Up to this Disclosure, in addition to that already highlighted, the Sustainability Committee has also analysed:

- the operations carried out in relation to the commitments undertaken in relation to the NZBA membership, evolved into NZBF;
- the implementation of the ESG targets defined in the Strategic Plan;
- the integration of sustainability areas into the RAF and credit policies;
- some topics pertaining to the field of weapons materials and systems;
- the framework and public disclosure relating to the Green, Social & Sustainability Bonds issued by the Bank.

In the area of ESG, the Internal Control and Risk Committee (ICRC) has retained specific competences in, among other things, assisting the Board of Directors in (i) establishing the guidelines of the internal control and risk management system (including ESG risks), so that the main risks pertaining to the Parent Company and its subsidiaries are correctly identified and adequately measured, managed and monitored; and (ii) determining the degree of compatibility of the risks pertaining to the Group with a sound and prudent management, consistent with the strategic objectives identified and the pursuit of sustainable success. In this logic, the Internal Control and Risk Committee ensures the monitoring of said risk profile - also with the contribution of the Chairperson of the Sustainability Committee, invited to participate in the meetings of the ICRC - when discussing all the topics submitted to it that have sustainability issue implications. These include, by way of example, Risk Identification, Risk Appetite Framework (and the related monitoring), Credit Policies (and the related monitoring), the evolution of the risk measurement/assessment models (which incorporate, among other things, climate and environmental risk factors), and the control functions audits. The ICRC handled approximately 38 ESG topics during the 18 meetings held during the year.

Chaired by the Chief Executive Officer, the members of the **ESG Committee** include the two Co-General Managers as well as almost all the Bank's first line managers. Its main tasks include examining the Group's positioning and overseeing all corporate activities and initiatives in the social, environmental and governance fields, in line with what is defined in the Group Strategic Plan. The ESG Committee is also tasked with promoting the dissemination of the ESG culture and practices of social responsibility and sustainable development within and outside the Group.

h) Lines of reporting and frequency of reporting relating to environmental risk

As already described in points (e) and (g) of this section, the Corporate Bodies of Banco BPM are recipients of specific disclosures regarding environmental risks, in line with the roles and responsibilities defined. Below is a summary of the main periodic disclosures addressed to the Corporate Bodies:

- as part of the Group's overall RAF, characterised by a set of indicators referring to ESG dimensions (KSI), the indicators are monitored quarterly with the periodic examination of the Risk Appetite Framework Monitoring (RAM).
In the event that the monitoring activity shows that the Trigger and Tolerance thresholds are exceeded or further deviated with respect to the last available figure, assisted by the structures under their responsibility, the Chief Risk Officer starts the escalation process with the preparation of an information note that illustrates the causes of the indicator dynamics and the potential intervention levers, to be sent to the pertinent Corporate Bodies and Committees (Chief Executive Officer or Board of Directors, supported by the internal Committees);
- with reference to the Group Strategic Plan, which includes objectives related to environmental aspects, the level of achievement of the pre-set targets is subject to

specific quarterly monitoring. In particular, the KPI performance is compared with the respective Plan objectives and intermediate period targets. The KPIs have a synthetic "status flag" to highlight any alert levels, based on a predefined grid (with 3 levels: green, yellow, red) and consistent with the thresholds defined in the RAF. With reference to the **process of any escalation** for high critical issue status flags - in cases where the RAM monitoring process has not already been activated - the following steps are taken:

- *yellow status or first red flag*: in light of the misalignment from the targets, after verifying that it is a non-temporary misalignment, a communication is initiated with the Chief Executive Officer and with Top management to define the "remedial actions" to be taken (e.g. initiatives and processes aimed at recovering any gaps/delays that may arise);
- *second or subsequent red flag*: the Chief Executive Officer activates a disclosure to the Board of Directors to assess the remedial actions implemented and envisaged and, as a last resort, the opportunity to revise the Strategic Plan targets⁴⁴.
- In line with the approved transition plans, monthly monitoring of performance with respect to the targets set is envisaged;
- with reference to the implementation of the Group's credit policies, a periodic report is prepared, including updates on customer engagement initiatives for the acquisition of information also relating to the ESG profile of the same; the results of the application of the framework to assess the materiality of climate risk (considering the drivers of acute and chronic physical risk as well as transition risk) and environmental risk areas with respect to the business model defined and the risk profile of the Bank, are periodically reported on the basis of the relevant transmission channels to traditional risk categories;
- with reference to the Group's remuneration and incentive policies, which include ESG performance targets (see point (i) of this section), a specific disclosure is envisaged concerning verifying the achievement of the pre-set targets.

During 2025, the Board of Directors examined issues with significant sustainability implications in 16 meetings (out of a total of the 21 meetings held in 2025), estimating a total of 41 various ESG topics covered. It should be noted that the issues that specifically concerned climate and environmental risks were dealt with 24 times in 11 sessions.

i) Alignment of the remuneration policy in line with institution's environmental risk-related objectives

The remuneration policy (hereinafter "policy") represents an important management lever to attract, motivate and retain management and staff.

This steers behaviour towards reducing the risks taken on (including legal and reputational), protecting customers and increasing loyalty while also being careful to manage conflicts of interest.

The policy also pursues sustainable success, which produces long-term value for the benefit of shareholders and in the interest of the Group's stakeholders.

The 2025 Policy defines the guidelines of the remuneration systems to pursue long-term strategies, objectives and results, in line with governance and risk management policies.

⁴⁴ For a complete representation of the update of the Strategic Plan defined by the Group, please refer to the presentation of the results for 2024 and the update of the Group's strategic plan: https://gruppo.bancobpm.it/media/dlm_uploads/250212-Banco-BPM-Group-FY-2024-Results-and-Strategic-Plan-Update-1.pdf

The correlation between variable remuneration of personnel and ESG factors is one of the elements of the 2025 Policy. Variable remuneration is therefore related to strategic actions concerning environmental issues, health and safety and human resource management.

The remuneration policy for staff is gender neutral.

The process of integrating the ESG strategy into the Group's governance models is also a hugely important part of the remuneration policy, with reference to incentive mechanisms.

The combination of objectives relating to the banking business, such as profitability, credit and asset quality, capital adequacy, along with ESG metrics is considered a key factor in strengthening the Group's results in the medium-term, as it makes it possible to combine staff satisfaction and socio-environmental sustainability.

In particular, by way of example, it should be noted that in the climate domain, Banco BPM took steps to align its loans and securities portfolios with the objective of the European Green Deal to eliminate net greenhouse gas emissions by 2050, by identifying the 5 most emissive sectors (oil & gas, power generation, cement, automotive, coal) and setting, for each of them, the intermediate decarbonisation targets to 2030, communicated to the market on 9 August 2024.

The implementation of projects in this area and the annual definition of the ESG objectives of the Strategic Plan are encouraged through specific KPIs included in the 2025 short-term incentive plan.

Quantifiable ESG indicators are also defined to align with the annual ESG objectives in the Strategic Plan correlated, among other things, to "medium/long-term Low-Carbon loans", the "share of ESG bonds in the owned corporate portfolio", completion of specific project initiatives related to the Net-Zero Banking Alliance.

For the Retail network, the Short-Term Incentive plan makes provision, continuing with the approach of last year, for a mechanism linked to customer profiling that also integrates the acquisition of customer ESG preferences. For the Private network, considering the level of maturity achieved with reference to the ESG dimension, provision is made for a mechanism related to the consistency of the portfolio with the ESG preferences expressed by customers.

The objective regarding "medium/long-term Low-Carbon loans", the annual definition of the Strategic Plan objective, is also assigned to managers and staff of the sales functions and to the entire sales chain that manages corporate, business, small business, private and institutional customers, to support of the process of achieving the objectives of the Strategic Plan.

As part of the short-term incentive plan, through the ECAP (Economic Capital) Reputational Risk indicator that represents the amount of economic capital with respect to the reputational risk estimated using an internal model, the non-financial adjustment factor could reduce the economic resources of all staff in the event of a sudden deterioration of the Group's image, also in relation to the possible occurrence of ESG risk factors.

As an example, the calculation indicator model considers elements of physical, transition and conduct risks (greenwashing), as well as other elements of environmental risk (e.g. loss of biodiversity, pollution, rising seas, etc.).

The model also considers any sanctions relating to climate and environmental issues, participation in campaigns or initiatives that damage the company's image, customer complaints related to environmental and sustainability issues, entering into agreements with counterparties with a low reputation in terms of climate and environmental risks, worsening of the rating due to non-compliance with sustainability standards.

In the Long-Term Incentive plan, the performance objectives include ESG metrics related to the main objectives of the 2023-2026 Strategic Plan, also as regards the environmental area (Green, Social & Sustainable bond issues)⁴⁵.

Risk management

j) Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework

The European Central Bank's (ECB) expectations on climate and environmental risk drivers clarify how these factors must be identified, analysed, monitored, managed and mitigated "in the short, medium and long-term".

In compliance with this specific expectation and in line with the current method of conducting the Group's analysis and forward-looking capital and financial adequacy assessments, Banco BPM has established and introduced the following definitions:

- Short-Term: one-year time horizon to ensure full alignment with the budget horizon;
- Medium-Term: considers a time horizon between 3 and 5 years (up to 2030 where relevant/possible), consistent with the planning horizon, ECB guidance, NZBA intermediate targets set by the European Union (e.g. Fit for-55);
- Long-Term: time horizon longer than five years (up to 2050 where relevant/possible) consistent with ECB guidance, the NZBA target horizon and the Paris targets to which the European Union subscribes.

The potential impacts of the manifestation of the transition (T) and physical (P) risk factors are assessed by the Group in traditional risk categories against the short (S), medium (M), long (L) term horizons of potential materiality, as summarised in the table below:

⁴⁵ For more ESG-related information and updates in the Remuneration Policy, please refer to the document available at gruppo.bancobpm.it > Corporate Governance > Remuneration Policy > Policy on remuneration report (section I)

Type of risk	Potential impacts of transition (T) and physical (P) risks	T/P	Horizon
CREDIT RISK Risk that a debtor will default on his obligations or that his/her creditworthiness will deteriorate	Estimates of the Probability of Default (PD) and Loss Given Default (LGD) of funded counterparties are impacted by considerations of the additional costs and investments that companies incur to comply with the new climate and environmental standards. This specific factor (e.g. due to the deterioration of the real estate market) impacts PD and LGD estimates of the exposures to sectors or geographical areas vulnerable to physical risk drivers.	T P	S M L
MARKET RISK Risk of potential losses in the trading and banking books generated by adverse changes in issuer-related variables (specific risk) or market conditions (generic risk)	Financial instruments issued by corporations with business models perceived as unsustainable in climate and environmental terms, with risks of market price volatility (e.g. sudden repricing).	T P	S M L
LIQUIDITY RISK Risk of being unable to meet payment obligations due to the inability to raise funds on the market (funding liquidity risk) or to dispose of assets (market liquidity risk)	Direct impact as a result of significant cash withdrawals or higher drawdowns of credit lines by customers to finance the repair of damage caused by extreme weather events. <i>Sudden repricing of securities due to, for example, the sudden implementation of restrictive greenhouse gas emission policies that may reduce the value of the Bank's liquid assets.</i>	P T	M L
OPERATIONAL RISK Risk of suffering losses caused by inadequacy or failure attributable to internal procedures, human resources and systems, or caused by external events	Interruption of operations following the occurrence of physical risks to owned operating assets, outsourced services or IT activities. Damage to property, plant and equipment owned by the Bank. Financial impact of legal liability also in terms of "greenwashing".	P T	S M L
REPUTATIONAL RISK Risk arising from a negative perception of the Bank's image by stakeholders	Negative impacts on the ability to maintain or develop new business opportunities and to continue to have access to funding sources as the Bank is not perceived by the various stakeholders as adequately sensitive to ESG issues.	T P	S M L

k) Definitions, methodologies and international standards on which the environmental risk management framework is based

The environmental and climate risk management framework adopted by the Banco BPM Group is based on recognised international definitions, methodologies and standards, in line with global best practices and the indications of the Supervisory Authorities, based on the European regulatory framework and the guidelines provided by supranational partnerships that support financial institutions in the transition to a carbon-free economy.

In particular, climate and environmental risks are classified according to international standards, with reference to the definitions of physical and transition hazard outlined in the Guide on climate-related and environmental risks published by the European Central Bank (November 2020).

In addition, the Banco BPM Group has joined the TCFD (Task Force on Climate-related Financial Disclosures) framework and the NZBA, with the aim of strengthening governance on climate risk management processes, in line with international standards and with short, medium and long-term sustainability objectives.

Climate and environmental risks can be divided into two main categories:

- **Transition risk:** means the potential financial loss an institution may incur because of the adjustment process of its own customers to a low-carbon economy that could be caused, for example, by changes in regulation, technology and consumer preferences.
- **Physical risks:** mean the potential financial impact of extreme adverse weather events (acute) and of gradual changes in climate (chronic). This definition also includes other environmental events (pollution, use of water resources, loss of biodiversity, circular economy).

The tables below describe the main risk factors associated with physical and transitional risks, as well as the main impacts that these may have directly on the Group and indirectly on its customers in the short-term, but especially in the medium and long-term.

TRANSITION RISK

Risk factor	Main impacts identified
<i>Regulatory</i>	▪ Higher investments and/or operating costs for companies operating in sectors associated with high carbon emissions. ▪ Increased resources for collecting and reporting climate and environmental data and information. ▪ Increased regulatory capital requirements on assets most exposed to physical and transition risks.
<i>Technological</i>	▪ Replacing existing products and services with solutions using lower-carbon technologies. ▪ Need for activities in sectors with a high environmental impact to incur high costs for the transition to more sustainable technologies and business models.
<i>Market</i>	▪ Changes in demand for products and services resulting from changes in consumer preferences that could also impact the revenue mix with repercussions on business profitability. ▪ Rising energy prices that can significantly affect the costs incurred by companies.
<i>Reputational</i>	▪ Negative economic/financial impact because of perceived lack of commitment to combating climate change by stakeholders.

PHYSICAL RISKS

Risk factor	Main impacts identified
Acute	- Resources earmarked for the prevention of damage or for the reconstruction of assets (property, infrastructure, machinery) damaged by natural disasters and increased insurance costs to cover possible future damage. - Reduction in income-generating capacity caused by natural disasters. For example, damage to equipment used in operations, interruption of the supply chain, logistics difficulties, etc.
Chronic	Reduction in the value of assets in areas impacted by chronic physical risk and in the ability to generate income by companies operating in areas impacted by such risk.

I) Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risk, covering relevant transmission channels

Double Materiality Assessment

During 2025, in compliance with the provisions of the European CSRD Directive, Banco BPM carried out the Double Materiality Assessment (hereinafter, also DMA) to select the material sustainability topics for the Group and along its value chain and whose process and related outcomes have been included in the 2025 Sustainability Reporting. The aforementioned analysis was carried out by defining:

- impact materiality - which made it possible to identify the current and potential positive and negative material impacts on people and the environment related to the Group's operations or generated by the value chain in the short-, medium- and long-term (inside-out perspective);
- financial materiality - which made it possible to identify the risks and opportunities deriving from sustainability issues that may generate material effects on the Group's equity and financial position in the short-, medium- and long-term (outside-in perspective).

The process was developed through an approach consistent with the dictates of the EFRAG Guidelines for the enforcement of the Standards on materiality analysis ("Implementation Guidance EFRAG IG 1 Materiality Assessment" of 31 May 2024).

For the purposes of identifying and assessing the Impacts, Risks and Opportunities (IRO) on environmental, social and governance issues, it took into consideration the Group's own operations⁴⁶ and its upstream (suppliers) and downstream (customers) value chain⁴⁷.

The analysis process⁴⁸ included the following steps:

- context analysis: provided a structured set of information that allowed for a deeper understanding of the context in which the Group operates and its main business relations,

⁴⁶ The set of internal processes of the Group (including the activities of the Legal Entities consolidated on a line-by-line basis in the financial statements) and which focus on internal stakeholders such as, for example, employees

⁴⁷ In particular, the following were analysed: interests in associates and joint ventures, investments in securities (including investments to cover provisions for the BBPM Vita and Vera Vita insurance portfolios) and loans disbursed

⁴⁸ The process was developed through an approach consistent with the dictates of the EFRAG Guidelines for the enforcement of the Standards on materiality analysis - "Implementation Guidance EFRAG IG 1 Materiality Assessment" of 31 May 2024

developed through sectoral benchmark activities and analysis of reference regulations; this analysis, together with the priorities defined in the 2024-2027 Strategic Plan, represents the prerequisite and reference framework for the subsequent IRO Identification phase;

- identification of IROs: a first IRO long-list on environmental, social and governance issues;
- IRO assessment: application of qualitative/quantitative criteria applied to the identified IROs to which assessment scoring has been assigned;
- determination of materiality: on the basis of the defined materiality threshold, IROs were classified as material or non-material and subsequently subjected to validation by a selected panel of external stakeholders⁴⁹.

Specifically, the risk assessment was carried out using the results of internal processes and tools available and governed by the Parent Company's Risk Management function, including:

- Risk Identification process;
- internal capital adequacy assessment process;
- internal liquidity adequacy assessment process;
- internal process for measuring and monitoring exposure to operational risks;
- Materiality Assessment of climate and environmental risk drivers.

In addition, each risk was assigned a score that derives from the product of the assessments associated with the parameters of Magnitude and Probability of occurrence of the risk considered.

For the purposes of the materiality determination, the scores associated with the IROs were aggregated in a summary view through a heat map from which the Group defined the value to be considered as the materiality threshold. Once the score was assigned to the assessment dimensions envisaged for the IROs through the discussions with the internal functions of the Parent Company, the external stakeholders were involved in order to gather a qualitative judgement of validation and possible integration with respect to the topics that emerged as material.

In relation to climate and environmental issues, the results of the Financial Materiality highlighted:

- in terms of **risk**, physical and transition drivers are now considered the main threats deriving from customers' exposure to sustainability factors with particular reference to credit risk.
- in terms of **opportunities**:
 - the reduction of exposure to transition risk thanks to greater clarity in terms of medium and long-term climate objectives after joining the NZBA, with positive impacts on the Group's reputation with respect to its stakeholders;
 - the extension/refocusing of the commercial offer to support climate change adaptation and mitigation initiatives.

The results of the DMA were approved by the Board of Directors of the Parent Company, after sharing them with the Board of Statutory Auditors, following a process of involvement and sharing of the methodological framework adopted with the Sustainability Committee, the ESG Committee, the Risk Committee and the Internal Control and Risk Committee (limited to the materiality assessment of the risks) and with the same Board of Directors, to which the DMA framework was pre-emptively illustrated in a dedicated Board Induction.

⁴⁹ For a complete and detailed description of the process and its outcomes, please refer to the Group's 2024 sustainability reporting

For a complete and detailed description of the process and its outcomes, please refer to the Group's 2025 Sustainability Reporting.

Risk identification

For a description of the risk identification process, please refer to the OVA table in this document.

The outcomes of the monitoring of each type of risk, including the related ESG impacts, are periodically reported within both the respective vertical reporting and the Group's integrated reporting (Risk Appetite Monitoring - RAM).

Measurement and management of risks

With reference to the aforementioned Materiality Assessment, as of 2022, the Banco BPM Group has developed and progressively implemented an approach with an increasing degree of sophistication to correctly assess the materiality of risk factors related to climate and environment.

During 2025, Banco BPM Group finalised the definition of the Materiality Assessment with the aim of measuring the materiality of the ESG drivers across transmission channels (loans, investments, funding and asset management, owned real estate exposure, net interest and other banking income), to consistently feed into the processes of assessing the impacts on traditional risks to which the Group is or could be exposed.

The materiality of the climate and environmental drivers takes into account the Group's operations on management segments (Corporate, SME and Individuals portfolios), economic activity sectors (NACE/ATECO codes) and territories where its customers operate, considering the location of both production assets and real estate as collateral and own-use property.

The output of these activities feeds the KSI and KRI estimation models, through which the Group determines the potential impacts of the manifestation of material ESG risk factors on the business model (products marketed and services offered), performance (earnings and financial) and risk exposure (business, credit and counterparty, banking and trading book market, operational and legal, liquidity, funding and reputational).

The ESG factor management framework allows for the identification of the most effective actions (e.g., the marketing of targeted products) to mitigate any unforeseen negative impacts in a timely manner, to correct any material deviations from the intended path to reach the identified target and to seize potential business opportunities.

The assessment of the materiality of ESG factors is based on the application of an own scoring methodology, developed in 2021 in cooperation with a leading Italian consultant and data provider. In particular, the Group supplemented the assessments concerning the transitional climatic factor and the physical climatic factors (which constitute the most relevant drivers of the overall climate and environment-related risks) with a series of detailed analyses, providing a complete methodological overview and an analytical representation for each individual risk driver, in order to be able to examine all the characterising elements deemed most significant.

With regard to specific transition risk analyses, the main risk variables considered by Banco BPM's methodology are:

- the intensity of Scope 1, 2 and 3 emissions at sector level estimated on the basis of public datasets, mainly Eurostat, Istat and the EU Emissions Trading Scheme Registry. In some cases, the estimates are further improved through the use of precise data even though there are currently only about 500 companies publishing greenhouse gas emissions in Italy, including voluntary reporting;

- regulatory aspects (e.g. if the counterparty has an activity involved in the EU Emission Trading Scheme⁵⁰);
- the assessment of whether the transition to a sustainable business model for companies in a given sector offers new business opportunities or requires a redefinition or major changes to business itself.

Due to the complexity of the activities involved, their role in the environmental transition (approximately 40% of the energy consumed in the EU is used in buildings and more than one third of the EU's energy-related greenhouse gas emissions come from buildings) and, finally, their relevance to the Group's business, certain sectors, for example the construction and real estate sectors, were the subject of an in-depth analysis based on the market outlook and the assessment of the energy class of individual assets under guarantee or owned with reference to the real estate sector in 2025. Intervening on the energy efficiency of buildings is therefore crucial to save energy and achieve a zero-emission and fully decarbonised building stock by 2050 as indicated by the "Green Homes Directive".⁵¹

The sectoral top-down analysis is gradually being complemented by a single-name/bottom-up one that may differ significantly from sectoral trends, e.g., for energy-producing companies, multiutilities and companies with a specific business, as it considers the efforts already made by the company to manage the climate transition.

With regard to physical risk, the materiality of the exposure of the Banco BPM Group's loan portfolio was analysed, taking into account both the real estate collateral received and the productive assets of non-financial corporate customers (plant, warehouses, etc.).

The developed methodology considers in the assessment of the counterparty all acute and chronic risk phenomena associated with climate change, mapped by the EU Taxonomy Regulation⁵².

Taking into account the predominantly domestic nature of its business, the Group pays great attention to the most significant risk factors for Italy with a dedicated focus, in particular, on hydrogeological events (landslides and floods) and the phenomenon of drought.

The process of assessing acute and chronic physical drivers based on both public and third-party proprietary data sources (e.g., ISPRA, Copernicus) whose accuracy and granularity has been significantly improved over the course of 2025 includes:

- mapping the Italian territory into census cells that are identified according to their exposure to potential risk events (landslide, flood, drought, etc.). Each risk event is mapped on a scale ranging from 0 (very low) to 4 (very high);

⁵⁰ The Emission Trading Scheme (EU ETS) is the European Union's main instrument to reduce greenhouse gas emissions in a cost-effective way, based on the "cap and trade" principle: a cap is set on emissions for energy-intensive sectors and aviation, obliging companies to hold allowances (1 allowance = 1 tonne CO₂) to cover their emissions, which can be traded on the market

⁵¹ The Green Homes Directive requires each Member State to draw up a national renovation plan to reduce the current building stock consumption (in the prevailing case of residential buildings, the average primary energy consumption by at least 16% by 2030 and 22% by 2035, generally consistent with the recovery of at least two EPC energy classes), while specific milestones are set for new buildings

⁵² The reference is the list of 28 factors included in the EU Taxonomy, where those most relevant for Italy are measured directly (e.g., flood or drought risks for acute risks, or soil erosion risk for chronic risks). In any case, since they are highly correlated (e.g., flood and heavy rainfall risk), all 28 risks are measured at least indirectly, thus obtaining a complete mapping in terms of scoring

- geo-localisation of the property (real estate collateral or productive asset), through its address, which allows its positioning within risk maps;
- the association of the physical risk score with the property;
- the repetition of the analysis for each acute and chronic risk event under analysis;
- the calculation of a synthetic acute/chronic risk score associated with the property.

Climate scenarios represent one of the main inputs for assessing Banco BPM's current and prospective exposure to climate-related factors, summarised by the aforementioned score which, in the area of climate change mitigation, take into account sectoral/single-name emission intensities and, in the area of climate change adaptation, the location of properties. As already noted, the Group uses the scientific climate scenarios developed by NGFS. In particular, the Materiality Assessment exercise conducted on the portfolios starting from June 2025 saw the implementation of important innovations on the Climate and Environmental drivers:

- the materiality assessment of climate factors in the short- (one year), medium- (planning horizon) and long-term (at least 10 years, up to 2050) by consistently applying the scenarios identified and deemed most "plausible" (Net-Zero 2050 and Current Policies);
- consistency between climate and environmental score analyses in all Bank processes, with particular reference to BES.

The score scale adopted by the Group is consistent for all types of risk and based on specific assessment classes, from "Very Low" (score 0) to "Very High" (score 4) risk.

The implemented approach does, however, also make it possible to consider particular elements of analysis in relation to the individual driver examined. For example, the "Very Low" score, defined with specific regard to transition risk, is assigned to all corporate counterparties that conduct green economic activities (i.e., aligned with EU Taxonomy requirements). With reference to acute physical risk, on the other hand, the "Very Low" score is assigned to real estate located in geographic areas that are substantially not exposed to the relevant risk factors (flood, landslide, etc.).

In the transition climate, the risk score obtained for each counterparty is calculated using both a top-down (predominantly sectoral) and bottom-up approach (often relevant for the more dimensionally significant clients who prepare Sustainability Reporting).

In the physical climate area, the precise assessment carried out at the level of production asset or guarantee uses the geolocation of the asset through its address.

In general, the methodology for estimating climate and environmental risks is based on the combination of sectoral elements, point in time geographical data and, where available, additional information provided by the client or related to the individual asset examined (e.g., interventions made to mitigate risk exposure).

The process of assigning scores is therefore influenced by the availability of timely and analytical data that allow the Group to make appropriate detailed assessments. In some cases, this information is public (for example, the maps provided by the Italian Institute for Environmental Protection and Research - ISPRA for flood and landslide risks), in others it was necessary to request the support of specialised providers (for example, on emission intensities) or draw from appropriate certified external data sources (such as for energy performance certificates of production assets and/or guarantees).

In order to attribute an overall summary score, the information thus gathered is integrated with that made available by entrusted customers through the completion of specific qualitative questionnaires, demonstrating that Banco BPM continues its constant path of strengthening and refining the estimation models used to assess the potential impact of climatic and environmental risk factors on its own business model and on the definition of specific corporate strategies. The increasing availability of detailed information will allow for a substantial improvement in the quality, accuracy and timeliness of analyses in these particular assessment areas.

As at 30 June 2025, the weighted average assessment of exposure to ESG drivers to all transmission channels with respect to traditional risks (loans, investments, funding and asset management, owned real estate exposure, net interest and other banking income), stood at a "Medium" level for Climate factors and currently "Low" for non-climate Environmental factors.

The Group integrated the assessments regarding transition and physical climate risk with a series of detailed analyses, providing a complete methodological overview and an analytical representation for each individual risk driver, in order to be able to examine all the characterising elements considered most significant. These detailed analyses showed clusters of operations characterised by greater relevance ("materiality intersections") in terms of "high" and "very high" exposure scores by type of counterparty, sector and geographical area. The main clusters in focus were, with respect to climate mitigation drivers, the most emissive sectors in the Net-Zero area or energy-intensive sectors (metallurgy) with Corporate customers and residential mortgage exposures with poor energy performance, while with respect to the territorial distribution of Banco BPM were the SME counterparties and individuals in the regions of Emilia-Romagna, Tuscany and Liguria for acute physical hazards and Veneto and Liguria for chronic physical hazards. In addition, for non-climate environmental drivers, the main clusters relate to the Construction, Oil & Gas and Chemicals and Pharmaceuticals sectors, in particular for SME counterparties.

With reference to **credit risk**, the materiality assessment on the loan portfolio, both drawn amounts and margins, shows that climate, physical and transition risks are material, but at the same time the score attributed to these types of risk is overall low, confirming the fact that Banco BPM's customers are on average concentrated in geographical areas and sectors that are not excessively exposed.

The results of the materiality assessments on the loan portfolio carried out show, on the whole, that the weighted average valuation of exposure to ESG drivers is "Medium" for climate factors and "Low" for environmental factors.

As far as environmental drivers are concerned, the Banco BPM Group's weighted average exposure valuation was medium-low, with a higher materiality for smaller customers operating in sectors where a high use of natural resources is expected (e.g., Construction, Oil & Gas, Chemicals and Pharmaceuticals).

In addition to and consistent with the assessment framework described above, the Risk Function also performs specific sensitivity analyses aimed at estimating the impact of climate and environmental factors on the main credit risk parameters (probability of default/PD and loss in the event of default/LGD), taking into account the expected evolutions in the different time horizons considered and in relation to the selected scenarios.

Specifically, in assessing its exposure to credit risk, the Group has taken the following steps:

- integrating climate risks into IFRS 9 provisioning measures (via post model adjustment/PMA) already starting from 2023 using December 2022 data;

- integrating climate risks into capital adequacy assessments - ICAAP⁵³ starting from March 2023, both from a normative and an economic point of view;
- defining and completing the implementation of the methodological framework for including climate risks in the internal rating system used for management purposes.

With reference to the first two points, climate risk has already been considered with the simplified approach since 2023, while it has been included in the long-term projections in the PD and LGD satellite models since 31 December 2024, through the use of specific exogenous factors as a vehicle for the higher costs due to the energy transition as well as the need for mitigation or reconstruction of damage caused by catastrophic events (e.g., flood).

To this end, satellite models have been developed that relate the change in default (PD) and expected recovery (LGD) rates, respectively, to the performance of the main macroeconomic drivers, also envisaging the use of sectoral financial KPIs⁵⁴ as additional explanatory drivers. In fact, financial KPIs divided by economic sector represent important indicators that make it possible to understand the transmission of transition risk and, in the long-term, of physical risk depending on the climate scenario being analysed.

With regard to drivers, the increase in the carbon price associated with the need to reduce emissions translates into higher costs that a company has to bear for the increased taxation and investments to be undertaken to contribute to the climate transition. Moreover, the increased likelihood of extreme physical events leads to the use of insurance, as protection against such events, and the necessary investments in the prevention, mitigation and eventual reconstruction of damage caused by such events. The resulting increase in costs affects the balance sheets of companies and their prospective financial stability, and is also indirectly affected by the scoring assessments described above. In addition, the macroeconomic drivers for the projection of PD and LGD also include residential and non-residential property price indices that present shocks in relation to physical risk scenarios.

Both satellite models were used under IFRS9 and ICAAP as of the reference date 31 December 2024, applying the Net-Zero 2050 scenario for the transition component impacting sector KPIs. Physical risk is instead included through an average depreciation on properties from acute events (flood, wind, landslide, fire) based on the Current Policies scenario and applied to residential and non-residential property indices. With specific reference to the economic perspective of the ICAAP, this methodology, outlined for credit risk, was also extended to the calculation of economic capital on the equity, banking and trading book portfolio.

In the 2025 ICAAP, the impact of the climate shock on the first prospective year, measured on the loan portfolio including equity, banking and trading book, is +3% of total economic capital.

With regard to the third point mentioned above, at the end of 2023 a framework was defined to support (i) the Rating Desk structure, to attribute a credit rating to borrowing customers and (ii) the manager who can override the rating.

This framework envisages the definition of a climate rating, for management and accounting purposes, alongside the A-IRB reporting rating⁵⁵, while waiting for the climate and environmental risk drivers to be directly included in the regulatory rating system.

⁵³ Internal Capital Adequacy Assessment Process

⁵⁴ Key Performance Indicators

⁵⁵ Advanced Internal Ratings-Based

The climate rating derives from the application of a specific model that can modify the counterparty A-IRB rating through the application of worsening or improving notches, in order to incorporate the impacts (negative or positive) on the assessment of the debtor's credit rating deriving from exposure to physical and transition risks.

With regard to transition risk, the climate rating takes into account both the costs and investments impacting the borrower's single-name balance sheet projections under selected climate scenarios, and the information gathered from individual counterparties through qualitative ESG questionnaires.

These two factors are integrated so as to create a single climate score to be compared with notch-up and notch-down thresholds for each estimation sector/cluster defined during the assessment of the model.

The factors considered by the climate rating for physical risk, on the other hand, are represented by synthetic scores at counterparty level and by the answers to specific questions in the ESG qualitative questionnaires.

Also in this case, these factors are integrated so as to create a single climate score to be compared with specific thresholds (notch-up and notch-down) defined during the model estimation phase.

Starting from June 2024, the climate rating was introduced in the IFRS9 framework for the purpose of computing and refining the above-mentioned PMA to manage one of the main emerging risks that the Supervisory Authorities have been monitoring.

In addition, as part of the monthly monitoring of the RAF indicators (Risk Appetite Monitoring/RAM), since April 2025 the new rating has also been introduced in the calculation of the fair value underlying the quantification of economic capital at the reference date.

The increasing availability and quality of the information collected through the ESG questionnaire will allow the Group to strengthen the strategies put in place in relation to the specific management of such risk factors, allowing the competent company functions to direct appropriate and targeted to proactively manage the impacts of these special components on its business model, processes and company policies adopted internally.

Banco BPM also assesses the potential impacts of climate change on its exposure to **market risks**. With reference to the specific risk of individual (corporate and financial) issuers of bonds and shares of the Group's proprietary portfolios, separately by trading book and banking book, the Parent Company conducts a Materiality Assessment of the exposure to ESG factors using certain indicators provided by a leading external info-provider.

The results of the analysis highlight that almost all of the exposure deriving from the financial instruments falling within the scope considered are only marginally impacted by climate and environmental risks.

Furthermore, in addition to the Materiality Assessment on ESG drivers, Banco BPM also conducts a transition risk impact estimate on the fair value of the (equity and bond) positions included in the trading portfolio. The analysis described is also extended, from a management point of view, to the banking books limited to the credit spread risk factor, as the latter represents the main risk factor of the portfolios in question. The methodology adopted by the Bank is mainly based on rationales and the evolution of macroeconomic variables conditioned by climate scenarios.

As part of the assessment of ESG factors applied to **liquidity risk**, in line with what was carried out for the other risks and in line with the materiality analyses conducted, the focus concerned the

risks linked to the climate and environmental component. The valuation drivers assume scenarios of withdrawal of sums deposited with the Group or of increased unexpected drawdowns of credit lines to cope with the consequences of the occurrence of acute and/or chronic physical events and the difficulties in bearing the burden of investments to continue the path towards Net-Zero 2050.

Potential climate change impacts are assessed by the Group with specific reference to three main transmission channels that represent the bank's operations in specific areas of analysis: credit lines, funding (funding mix) and securities portfolio.

The results of the analyses carried out show, on the whole, that the weighted average valuation of exposure to ESG drivers is "Medium" for climate factors and "Low" for environmental factors. The average materiality of climate transition drivers is significant especially for corporate counterparties operating in high-emission and energy-intensive sectors. On the other hand, the materiality of physical climate drivers is expected to grow steadily in the short-, medium- and long-term: the Italian territory is particularly exposed to hydrogeological phenomena and soil degradation, which especially exposes SMEs and farms.

Overall, the analysis shows Banco BPM Group's exposure to ESG factors to be insignificant, except in limited areas of specific operations for each driver analysed, thanks also to portfolios that are not very concentrated in the clusters with higher materiality.

In addition to the materiality assessment of ESG factors carried out by applying the framework described above, Banco BPM uses specific sensitivity analyses aimed at assessing the impacts on liquidity and funding profiles originated by acute and unforeseen physical events that actually occurred, with a specific focus on liquidity funding through demand deposits.

The potential impacts related to climate change are assessed by the Group also in terms of **operational risk** in relation to the consequences arising from adverse events related to the climate and the environment (floods, landslides, fires, droughts, weather phenomena, etc.) that could cause an increase in operational risks, with a focus, in addition to the effects on business continuity and on the damage to the real estate and artistic assets of the Group, also on the potential losses directly or indirectly caused by legal actions (i.e., for greenwashing linked to the sale of banking and financial products or to legal action and complaints by stakeholders due to environmental non-compliance of products issued or placed or for Bank exposures in controversial sectors).

In particular, the objective is to assess the potential exposure of the Group to operational ESG risk factors, both through the historic reporting of the events and through the forward-looking analyses carried out, including the results of in-depth analyses.

The application of risk self-assessment analytical scenarios allowed for an assessment of potential exposures related to physical risk and the associated conduct risk, the outcome of which showed limited impacts even in terms of unexpected losses. These impacts were considered in determining Pillar 2 risks in the periodic capital adequacy assessment exercises (ICAAP).

For both transmission channels, the Bank estimates unexpected loss scenarios in the Risk Self-Assessment process whose purpose is to intercept vulnerabilities of the Bank systems and processes, also returning a materiality in terms of potential economic loss.

The Group continuously implements further methodological developments, also in line with the relevant regulatory developments. In this context, for example, the refinement of the operational risk taxonomy is noteworthy, as it aims to include the categorisation of climate events, thereby further enhancing the granularity of operational risk databases.

ESG risk factors have also been integrated into the measurement models of the other types of **Pillar 2 Risk**.

With reference to **reputational risk**, Banco BPM has defined a methodology for quantifying estimates of economic capital in order to include therein the possible deterioration of the Group's image, perceived by its various stakeholders, as a result of the potential emergence of specific sustainability-related factors. The reputational risk assessment model includes the Corporate Social Responsibility area and the ESG area on which, thanks to the use of specific indicators, the Group's reputational positioning is monitored over time. In particular, the ESG area uses specific indicators of web sentiment (subdivided into "E", "S" and "G" for each area) in order to assess the news that matches the Group's image with these aspects online.

The "Environmental web sentiment" indicator evaluates news relating to the Group that is appropriately classified in this area through cataloguers developed with artificial intelligence techniques. In addition to an aggregate assessment, the score is opened evaluating the marginal contribution of the various climate and environmental risk factors to the overall measure of economic capital necessary to deal with this particular type of risk were assessed. In particular, four different risk sub-categories are considered (transition risk, physical risk, conduct risk and "other") in which the news is further classified. Finally, the news is associated, where possible, with the business cases contained in the ECB Climate Stress Test.

The three E-S-G indicators are then condensed into a single Key Risk Indicator/KRI that enters the model for calculating economic capital deriving from reputational risk.

Lastly, with a view to stress testing and sensitivity analysis, the scores of the web sentiment indicators of the two areas mentioned previously are appropriately stressed by considering pejorative scoring on the basis of the probability distributions assigned by the machine learning engines.

With a view to the continuous development and refinement of the model, Banco BPM has also introduced an indicator into the calculation model, again relating to the ESG area, whose score is processed by analysing, through a specific provider, the reputation of the main counterparties financed by the Group in ESG terms. In particular, the provider monitors for these counterparties the possible occurrence of risk incidents related to ESG issues, providing a very thorough analysis of the phenomenon and factoring all the information collected into risk indicators, which the Group receives as input and processes.

Banco BPM has also defined a framework for continuous monitoring and for the preventive mitigation of the reputational risk of counterparties with loans. This framework is based on analyses deriving from instruments of the commercial network, from credit policy processes, from activities of the Rating Desk on the credit rating of counterparties and, lastly, envisages second-level controls conducted by the risk control function, both for purposes of monitoring, and ex-ante.

The tools available in the commercial network make it possible to analyse companies by collecting a wide range of information, including elements useful for identifying potential reputational risk factors.

The activities carried out by the Rating Desk envisage the option to override the credit rating of counterparties, in a negative sense, in the presence of potential reputational risks of an ESG nature. These risks are identified by reviewing the news of the main newspapers as well as the information acquired from the analysis through the acquisition of information from the Notes to the Financial Statements, the Report on Operations and, above all, the Independent Auditors'

Report. If these events are considered material, an override/attribution is performed with the appropriate ESG motive.

In order to carry out these assessments, the structure also makes use of the information provided by the manager, the decision maker or of the indications available in the ESG questionnaire. Its intervention may, in the most serious cases, lead the counterparty to be included on the watchlist.

Lastly, the Risk Function manages the analysis of the reputational risk of counterparties, both as part of ex-ante assessments, and in periodic monitoring with reference to the second level controls.

With regard to **strategic risk**, the Group completed in the month of December 2024 a review of the main methodological assumptions to further strengthen assessments of short-term commercial objectives with the Business Plan targets, more oriented to a medium- and long-term horizon, at the same time strengthening the strategic controls relating to the impacts of ESG factors and the overall evolution of digitalisation processes.

In particular, to calculate the economic capital measure related to this risk, the quantitative KPIs underlying the pillars of the Group Strategic Plan are considered in order to provide the contribution of ESG issues to the overall measure of economic capital, as well as to carry out what-if and sensitivity assessments to assess changes in terms of capital absorption.

In addition, at the end of 2024 Banco BPM refined the **property risk** model by including the physical risk and transition risk components in the estimation methodologies. In particular, in the economic capital assessments aimed at assessing the Group's capital adequacy, the impacts of the potential occurrence of physical risk were considered on the basis of the scenarios associated with Flood Risk in the ECB Climate Stress Test 2022 and the scenarios published by NGFS.

At the end of 2025, the methodology was further revised and refined. In particular, various risk scores are considered in the quantification of economic capital, and no longer just the flood risk, by means of a synthetic figure that, for each property, estimates the percentage of damage from physical risks to which it could be exposed. Using these estimates, the historical series of prices underlying the geographical clusters in which the properties owned by the Group are located are projected on a three-year basis in order to assess the increase in the relative volatility that then impacts, for the same real estate portfolio, the measurement of economic capital.

The aforementioned scenarios derived from the ECB Climate Stress Test 2022 and NGFS (in particular considering the variable associated with real estate prices under the Net-Zero 2050 and Current Policies scenarios) are factored through specific sensitivity analyses, by direct application to the book value of the properties in the portfolio. Finally, as a current and prospective materiality analysis, the entire portfolio was mapped and traced back to different physical risk clusters provided by an external provider, in order to have an understanding of the Group's exposure in terms of the balance sheet value of the properties.

In addition, with regard to **equity risk**, with reference to economic capital measures, similar assessments were carried out by the Group in order to include the impact of the climate component, again with respect to the scenarios mentioned above, taking advantage of the overlaps with the credit, banking and trading book input perimeter of the portfolio model. The underlying logic is the determination of an impairment loss (fair value) of the assets in the event of the occurrence of the above-mentioned risks. Specifically, climate risk assessment methods, scenarios and transmission channels are borrowed from the above for credit risk.

m) Activities, commitments and exposures contributing to mitigate environmental risks

Banco BPM has been progressively integrating environmental and climate risks into lending policies and risk management frameworks aiming to ensure more favourable access to capital for companies investing in green activities or wishing to undertake a transition process and, conversely, adopting exclusion policies and a selective approach towards sectors with high environmental risk.

With regard to credit policies, the assessment of ESG factors has become increasingly important in the credit granting and monitoring process; the credit policy framework, in particular, has been enriched with specific components, such as: transition risk, physical risk and the ESG questionnaire. For more information, please refer to point (a) of this section.

In this context, with the 2024-2027 Strategic Plan, Banco BPM has planned a target of new medium/long-term Low-Carbon loans⁵⁶ of at least 7 billion euro for 2027.

Ordinary loans granted to specific sectors classified as "green" or with low exposure to climate-related risk factors as well as green lending products are included in the scope. For more information on the offer of "green" loan products of Banco BPM, please refer to point (a) of this section.

The focus on ESG factors is also integrated into the management of the Bank's proprietary portfolio. This focus was formalised by a policy on the investments of the proprietary portfolio ("Guidelines for the integration of sustainability factors in the investment strategies of the proprietary portfolio") described in (a) of this section.

These criteria make specific reference to the most emissive sectors. In fact, a core part of this vision is joining the NZBA, which commits the bank to aligning our credit and investment portfolio to achieving net zero emissions by 2050.

To this end, in August 2024 Banco BPM published the decarbonisation targets to 2030 for the 5 most emissive sectors present in its Loans and Securities portfolios and in May 2025, the Transition Plans were published, which outline the short-term actions already in place and any medium/long-term actions to be implemented to achieve targets.

The Group's strategic objectives are then also translated into the monitoring of the overall Risk Management Framework with particular reference to the RAF. For more information on integration of ESG into the RAF, please refer to point (q) of this section.

n) Implementation of tools for identification, measurement and management of environmental risks

In recent years, the progressive integration of climate and environmental factors into forward-looking capital and liquidity analyses has led to the adoption of forward-looking scenarios, based on the assumptions adopted by the Network for Greening the Financial System initiative⁵⁷ (hereinafter also referred to as "NGFS"), assessing the impacts of transitional and physical risks on the competitive environment and on customers' creditworthiness.

The scenarios produced by NGFS consider different trajectories of climate policy (Orderly, Disorderly, Hot House World, then separated into seven alternative scenarios in Phase V), with differentiated effects in the short-, medium- and long-term.

Analyses have shown that early and stringent climate policies entail higher initial costs but reduce physical risks in the long run, while late or no approaches amplify vulnerabilities and future costs of the transition to a carbon-neutral economic system. These assessments formed the basis for the

⁵⁶ New loans to households, companies and businesses with a maturity of more than 18 months

⁵⁷ NGFS is a global initiative involving central banks and supervisory authorities, established with the aim of managing climate change-related financial risks and promoting sustainable finance

evolution of risk management processes and the strategic orientation towards greater resilience and sustainability.

To make the integration of ESG factors into business processes more effective, after having set up a dedicated function, in 2025 Banco BPM developed processes that, through tools such as the Business Environmental Scan (hereinafter, also "BES") and materiality analysis, allow strategic guidelines to be transformed into concrete planning, risk management and credit monitoring actions considering the different climate scenarios available.

In this sense, it should be noted that starting from June 2025, the Materiality Assessment exercises (described in point (I) in this section) were conducted in line with the scenarios identified as part of the BES process. The scenarios identified for the risk factors analysed by the Materiality Assessment are:

- Transition risk (mitigation): The **"Net-Zero 2050" +1.5° by 2100** consistent with the commitments made in the EU Green Deal and still in place, used to calculate the climate transition (mitigation) score that considers a peak of investments/costs for energy efficiency by 2035 and a constant increase in the Carbon Price until 2050.
- Physical risk (adaptation): The **"Current Policies" +3.0° by 2100**, which considers only climate laws already enacted at global level, and is used for the assessment of the physical climate score (adaptation) to various prospective horizons, in particular by 2030, which represents the most representative horizon with respect to the average maturity of Banco BPM's portfolios and most significant for the planning horizon. Global commitments are not in line with a 2050 net-zero scenario (China has committed by 2060, India has committed by 2070, the US has not indicated a target year) with a consequent increase also for Italy of physical hazards (catastrophic events induced by the increase in global temperatures), connected in particular to extreme rainfall variability phenomena, with impacts on acute hydrogeological (drought, heat waves and fires) and chronic (soil quality deterioration, sea level rise and coastal erosion) events that impact the operational continuity of businesses and households.

In general, the BES provides an integrated view of the main drivers that influence the economic sectors in which the Group operates, combining two complementary approaches:

- qualitative analysis, assessing the evolution of five key areas: macroeconomic environment, legislation and regulation, technological trends, socio-demographic trends and competitive dynamics (economic and banking). For each sector, these factors are interpreted in terms of threats or opportunities, with a rating scale to summarise the prospective positioning.
- quantitative analysis, based on scores assigned to physical risks (exposure to acute and chronic climate events), transition risks (economic impacts related to decarbonisation) and environmental risks (natural resource use, biodiversity, pollution and circular economy). The scores are compiled at an Italian level and on the Banco BPM portfolio, with openings by sector, company size and geographical area.

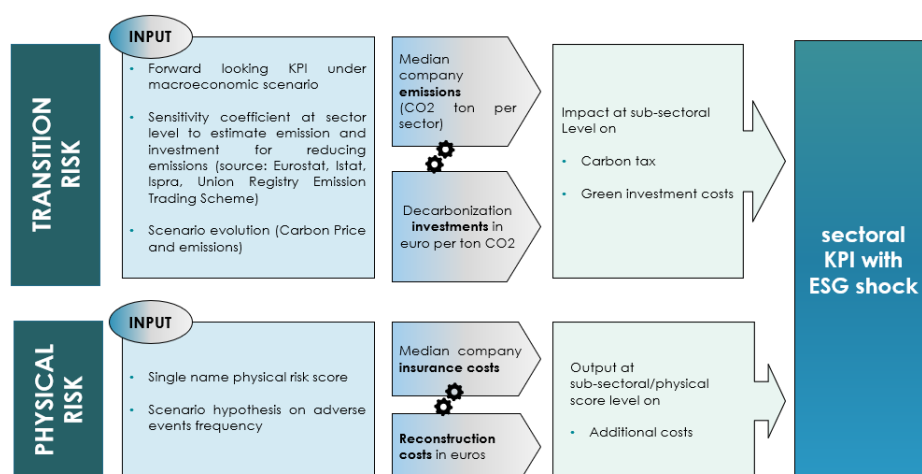
The BES analysis is updated at least annually and is structured into homogeneous clusters by sector, size and geographic location, also including a focus on the Residential Real Estate sector to assess the energy efficiency of real estate securing loans.

BES results represent a strategic input for various business processes:

- ESG materiality analysis, to define the Key Sustainability Indicators (also “KSIs”), consistent with the operating context;
- sectoral credit policies, in order to direct investments and initiatives towards sectors and customers with greater prospective sustainability;
- strategic planning, providing guidance for integrating environmental and climate factors into industrial plans and prospective financial resilience assessments.

Through the BES, Banco BPM strengthens its ability to anticipate changes and integrate ESG factors into business decisions, contributing to the creation of long-term sustainable value.

With particular reference to credit risk, the impact of climate shocks on the probability of default (PD) is measured on the basis of NGFS scenarios, applying the financial module of the internal rating models to the individual balance sheets of corporate customers, projected as a function of the main indicators of climate policy. The impact on PDs of sectoral financial indicators is altered as a function of the additional costs that companies have to bear for the interventions needed to manage physical and transition risks. In particular, we consider the impacts of a possible carbon tax, introduced to disincentivise greenhouse gas emissions, as well as the costs of increased debt incurred by companies to meet investments to decarbonise production processes. In the long-term projections, the increase in insurance costs to cope with the impacts of physical risk is also captured.



The methodology underlying the scenario analysis is based on the use of satellite models, as detailed later.

The variations in financial factors adjusted for climate drivers observed in the projected financial statements considering the scenarios described were aggregated at the sector level and across macro-clusters to determine the prospective PD through the aforementioned financial module.

At the aggregate level, out of the total loan portfolio, it should be noted that:

- in the short- and medium-term, the two scenarios analysed lead to an increase in PDs, which is much more pronounced in the Net-Zero 2050 scenario due to the immediate introduction of GHG emission reduction measures, with an increase in transition costs and investments. In the Current Policies scenario, on the other hand, a much smaller increase is observed, as it is assumed that no specific emission reduction policies are implemented in the early years of the projection;

- in the long run, an opposite trend is observed: the highest PD values are reached in the Current Policies scenario due to the significant costs required to cope with the increase in adverse weather events, as a consequence of not having reduced emissions in an orderly and significant manner.

The analysis then shows the impact of the different scenarios on the creditworthiness of the Group's customers, delving into the effect of both transition risk and physical risk.

In conclusion, distinguishing the impacts on PD in the short-, medium- (2030), and long-term (2050), it is observed that in the short-term, the Net-Zero 2050 scenario is the most conservative and, therefore, the most suitable to be used in projection exercises characterised by a short-/medium-term horizon impact.

For details on the identification, measurement and monitoring processes, please refer to point (I) of this section.

o) Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile

The management and mitigation of climate and environmental risk factors (C&E) represents an essential preliminary phase for the assessment of the Group's capital and liquidity adequacy, both from a current and forward-looking perspective. These assessments are incorporated into the ICAAP (Internal Capital Adequacy Assessment Process) and ILAAP (Internal Liquidity Adequacy Assessment Process), which constitute the backbone of the risk management framework.

As part of the 2026 ICAAP exercise, in line with 2025, the Banco BPM Group conducted a forward-looking analysis of the impacts of the main drivers of climate risk on credit risk. In particular, both satellite models were applied to the ICAAP exercise with a reference date of 31 December 2025, using the "Orderly" NGFS (Net-Zero 2050) scenario, integrated with the application of the property value model which impacts the price indices of the property used as collateral.

From an ICAAP perspective, the methodology developed for credit risk was also extended to the calculation of economic capital for the equity portfolio, and the banking and trading books. The impact of the climate shock on the first prospective year, measured on the entire loan portfolio, including the equity, banking and trading components, was quantified as an increase of +3% of the total economic capital for the ICAAP 2025 financial year. Lastly, it should be noted that the risk factors linked to the Climate component are integrated within the ILAAP framework through materiality and sensitivity analyses.

The 2025 ILAAP framework contains a description of the methodological approach adopted in the Materiality Assessment of climate and environmental risks on the main aggregates: investment portfolio, funding mix and credit lines, on a half-yearly basis. The materiality analysis is based on the exposure of the main aggregates assessed on the basis of specific synthetic scores.

	Potential Impact	Risk Type
Securities portfolio	- Decrease in the value of liquidity reserves as a result of difficulties in sustaining the transition path and/or due to acute physical events impacting the issuer and the value of related assets. - Decrease in the value of High Quality Liquid Assets (HQLA) resulting in increased financial risk.	ESG
		Transition
Funding mix	- Withdrawal of sums deposited with the Group to cope with the consequences of the manifestation of acute and/or chronic physical events, and difficulties in bearing the burden of investments to continue the transition to net-zero.	Physical (Chronic/Acute)
		Transition
Lines of Credit	- Increased unexpected drawdowns of credit lines due to physical events, acute and/or chronic, and to bear the costs/make the investments to adapt to the transition to net-zero	Physical (Chronic/Acute)
		Transition

In particular, with reference to physical risks, the internally developed score was used, which summarises the exposure of the province of residence to acute physical events (landslides, fires, floods, etc.). For transition risk, the exposure to these risk factors of the individual production sectors (ATECO) was assessed, while for the investment portfolio an additional score was also used (primary international data provider source) that measures exposure to ESG risks of the economic value of the instrument issuer in the portfolio.

In addition, again within the ILAAP framework, an analysis was carried out on the impact on liquidity risk based on the occurrence of acute physical climate events in Italy from 2017 to 2024.

In particular, the assessment made it possible to identify and quantify the impact on expected liquidity run-offs upon the occurrence of the extreme event. This analysis concerned a limited cluster of customers present in the branches of Banco BPM located in geographical areas affected by extreme weather events. As a result of the assessment activities, a slightly higher incidence of expected run-offs in the geographical areas affected by the climate event was noted, compared to the average of the national areas not affected by the events.

p) Data availability, quality and accuracy, and efforts to improve these aspects

To allow proactive governance of ESG risk factors, it is necessary to have a suitable IT infrastructure in place to ensure that the Group can collect, log and process all detailed information/data useful for developing and guaranteeing adequate and effective internal assessment and reporting.

The importance of ESG factors, in fact, is the subject of increasing attention by national/international institutions and, within the banking sector, there is a growing awareness of the need to integrate these analysis dimensions into strategies, processes and Market disclosures.

In particular, data availability represents one of the main commitments of Banco BPM in order to expand the data base and to effectively measure and assess the exposure of their portfolios to ESG risk drivers.

These data include:

- quantitative metrics (such as customer carbon emissions);
- qualitative information on their organisational structure and activities (i.e. the presence of teams focused on ESG risks and policies in place, plans to eliminate net greenhouse gas emissions, procurement practices);
- broader macroeconomic, social and environmental data (e.g. shared social-economic scenarios).

As part of this, the IT function has equipped the Bank with a centralised repository (ESG Data Warehouse or ESG DWH) with the aim of collecting, processing and storing the ESG information needs, thus enriching the existing databases. Specifically, data are collected from sources both inside and outside the Group.

Data from internal sources are mainly acquired through:

- ESG questionnaires, submitted to the Bank's borrower customers to gather all the information useful for assessing the ESG objectives of the individual counterparties and, at the same time, enhancing the impact metrics relating to loans to the Third Sector; for further details on the development of the ESG questionnaire structure, please refer to the paragraph "Credit policies" in point (a) of the section on environmental risks.
- FFS (Financial Forecast Studio) platform for simulating forward-looking financial statements in order to include ESG assessments, generate stressed scenarios (including climate) and carry out sustainability-oriented evaluations.

The data from external sources are mostly obtained through suitable and qualified external info-providers in order to:

- gather information necessary for carrying out appropriate detailed analyses;
- have forward-looking climate scenarios to define and implement robust stress tests also aimed at projecting physical and transition risk scores over different time horizons.

During 2025, the IT function focused on utilising ESG data within banking processes by industrialising models/engines to support the calculation of ESG metrics, for both reporting purposes (internal/external) and to enhance the bank's core business.

In particular, as part of the climate and environmental risk scoring, the implementations of the Data Warehouse (DWH) focused on the following activities:

- integration of future physical risks (conditional scores for physical climate scenarios RCP 4.5 and RCP 8.5, with a time horizon from actual to 2050 and 5-year steps);
- standardisation of physical risks under the same physical climate scenario RCP 4.5 2030;
- integration of the physical and transition risk assessment for foreign companies;
- activities aimed at enriching new social and governance summary indicators of customer companies and the underlying risks under development with an external data provider;
- definition of an ad hoc method for calculating transition risk for companies belonging to the "Operating and financial holdings not preparing consolidated statements" cluster;
- rationalisation and extension of the information dataset provided (e.g. extension of the Property Impairment Information to the RCP 4.5 climate scenarios by 2030, 2050 and actual).

The database is updated half-yearly with logging in the DWH. In addition, to ensure constant updating of risk data, an online exchange channel was opened to acquire score data on new counterparties in real time, on property used as collateral for loans and on property initiatives.

In addition, project threads have been launched to improve the acquisition in DWH of the alignment data with the EU Taxonomy and the value of emissions fed into the ESG platform and acquired by the info-providers.

Furthermore, the interventions also regarded the revision of the ESG questionnaires with the following developments made with a view to:

- improving the assessment of counterparties operating in the social economy for Third Sector customers;
- reviewing the model for determining the weights assigned to individual questions, with the consequent recalculation of the score for credit policy purposes, refining the management of ESG questionnaires on the consolidated ATECO code, extending and differentiating the questionnaires for Small Businesses/Sole Proprietorships in order to issue a new structure of ESG Questionnaires for business customers;
- in response to the OSI Climate findings, adjusting the QESG questionnaires by introducing new information data to support the management of corporate certification, the traceability of the manager's interventions and the assessment of acute physical risk.

As part of the KSI Low Carbon indicators calculation, preparatory to the determination of loans with "green" characteristics, in 2025 the DWH procedure was subject to evolutionary methodological adjustments, in particular through:

- the update of the logic for calculating indicators and classifying loans following regulatory, product and business developments;

- the optimisation of reporting logic, controls and output monitoring mechanisms;
- the rationalisation of data sources and the consolidation of input information assets.

Following the entry into force of the Corporate Sustainability Reporting Directive (CSRD), in 2025 the Group prepared the first Sustainability Reporting for 2024. The reporting exercise involved the DWH ESG as contributor of the information regarding, among other things, the calculation of the Green Asset Ratio (GAR) and the Financed Emissions (calculated according to the PCAF - Partnership for Carbon Accounting Financials methodology) of the counterparties in the portfolio. With regard to the latter, the ESG DWH also contributed to the preparation of the ESG Pillar 3 as at 30 June 2025.

For the preparation of Sustainability Reporting for 2025, the main developments concern:

- the integration, in the GAR calculation, of the taxonomic KPIs related to the four new climate objectives (Sustainable Management of Water and Marine Resources; Transition to a Circular Economy; Pollution Prevention and Control; Protection of Biodiversity and Ecosystems);
- the refinement of the Financed Emissions calculation logic to stabilise the expected value of the intermediate parameters, including the absolute GHG emissions weighting coefficient.

In addition, in 2025, work began to introduce a new procedure in ESG DWH: E2E management of the ESG Bond Framework, with developments already completed on the Automatic Asset Classification phase within the ESG Funding portfolio.

In this specific regulatory innovation context, the Group's IT function is proactively collaborating, on an ongoing basis, with the various business functions to identify gaps in the data and in the reporting tools in order to adapt and develop the overall infrastructure. The information processed is therefore necessarily subject to potential IT adjustments, also in relation to the methodological refinements gradually introduced.

Like the IT architecture, the definition of an adequate Data Governance framework for ESG issues is an enabling factor in having reliable and correctly rebuildable information.

During 2025, activities continued to extend the Data Governance Framework in order to guarantee the registration, tracking and quality of relevant data within the relevant ESG domains.

In particular, the main areas covered concern the following areas:

- Physical and transition risk metrics
- Pillar 3 ESG Template
- ESG questionnaire
- Input data for energy management for CSRD purposes

In line with the Framework, in the Data Management context, the following key activities were carried out:

- Verification of data management processes and identification of relevant "golden sources";
- Identification, collection and processing of the relevant concepts, the formulas applied including any manual actions carried out, the controls carried out by the data owners involved, the data lineage;

The activities carried out strengthen the reliability and consistency of the data used for the climate and environmental risks assessment, supporting compliance with constantly evolving supervisory requirements.

In the Data Quality area, the extension of the framework with a view to strengthening the monitoring of data quality concerned:

- the scope of the ESG financial platform, with further strengthening of quality checks, through the activation of stability controls and Level I and II application consistency on the platform input data;
- the scope of ESG DWH - physical and transition risk with the activation of controls on Public Administration counterparties and other counterparties⁵⁸ and on water stress risk and circular economy risk scores. In addition, a new set of controls was defined, in the implementation phase, concerning data consistency and completeness relating to physical risk (for Foreign Companies), forward-looking risk and ESG indicators;
- the scope of Pillar 3 ESG, on which a set of controls has been activated that verify the consistency and stability of the data present in the GAR (Green Asset Ratio) tables, and the stability of the data on the other templates;
- the ESG Questionnaire area on which a new control on the valuations of the weighting percentages assigned to the responses to the questionnaire was activated.

Lastly, it is worth mentioning activities aimed at strengthening the Data Governance standards relating to the RAF Indicators connected to the Strategic Plan targets new "medium/long-term Low-Carbon loans" and "Green, Social & Sustainability bond issues". Specifically:

- in the Data Management area, through the collection and processing of the relevant concepts, the formulas applied including any manual actions carried out, the controls carried out by the data owners involved, the data lineage;
- in the area of Data Quality, through the activation of First Level, Second Instance Controls to monitor the quality of the relevant data with the support of the data owners.

In addition, it should be noted that second-level verification activities in the context of data quality controls continued (in line with the Data Governance framework and with the evolutionary projects). This assessment process is carried out independently by the Risk Control - Data Quality & Aggregation (CRO area) Function, envisaging both the assessment of the adequacy of first level controls and the execution of specific controls to identify any aspects for improvement, with regard to the various ESG areas. The controls concerned both data managed within the ESG DWH, and data present in other information sources.

Specifically, the following activities were carried out in the second half of 2025:

- with the most recent execution performed on the September data:
 - Data Governance framework second-level assessment relating to the strategic indicators that measure Banco BPM's ambition in the Strategic Plan and in compliance with the Net Zero targets (including all the managerial indicators that compose them); specific analysis of the new "medium/long-term Low-Carbon loans" RAF managerial indicator, with a view to assessing the adequacy of the disbursements included in the indicator (for which the relative independent reperforming was also carried out) and the calculation procedure

⁵⁸ Reference is made to counterparties with legal status not registered with the centralised "Economic-Administrative Information Register" held by the Chamber of Commerce

- correspondence with respect to the requirements stated in the methodological manual;
- checks on ESG questionnaires, aimed at assessing the quality of the information underlying the responses to Environmental and General questions, as well as the consistency of these responses with the data extracted from sustainability reporting (Sustainability Reports or Non-Financial Statements) and acquired through a leading Italian consultant and data provider;
- with the most recent execution performed on the June data:
 - controls aimed at verifying the correctness of the input data to template 7 of Pillar 3 ESG GAR⁵⁹;
 - controls on data referred to physical and transition risks, which focus on aspects not covered by the first level such as, for example, the reperforming of proxies;
- with reference to the 2025 data:
 - annual verification of the quality of the data used in the automatic classification process of Green and Social loans relating to the GSS Bonds Framework. At the same time, the monitoring of the findings addressed following the verification activities carried out in 2024, regarding lack of documentation and correction of data anomalies, continued;
 - targeted verification of the ESG Financial Platform data perimeter, specifically on the data used by the structures of Banca Aletti and of the Parent Company to integrate ESG factors into the classification of financial products distributed to customers;
 - recognition of the data (and related sources) that contribute to the calculation of the quantitative information reported in the Materiality Assessment and Business Environmental Scan reports, with a focus on data quality controls active on all information provided by external providers.

The audits conducted on the areas indicated above made it possible to identify aspects for improvement, which were addressed to the respective Data Owners, in some cases (such as that of the ESG Financial Platform) also through specific findings.

q) Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits

For a description of the Risk Appetite Framework process, please refer to the OVA table in this document.

The following table illustrates the indicators relating to the "ESG Specific" risk area, defined in the 2025 RAF in line with the objectives defined in the 2024-2027 Strategic Plan.

2025 RAF - ESG Specific

RAF level	Indicator	Objective ⁶⁰
STRATEGIC	Synthetic ESG Indicator	To summarise the ESG profile and ambition of Banco BPM (excluding NZBA), consisting of 5 sustainability indicators (KSI) envisaged by the 2024-2027 Strategic Plan, included among the operational indicators of the 2025 RAF,

⁵⁹ It should be noted that, in light of recent regulatory changes (EBA's suspension of GAR template publication from 30 June 2025 to 31 December 2026) the execution of 2nd level controls on the Pillar 3 ESG GAR template cells are currently suspended, in line with what was done by Data Governance and in agreement with the data owner

⁶⁰ Where not specified, the scope refers to the highest level of consolidation

RAF level	Indicator	Objective ⁶⁰
		including all the main objectives in the Environment, Social and Governance dimensions (ESG)
	Synthetic NZBA Indicator	To summarise Banco BPM's commitment over a medium/long-term horizon (2030), in accordance with that communicated to the market, in order to support the decarbonisation of the production processes of the Corporate counterparties present in the loans and securities portfolios of the Banking Book ("carbon footprint")
MANAGEMENT	GSS Bond (MM) issues	To monitor the amount of Green and Social Bond funding instruments issued by the Bank, finalised in the year
	ESG Bond – % of Share of Corporate Banking Book	To monitor the proportion of investments in ESG-oriented Corporate and Financial bonds held in the proprietary portfolio, compared to the total nominal value of the non-government bond (Corporate and Financial) portfolio within the scope of the proprietary Banking Book
	New medium/long-term Low-Carbon disbursements (MM)	To monitor the total amount of new medium/long-term loans (maturity > 18 months) disbursed to finance projects and operations characterised by a positive contribution to climate transition or a low impact in terms of CO2 emissions
	New loans to the Third Sector (MM)	To monitor the amount of new medium/long-term "Social" loans (maturity > 12 months) disbursed to counterparties operating in non-profit activities, identified on the basis of the relevant business segmentation
	Gender equality in managerial roles (%)	To monitor the number of women with responsibilities out of the total number of Managers, in order to monitor the progressive achievement of the Strategic Plan objectives
	NZBA – Automotive, Cement, Oil & Gas, Power Generation (31/12/2030 =100)	To monitor Banco BPM's medium/long-term commitment, in accordance with that communicated to the market, in order to support the decarbonisation of the production processes of the Corporate counterparties present in the loans and securities portfolios of the Banking Book ("carbon footprint") relating to the NZBA Automotive, Cement, Oil & Gas and Power Generation sectors
EARLY WARNING	Employee training on ESG issues (thousands of hours)	To monitor the hours of ESG training received during the year by Group staff, in order to monitor the progressive achievement of the Strategic Plan objectives
	ESG Factory company training (hours)	To monitor the training hours dedicated to creating ESG awareness for corporate customers to accompany their sustainable transition
	Banco BPM Scope 1 & 2 Market-based emissions (tCO2e)	To monitor all forms of energy consumption and climate-altering gases at Group level in terms of CO2 equivalent emissions

RAF level	Indicator	Objective ⁶⁰
	Banco BPM contributions to social and environmental projects (MM)	To monitor the implementation of economic support initiatives that benefit local communities, aimed at creating positive and lasting value for the Group, as well as supporting the progress and well-being of the territories in which the Group operates

r) Description of the link (transmission channels) between environmental risks and credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework

With regard to the impact that ESG risks can have on financial risks, starting from the EBA categorisation, the main transmission channels and types of financial risk (Credit, Market and Liquidity) that could be impacted have been identified.

In particular, physical and transition risks represent two distinct components of climate risk, each one characterised by its own risk drivers and by specific causal chains for transmission to financial risk factors.

Specifically, a mapping of the events that could occur due to climate and environmental risks was carried out, with consequent integration into the risk management system and identification of the financial risks potentially impacted.

In relation to the aforementioned types of risk, two types of transmission channels have been identified:

- 1) macroeconomic;
- 2) microeconomic.

With regard to the macroeconomic channel, both physical and transitional climate risk factors have an impact on the overall economy and on individual countries, as well as on the various economic variables. The microeconomic channel, on the other hand, can transfer climate and environmental risk factors to the financial risks of banks mainly through counterparties or financial assets.

The diagram summarises the economic variables that are most affected by climate risks through the two transmission channels.

RISK DRIVERS	SECTOR	TRANSMISSION CHANNELS AND POTENTIAL FINANCIAL IMPACT	RISK TYPES
TRANSITION RISK	Macroeconomic	• Change in energy mix and prices under different scenarios and consequent impact on companies • Change in prices and therefore possible introduction of carbon tax under different scenarios with consequent reversal of the effect on companies' balance sheets • Government interventions aimed at taxing emissions or incentivizing the development of "green" technologies • Fluctuation in commodity prices • Increased expenses and costs to be incurred by both companies and households • Fluctuation in interest rates with consequent impact on government bond prices	Credit Risk Market Risk
	Microeconomic	• Impact under different transition scenarios of the level of profitability and indebtedness of companies • Higher costs for households and companies due to increased energy costs and thus reduction in their ability to meet their economic commitments • Effects of social, technological and policy changes affecting the economy's growth rate, risk aversion and overall profitability	Liquidity Risk
PHYSICAL RISK	Macroeconomic	• Generalized cost increase	Credit Risk
	Microeconomic	• Decreased business profitability due to adverse weather conditions • Increased costs due to damage to facilities, plants, and property • Increased costs of adapting to climate change including insurance costs to cover catastrophic events • Effects of damage to the physical capital of companies or individuals, or to the ecosystem as a whole. In turn, these events generate business disruptions, shocks in consumption, increases in uncertainty and, therefore, risk aversion, and reductions in productivity • Decreased profitability of firms that is realized through increased costs to be incurred as a result of adverse climate events or the need to adapt to the climate transition • Increased costs for households resulting in a decrease in wealth, due to increased energy costs or coping with extreme weather events • Decrease in the value of property collateral put up by counterparties (both firms and households/privates) on loans received.	Market Risk Liquidity Risk

Through the aforementioned transmission channels, there may be impacts on credit, market (in its interest rate, credit spread, equity and forex risk components), and liquidity and funding risk profiles.

Lastly, the transmission channels of climate factors (in particular those linked to physical risk events) to operational risk are represented by the same tangible assets owned or used by the Group (branches, service centres but also the same artistic heritage), which may be directly affected by acute or chronic natural disasters (e.g. floods, landslides, rise in sea levels, etc.). Directly or indirectly affecting the Group's production sites, these same events can lead to interruptions in business continuity and system failure.

Table 2 - Qualitative information on Social risk
in accordance with Article 449a CRR

Business strategy and processes

a) Adjustment of the institution's business strategy to integrate social factors and risks, taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning

The Group's ESG vision is defined in the 2023-2026 Strategic Plan approved by the Board of Directors of Banco BPM in December 2023 and was reconfirmed on 12 February 2025 with the approval and presentation to the Market of the 2024-2027 Strategic Plan, which extended targets to 2027.

Expanding the Group's strategic ambition to all sustainability areas, the Plan is based on solid pillars to support customers and the community, aiming for sustainable growth in governance and business models, as well as the creation of value for all stakeholders. For more information on the "social" objectives of the Plan, please refer to the section dedicated to social risks in (b).

With specific reference to issues relating to social risks, the Group pays great attention to listening to the various stakeholders, not only when defining its strategic decisions, but also in the daily performance of its operating activities. In this perspective, internal regulations, specifically the Code of Ethics, define the principles and values that the Group aspires to when conducting its business in compliance with the law, guaranteeing the protection of occupational health and safety and combating any form of social discrimination⁶¹.

The "Guidelines on respect and protection of human rights" adopted by the Group, attach particular importance to respect for human dignity, equality, inclusiveness and valuing diversity, combating all forms of discrimination and harassment, as well as protecting personal data.

With specific reference to operations in the defence sector and in particular with respect to counterparties operating in the weapons materials and systems sector, the Group has defined specific guidelines - "Guidelines regarding operations in the weapons materials and systems industry" - envisaging an enhanced authorisation procedure with a view to sustainability, in order to assess the potential ESG impacts of the individual transactions subject to approval. The Board of Directors is responsible for authorising transactions to grant credit, subject to the non-binding opinion of the ESG Committee⁶² and for defining the list of countries - in particular non-NATO and non-EU countries - with which it is possible to operate. It should also be noted that in 2025 Banco BPM updated the "*Guidelines regarding operations in the weapon materials and systems industry*", regulating the methods for identifying companies that carry out production or sale of anti-personnel mines, ammunition and cluster submunitions, directly or through subsidiaries or associates. It was already forbidden to carry out any type of banking, insurance or financing activity for these companies.

As already noted in the previous section referring to environmental risks, Banco BPM is aware of the central role attributed to financial intermediaries in guiding the transition of customer companies, is actively committed to progressively integrating ESG factors into its credit policies.

⁶¹ Respecting and valuing differences in terms of gender, age, ethnicity, nationality, religion, language, different abilities, sexual orientation and identity, political and trade union membership

⁶² The ESG Committee has the right to authorise transactions that do not envisage the use of any credit lines, referring to names of foreign countries authorised by the Board of Directors, pursuant to Italian Law no. 185 of 1990

In particular, as illustrated in point (a) of the section on environmental risks, within the overall framework of credit policies, the use of the ESG questionnaire is of great importance as a tool useful for assessing customers. In fact, through this tool, the Group is able to collect and analyse important data and information necessary for the correct and accurate profiling of financed counterparties and also in relation to their responsibility/reputation in the social and governance spheres.

The ESG Questionnaire includes some “fatal” questions, designed to identify the presence of any disputes or pending litigation relating to the individual counterparties analysed.

The “fatal” question included in the **Social** section focuses on issues related to employee health and safety, respect for human rights, and the adequacy of protection measures for company data and information systems.

These questions are qualified as “fatal” because, if elements attributable to these cases emerge, the outcome of the ESG Questionnaire, and consequently its function to mitigate the transition risk, is automatically invalidated.

With regard to specific financing solutions, Banco BPM is able to offer a wide range of products and services aimed at meeting the different needs of customers, including the “Unsecured Sustainable Business Loan”, which allows corporate customers to access resources without restrictions on the allocation of funds, rewarding companies that tangibly improve their performance in the ESG area (KSI) through the reduction of the interest rate applied. By way of example, the Key Sustainability Indicators (KSIs) relating to Social issues are:

- Share of new hires under 36;
- Increase in investments directed to affected communities

In order to guarantee widespread cost-effective development and combat potential situations of difficulty, the Group offers adequate social tools and facilities, with a view to permitting its customers access to credit and to have suitable financial resources that can support specific projects and/or overcome difficult situations.

With regard to young people, the following initiatives are of note:

- “Mutuo You Giovani Green” [Green Mortgage Loan for Young People] for those under 36 for the purchase of their first home. This product offers the opportunity to obtain up to 100% of the property value, thanks to the First Home Guarantee Fund and offers specific conditions;
- “Finanziamento a giovani studenti con Garanzia CONSAP” [Loan to young students with CONSAP Guarantee] which allows deserving young people, who do not have sufficient financial resources, to undertake a course of study or to complete their training thanks to the guarantee of the Young people credit fund.

With the aim of properly assess the instrument, starting from December 2025, Banco BPM entered into an agreement with the Department for youth policies and the Universal Civil Service that makes the Student Loan visible through the IO App, at conditions dedicated to all holders of the Carta Giovani Nazionale [National Youth Card].

In support of women and equal opportunities, Banco BPM has also joined the protocol that the Italian Banking Association (ABI) and the sectoral Trade Unions signed in 2019.

Under this protocol, the Bank agrees to suspend payment of the principal of mortgages and loans, with corresponding extension of the repayment plan for a maximum period of 18 months,

for women who are victims of violence and included in protection programmes, and who are in situations of economic difficulty. In November 2025, this protocol was extended to November 2027.

Over the last year, the Group has also confirmed its commitment to supporting families and businesses damaged by natural disasters by suspending the payment of mortgage and loan instalments.

In addition, Banco BPM has collaborated for several years with the main anti-usury foundations, established for the purpose of combating this specific criminal phenomenon and acting on behalf of parties in economic difficulty, with assistance and provision of guarantees with banks.

These foundations guarantee usury victims coverage of up to 100% of the amount of loans granted. The specific disbursements are intended to counteract the possible use of illegal credit channels by parties in difficulty.

It should also be noted that Banco BPM has signed an agreement with Cassa del Microcredito, whose objective is to put our customers in touch with a Microcredit Operator that can directly disburse funds under the relevant regulations.

With regard to the **proprietary portfolio**, Banco BPM has developed specific guidelines ("Guidelines for the integration of sustainability factors in the investment strategies of the proprietary portfolio") which envisage:

- Exclusion criteria, aimed at avoiding investments in securities of issuers that are involved in controversial activities or that violate certain principles established by treaties, International Guidelines or international initiatives to which the Group has adhered or, in the case of sovereign issuers, that the latter are involved in violations of human rights or subject to restrictive measures;
- Inclusion criteria through which the bank undertakes to encourage investments in companies that are most active in the field of environmental responsibility and respect for human and minority rights, as well as investments in bonds aimed at financing environmental and social projects as well as projects for improving the issuer's governance.

Banco BPM therefore assesses the issuing companies and their governance also from an ESG perspective, using all information available for this purpose.

With specific reference to the Group's non-government proprietary portfolio, as at 31 December 2025, the ESG Bonds included in the scope amounted to 2.6 billion euro, of which around 400 million euro represented by Social Bonds.

In general terms, in order to align company activities with net-zero commitments, Banco BPM has integrated **climate risks within the Strategic Plan, the RAF and the framework for defining credit policies**, as well as, more generally, in the overall risk management framework.

As further confirmation of the extent to which social sustainability issues are integrated into the Group's corporate strategies, it should be noted that since 2021, the bank has issued 12 bonds for a total amount of 7.5 billion euro in Green and Social Bond format, 5 of which are Social Bonds for an amount of 3 billion euro. In the first quarter of 2025 a Senior Preferred Social Bond was issued, for a nominal value of 500 million euro to refinance a portfolio of loans disbursed to SMEs located in economically disadvantaged areas, and a Social Covered Bond for a nominal value of 750 million euro to refinance a portfolio of mortgage loans addressed to disadvantaged households for the purchase of a home.

With the proceeds collected through the issue of social bonds, the categories of assets that can be financed according to the eligibility criteria of the Framework, are as follows:

- Loans to SMEs:
 - located in provinces with GDP per capita below the national average and/or areas impacted by natural disasters;
 - Backed by a Covid guarantee;
- Loans to Public or Third Sector Bodies;
- Loans to the healthcare sector;
- SLLs provided to SMEs to support sustainable transition;
- Residential mortgages to disadvantaged parties.

All activities with potentially negative or controversial environmental or social impacts are not considered - and are therefore excluded. Specifically, any kind of investment related to the use of fossil fuels, the armaments sector or the tobacco and gambling sectors. Investments in nuclear energy production are also excluded.

Based on data updated as at 31 December 2025, the Group's eligible portfolio, under the GSS Bonds Framework, was approximately 9.9 billion euro, of which 4.2 billion euro represented by "eligible social loans".

b) Objectives, targets and limits to assess and address social risk in short-term, medium-term and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes

In addition to that specified in the incipit of point (a) of this section regarding the ESG vision defined in the new 2024-2027 Strategic Plan, with reference to the social component, the Group intends to continue with its efforts to strengthen the Group's "People Strategy" which is specifically based on three key pillars: (i) valorisation of female employees, (ii) generational turnover (with particular attention to cybersecurity skills), and (iii) focus on the work-life balance.

As a demonstration of the strong commitment to spreading a corporate culture based on diversity and inclusion, the Group will further accelerate the virtuous path of female staff empowerment, increasing by the end of 2027 **the incidence of women in managerial positions** to 36%, more than 5 percentage points higher than in 2024.

From this point of view, it should be noted that the representation of women in managerial roles has increased over time at almost all levels, both at headquarters and in the commercial network, reflecting the Group's huge commitment to creating a correct balance between both genders. In the processes of the identification and validation of candidates for managerial roles, the presence of an adequate number of female profiles is always guaranteed.

In order to renew its workforce and contribute to the development of new skills required to support business growth - acquiring, in particular, new skills in IT tech and Cybersecurity - the Group has set out in its 2023-2026 Strategic Plan, and in its subsequent update to 2027, to implement a programme of generational turnover and skills enhancement.

In relation to this, following an agreement with the Trade Unions, 1,100 exits were envisaged in 2025 for access to extraordinary Solidarity Fund benefits, of which 1,090 have already been completed, which, together with about 500 participating in the incentivised retirement plan (implemented from June 2024), allowed a total of about 1,600 people to retire.

On the basis of these forecasts, during 2025 and 2026, the aforementioned agreement also envisaged 800 recruitments with priority use of apprenticeship contracts and a further 100

recruitments with fixed-term contracts.

In addition, by 2026 the recruitment of 200 new specialists in IT Tech will be completed while, in line with the provisions of the 2024-2027 Strategic Plan, the target of 15% of specialists in IT Tech with specific skills in Cybersecurity out of the total number of hires made in IT structures has been reached, a target that the Group is committed to maintaining for the entire duration of the Plan. This objective pursues the aim of internalising key skills to improve and strengthen the tech innovation, lean banking and Cybersecurity sectors.

The Strategic Plan also focuses on flexible work, aimed at guaranteeing the development of “**smart working**”, as a lever for the effective improvement of work-life balance, as well as a useful tool to attract/retain talents (in particular in the IT Tech area), as well as allowing a reduction in Scope 3 emission deriving from commuting. With this in mind, the smart working hours of head office staff will reach 40% of the total by the end of 2027.

Banco BPM values the relationship with its **employees** as an element of its business strategy. The centrality of people, with their uniqueness, is one of our Group's value pillars.

Therefore, professional development initiatives were launched, with a view to empowering young people and key employees standing out for their characteristics, commitment and growth aspirations.

The programmes are designed to guide individuals on a journey of initiatives and experiences which, at the same time, develop their skills and grow their talents.

The main development programmes involved:

- young people to hire them, involve them and enable them to grow professionally in their first years of experience in the company, also strengthening their soft skills;
- talents, placed in specialist and commercial roles, to accompany them on a path to strengthen their skills and consolidate their professional profile also through on-the-job experiences, in view of the recruitment of future managerial positions;
- women, to strengthen their self-confidence by working on personal effectiveness, on the power of influence and on individual affirmation;
- managers with different levels of responsibility, with the aim of strengthening the management team by consolidating their sustainable and inclusive leadership style in line with corporate values and training for the skills required when taking on management roles.

The Group is aware of how **training** is a key enabling factor for the growth of human capital, to effectively address future business challenges, and at the same time fully integrate ESG factors.

Specifically, a specific "Academy" has been set up, dedicated to training, in order to support/implement the standards envisaged for the development and acquisition of skills, which will enable it both to generate value in professional growth paths and to implement suitable reskilling initiatives.

In order to disseminate and promote a sound and robust ESG risk culture, the Group has launched a training course on ESG issues (dissemination of the RAF, credit policies and credit assessment integrated with ESG factors) for commercial network managers and managers of central structures.

Specific risk induction sessions were also carried out for the Board of Directors relating to ESG strategies (with a specific focus on climate and environmental risks and on the Double Materiality Assessment in relation to the CSRD).

Defined in the context of the 2023-2026 Strategic Plan and confirmed in the 2024-2027 update, the annual target stands at 200,000 hours of ESG training per year in 2027, compared to 232,792 hours in 2025, and is broken down into the following initiatives:

- training for the inclusion and professional growth of young people in the company;
- management training programmes aimed at spreading a leadership style based on trust, respect and collaboration;
- organisation of training by business segment to increase customisation and effectiveness, with particular attention to digitalisation;
- support for all internal initiatives in the field of ESG and Digital, Privacy & Cybersecurity.

The Bank has also reconfirmed its commitment to supporting and promoting a policy of inclusion of all forms of diversity – disability, ethnicity, age, gender, sexual orientation, religion and socio-economic status, nationality and language - through the development of initiatives to promote the dissemination of a culture of respect and inclusion. In line with the provisions of the Code of Ethics, the workplace health and safety guidelines and international standards on which they are based, the protection of people's health and safety, and well-being in the workplace are values that guide the Group's choices.

Furthermore, in continuity with the previous Strategic Plan, the Group confirmed and renewed its commitment to the **Community** by offering its support to the territories in which it operates and to their communities, through training initiatives and disclosure of ESG culture (financial education, ESG awareness, gender equality in the STEM educational area) and the disbursement of sponsorships and donations that reached 6.7 billion euro in 2025.

Commitment to their Communities is evident through the activities carried out by:

- Local Committees, which regularly assess local needs and actively contribute to ESG materiality analyses;
- the seven Foundations envisaged in the Articles of Association, located in the areas in which we historically operate, to respond to social and environmental needs in a comprehensive manner.

Aware of the importance of the role that **the Third Sector** plays in promoting sustainable, cohesive and resilient communities, Banco BPM continuously supports the activities and initiatives of the parties operating in this sector through adequate assistance products and services dedicated to them. During 2025, total loans to this type of customers amounted to approximately 313 million euro⁶³ (of which 236 million with a maturity of over 12 months) while at the end of 2027 the target is to reach over 255 million euro (up by more than 25% compared to 2024).

In order to achieve the ambitious goals of the Strategic Plan, the Bank considers the relationship based on constructive dialogue with the Group's main stakeholders, in particular its customers, to be a priority. This relationship is conducted, on an ongoing basis, through specific surveys to detect the degree of overall satisfaction with the Group and to collect useful feedback on the services/products offered, as well as on any new methods for their use.

The surveys described involve all customer segments of Banco BPM, both corporate and private, with the aim of understanding and addressing the specific and different financial needs.

⁶³ Normalised figure

With specific reference to borrower companies, one of the main points emerging from the analyses is the need for the Group to define and develop suitable approaches to ESG issues, differentiated according to the different business size of the counterparties supported.

In this context, the **"ESG Factory" project** is worth mentioning, which transforms the Bank into a meeting and training place for companies, thanks also to the contribution and support of qualified partners, and which has provided over 1,048 hours of ESG training to customer companies in 2025. This initiative aims to explore all issues related to sustainability and assess the potential paths that companies could take with regard to this specific context, providing them with adequate information to cope with change.

In addition, it should be noted that some **ESG Finance** targets described in point (b) of the section dedicated to environmental risks transversally cover all areas of sustainability, including Social.

Specifically, reference is made to the objectives of the Strategic Plan relating to the **placement of green, social and sustainable bonds**, the share of **ESG bonds** that the Group intends to maintain in its owned portfolios, as well as the **issues of ESG bonds as Joint Bookrunner/Lead Manager**.

c) Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities

In order to support customers and companies in their paths towards a sustainable economy, ensuring that their strategies are aligned with the objectives, Banco BPM has launched and is developing a series of projects aimed at sharing experiences and information with customers and other financial institutions, as well as through the promotion and participation in webinars, events and round tables and the creation of partnerships.

As part of Banco BPM's projects for **customers**, the sharing of knowledge and resources dedicated to ESG awareness with the business world is also conveyed through the **ESG Factory** project (see also what is specified in point (b) of this table), which envisages the organisation of meetings, conferences and initiatives, in collaboration with Universities, Entities, Institutions and qualified partners and the involvement of Group colleagues. ESG Factory aims to provide concrete support to companies that wish to embark on a sustainable transition path through the disbursement of free ESG training. Among the future projects, the integration of specialised modules is envisaged, with a view to the greater involvement of customers in issues relating to climate transition, with a focus on NZBA Transition Plans (e.g. through webinars).

For customers who wish to embark on or accelerate their paths towards a sustainable transition, Banco BPM can make **qualified partners** available to them, to provide advisory and assistance services on sustainability issues, among which Finservice, which specifically offers an in-depth "check -up" in the ESG area, in order to embark on a structured path towards a sustainable transition, and a set of ESG services modulated according to different needs.

Lastly, as already described in point (a) of the environmental disclosure, to which reference should be made for more information, the impacts of potential risks linked to climate change on the economic and financial prospects of customer companies are assessed as part of **credit policies**.

Banco BPM is aware that in order to provide more effective support to customers in defining strategies to mitigate and reduce environmental risks, the other stakeholders need to be informed and involved, in particular **other financial institutions**, as well as **governments and the public sector**.

To this end, the Group has consolidated and perfected engagement activities with its stakeholders, including territorial committees, financial market operators, universities, employees, consulting companies, on one hand, through the periodic distribution of an online questionnaire

to be completed, and on the other hand, by participating in ESG banking conferences and meetings with investors and credit rating agencies on ESG issues (e.g. active participation in the ICMA Principles).

As part of the dialogue with governments and the public sector, Banco BPM participated in the "High Level Forum for Sustainable Building Renovation", organised by the European Commission, and coordinated the Italian roundtable of the Energy Efficient Mortgages Initiative of the European Mortgages Federation (EMF). In addition, the Bank will assess the further involvement of public sector stakeholders in the form of dialogue with government executives and leaders, feedback on the consultation processes of regulators and legislators, as well as the publication of research and reports.

Governance

d) Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to:

- i) Activities towards the community and society**
- ii) Employee relationships and labour standards**
- iii) Customer protection and product responsibility**
- iv) Human rights**

e) Integration of measures to manage social factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body

With regard to the roles and responsibilities of the Board of Directors, the internal board and management Committees of the Bank (including internal control) in making decisions concerning the management and mitigation of social risks and in approving public disclosure documents and internal regulations, please refer to the content of letters e) and g) of the section on environmental risks.

In particular, the Board of Directors approves the Group's overall Risk Appetite Framework, which is also characterised by a set of indicators relating to ESG issues, which are monitored on a quarterly basis by the Board of Directors as part of its periodic Risk Appetite Framework Monitoring, after detailed analysis by the ICRC and disclosure to the Sustainability Committee through its Chairperson.

The Banco BPM Group shares the values that guide all Group Companies' actions, the actions of management and of personnel in general, such as:

- customer orientation: in line with the customer-centricity tradition, the Group is strongly oriented towards transparent relationships, aimed at providing an excellent service with a product and service offer oriented towards customers' needs and satisfaction;
- the enhancement of personnel as a strategic asset: the Group tends to enhance its personnel, recognising and developing their skills, both in terms of knowledge and skills, through merit enhancement and maintaining a system of relationships that, also in order to promote the achievement of company objectives, is based on respect and equal opportunities and nurtures motivation and a sense of belonging;
- corporate social responsibility orientation: the Group is attentive to corporate social responsibility issues and sustainable growth initiatives in the area in which it operates.

The pursuit of the Group objectives defined in the 2023-2026 Strategic Plan, updated to 2027, was subject to careful monitoring through a reporting dashboard, presented quarterly to the Corporate Bodies.

In addition, with particular reference to the Code of Ethics, it should be noted that this document integrates several explicit references to sustainability. It provides a detailed outline of the values that guide the Group in the areas of human rights protection, climate change mitigation, anti-corruption efforts, fairness and transparency. By virtue of the central role attributed by Banco BPM to stakeholder relations, the document is structured by describing the individual values related to each specific stakeholder relevant to the Group.

The Board of Directors has also adopted an "Anti-Corruption Regulation", updated in 2025, to prevent and counter the commission of corrupt acts directly and indirectly by all staff, including collaborators, employees, top management and counterparties who operate on behalf of or in the interest of the Bank or of the other Group companies on the basis of professional relationships that determine their inclusion in the company organisation or collaboration.

Furthermore, within the framework of its spending and social responsibility policies, and subject to resolution by the Shareholders' Meeting, the Board of Directors allocates a portion of the year's profit to the Group's Territorial Departments and Foundations for charitable initiatives aimed at supporting the needs of the reference communities. To this end, on an annual basis, also after informing the Sustainability Committee, it approves the directives and guidelines on spending and social responsibility policies pursuant to Article 5.4. of the Articles of Association, receiving periodic reports on its activities.

The ongoing engagement with individual stakeholders, as well as the alignment of interests and objectives with the same, enable the Bank to identify fresh opportunities to refine its business model.

In this context, since 2021, the Bank has adopted the "Regulation governing the management of dialogue with shareholders" aimed at ensuring constructive and ongoing dialogue with major institutional investors and other players in the financial community.

To this end, also considering the size and organisational complexity of the Group, it was deemed necessary to assign to structures, specialised and equipped with adequate resources and professionalism, relations (i) with institutional investors and relations with financial analysts/rating companies; (ii) with retail shareholders.

Since May 2023 (with last update in July 2025), Banco BPM has adopted specific "Guidelines on respect and protection of human rights", a document valid for all Group companies that is inspired by the main international treaties and addresses related issues, with a specific focus on the areas of greatest materiality for the Group: anti-discrimination, diversity and inclusion, health and safety.

Attention is also paid to consumer protection and over-indebtedness through targeted credit guidelines, strengthening regulations and proactively managing complaints.

The specific attention paid to the social principles of diversity and inclusion is also important to note. To this end, suitable management incentive systems have been defined, which include a selected number of KPIs referring to these particular areas of assessment. The monthly monitoring of the objectives achievement level allows the precise calibration of the management actions to achieve the targets that the Group has set itself.

The increase of female personnel in positions of responsibility is not only an equality target, but a

strategic element that aims to enhance diversity within the organisation. This choice reflects the Bank's commitment to creating a more inclusive environment and to fostering a corporate culture that recognises and values talent in all its forms.

It should also be noted that Banco BPM's Remuneration Committee has (i) promoted and endorsed the adoption of appropriate measures in the area of diversity and aimed at increasing the number of female managerial positions, in line with the target defined in the 2023-2026 Strategic Plan, updated in 2027, and (ii) reiterated its recommendation to close the gender pay gap progressively and as quickly as possible. On this topic, the Remuneration Committee deals with the Sustainability Committee, through its Chairperson, who is called upon to participate in meetings on issues that have implications in terms of sustainability.

The Remuneration Committee, in agreement with the Group's other internal Committees, also enhanced, among the sustainability objectives, the promotion of social initiatives, corporate volunteering and the development of ESG awareness and culture among customers.

Since 2020, Banco BPM has adopted specific "Workplace health and safety guidelines" and from 2025 "Guidelines on training and welfare", documents valid for all Group companies, which, in line with that defined by the Code of Ethics, outline the principles that ensure the Bank's commitment to guaranteeing a working environment compliant with legal standards and a constant enhancement of people.

f) Lines of reporting and frequency of reporting relating to social risk

As already described in points (d) and (e) of this section, the Corporate Bodies of Banco BPM, in line with the roles and responsibilities defined, are recipients of specific disclosures regarding corporate risks. Below is a summary of the main periodic disclosures addressed to the Corporate Bodies:

- as part of the Group's overall RAF, characterised by a set of indicators referring to ESG dimensions (KSI), the indicators are monitored quarterly with the periodic examination of the Risk Appetite Framework Risk Monitoring (RAM).

In the event that the monitoring activity shows that the Trigger and Tolerance thresholds are exceeded or further deviated with respect to the last available figure, assisted by the structures under their responsibility, the Chief Risk Officer starts the escalation process with the preparation of an information note that illustrates the causes of the indicator dynamics and the potential intervention levers, to be sent to the pertinent Corporate Bodies and Committees (Chief Executive Officer or Board of Directors, supported by the internal Committees);

- with reference to the Group Strategic Plan, which includes objectives related to social aspects, the level of achievement of the pre-set targets is subject to specific quarterly monitoring.

In particular, the KPI performance is compared with the respective Plan objectives and the interim period targets. The KPIs have a synthetic "status flag" to highlight any alert levels, based on a predefined grid (with 3 levels: green, yellow, red) and consistent with the thresholds defined in the RAF. With reference to the process of any escalation for high critical issue status flags - in cases where the RAM monitoring process has not already been activated - the following steps are taken:

- yellow status or first red flag: in light of the misalignment from the targets, after verifying that it is a non-temporary misalignment, a communication is initiated with the Chief Executive Officer and with Top management to define the "remedial

actions" to be taken (e.g. initiatives and processes aimed at recovering any gaps/delays that may arise)

- second or subsequent red flag: the Chief Executive Officer activates a disclosure to the BoD to assess the remedial actions implemented and envisaged and, as a last resort, the opportunity to revise the Strategic Plan targets⁶⁴.
- with regard to the implementation of Group credit policies, a periodic report is prepared, which provides updates on customer engagement initiatives to acquire information also relating to the ESG profile of the same;
- the activity carried out by Foundations, Territorial Departments and by the Bank's functions, in compliance with the directives and guidelines on spending and social responsibility policies approved by the Board of Directors, is the subject of a specific half-yearly report;
- with reference to the Group's remuneration and incentive policies, which include ESG performance targets (see point i) of the section on environmental risks), a specific disclosure is envisaged concerning verifying the achievement of the pre-set targets.

During 2025, the Board of Directors examined issues with significant sustainability implications in 16 meetings (out of a total of the 21 meetings held in 2025), estimating a total of 41 various ESG topics covered. It should be noted that the issues that specifically concerned climate and environmental risks were dealt with 24 times over 11 sessions

g) Alignment of the remuneration policy in line with institution's social risk-related objectives

With regard to the general principles relating to the correlation between variable remuneration of staff and ESG factors, please refer to that described in the section on environmental risks in point (i).

The implementation of projects in this area and the annual definition of the ESG objectives of the Strategic Plan are encouraged through specific KPIs included in both the short-term and long-term incentive plans.

The **Short-Term Incentive** plan⁶⁵ envisages quantifiable ESG indicators, defined to align with the annual ESG objectives in the Strategic Plan, by way of example, but not limited to such, People Strategy goals, completion of the annual control plan or specific project initiatives also related to new regulatory requirements.

In the **Long-Term Incentive** plan, the performance objectives include ESG metrics related to the main objectives of the 2023-2026 Strategic Plan, also with reference to the areas of People Strategy.

For example, in order to empower female talent, the 2024-2026 Long-Term Incentive plan envisages a KPI related to the increase in the percentage incidence of female staff in managerial roles out of the total of managerial roles as at 31 December 2026 (compared to the figure recorded as at 31 December 2023). The monthly monitoring of the objectives achievement level allows the precise calibration of the management actions to achieve the targets that the Group has set itself in a more than excellent way.

⁶⁴ For a complete representation of the update of the Strategic Plan defined by the Group, please refer to the presentation of the results for 2024 and the update of the Group's strategic plan: <https://gruppo.bancobpm.it/download/presentazione-dei-risultati-del-fy2024-e-update-piano-strategico-del-gruppo-banco-bpm>.

⁶⁵ For the functioning of the non-financial adjustment factor "ECAP Reputational Risk", please refer to paragraph 1, point (i)

The increase of female personnel in leadership positions is not only an equality target, but a strategic element that aims to enhance diversity within the organisation. This choice reflects the Bank's commitment to creating a more inclusive environment and to fostering a corporate culture that recognises and values talent in all its forms.⁶⁶

Risk management

h) Definitions, methodologies and international standards on which the social risk management framework is based

In line with Article 4 of the CRR, the Group defines corporate risk as the potential risk of financial losses that the Institution may incur as a result of the current and/or prospective negative impact of social factors relating to the borrower counterparties or the assets in which Banco BPM has invested.

i) Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to social risk, covering relevant transmission channels

As required by the EBA/GL/2025/01 EBA Guidelines, the assessment conducted for the purposes of the **materiality assessment** exercise through the assignment of a score was **extended to the Social and Governance areas** which are therefore among the ESG factors that the Bank must identify, evaluate, manage and monitor.

Specifically, the Bank has developed its own scoring methodology with a leading Italian consultant and data provider, which makes it possible to assess the materiality of exposure to ESG issues through internal scores that measure companies' attention to social issues.

Starting from 2024, the Group has progressively integrated its ESG Data Warehouse (DWH) with additional data aimed at assessing the social and governance risks of client companies, in accordance with the Materiality Assessment methodologies of climate and environmental scores described in point (I) of the section dedicated to environmental risks. The underlying approach aims to identify any risk indicators, as well as the prevention and/or mitigation measures implemented by the companies subject to analysis, in order to prepare a periodic monitoring report on the portfolios examined.

The valuation drivers taken into consideration for the **Social** analysis of the counterparties concern the following aspects:

⁶⁶ For more ESG-related information and updates in the Remuneration Policy, please refer to the document available at gruppo.bancobpm.it > Corporate Governance > Remuneration Policy > Policy on remuneration report (section I)

Key indicators	Analysis areas covered
Workforce Health and safety	The way in which the company approaches diversity, equal opportunities, job creation and the health and safety of its employees in the workplace, which generates benefits for both the company and the workers.
Human Rights	The company's commitment to guaranteeing the protection of human rights, abolishing forced labour and child labour, avoiding discrimination and guaranteeing free association for its workers.
Social Commitment	The company's commitment to anti-corruption and in the selection and assessment of suppliers based on ESG criteria.
Product Compliance	Incidents of non-compliance of products offered by the company with respect to the consumer health and safety or with respect to marketing practices and assessment of consumer satisfaction.
Investments in social impact works	Investments in infrastructure and initiatives in favour of the community.
Disclosure	The completeness of the qualitative and quantitative data presented in the company disclosure is assessed taking into account the benchmark and the materiality of the topics inherent to the sector to which it belongs.

The information on individual KPIs (key indicators), where available, is taken from the company's disclosure through public documents, such as the Sustainability reporting and the Policy-on-remuneration report and payouts awarded and the disclosure published on company websites.

Starting from the analysis of the individual key indicators, a summary score is calculated for Social aspects and expressed on a risk scale from 0 ("Very Low") to 4 ("Very High").

Similarly to what happens in the environmental and governance sphere, the monitoring of the risk scores in the Social sphere and of the respective impacts takes place on a periodic basis and is reported in the vertical materiality assessment reporting.

As at 30 June 2025, the weighted average assessment of the exposure to Social risk drivers, with respect to all transmission channels with respect to traditional risks (loans, investments, funding and asset management, owned real estate exposure, net interest and other banking income), stood at an overall "Low" average level.

The analysis of only those counterparties with "High" and "Very High" scores allows for the identification of clusters characterised by greater relevance in terms of exposure by (i) counterparty type (Corporate, SME, and Private Individual management segments); (ii) economic activity sectors; and (iii) geographical areas. Among these, exposure to Social factors is more relevant for smaller companies, as they have minimal social standards and have limited availability of accurate information demonstrating the correct management of workers' rights and occupational health and safety, equal opportunities, support to the territory and communities (e.g. in the Accommodation and Food Services, Agriculture, Food Industry and Other Service Sectors, which are particularly scrutinised in this context as they are internally identified as "materiality intersections"⁶⁷).

In relation to **credit risk**, the analysis concerned the portfolio of loans to companies in terms of cash uses, highlighting an average exposure with regard to Social aspects. The results of this analysis are integrated with the qualitative assessments derived from the Credit Policies ESG

⁶⁷ Areas that have obtained a High and Very High assessment of exposure to ESG factors

questionnaire, which includes specific “fatal” questions in the **Social** area, with a focus on employee health and safety, respect for human rights and the adequacy of protection measures for company data and information systems.

These questions are qualified as “fatal” because, in the presence of elements attributable to the cases indicated, the outcome of the ESG Questionnaire - and therefore its mitigating function with respect to the assessment of the ESG profile - is automatically invalidated. As detailed in point (a) of the section on environmental risks, through the ESG questionnaire, the Group is able to collect and analyse fundamental data and information for the accurate profiling of the financed counterparties, also with reference to their responsibility and reputation in social and governance contexts.

With regard to **market risk**, the analysis concerned the securities portfolio, including both the trading book and the banking book, and resulted in a low score for the Social component. The assessment was carried out by applying a methodology that makes use of datapoints obtained from the platform of an important international data provider, and which provides both a synthetic parameter representative of the overall ESG aspects, and specific scores relating to the individual Social and Governance components.

In relation to **liquidity risk**, analyses were carried out on the transmission channels relating to transactions on deposits and undrawn credit lines. The aspects assessed in the social sphere have an overall low risk profile.

The potential impacts linked to events attributable to social and governance areas are also assessed by the Group from an **operational risk** perspective, in relation to the consequences that the manifestation of the same may entail, with a particular focus on potential losses directly or indirectly caused by legal actions, as well as on business continuity. Specifically, exercises are carried out aimed at assessing the Group's potential exposure to operational risk factors, both through the historic reporting of the events and through the forward-looking analyses carried out, including the results of in-depth analyses.

These impacts were considered in determining Pillar 2 risks in the periodic capital adequacy assessment exercises (ICAAP).

By way of example, the events (risk class) analysed as part of this process, and attributable to the social and governance dimensions, include mobbing and/or discrimination, money laundering and events related to non-compliance with current legislation.

In addition, ESG risk factors have also been integrated into the measurement models of the other types of **Pillar 2 Risk**⁶⁸.

With reference to **reputational risk**, Banco BPM has defined a methodology to quantify estimates of economic capital in order to include the possible deterioration of the Group's image, perceived by its various stakeholders, as a result of the potential emergence of specific ESG risk factors. The reputational risk assessment model includes the Corporate Social Responsibility area and the ESG area, which consist of indicators that allow the Group's reputational positioning in these areas to be monitored over time. In particular, the ESG area comprises specific indicators of web sentiment (subdivided into E, S and G for each area) in order to assess the news that matches the Group's image with these aspects online.

Specifically, the “Social web sentiment” and “Governance web sentiment” indicators offer an aggregate score with respect to the Group's positioning in these areas. In particular, the Social

⁶⁸ Reputational, Strategic, Equity and Real Estate

indicator is then broken down into sub-areas of risk relating to issues such as culture, education, dignity, peace, health, inclusion and territory.

The E-S-G indicators are then condensed into a single Key Risk Indicator (KRI) that enters the model for calculating economic capital deriving from reputational risk.

Lastly, with a view to stress testing and sensitivity analysis, the scores of the web sentiment indicators are appropriately stressed by considering pejorative scoring on the basis of the probability distributions assigned by the machine learning engines.

With a view to the continuous development and refinement of the model, the Group has also introduced an indicator into the calculation model, again relating to the ESG area, whose score is processed by analysing, through a specific provider, the reputation of the main counterparties financed by the Group in ESG terms. In particular, the provider monitors for these counterparties the possible occurrence of incidents related to ESG issues, providing a thorough analysis of the phenomenon and factoring all the information collected into risk indicators, which are suitably processed.

Banco BPM has also defined a framework for continuous monitoring, as well as for the preventive mitigation of the reputational risk of borrower counterparties. This framework is based on analyses deriving from instruments of the commercial network, from credit policy processes, from activities of the Rating Desk on the credit rating of counterparties and, lastly, envisages second-level controls conducted by the Risk Function, both for purposes of monitoring, and ex-ante. For more information, please refer to point (k) of environmental risks.

With regard to **strategic risk**, the Group completed a review of the main methodological assumptions at the end of 2024 to further strengthen assessments of short-term commercial objectives with the Business Plan targets, more oriented to a medium and long-term horizon, at the same time strengthening the strategic controls relating to the impacts of ESG factors and the overall evolution of digitalisation processes.

In particular, to calculate the economic capital measure related to this risk, the quantitative KPIs underlying the pillars of the Group Strategic Plan are considered in order to provide the contribution of ESG issues to the overall measure of economic capital, as well as to carry out what-if and sensitivity assessments to assess changes in terms of capital absorption.

In addition, with regard to **equity risk**, with reference to economic capital measures, similar assessments were carried out by the Group in order to include the impact of ESG components, again with respect to the scenarios mentioned above, taking advantage of the overlaps with the credit, banking and trading book input perimeter of the portfolio model. Specifically, ESG risk assessment methods are borrowed from the above for credit risk.

A materiality assessment of the risks associated with the Social areas to which the Group is exposed was also carried out through the ADM carried out for the purposes of the 2025 Sustainability Reporting. For more information, please refer to point (g) of this section.

j) Activities, commitments and assets contributing to mitigate social risk

Banco BPM has been active for years in progressively integrating ESG factors into credit policies, in order to guarantee a broader and easier access to capital for virtuous companies and, on the contrary, to adopt exclusion policies and a selective approach towards sectors and counterparties that are particularly exposed to ESG risks.

In particular, as illustrated in point (a) of the section on environmental risks, within the overall framework of credit policies, the use of the ESG questionnaire is of great importance as a tool

useful for assessing/guiding customers. In fact, through this tool, the Group is able to collect and analyse important data and information necessary for the correct and accurate profiling of financed counterparties and also relating to their responsibility/reputation in the social and governance spheres.

Banco BPM also governs operations in the defence sector, and in particular with respect to counterparties operating in the weapons materials and systems sector, setting out a more rigid authorisation process with a view to sustainability.

Banco BPM has also developed a range of products and services to support the initiatives and activities of Third Sector operators, as well as facilitate access to credit to support specific projects or address times of difficulty. For more information, please refer to point (a) of this section.

In this context, note the objective defined by the 2024-2027 Strategic Plan to disburse 255 million euro in lending to Third Sector operators in 2027 (up by more than +25% compared to 2024).

k) Implementation of tools for identification and management of social risk

As previously mentioned, the portfolio analysis as at 30 June 2025, as part of the **materiality assessment exercise**, was **extended to the Social and Governance areas**. The time horizon for this assessment is the reference date of the exercise

For more information on the topic, as well as on the integration of social considerations within traditional risk categories, please refer to point (i) of this section.

During 2025, in compliance with the provisions of the European CSRD Directive, Banco BPM carried out the Double Materiality Assessment (hereinafter, also DMA) to select the material sustainability topics for the Group and along its value chain and whose process and related outcomes have been included in the 2025 Sustainability Reporting.

The process was developed through an approach consistent with the dictates of the EFRAG Guidelines for the enforcement of the Standards on materiality analysis ("Implementation Guidance EFRAG IG 1 Materiality Assessment" of 31 May 2024).

For more information on the DMA process, please refer to the content of point (l) in the section on environmental risks. For a complete and detailed description of the process and its outcomes, please refer to the Group's 2025 Sustainability Reporting.

With specific reference to the results of Financial Materiality, as part of the ADM process, the social risk factors identified and assessed as material are attributable to the operational and reputational risk connected to the impacts linked to customer information (Cybersecurity).

In particular, the Risk assessment was carried out by leveraging the results of internal processes and tools available and governed by the Parent Company's Risk Management function, (as specified in point (i) of the section dedicated to environmental risks) and assigning each risk a scoring derived from the product of the scores associated with the assessment of the Magnitude and Probability of occurrence of the risk.

With reference to **opportunities**, the following findings are reported:

- attracting young talent through Talent Management programmes and also fostering generational turnover with skills expansion and the promotion of equality and inclusion policies and initiatives
- improvement of the Group's reputation through continuous enhancement of customer service, through technological implementations and the use of artificial intelligence (AI) capabilities;

- the Growth of Anima's Assets under Management thanks to the development of products in line with customer requests;
- the continuous service Improvement through technological implementations and use of AI functionality.

In addition, the Bank pays great attention to those "controversial" sectors that, despite dealing with operations that are lawful in terms of regulations, may present critical social and environmental issues. Specifically, the Group conducts all adequate assessments, also with the aid of suitable organisational controls, when evaluating prospective financing for counterparties involved in the weapons materials and systems sector.

l) Description of setting limits to social risk and cases to trigger escalation and exclusion in the case of breaching these limits

Specific social indicators are integrated into the Group's Risk Appetite Framework (RAF). For details on the process and indicators, please refer to point (q) of the section on environmental risks.

m) Description of the link (transmission channels) between social risks and credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework

As part of the *materiality assessment* process, Banco BPM has also identified and formalised specific "assessment areas" related to social risk drivers such as: Workforce, Health and Safety, Human Rights, Social Commitment, Product Compliance, Investments in Social impact works and Disclosure.

The transmission channels through which social risks are reflected on the main "traditional" risk categories (credit risk, liquidity risk, market risk and operational risk) were also identified and measured in the materiality assessment and coincide with those identified for the assessment of environmental and climate risks (reference is made to the extensions to the social sphere, starting from the table reported in point (i) of the Social drivers, with respect to what is reported in points (j), (k) and (r) of the section dedicated to environmental risks, for example, non-compliance with workplace safety regulations⁶⁹ with impacts on the affected company's reputation and solvency due to sanctions and general reduction in profitability). In particular, the transmission channels are manifested through the different types of transactions that generally involve exposure to ESG drivers, which are the loan portfolio (both drawn amounts and margins), the securities portfolio (banking and trading book), funding via deposits, owned properties and net interest and other banking income. These types of operations are considered consistently for all ESG drivers in the materiality assessment in conjunction with the analysis dimensions given by the operating segments, economic sectors and location of counterparties and assets.

⁶⁹ A "fatal" question on this issue is also included in the ESG Questionnaire (see point (i))

Table 3 - Qualitative information on Governance risk

in accordance with Article 449a CRR

Governance

- a) Institution's integration in their governance arrangements of the governance performance of the counterparty, including committees of the highest governance body, committees responsible for decision-making on economic, environmental, and social topics**
- b) Institution's accounting of the counterparty's highest governance body's role in non-financial reporting**
- c) Institution's integration in governance arrangements of the governance performance of their counterparties including:**
 - i) Ethical considerations**
 - ii) Strategy and risk management**
 - iii) Inclusiveness**
 - i) Transparency**
 - v) Management of conflict of interest**
 - vi) Internal communication on critical concerns**

With regard to the roles and responsibilities of the Board of Directors, the internal board and management Committees of the Bank in making decisions concerning the management and mitigation of ESG risks and in approving public disclosure documents and Internal regulations, please refer to the content of points (e) and (g) of the qualitative section on environmental risks.

In particular, the Board of Directors approves the Group's overall Risk Appetite Framework, which is also characterised by a set of indicators relating to ESG aspects and which are monitored on a quarterly basis by the Board of Directors as part of its periodic Risk Appetite Framework Monitoring, after detailed analysis by the ICRC and disclosure to the Sustainability Committee through its Chairperson.

In the event that the monitoring activity shows that the Trigger and Tolerance thresholds are exceeded or further deviated with respect to the last available figure, assisted by the structures under their responsibility, the Chief Risk Officer starts the escalation process with the preparation of an information note that illustrates the causes of the indicator dynamics and the potential intervention levers, to be sent to the pertinent Corporate Bodies and Committees (Chief Executive Officer or Board of Directors, supported by the internal Committees).

The pursuit of the Group objectives defined in the Strategic Plan was subject to careful monitoring through a reporting dashboard, presented quarterly to the Corporate Bodies.

In particular, the KPI performance is compared with the respective Plan objectives and the interim period targets. The KPIs have a synthetic "status flag" to highlight any alert levels, based on a predefined grid (with 3 levels: green, yellow, red) and consistent with the thresholds defined in the RAF.

With reference to the **process of any escalation** for high critical issue status flags - in cases where the RAM monitoring process has not already been activated - the following steps are taken:

- *yellow status or first red flag*: in light of the misalignment from the targets, after verifying that it is a non-temporary misalignment, a communication is initiated with the Chief

Executive Officer and with Top management to define the "remedial actions" to be taken (e.g. initiatives and processes aimed at recovering any gaps/delays that may arise)

- *second or subsequent red flag*: the Chief Executive Officer activates a disclosure to the BoD to assess the remedial actions implemented and envisaged and, as a last resort, the opportunity to revise the Strategic Plan targets⁷⁰.

Note that, in line with the objectives defined by the Group in the Strategic Plan, the Board of Directors of Banco BPM, with the contribution of its internal board Committees, introduced:

- *lending policies that integrate Net-Zero strategy and ESG assessment commitments into internal processes as well as enhance relationships with customers that have undertaken or invest in sustainability projects (also in terms of appropriate governance);*
- *internal measures and processes to foster the provision of sustainable investment products and services.*
- *examines the results of the application of the materiality assessment framework also of governance risk drivers.*

For the purpose of specifically preventing and combating corruption and money laundering, the Group is aware of its important responsibilities as a systemically important institution in the Italian financial sector. Indeed, it acts with determination in countering and combating these illegal phenomena, which damage the economic development of communities and violate people's human rights, limiting the growth of the entire social and productive fabric.

To this end, other than strict compliance with regulations currently in force, in the exercise of its specific activities, it complies with strict rules of conduct, such as the definition of regulations on anti-corruption (both active and passive) and extension of the application of anti-money laundering regulations not only to all Group companies but also to individual relations with counterparties not directly subject to the obligations under Italian Legislative Decree no. 231/2007.

Banco BPM has also adopted company regulations governing the internal system for reporting violations (Whistleblowing) and an Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001.

It is also important to remember that Banco BPM formally joined the United Nations' voluntary "Global Compact" initiative aimed at promoting a sustainable global economy, and also declared its specific commitment to implement, disseminate and promote within the scope of its activities, the ten universal principles relating to Human Rights, Labour, the Environment and the Fight against Corruption.

Governance risk measurement and management

As required by the EBA/GL/2025/01 EBA Guidelines, the assessment conducted for the purposes of the **materiality assessment** exercise through the assignment of a score was **extended to the Social and Governance areas** which are therefore among the ESG factors that the Bank must identify, evaluate, manage and monitor.

Specifically, the Bank has developed its own scoring methodology with a leading Italian consultant and data provider, which makes it possible to assess the materiality of exposure to

⁷⁰ For a complete representation of the update of the Strategic Plan defined by the Group, please refer to the presentation of the results for 2024 and the update of the Group's strategic plan: https://gruppo.bancobpm.it/media/dlm_uploads/250212-Banco-BPM-Group-FY-2024-Results-and-Strategic-Plan-Update-1.pdf

ESG issues through scores that measure companies' attention to these issues. In particular, the internal Governance score summarises the effectiveness of company governance

Starting from 2024, the Group has progressively integrated its ESG Data Warehouse (DWH) with additional data aimed at assessing the social and governance risks of client companies, in accordance with the Materiality Assessment scoring methodology described in point (I) of the section dedicated to environmental risks. The underlying approach aims to identify any risk indicators, as well as the prevention and/or mitigation measures implemented by the companies subject to analysis, in order to prepare a periodic monitoring report on the portfolios examined.

The valuation drivers for the analysis and assessment of **Governance** of the counterparties concern the following aspects:

Key indicators	Analysis areas covered
Composition of the Corporate Bodies	Information on the composition of the Board of Directors, the role played by the Board of Directors in defining the corporate strategy, the values and purposes on which it is based and the committees present in the company.
Conflict of Interest:	Company commitment to avoid and/or disclose any conflicts of interest to stakeholders.
Corruption	Confirmed corruption incidents during the year
Whistleblowing and Anti-Money Laundering	Presence or absence of whistleblowing processes and of an anti-money laundering function.
Gender Diversity	Presence of women on the board of directors and within the company's top management
Shareholders	Company ownership structure, credit rating and ethical indices in which the company is included.
Respect for Competition	Compliance with the rules concerning competition and antitrust and monopoly laws during the reference period.
Tax transparency	Company transparency in the management of tax aspects.
Risk management & performance	Assessment of the performance of the highest levels of governance and presence/absence of measurable sustainability targets within a Strategic Plan.
Remuneration Policies	Characteristics of remuneration policies and the presence/absence of a link between the remuneration of directors and top management and ESG objectives.
Disclosure	The completeness of the qualitative and quantitative data presented in the company disclosure is assessed taking into account the benchmark and the materiality of the topics inherent to the sector to which it belongs.

The information on individual KPIs (key indicators), where available, is taken from the company's disclosure through public documents, such as the Sustainability reporting and the Policy-on-remuneration report and payouts awarded and the disclosure published on company websites.

Starting from the analysis of the individual key indicators, a summary score is calculated for Governance aspects and expressed on a risk scale from 0 ("Very Low") to 4 ("Very High").

Similarly to what happens in the environmental and social sphere, the monitoring of the risk scores in the Governance sphere and of the respective impacts takes place on a periodic basis and is reported in the vertical materiality assessment reporting.

As at 30 June 2025, the weighted average assessment of the exposure to the Governance risk drivers stood at an overall average level of "Medium".

The analysis of only those counterparties with "High" and "Very High" scores allows for the identification of clusters characterised by greater relevance in terms of exposure by (i) counterparty type (Corporate, SME, and Private Individual management segments); (ii) economic activity sectors; and (iii) geographical areas. Among these, exposure to Governance factors is more relevant for smaller companies as they adopt minimal governance standards and have limited availability of timely information on transparency, corporate integrity, conflicts of interest and regulatory compliance (e.g. in the Agriculture, Trade and Construction sectors, which are particularly scrutinised in this context as they are internally identified as "materiality intersections"⁷¹).

In relation to **credit risk**, the analysis concerned the portfolio of loans to companies in terms of cash uses, highlighting an average exposure with regard to Governance aspects. The results of this analysis are integrated with the qualitative assessments derived from the Credit Policies ESG questionnaire, which includes specific "fatal" questions in the **Governance** area, with a focus on corruption and anti-money laundering activities in order to identify any disputes or pending proceedings against the counterparties examined.

These questions are qualified as "fatal" because, in the presence of elements attributable to the cases indicated, the outcome of the ESG Questionnaire - and therefore its mitigating function with respect to the assessment of the ESG profile - is automatically invalidated. As detailed in point (a) of the section on environmental risks, through the ESG questionnaire, the Group is able to collect and analyse fundamental data and information for the accurate profiling of the financed counterparties, also with reference to their responsibility and reputation in social and governance contexts.

With regard to **market risk**, the analysis concerned the securities portfolio, including both the trading book and the banking book, and resulted in a low score for the governance component. The assessment was carried out by applying a methodology that makes use of datapoints obtained from the platform of an important international data provider, and which provides both a synthetic parameter representative of the overall ESG aspects, and specific scores relating to the individual Social and Governance components.

In relation to **liquidity risk**, analyses were carried out on the transmission channels relating to transactions on deposits and undrawn credit lines. The aspects assessed in the governance sphere have an overall low risk profile.

The potential impacts linked to events attributable to social and governance areas are also assessed by the Group from an **operational risk** perspective, in relation to the consequences that the manifestation of the same may entail, with a particular focus on potential losses directly or indirectly caused by legal actions, as well as on business continuity. Specifically, exercises are carried out aimed at assessing the Group's potential exposure to operational risk factors, both through the historic reporting of the events and through the forward-looking analyses carried out, including the results of in-depth analyses.

These impacts were considered in determining Pillar 2 risks in the periodic capital adequacy assessment exercises (ICAAP).

By way of example, the events (risk class) analysed as part of this process, and attributable to the social and governance dimensions, include episodes of mobbing and/or discrimination, money laundering and events related to non-compliance with current legislation.

⁷¹ Areas that have obtained a High and Very High assessment of exposure to ESG factors

In addition, ESG risk factors have also been integrated into the measurement models of the other types of **Pillar 2 Risk**⁷². For more information, please refer to point (i) of the section dedicated to social risks.

A materiality assessment of the risks associated with the Governance area to which the Group is exposed was also carried out through the ADM carried out for the purposes of the 2025 Sustainability Reporting. For more information, please refer to point (g) of this section.

Private Banking operations

In relation to consulting services, Banca Aletti, the Group's investment centre for asset management, targets the correct and responsible allocation of resources, directing customer resources towards investments that simultaneously combine a return on capital with the objective of sustainability.

With these aims, and in application of the "Guidelines on the integration of risks and negative impacts of sustainability in investment services to clients", to which reference should be made for further information⁷³, the path of progress has continued with the aim of progressively integrating ESG dimensions, understood as not only environmental, but also social and good governance events or conditions that could potentially cause a significant negative impact on the value of the investment.

In detail: as part of the advisory service, the range of products offered continued to be expanded, including investment products pursuant to the SFDR Regulation, aimed at satisfying the different needs expressed by customers through the collection of sustainability preferences in the MiFID area. These requirements determine a customer's sustainability profile, which is subject to ESG consistency verification during the advisory phase, with the product ESG characteristics determined according to a proprietary qualitative/quantitative procedure.

As part of the portfolio management service, during the year, three management lines were launched promoting investments with environmental or social characteristics, pursuant to Article 8 of the SFDR Regulation 2088/2019. In addition, in compliance with the requirements of the regulations, as a participant in the financial markets, Banca Aletti has published on its website the first "Statement on the main negative effects of investment decisions on sustainability factors - Year 2024 - 30/06/2025"⁷⁴.

In this regard, it should be noted that among the mandatory and optional PAIs identified, Banca Aletti, in accordance with what has been adopted also by Banco BPM Group, has chosen to prioritise⁷⁵ those referring to the "Carbon footprint" and "GHG intensity", "Violation of the principles of the Global Compact and of the OECD Guidelines", "Exposure to controversial weapons", "Countries benefiting from investments subject to social violations" and "Average human rights performance".

Supplier management

As regards the supply chain, the Group pays great attention to the **supplier** selection process and to relations with the same. In this regard, the application takes place through the registration of

⁷² Reputational, Strategic, Equity and Real Estate.

⁷³ Document available on alettibank.it> Sustainability> Disclosure on sustainability in investment services

⁷⁴ Document available on alettibank.it> Sustainability > Statements on the main negative effects

⁷⁵ Document available at alettibank.it> Sustainability > Disclosure of sustainability in investment services > Guidelines on the integration of sustainability risks in the provision of investment services - Annex 2: PAI indicators

suppliers in a specific Register, a tool that allows the development of a constant dialogue between the parties, helping to create a direct and structured relationship.

Over the years, the Supplier Register was enriched with a sustainability section, essential in the qualification process. In fact, suppliers are periodically asked to fill in specific questionnaires, both during the initial registration and ongoing thereafter.

Through the information collected and the actual verification of the services provided, the Group is able to assess the individual counterparties in detail, including from a sustainability perspective, assigning each supplier an internal "ethical" rating useful for certifying their social responsibility profile.

In particular, thanks to the cooperation with the ABC Consortium (mainly consisting of banks and insurance companies and focused on the provision of services for Purchasing functions), a questionnaire was implemented, calibrated to the EU classification of the company (micro/small/medium/large) and developed based on the UNI ISO 26000:2010 guidelines for the Social Responsibility of organisations.

In September 2024, thanks to the periodical updating activities of a dedicated workgroup, an updated version of the ESG questionnaire was released. This update has refined the underlying methodology that is no longer unique, but differentiates suppliers based on their type, size and the social structure of the supply company. Specifically, the ESG questionnaire differs in the following types:

1. Capital companies;
2. Partnerships - associations - foundations - associated firms;
3. Self-employed workers - self-employed professionals - sole proprietorships

Each of these types of ESG questionnaires is characterised by a set of specific questions and a defined list of information and documents requested at the time of completion.

The overall rating assigned to individual suppliers is represented by a quantitative score - ESG Rating - attributed to increasing classes of coverage of the best practices identified: ESG0, ESG+, ESG++ and ESG+++.

In order to monitor the improvement of suppliers' ESG performance over time, the current methodology was updated in line with the requirements of the Corporate Sustainability Reporting Directive - CSRD.

In particular, for each question in the ISO26000 area, in the event it does not comply with the requirement, the supplier must indicate whether it intends to undertake to achieve it and, if it intends to do so, must describe the action and conclusion date.

In addition, starting from January 2024, a vendor management technological platform is active for the management of the application and detection of the ESG Rating, allowing individual suppliers to enter and keep their information constantly updated, in a secure and confidential manner.

Almost all suppliers are based in Italy. This choice enables, on one hand, value to be returned to the regions, and on the other, to minimise the geopolitical risks arising from a delocalisation of the supply chain.

Verification of the documentation collected at the qualification stage and a series of controls distributed over time allow the Group to mitigate or preserve itself from possible economic, reputational and legal risks related to the supply chain.

The Bank does not have any relationship with persons involved in illegal activities or who, directly or indirectly, violate human rights - whose protection is a value expressed in the Group Code of Ethics.

Risk management

d) Institution's integration in risk management arrangements of the governance performance of their counterparties considering:

i) Ethical considerations

ii) Strategy and risk management

iii) Inclusiveness

i) Transparency

v) Management of conflict of interest

vi) Internal communication on critical concerns

The Group defines governance risk (as a specific type), in line with the "EBA Report on management and supervision of ESG risks for credit institutions and investment firms", as the potential risk of financial losses that the Group may suffer due to the current and/or prospective negative impact of governance factors relating to the borrower counterparties or the assets in which the Bank has invested.

During 2025, in compliance with the provisions of the European CSRD Directive, Banco BPM carried out the Double Materiality Assessment (hereinafter, also DMA) to select the material sustainability topics for the Group and along its value chain and whose process and related outcomes have been included in the 2025 Sustainability Reporting.

The process was developed through an approach consistent with the dictates of the EFRAG Guidelines for the enforcement of the Standards on materiality analysis ("Implementation Guidance EFRAG IG 1 Materiality Assessment" of 31 May 2024).

For more information on the DMA process, please refer to the content of point (I) in the section on environmental risks. For a complete and detailed description of the process and its outcomes, please refer to the Group's 2025 Sustainability Reporting.

With specific reference to the results of Financial Materiality, as part of the ADM process, the governance risk factors identified and assessed as material are attributable to reputational risk linked to corporate conduct in relation to corporate culture and corruption and bribery issues.

In particular, the Risk assessment was carried out by leveraging the results of internal processes and tools available and governed by the Parent Company's Risk Management function, (as specified in point (i) of the section dedicated to environmental risks) and assigning each risk a scoring derived from the product of the scores associated with the assessment of the Magnitude and Probability of occurrence of the risk.

The Group has integrated the analyses aimed at measuring the ESG risk factors in all "traditional" categories of both first pillar (credit, market, liquidity and operational risk) and second pillar (such as reputational risk), through a solid approach aimed at their management and mitigation in the short, medium and long-term.

For all the details on the management of risks, also with reference to governance risks, please refer to the specific risk management points in the section dedicated to environmental risks.

The detailed information contained in the templates illustrated below derives mainly from operational data (internal and external sources) and accounting data. To manage this data, the Group uses a specific centralised repository (Risks DWH).

Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity (1 of 3)

Template 1 shows the breakdown of the gross carrying amount of exposures to non-financial corporations, including loans and advances, debt securities and equity instruments, classified in the accounting portfolios of the banking book, with the exclusion of financial assets held for trading or available for sale.

The exposures are reported by specific sector of economic activity, using the NACE codes, on the basis of the core business of the counterparty. The objective of the template is to provide details of the Group's overall portfolio with regard to companies operating in carbon-intensive sectors⁷⁶.

In addition, further information is provided regarding the quality of these exposures, including the status of non-performing exposure, any classification at stage 2, the related value adjustments, as well as the maturity categories and the weighted average maturity.

More specifically, column b) shows the gross carrying amount relating to exposures to all counterparties excluded from the EU Paris-aligned Benchmarks. The business sectors in which these companies operate were identified on the basis of the provisions of Article 12, paragraphs 1 and 2, letters d) to g) of Regulation (EU) 2020/1818.

The methodology adopted by Banco BPM to complete this column was based on identification of the total amount of exposures relating to counterparties associated with the NACE/ATECO⁷⁷ codes, which make it possible to identify companies to be excluded as they are not aligned with the Paris Agreement.

However, companies that are "Green" according to the internal classification defined by the Group were not included in this scope.

Column c) which shows the amount relating to the exposures of non-financial corporations that are aligned with the taxonomy, with specific reference to the mitigation objective (CCM) was not completed in line with the indications provided by the EBA in the document "Opinion of the European Banking Authority on the application of the provisions relating to disclosures on ESG risks" of 5 August 2025.

As required by the regulation, columns i, j, k, relating to the financed emissions of borrower counterparties (scopes 1, 2, 3) will be completed as of June 2024. The Group adopts the PCAF methodology, which identifies seven asset classes for reporting financed emissions (from December 2026 it will use a new approach that envisages 10 classes), each with a specific definition and methodology. The current limited availability of reported and certified information directly from counterparties on GHG emissions is emphasised, necessitating estimation approaches, consistent with the PCAF methodology, based mainly on the characteristic emissions of sectors with respect to the production activities carried out.

⁷⁶ In accordance with Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks - "Climate Benchmark Standards Regulation - Recital 6": Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006

⁷⁷ The list of ATECO codes considered was further extended following refinement of the methodology adopted

Template 1: Banking book - Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity (2 of 3)

Sector/sub-sector		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	Average weighted maturity
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions							
1	Exposures towards sectors that highly contribute to climate change ⁷⁸	46,624	1,751	-	5,462	1,692	(1,104)	(253)	(795)	36,914,220	34,267,637	10.05%	24,684	9,873	2,942	9,124	3.83
2	A - Agriculture, forestry and fishing	1,728	-	-	153	48	(27)	(8)	(17)	559,408	459,632	0.89%	647	419	447	215	6.83
3	B - Mining and quarrying	166	72	-	34	17	(7)	(1)	(6)	111,212	93,853	-	120	9	1	36	3.86
4	B.05 - Mining of coal and lignite	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	B.06 - Extraction of crude petroleum and natural gas	67	66	-	25	-	0	0	-	15,788	12,872	-	67	-	-	0	1.72
6	B.07 - Mining of metal ores	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	B.08 - Other mining and quarrying	92	0	-	9	16	(7)	(1)	(6)	91,101	77,308	-	48	9	1	35	5.62
8	B.09 - Mining support service activities	6	6	-	0	1	(1)	0	(1)	4,323	3,673	-	5	-	-	1	1.03
9	C - Manufacturing	19,013	314	-	2,316	658	(390)	(70)	(306)	20,591,654	19,178,735	12.58%	11,268	3,061	398	4,286	2.88
10	C.10 - Manufacture of food products	2,696	-	-	297	59	(44)	(9)	(33)	3,766,643	3,591,165	15.15%	1,571	499	27	600	2.76
11	C.11 - Manufacture of beverages	572	-	-	19	9	(5)	(1)	(3)	374,267	353,919	28.58%	345	151	22	54	3.57
12	C.12 - Manufacture of tobacco products	31	-	-	30	-	(1)	(1)	-	16,536	15,879	-	27	1	-	4	3.89
13	C.13 - Manufacture of textiles	482	-	-	63	20	(15)	(2)	(12)	277,952	256,912	0.58%	243	68	6	166	2.31
14	C.14 - Manufacture of wearing apparel	592	-	-	226	42	(26)	(4)	(21)	262,734	248,266	11.38%	360	115	1	116	3.04
15	C.15 - Manufacture of leather and related products	407	-	-	80	60	(30)	(3)	(26)	214,442	199,334	14.18%	257	49	4	97	2.71
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	275	-	-	20	8	(5)	(1)	(4)	174,317	163,808	-	144	34	11	86	2.84
17	C.17 - Manufacture of paper and paper products	546	-	-	83	7	(4)	(1)	(3)	473,543	403,072	5.84%	267	160	8	110	3.92
18	C.18 - Printing and reproduction of recorded media	203	-	-	24	10	(5)	(1)	(4)	127,199	110,135	0.67%	107	25	4	67	2.60
19	C.19 - Manufacture of coke and refined petroleum products	194	194	-	2	0	(1)	0	0	1,308,905	1,135,204	43.15%	90	58	-	46	3.38
20	C.20 - Manufacture of chemicals and chemical products	1,248	120	-	145	37	(22)	(3)	(18)	1,714,014	1,548,017	19.56%	745	199	112	192	3.54
21	C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations	760	-	-	14	8	(3)	(1)	(3)	200,992	185,807	43.78%	459	107	11	183	2.60
22	C.22 - Manufacture of rubber products	1,174	-	-	133	22	(17)	(5)	(11)	1,294,061	1,244,951	4.84%	705	166	17	286	2.71
23	C.23 - Manufacture of other non-metallic mineral products	812	-	-	74	30	(16)	(2)	(13)	723,544	524,866	3.14%	492	131	28	160	3.10
24	C.24 - Manufacture of basic metals	1,163	-	-	114	35	(23)	(4)	(18)	2,547,948	2,272,062	14.06%	658	187	1	316	2.47
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	2,465	-	-	327	125	(65)	(13)	(50)	2,695,245	2,636,992	2.09%	1,289	374	39	763	2.64
26	C.26 - Manufacture of computer, electronic and optical products	500	-	-	53	11	(8)	(2)	(6)	219,541	208,979	18.60%	295	127	14	64	4.04
27	C.27 - Manufacture of electrical equipment	605	-	-	110	7	(6)	(2)	(3)	447,921	430,753	10.32%	419	43	13	130	2.71

⁷⁸ In accordance with Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks - Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006

Template 1: Banking book - Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity (3 of 3)

Sectors/Sub-sectors	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	Average weighted maturity
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
28 C.28 - Manufacture of machinery and equipment n.e.c.	2,170	-	-	270	70	(45)	(6)	(37)	1,435,579	1,394,042	9.17%	1,376	303	65	426	3.00
29 C.29 - Manufacture of motor vehicles, trailers and semi-trailers	421	-	-	82	41	(13)	(3)	(9)	255,835	237,831	0.35%	259	78	3	80	2.77
30 C.30 - Manufacture of other transport equipment	472	-	-	26	17	(13)	(2)	(10)	1,240,437	1,220,237	56.59%	377	36	0	59	2.46
31 C.31 - Manufacture of furniture	341	-	-	51	13	(8)	(2)	(6)	220,512	214,864	-	201	36	3	101	2.53
32 C.32 - Other manufacturing	405	-	-	37	20	(13)	(1)	(11)	248,609	240,478	19.11%	275	39	4	86	2.39
33 C.33 - Repair and installation of machinery and equipment	481	-	-	37	6	(5)	(1)	(3)	350,877	341,161	-	307	76	6	92	2.69
34 D - Electricity, gas, steam and air conditioning supply	1,879	668	-	83	8	(13)	(3)	(6)	2,179,397	1,987,882	46.28%	1,132	450	110	187	4.07
35 D35.1 - Electric power generation, transmission and distribution	1,429	255	-	76	3	(8)	(3)	(2)	1,767,034	1,601,087	42.35%	766	391	110	162	4.64
36 D35.11 - Production of electricity	812	255	-	74	1	(6)	(3)	0	196,531	105,760	29.60%	401	310	96	5	5.81
37 D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	419	413	-	6	5	(5)	0	(4)	388,613	378,794	63.24%	358	34	-	26	1.91
38 D35.3 - Steam and air conditioning supply	32	-	-	0	-	0	0	-	23,750	8,001	-	7	24	-	0	6.83
39 E - Water supply; sewerage, waste management and remediation activities	864	12	-	50	18	(14)	(2)	(10)	1,553,272	1,307,912	16.84%	395	226	149	94	5.18
40 F - Construction	4,831	-	-	778	287	(229)	(71)	(148)	1,425,487	1,337,312	1.88%	2,502	1,079	360	890	4.89
41 F.41 - Construction of buildings	2,880	-	-	575	224	(180)	(60)	(114)	548,283	518,663	0.10%	1,328	814	273	465	5.99
42 F.42 - Civil engineering	831	-	-	75	19	(14)	(1)	(10)	302,201	273,378	10.56%	503	137	47	143	3.78
43 F.43 - Specialised construction activities	1,120	-	-	128	44	(35)	(11)	(24)	575,003	545,271	0.01%	671	127	40	282	2.87
44 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	8,432	563	-	841	321	(224)	(40)	(175)	8,013,408	7,784,839	6.29%	4,651	935	103	2,743	2.26
45 H - Transportation and storage	2,580	122	-	214	42	(36)	(7)	(23)	1,970,024	1,642,409	20.05%	1,324	744	136	376	4.37
46 H.49 - Land transport and transport via pipelines	1,055	64	-	96	29	(19)	(3)	(14)	580,494	415,633	17.21%	629	191	30	205	3.30
47 H.50 - Water transport	227	-	-	10	3	(3)	(1)	(2)	376,004	304,083	0	67	141	17	2	6.82
48 H.51 - Air transport	77	-	-	20	0	0	0	0	62,694	13,658	0	56	21	-	0	4.20
49 H.52 - Warehousing and support activities for transportation	1,122	58	-	87	11	(13)	(3)	(7)	927,658	888,157	21.73%	539	342	79	162	4.73
50 H.53 - Postal and courier activities	98	-	-	0	0	0	0	0	23,174	20,877	93.74%	33	48	10	7	6.29
51 I - Accommodation and food service activities	2,250	-	-	314	53	(34)	(11)	(20)	390,694	365,245	2.80%	953	886	318	93	5.98
52 L - Real estate activities	4,882	-	-	679	240	(131)	(39)	(84)	119,664	109,819	1.23%	1,690	2,066	921	205	6.55
53 Exposures towards sectors other than those that highly contribute to climate change ²⁹	10,982	9	-	1,027	171	(149)	(43)	(87)				7,057	2,327	339	1,259	3.57
54 K - Financial and insurance activities	589	-	-	54	0	(5)	(4)	0				379	175	24	12	3.54
55 Exposures to other sectors (NACE codes J, M - U)	10,393	9	-	973	171	(145)	(39)	(87)				6,678	2,152	315	1,248	3.58
56 TOTAL	57,606	1,760	-	6,489	1,863	(1,253)	(295)	(881)	36,914,220	34,267,637	8.13%	31,741	12,200	3,281	10,383	3.78

²⁹ In accordance with Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks - Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006

Template 2: Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral (1 of 2)

Template 2 provides information on the energy efficiency of property used as collateral. In particular, the scope refers to loans secured by commercial and residential property and repossessed real estate collaterals, divided into EU area and Non-EU area.

Columns b) to g) show the values based on the Energy Performance score in terms of estimated and actual kWh/m², while columns h) to n) show the values exclusively on the basis of the actual Energy Performance Certificate (EPC) label. The energy efficiency class is defined as actual when the Bank has this information as provided directly by the borrower; the estimated energy efficiency component was instead obtained through qualified external info providers. Columns o) and p) of the table respectively show:

- the value for which the energy efficiency level of the property in terms of EPC label is not present or is estimated;
- the percentage of the share estimated with respect to the total (estimated and missing) of column o).

During the year, the refinement of the data set available to the Group allowed for an improvement in both the collection of information on energy labels and the quantification of goods without this certification.

Rows 2, 3 and 4 (EU area) and rows 7, 8 and 9 (Non-EU area) of the template show the distinction between loans guaranteed by residential, commercial and foreclosed real estate; rows 5 and 10 indicate the share of data estimated and not based on precise data.

Template 2: Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral (2 of 2)

Counterparty sector		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total gross carrying amount (Mln EUR)															
		Level of energy efficiency (EP score in kWh/m² of collateral)							Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
		0; ≤ 100	> 100; ≤ 200	> 200; ≤ 300	> 300; ≤ 400	> 400; ≤ 500	> 500		A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
1	Total EU area	37,799	6,275	11,146	6,389	3,164	1,377	581	2,927	981	1,114	2,005	2,689	3,154	3,440	21,489	58.73%
2	Of which Loans collateralised by commercial immovable property	9,911	242	338	851	1,134	225	52	142	122	112	108	56	52	69	9,250	23.57%
3	Of which Loans collateralised by residential immovable property	27,597	6,032	10,808	5,538	2,030	1,152	529	2,785	858	1,002	1,898	2,633	3,102	3,371	11,948	87.38%
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	291	-	-	-	-	-	-	-	-	-	-	-	-	-	291	-
5	Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated	12,620	1,461	4,960	3,103	1,930	941	225								12,620	100.00%
6	Total Non-EU area	83	11	32	13	7	4	1	8	1	3	20	5	9	7	29	42.93%
7	Of which Loans collateralised by commercial immovable property	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-
8	Of which Loans collateralised by residential immovable property	83	11	32	13	7	4	1	8	1	3	20	5	9	7	28	44.44%
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated	12	2	3	3	2	1	1								12	100.00%

Template 3: Banking book - Indicators of potential climate change transition risk: Alignment metrics (1 of 2)

Template 3 provides, for a selected number of sectors, the consistency of the decarbonisation targets defined by the Bank (expressed against specific physical metrics specific to economic activities) with the goal of Net Zero Emissions by 2050.

Included in the non-exhaustive list of sectors proposed by EBA are the five most emissive sectors (Automotive, Cement, Coal, Oil & Gas, Power generation) for which the Bank published targets in August 2024. The reference year coincides with the starting point (2022) for setting the Net Zero intermediate targets.

The scope of exposure includes non-financial corporations in line with template 1 and differs from the NZBA scope of application, which considers only Large Corporate and Corporate (internal segmentation) and provides for the reclassification of the Group's holding companies and financial corporations.

The EBA requires publication of the distance from the Year of reference to reach the 2030 target of the NZE 2050 (IEA) scenario: $[(\text{metric at reference date}) - (\text{IEA scenario metric in 2030})]/(\text{IEA scenario metric in 2030}) \times 100$. For the Automotive sector, considering the particular composition of the Banco BPM Group's portfolio, the distance to the adjusted IEA target was measured in line with what was done for NZBA.

Column g) (interim target +3Y) is not populated, as the Group, in line with its commitment to the NZBA, has only set interim targets for 2030.

In compliance with the Targets communicated to the market, the bank chose to represent the distance from the IEA targets by aggregating by macro-sector, considering the breakdown by individual NACE to be insignificant. The metric at the reference date has been added in column d with respect to previous publications.

Template 3: Banking book - Indicators of potential climate change transition risk: Alignment metrics
(2 of 2)

a		b	c	d	e	f	g
Sector		NACE Sectors (a minima)	Portfolio gross carrying amount (Mn EUR)	Alignment metric **	Year of reference	Distance to IEA NZE2050 in % ***	Target (year of reference + 3 years)
1	Power	D35.11	812	0.08 - tCO ₂ e/MWh	2022	(8.57)	-
2	Fossil fuel combustion	B06.10	66	58.8 - gCO ₂ e/Mj	2022	15.53	-
2	Fossil fuel combustion	B06.20	1	58.8 - gCO ₂ e/Mj	2022	15.53	-
2	Fossil fuel combustion	B08.92	0	58.8 - gCO ₂ e/Mj	2022	15.53	-
2	Fossil fuel combustion	B08.99	3	58.8 - gCO ₂ e/Mj	2022	15.53	-
2	Fossil fuel combustion	B09.10	6	58.8 - gCO ₂ e/Mj	2022	15.53	-
2	Fossil fuel combustion	B09.90	-	58.8 - gCO ₂ e/Mj	2022	15.53	-
2	Fossil fuel combustion	C19.20	194	58.8 - gCO ₂ e/Mj	2022	15.53	-
2	Fossil fuel combustion	C20.14	97	58.8 - gCO ₂ e/Mj	2022	15.53	-
2	Fossil fuel combustion	D35.21	14	58.8 - gCO ₂ e/Mj	2022	15.53	-
2	Fossil fuel combustion	D35.22	69	58.8 - gCO ₂ e/Mj	2022	15.53	-
2	Fossil fuel combustion	D35.23	336	58.8 - gCO ₂ e/Mj	2022	15.53	-
2	Fossil fuel combustion	G46.12	32	58.8 - gCO ₂ e/Mj	2022	15.53	-
2	Fossil fuel combustion	G46.71	317	58.8 - gCO ₂ e/Mj	2022	15.53	-
2	Fossil fuel combustion	G47.30	134	58.8 - gCO ₂ e/Mj	2022	15.53	-
2	Fossil fuel combustion	H49.50	64	58.8 - gCO ₂ e/Mj	2022	15.53	-
3	Automotive	C29.10	16	0.42 - MtCO ₂ /bpkm	2022	90.59	-
3	Automotive	C29.20	47	0.42 - MtCO ₂ /bpkm	2022	90.59	-
3	Automotive	C30.91	14	0.42 - MtCO ₂ /bpkm	2022	90.59	-
4	Aviation	-	-	-	-	-	-
5	Maritime transport	-	-	-	-	-	-
6	Cement, clinker and lime production	B08.11	44	0.36 - tCO ₂ e/tonnes	2022	11.67	-
6	Cement, clinker and lime production	C23.51	10	0.36 - tCO ₂ e/tonnes	2022	11.67	-
6	Cement, clinker and lime production	C23.52	8	0.36 - tCO ₂ e/tonnes	2022	11.67	-
6	Cement, clinker and lime production	C23.61	47	0.36 - tCO ₂ e/tonnes	2022	11.67	-
6	Cement, clinker and lime production	C23.63	30	0.36 - tCO ₂ e/tonnes	2022	11.67	-
6	Cement, clinker and lime production	C23.62	1	0.36 - tCO ₂ e/tonnes	2022	11.67	-
6	Cement, clinker and lime production	C23.64	3	0.36 - tCO ₂ e/tonnes	2022	11.67	-
6	Cement, clinker and lime production	C23.65	2	0.36 - tCO ₂ e/tonnes	2022	11.67	-
6	Cement, clinker and lime production	C23.69	24	0.36 - tCO ₂ e/tonnes	2022	11.67	-
7	Iron and steel, coke, and metal ore production	-	-	-	-	-	-
8	Chemicals	-	-	-	-	-	-

*** Point in Time (PiT) distance to 2030 NZE2050 scenario in % (for each metric)

Template 4: Banking book - Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms

Template 4 shows the aggregate exposures that the Group has towards the 20 most polluting companies in the world, the incidence of the latter with respect to the total portfolio exposures, as well as the weighted average maturity of these exposures. The scope of analysis is the same as required for template 1.

Column c) of the Template relating to exposures aligned with the taxonomy (Climate Change Mitigation) was not completed in line with the indications provided by the EBA in the document "Opinion of the European Banking Authority on the application of the provisions relating to disclosures on ESG risks "of 5 August 2025.

Prudentially, and in line with that specified in the EBA Q&A 2022_6536, in providing the required disclosure, Banco BPM considered the listing of the Top 20 most polluting companies in the world on the basis of the economic and legal group to which the individual counterparties examined belonged. In order to identify the correct scope of analysis, on which to verify any presence of companies financed by the Group, the pertinent regulation requires the use of reliable, accurate and publicly accessible data sources. These include in particular:

- Carbon Majors Database: (CDP Carbon Majors Report 2017);
- Climate Accountability Institute: (CAI-PressRelease-Dec20.pdf);
- Thomson Reuters.

The Bank has decided to use, in particular, the first two data sources shown above in order to define the overall list of counterparties to be assessed. The Group has also chosen to conduct its audits on a broader scope obtained by combining the lists provided by the various info-providers. As can be seen from the following template, the aggregate exposure to the 20 most polluting counterparties in the world can be considered negligible as it accounts for 0.08% of the Group's overall exposure to non-financial corporations (debt securities, equity instruments, loans and advances).

a	b	c	d	e
Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Average weighted maturity	Number of top 20 polluting firms included
46	0.08%	-	0.73	3

* For counterparties among the top 20 carbon emitting companies in the world

Template 5: Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk (1 of 4)

Template 5 provides information on banking book exposures, including loans and advances, debt securities and equity instruments not held for trading and for sale, to non-financial corporations, on loans secured by real estate assets and on repossessed real estate collaterals, exposed to potential chronic and acute physical risks (or both) linked to climate, with a breakdown by sector of economic activity (NACE classification) and by geographic location of the counterparty's business or collaterals.

In addition, additional reporting information is provided relating to exposures sensitive to physical events related to climate change, such as the gross carrying amount of stage 2 and non-performing exposures, adjustments and provisions, as well as the maturity categories and the weighted average maturity.

With regard to physical risk, the methodology developed⁸⁰ by Banco BPM - already starting from 2022 - directly and/or indirectly considers all the acute and chronic risk hazards linked to the climate and mapped by the Regulation on the "EU Taxonomy"⁸¹. During the year, the overall physical risk assessment approach was aligned with the management methodology internally adopted by the Group in line with the materiality analyses on the loan portfolio.

It should be noted, however, that the specific evaluation methodology appears to be constantly evolving, also thanks to ever greater accuracy and better quality of the information available. In fact, note that during the year, in particular, the physical risk summary scores were refined.

The materiality of the exposures to physical risk is assessed by the Group both with regard to the real estate collaterals received and with respect to the production assets of borrower non-financial corporations.

For the purpose of compiling this table, the Banco BPM Group considers only exposures with a "High" or "Very High" risk score to be subject to significant physical risk (acute and/or chronic).

The template published provides three distinct views: consolidated, Italy and Rest of the World.

⁸⁰ This methodology was defined with the support of a qualified and approved external data provider. The assessment of physical risk drivers is constantly refined and updated to take into account the increasing availability of high quality public data sets (e.g. satellite data from Copernicus), in particular in this case by updating both the methodology (greater precision in the spatial resolution used) and the estimate of the impact of some acute climate hazards (e.g. heat wave phenomena)

⁸¹ The reference is the list of 28 risks included in Regulation 2020/852, where those most relevant to Italy are measured directly (for example, flood or drought risks as acute risks, or soil erosion risk as chronic risks). However, since the different types of hazards are highly correlated (for example, flood and heavy rainfall risks), all of them can be measured at least indirectly, thus guaranteeing complete mapping in terms of scores

Template 5: Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk (2 of 4)

a		b	c	d	e	f	g	h	i	j	k	l	m	n	o
Total exposures			Gross carrying amount (Mln EUR)												
			of which exposures sensitive to impact from climate change physical events												
			Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
			≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	Average weighted maturity							Of which stage 2 exposures	Of which non-performing exposures
1	A - Agriculture, forestry and fishing	1,728	331	161	218	103	7	4	805	5	88	25	(11)	(5)	(6)
2	B - Mining and quarrying	166	34	0	1	4	1	0	39	0	26	1	(1)	0	(1)
3	C - Manufacturing	19,013	1,935	426	65	905	3	111	3,002	219	481	111	(72)	(15)	(55)
4	D - Electricity, gas, steam and air conditioning supply	1,879	91	39	22	19	5	15	138	18	8	6	(6)	(1)	(4)
5	E - Water supply; sewerage, waste management and remediation activities	864	90	51	18	23	4	30	151	1	6	2	(1)	0	(1)
6	F - Construction	4,831	700	205	46	205	3	26	1,096	34	201	37	(35)	(14)	(20)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	8,432	634	151	14	453	2	67	1,108	77	154	47	(33)	(7)	(25)
8	H - Transportation and storage	2,580	160	89	15	73	4	27	275	34	33	6	(6)	(1)	(4)
9	L - Real estate activities	4,882	198	253	80	34	6	24	492	49	44	15	(9)	(3)	(5)
10	Loans collateralised by residential immovable property	27,679	165	490	2,087	2,124	18	227	4,348	291	166	58	(26)	(6)	(20)
11	Loans collateralised by commercial immovable property	9,912	629	894	500	10	7	134	1,696	203	398	63	(53)	(19)	(31)
12	Repossessioned collaterals	291	-	-	-	53	-	0	52	-	-	-	-	-	-
13	Other relevant sectors - NACE I	2,250	298	304	154	36	6	35	590	168	90	11	(10)	(5)	(4)
14	Other relevant sectors - NACE J	2,079	42	14	2	14	3	7	51	13	19	4	(2)	0	(1)
15	Other relevant sectors - NACE K	589	23	1	-	1	3	0	25	0	22	0	(1)	(1)	0
16	Other relevant sectors - NACE M	4,908	210	179	5	56	4	24	420	7	43	6	(5)	(2)	(2)
17	Other relevant sectors - NACE N	1,680	88	58	27	24	5	10	181	5	10	2	(2)	(1)	(1)
18	Other relevant sectors - NACE O	10	-	-	-	0	-	-	0	-	-	-	0	-	-
19	Other relevant sectors - NACE P	119	5	2	1	1	5	0	8	0	0	0	0	0	0
20	Other relevant sectors - NACE Q	863	63	16	13	13	4	6	85	13	10	1	(1)	0	0
21	Other relevant sectors - NACE R	487	23	20	5	5	5	3	39	12	3	1	0	0	0
22	Other relevant sectors - NACE S	247	15	6	1	4	4	1	23	1	2	1	(1)	0	0
23	Other relevant sectors - NACE T	1	-	-	-	-	-	-	-	-	-	-	-	-	-

Template 5: Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk (3 of 4)

a		b	c	d	e	f	g	h	i	j	k	l	m	n	o
of which to Italian entities			Gross carrying amount (Mln EUR)												
			of which exposures sensitive to impact from climate change physical events												
			Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
			≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	Average weighted maturity							Of which stage 2 exposures	Of which non-performing exposures
1	A - Agriculture, forestry and fishing	1,728	331	161	218	103	7	4	805	5	88	25	(11)	(5)	(6)
2	B - Mining and quarrying	125	34	0	1	4	1	0	39	0	26	1	(1)	0	(1)
3	C - Manufacturing	18,173	1,915	426	65	904	3	111	2,981	219	481	111	(72)	(15)	(55)
4	D - Electricity, gas, steam and air conditioning supply	1,699	88	34	22	19	5	15	130	18	8	6	(6)	(1)	(4)
5	E - Water supply; sewerage, waste management and remediation activities	845	90	51	18	23	4	30	151	1	6	2	(1)	0	(1)
6	F - Construction	4,805	700	205	46	205	3	26	1,096	34	201	37	(35)	(14)	(20)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	8,310	624	151	14	453	2	67	1,097	77	154	47	(33)	(7)	(25)
8	H - Transportation and storage	2,313	151	89	15	73	4	27	266	34	33	6	(6)	(1)	(4)
9	L - Real estate activities	4,858	198	253	80	34	6	24	492	49	44	15	(9)	(3)	(5)
10	Loans collateralised by residential immovable property	27,581	162	488	2,072	2,120	18	226	4,330	286	166	58	(26)	(6)	(20)
11	Loans collateralised by commercial immovable property	9,898	629	894	500	10	7	134	1,696	203	398	63	(53)	(19)	(31)
12	Reposessed collaterals	291	-	-	-	53	-	0	52	-	-	-	-	-	-
13	Other relevant sectors - NACE I	2,191	298	304	154	36	6	35	590	168	90	11	(10)	(5)	(4)
14	Other relevant sectors - NACE J	1,888	42	14	2	14	3	7	51	13	19	4	(2)	0	(1)
15	Other relevant sectors - NACE K	266	23	1	-	1	3	0	25	0	22	0	(1)	(1)	0
16	Other relevant sectors - NACE M	4,833	210	179	5	56	4	24	420	7	43	6	(5)	(2)	(2)
17	Other relevant sectors - NACE N	1,648	88	58	27	24	5	10	181	5	10	2	(2)	(1)	(1)
18	Other relevant sectors - NACE O	10	-	-	-	0	-	-	0	-	-	-	0	-	-
19	Other relevant sectors - NACE P	119	5	2	1	1	5	0	8	0	0	0	0	0	0
20	Other relevant sectors - NACE Q	863	63	16	13	13	4	6	85	13	10	1	(1)	0	0
21	Other relevant sectors - NACE R	470	23	20	5	5	5	3	39	12	3	1	0	0	0
22	Other relevant sectors - NACE S	246	15	6	1	4	4	1	23	1	2	1	(1)	0	0
23	Other relevant sectors - NACE T	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template 5: Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk (4 of 4)

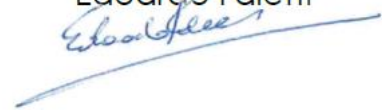
a		b	c	d	e	f	g	h	i	j	k	l	m	n	o
of which non-Italian entities (Rest of the world)		Gross carrying amount (Mln EUR)													
		of which exposures sensitive to impact from climate change physical events													
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
												≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years
1	A - Agriculture, forestry and fishing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	B - Mining and quarrying	41	-	-	-	-	-	-	-	-	-	-	-	-	-
3	C - Manufacturing	840	20	-	-	1	3	-	21	-	-	-	0	-	-
4	D - Electricity, gas, steam and air conditioning supply	181	3	5	-	-	5	-	8	-	-	-	0	-	-
5	E - Water supply; sewerage, waste management and remediation activities	19	-	-	-	-	-	-	-	-	-	-	-	-	-
6	F - Construction	26	-	-	-	-	-	-	-	-	-	-	-	-	-
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	122	11	-	-	0	0	-	11	0	-	-	0	-	-
8	H - Transportation and storage	267	9	-	-	0	2	-	9	-	-	-	0	-	-
9	L - Real estate activities	24	-	-	-	0	-	-	0	-	-	0	0	-	0
10	Loans collateralised by residential immovable property	99	2	2	15	4	15	0	18	5	0	-	0	0	-
11	Loans collateralised by commercial immovable property	14	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Reposessed collaterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Other relevant sectors - NACE J	58	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Other relevant sectors - NACE K	190	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other relevant sectors - NACE M	323	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Other relevant sectors - NACE N	76	-	-	-	0	-	-	0	-	-	-	-	-	-
18	Other relevant sectors - NACE O	32	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Other relevant sectors - NACE P	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Other relevant sectors - NACE Q	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Other relevant sectors - NACE R	0	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Other relevant sectors - NACE S	17	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Other relevant sectors - NACE T	1	-	-	-	0	-	-	0	-	-	-	-	-	-
13	Other relevant sectors - NACE I	1	-	-	-	-	-	-	-	-	-	-	-	-	-

Declaration of the Chief Risk Officer

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

Milan, 12 March 2026

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., 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, 12 March 2026


Il Dirigente Preposto alla redazione dei documenti
contabili societari
Gianpietro Val

Declaration of Board of Directors

Pursuant to Article 435 (1) (e) of Regulation (EU) no. 575/2013 as subsequently amended, the Board of Directors of Banco BPM hereby declares that it has assessed the adequacy of the risk management measures of the institution and certifies that the risk management systems implemented, as described in the document “Public Disclosure as at 31 December 2025” are consistent with the risk profile and strategy of Banco BPM Group.

Milan, 12 March 2026

Board of Directors of Banco BPM

Annexes

Annex 1: Template EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments (1 of 12)

		a
		Qualitative or quantitative information - Free format
1	Issuer	BANCO BPM S.P.A.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	IT0005218380
2a	Public or private placement	
3	Governing law(s) of the instrument	Italian law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	N/A
Regulatory treatment		
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1 capital
5	Post-transitional CRR rules	Common Equity Tier 1 capital
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Individual entity and consolidation
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	7,032
9	Nominal amount of instrument	N/A
EU-9a	Issue price	N/A
EU-9b	Redemption price	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	N/A
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	NO
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
Coupons/dividends		
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	NO
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	N/A
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	NO
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 1 - Ranking in insolvency (master scale)
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	https://gruppo.bancobpm.it/en/investor-relations/share-price-shareholding-documents/

Annex 1: Template EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments (2 of 12)

		a
		Qualitative or quantitative information - Free format
1	Issuer	Banco BPM S.p.A.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	XS2284323347
2a	Public or private placement	Public
3	Governing law(s) of the instrument	Italian law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	YES
	Regulatory treatment	
4	Current treatment taking into account, where applicable, transitional CRR rules	Additional Tier 1 Capital
5	Post-transitional CRR rules	Additional Tier 1 Capital
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Individual entity and consolidated
7	Instrument type (types to be specified by each jurisdiction)	Additional Tier 1 instrument pursuant to Art. 52 CRR
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	-
9	Nominal amount of instrument	400
EU-9a	Issue price	100.00
EU-9b	Redemption price	100.00
10	Accounting classification	Shareholders' equity - equity instruments
11	Original date of issuance	19/01/2021
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	YES
15	Optional call date, contingent call dates and redemption amount	If authorised by the relevant authority, the issuer has the option for full redemption as at 19/01/2026 and every subsequent payment of half-yearly interest. "Regulatory call" and "tax call" clauses are envisaged, which can be exercised at any time by the issuer. In all these cases, the nominal value is due plus the accrued instalment and the additional amount due, if applicable. <i>The redemption option was exercised as at 19/01/2026.</i>
16	Subsequent call dates, if applicable	Every payment of half-yearly interest subsequent to 19/01/2026
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed with the parameter revision after 5 years
18	Coupon rate and any related index	6.5% fixed until 19/01/2026, then 5 years euro mid swap rate + 7.026%, to be reviewed every 5 years. Rate calculated on an annual basis then converted on a half-yearly basis in accordance with market conventions, not cumulative and, in any event, payable on a half-yearly basis.
19	Existence of a dividend stopper	NO
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	The issuer can decide at its sole discretion to annul any interest payment for any payment date of the same, on a non-cumulative basis.
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	NO
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	YES
31	If write-down, write-down trigger(s)	If, at any time, the Issuer's CET1 ratio on an individual or consolidated Group basis is less than 5.125% (Trigger Event)
32	If write-down, full or partial	The Issuer must annul interest accrued and reduce the amount of the security by the amount of the partial/full write-down until a CET1 level of 5.125% is restored. The total amount necessary for restoration is calculated pro-rata with other instruments involved in absorbing the loss.
33	If write-down, permanent or temporary	Temporary
34	If temporary write-down, description of write-up mechanism	In the case of net positive individual/consolidated income, the issuer may, at its sole discretion and without prejudice to the maximum amount distributable and maximum amount for reinstatement, write back the nominal amount of securities in issue. This restoration must also be applied proportionally to any other instruments involved in absorbing the loss.
34a	Type of subordination (only for eligible liabilities)	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 2 - Ranking in insolvency (master scale)
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	https://gruppo.bancobpm.it/media/dlm_uploads/Banco-BPM-AT1-Prospectus-15.01-790758-v3.pdf

Annex 1: Template EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments (3 of 12)

		a
		Qualitative or quantitative information - Free format
1	Issuer	Banco BPM S.p.A.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	XS2398286471
2a	Public or private placement	Public
3	Governing law(s) of the instrument	Italian law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	YES
	Regulatory treatment	
4	Current treatment taking into account, where applicable, transitional CRR rules	Additional Tier 1 Capital
5	Post-transitional CRR rules	Additional Tier 1 Capital
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Individual entity and consolidated
7	Instrument type (types to be specified by each jurisdiction)	Additional Tier 1 instrument pursuant to Art. 52 CRR
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	297
9	Nominal amount of instrument	300
EU-9a	Issue price	100.00
EU-9b	Redemption price	100.00
10	Accounting classification	Shareholders' equity - equity instruments
11	Original date of issuance	12/04/2022
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	YES
15	Optional call date, contingent call dates and redemption amount	If authorised by the relevant authority, the issuer has the option for full redemption at 12/04/2027 and every subsequent payment of half-yearly interest. "Regulatory call" and "tax call" clauses are envisaged, which can be exercised by the issuer. In these cases, the nominal value is due plus the accrued instalment and the additional amount due, if applicable.
16	Subsequent call dates, if applicable	Every payment of half-yearly interest subsequent to 12/04/2027
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed with the parameter revision after 5 years
18	Coupon rate and any related index	7% fixed until 12/04/2027, then 5 years EUR mid swap rate + 6.041%, to be reviewed every 5 years. Rate calculated on an annual basis then converted on a half-yearly basis in accordance with market conventions, not cumulative and, in any event, payable on a half-yearly basis.
19	Existence of a dividend stopper	NO
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	The issuer can decide at its sole discretion to annul any interest payment for any payment date of the same, on a non-cumulative basis.
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	NO
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	YES
31	If write-down, write-down trigger(s)	If, at any time, the Issuer's CET1 ratio on an individual or consolidated Group basis is less than 5.125% (Trigger Event)
32	If write-down, full or partial	The Issuer must annul interest accrued and reduce the amount of the security by the amount of the partial/full write-down until a CET1 level of 5.125% is restored. The total amount necessary for restoration is calculated pro-rata with other instruments involved in absorbing the loss.
33	If write-down, permanent or temporary	Temporary
34	If temporary write-down, description of write-up mechanism	In the case of net positive individual/consolidated income, the issuer may, at its sole discretion and without prejudice to the maximum amount distributable and maximum amount for reinstatement, write back the nominal amount of securities in issue. This restoration must also be applied proportionally to any other instruments involved in absorbing the loss.
34a	Type of subordination (only for eligible liabilities)	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 2 - Ranking in insolvency (master scale)
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	https://gruppo.bancobpm.it/media/dlm_uploads/08042022/2_Proiect_Blue_-_Final-Prospectus.pdf

Annex 1: Template EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments (4 of 12)

		a
		Qualitative or quantitative information - Free format
1	Issuer	Banco BPM S.p.A.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	IT0005571309
2a	Public or private placement	Public
3	Governing law(s) of the instrument	Italian law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	YES
	Regulatory treatment	
4	Current treatment taking into account, where applicable, transitional CRR rules	Additional Tier 1 Capital
5	Post-transitional CRR rules	Additional Tier 1 Capital
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Individual entity and consolidated
7	Instrument type (types to be specified by each jurisdiction)	Additional Tier 1 instrument pursuant to Art. 52 CRR
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	298
9	Nominal amount of instrument	300
EU-9a	Issue price	100.00
EU-9b	Redemption price	100.00
10	Accounting classification	Shareholders' equity - equity instruments
11	Original date of issuance	24/11/2023
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	YES
15	Optional call date, contingent call dates and redemption amount	If authorised by the relevant authority, the issuer has the option for full redemption on every working day starting from 24/11/2028 to 24/05/2029 and every subsequent payment of half-yearly interest. "Regulatory call" and "tax call" clauses are envisaged, which can be exercised by the issuer. In these cases, the nominal value is due plus the accrued instalment and the additional amount due, if applicable.
16	Subsequent call dates, if applicable	Every business day from 24/11/2028 to 24/05/2029 and at each subsequent half-yearly interest payment
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed with the parameter revision after 5 years and six months
18	Coupon rate and any related index	9.5% fixed until 24/05/2029, then 5 years EUR mid swap rate + 6.673%. Rate calculated on an annual basis then converted on a half-yearly basis in accordance with market conventions, not cumulative and, in any event, payable on a half-yearly basis.
19	Existence of a dividend stopper	NO
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	The issuer can decide at its sole discretion to annul any interest payment for any payment date of the same, on a non-cumulative basis.
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	NO
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	YES
31	If write-down, write-down trigger(s)	If, at any time, the Issuer's CET1 ratio on an individual or consolidated Group basis is less than 5.125% (Trigger Event)
32	If write-down, full or partial	The Issuer must annul interest accrued and reduce the amount of the security by the amount of the partial/full write-down until a CET1 level of 5.125% is restored. The total amount necessary for restoration is calculated pro-rata with other instruments involved in absorbing the loss.
33	If write-down, permanent or temporary	Temporary
34	If temporary write-down, description of write-up mechanism	In the case of net positive individual/consolidated income, the issuer may, at its sole discretion and without prejudice to the maximum amount distributable and maximum amount for reinstatement, write back the nominal amount of securities in issue. This restoration must also be applied proportionally to any other instruments involved in absorbing the loss.
34a	Type of subordination (only for eligible liabilities)	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 2 - Ranking in insolvency (master scale)
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	https://gruppo.bancobpm.it/media/dlm_uploads/Banco-BPM-2023-AT1-Final-Prospectus-dated-22-November-2023-1.pdf

Annex 1: Template EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments (5 of 12)

		a
		Qualitative or quantitative information - Free format
1	Issuer	Banco BPM S.p.A.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	IT0005604803
2a	Public or private placement	Public
3	Governing law(s) of the instrument	Italian law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	YES
	Regulatory treatment	
4	Current treatment taking into account, where applicable, transitional CRR rules	Additional Tier 1 Capital
5	Post-transitional CRR rules	Additional Tier 1 Capital
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Individual entity and consolidated
7	Instrument type (types to be specified by each jurisdiction)	Additional Tier 1 instrument pursuant to Art. 52 CRR
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	397
9	Nominal amount of instrument	400
EU-9a	Issue price	100.00
EU-9b	Redemption price	100.00
10	Accounting classification	Shareholders' equity - equity instruments
11	Original date of issuance	16/07/2024
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	YES
15	Optional call date, contingent call dates and redemption amount	If authorised by the relevant authority, the issuer has the option for full redemption on every working day starting from 16/01/2031 to 16/07/2031 and every subsequent payment of half-yearly interest. "Regulatory call" and "tax call" clauses are envisaged, which can be exercised by the issuer. In these cases, the nominal value is due plus the accrued instalment and the additional amount due, if applicable.
16	Subsequent call dates, if applicable	Every business day from 16/01/2031 to 16/07/2031 and at each subsequent half-yearly interest payment
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed with the parameter revision after 7 years
18	Coupon rate and any related index	7.25% fixed until 16/07/2031, then 5 years EUR mid swap rate + 4.553%. Rate calculated on an annual basis then converted on a half-yearly basis in accordance with market conventions, not cumulative and, in any event, payable on a half-yearly basis.
19	Existence of a dividend stopper	NO
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	The issuer can decide at its sole discretion to annul any interest payment for any payment date of the same, on a non-cumulative basis.
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	NO
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	YES
31	If write-down, write-down trigger(s)	If, at any time, the Issuer's CET1 ratio on an individual or consolidated Group basis is less than 5.125% (Trigger Event)
32	If write-down, full or partial	The Issuer must annul interest accrued and reduce the amount of the security by the amount of the partial/full write-down until a CET1 level of 5.125% is restored. The total amount necessary for restoration is calculated pro-rata with other instruments involved in absorbing the loss.
33	If write-down, permanent or temporary	Temporary
34	If temporary write-down, description of write-up mechanism	In the case of net positive individual/consolidated income, the issuer may, at its sole discretion and without prejudice to the maximum amount distributable and maximum amount for reinstatement, write back the nominal amount of securities in issue. This restoration must also be applied proportionally to any other instruments involved in absorbing the loss.
34a	Type of subordination (only for eligible liabilities)	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 2 - Ranking in insolvency (master scale)
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	https://gruppo.bancobpm.it/media/dlm_uploads/Banco_BPM_AT1_Listing_Prospectus_12_July_2024.pdf

Annex 1: Template EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments (6 of 12)

		a
		Qualitative or quantitative information - Free format
1	Issuer	Banco BPM S.p.A.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	IT0005651788
2a	Public or private placement	Public
3	Governing law(s) of the instrument	Italian law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	YES
Regulatory treatment		
4	Current treatment taking into account, where applicable, transitional CRR rules	Additional Tier 1 Capital
5	Post-transitional CRR rules	Additional Tier 1 Capital
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Individual entity and consolidated
7	Instrument type (types to be specified by each jurisdiction)	Additional Tier 1 instrument pursuant to Art. 52 CRR
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	398
9	Nominal amount of instrument	400
EU-9a	Issue price	100.00
EU-9b	Redemption price	100.00
10	Accounting classification	Shareholders' equity - equity instruments
11	Original date of issuance	27/05/2025
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	YES
15	Optional call date, contingent call dates and redemption amount	If authorised by the relevant authority, the issuer has the option for full redemption on every working day starting from 27/05/2030 to 27/11/2030 and every subsequent payment of half-yearly interest. "Regulatory call" and "tax call" clauses are envisaged, which can be exercised by the issuer. In these cases, the nominal value is due plus the accrued instalment and the additional amount due, if applicable.
16	Subsequent call dates, if applicable	Every business day from 27/05/2030 to 27/11/2030 and at each subsequent payment of half-yearly interest
Coupons/dividends		
17	Fixed or floating dividend/coupon	Fixed with the parameter revision after 5 years and six months
18	Coupon rate and any related index	6.25% fixed until 27/11/2030, then 5 years EUR mid swap rate + 4.066%. Rate calculated on an annual basis then converted on a half-yearly basis in accordance with market conventions, not cumulative and, in any event, payable on a half-yearly basis.
19	Existence of a dividend stopper	NO
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	The issuer can decide at its sole discretion to annul any interest payment for any payment date of the same, on a non-cumulative basis.
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	NO
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	YES
31	If write-down, write-down trigger(s)	If, at any time, the Issuer's CET1 ratio on an individual or consolidated Group basis is less than 5.125% (Trigger Event)
32	If write-down, full or partial	The Issuer must annul interest accrued and reduce the amount of the security by the amount of the partial/full write-down until a CET1 level of 5.125% is restored. The total amount necessary for restoration is calculated pro-rata with other instruments involved in absorbing the loss.
33	If write-down, permanent or temporary	Temporary
34	If temporary write-down, description of write-up mechanism	In the case of net positive individual/consolidated income, the issuer may, at its sole discretion and without prejudice to the maximum amount distributable and maximum amount for reinstatement, write back the nominal amount of securities in issue. This restoration must also be applied proportionally to any other instruments involved in absorbing the loss.
34a	Type of subordination (only for eligible liabilities)	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 2 - Ranking in insolvency (master scale)
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	https://gruppo.bancobpm.it/download/additional-tier-1-prospectus-23-05-2025

Annex 1: Template EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments (7 of 12)

		a
		Qualitative or quantitative information - Free format
1	Issuer	Banco BPM S.p.A.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	XS2271367315
2a	Public or private placement	Public
3	Governing law(s) of the instrument	Italian law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	YES
	Regulatory treatment	
4	Current treatment taking into account, where applicable, transitional CRR rules	T2 Capital
5	Post-transitional CRR rules	T2 Capital
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Individual entity and consolidated
7	Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument pursuant to Art. 63 CRR
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	-
9	Nominal amount of instrument	350
EU-9a	Issue price	99.53
EU-9b	Redemption price	100%
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	14/12/2020
12	Perpetual or dated	Dated
13	Original maturity date	14/01/2031
14	Issuer call subject to prior supervisory approval	YES
15	Optional call date, contingent call dates and redemption amount	In a lump sum on maturity except for regulatory events. The only option for the issuer is to repay the loan, totally but not partially, on 14/01/2026 with the authorisation of the competent authority. <i>The repayment option was exercised as at 14/01/2026.</i>
16	Subsequent call dates, if applicable	N/A
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed with the parameter revision after 5 years
18	Coupon rate and any related index	3.25% until 14/01/2026 then 5 years EUR mid swap rate + 3.8%
19	Existence of a dividend stopper	NO
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory. The subordinated bonds constitute BANCO BPM 2nd level subordinated liabilities, so classified according to the supervisory legislation at the time of issue. Therefore, in case of liquidation of the Bank, bondholders will only be reimbursed after all the other creditors of the Bank not equally subordinate have been satisfied, except for those with a degree of subordination equal to or more than that of the Subordinated Bonds.
21	Existence of step up or other incentive to redeem	NO
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	NO
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 2 - Ranking in insolvency (master scale)
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated liabilities not qualifying as own funds
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	https://gruppo.bancobpm.it/media/dlm_uploads/XS2271367315-14-12-2020-Series-Number-14.pdf

Annex 1: Template EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments (8 of 12)

		a
		Qualitative or quantitative information - Free format
1	Issuer	Banco BPM S.p.A.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	XS2358835036
2a	Public or private placement	Public
3	Governing law(s) of the instrument	Italian law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	YES
	Regulatory treatment	
4	Current treatment taking into account, where applicable, transitional CRR rules	T2 Capital
5	Post-transitional CRR rules	T2 Capital
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Individual entity and consolidated
7	Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument pursuant to Art. 63 CRR
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	303
9	Nominal amount of instrument	300
EU-9a	Issue price	99.775
EU-9b	Redemption price	100%
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	29/06/2021
12	Perpetual or dated	Dated
13	Original maturity date	29/06/2031
14	Issuer call subject to prior supervisory approval	YES
15	Optional call date, contingent call dates and redemption amount	In a lump sum on maturity except for regulatory events. The only option for the issuer is to repay the loan, totally but not partially, on 29/06/2026 with the authorisation of the competent authority
16	Subsequent call dates, if applicable	N/A
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed with the parameter revision after 5 years
18	Coupon rate and any related index	2.875% until 29/06/2026 then 5 years EUR mid swap rate + 3.17%
19	Existence of a dividend stopper	NO
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory. The subordinated bonds constitute BANCO BPM 2nd level subordinated liabilities, so classified according to the supervisory legislation at the time of issue. Therefore, in case of liquidation of the Bank, bondholders will only be reimbursed after all the other creditors of the Bank not equally subordinate have been satisfied, except for those with a degree of subordination equal to or more than that of the Subordinated Bonds.
21	Existence of step up or other incentive to redeem	NO
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	NO
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 2 - Ranking in insolvency (master scale)
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated liabilities not qualifying as own funds
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	https://gruppo.bancobpm.it/media/dlm_uploads/BBPM-T2-June-2021-FI.pdf

Annex 1: Template EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments (9 of 12)

		a
		Qualitative or quantitative information - Free format
1	Issuer	Banco BPM S.p.A.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	XS2434421413
2a	Public or private placement	Public
3	Governing law(s) of the instrument	Italian law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	YES
	Regulatory treatment	
4	Current treatment taking into account, where applicable, transitional CRR rules	T2 Capital
5	Post-transitional CRR rules	T2 Capital
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Individual entity and consolidated
7	Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument pursuant to Art. 63 CRR
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	402
9	Nominal amount of instrument	400
EU-9a	Issue price	99.521
EU-9b	Redemption price	100%
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	19/01/2022
12	Perpetual or dated	Dated
13	Original maturity date	19/01/2032
14	Issuer call subject to prior supervisory approval	YES
15	Optional call date, contingent call dates and redemption amount	In a lump sum on maturity except for regulatory events. The only option for the issuer is to repay the loan, totally but not partially, on 19/01/2027 with the authorisation of the competent authority
16	Subsequent call dates, if applicable	N/A
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed with the parameter revision after 5 years
18	Coupon rate and any related index	3.375% until 19/01/2027 then 5 years EUR mid swap rate + 3.40%
19	Existence of a dividend stopper	NO
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory. The subordinated bonds constitute BANCO BPM 2nd level subordinated liabilities, so classified according to the supervisory legislation at the time of issue. Therefore, in case of liquidation of the Bank, bondholders will only be reimbursed after all the other creditors of the Bank not equally subordinate have been satisfied, except for those with a degree of subordination equal to or more than that of the Subordinated Bonds.
21	Existence of step up or other incentive to redeem	NO
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	NO
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 2 - Ranking in insolvency (master scale)
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated liabilities not qualifying as own funds
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	https://gruppo.bancobpm.it/media/dlm_uploads/BBPM-Tier2-19-01-2022-Final-Terms.pdf

Annex 1: Template EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments (10 of 12)

		a
		Qualitative or quantitative information - Free format
1	Issuer	Banco BPM S.p.A.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	IT0005586729
2a	Public or private placement	Public
3	Governing law(s) of the instrument	Italian law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	YES
	Regulatory treatment	
4	Current treatment taking into account, where applicable, transitional CRR rules	T2 Capital
5	Post-transitional CRR rules	T2 Capital
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Individual entity and consolidated
7	Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument pursuant to Art. 63 CRR
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	509
9	Nominal amount of instrument	500
EU-9a	Issue price	99.617
EU-9b	Redemption price	100%
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	18/03/2024
12	Perpetual or dated	Dated
13	Original maturity date	18/06/2034
14	Issuer call subject to prior supervisory approval	YES
15	Optional call date, contingent call dates and redemption amount	In a lump sum on maturity except for regulatory events. The only option for the issuer is to repay the loan, totally but not partially, from 18/03/2029 to 18/06/2029 with the authorisation of the competent authority
16	Subsequent call dates, if applicable	N/A
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed with the parameter revision after 5 years and three months
18	Coupon rate and any related index	5% until 18/06/2029 then 5 years EUR mid swap rate + 2.45%
19	Existence of a dividend stopper	NO
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory. The subordinated bonds constitute BANCO BPM 2nd level subordinated liabilities, so classified according to the supervisory legislation at the time of issue. Therefore, in case of liquidation of the Bank, bondholders will only be reimbursed after all the other creditors of the Bank not equally subordinate have been satisfied, except for those with a degree of subordination equal to or more than that of the Subordinated Bonds.
21	Existence of step up or other incentive to redeem	NO
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	NO
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 2 - Ranking in insolvency (master scale)
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated liabilities not qualifying as own funds
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	https://gruppo.bancobpm.it/media/dlm_uploads/BBPM-T2-March-2024-FT.pdf

Annex 1: Template EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments (11 of 12)

		a
		Qualitative or quantitative information - Free format
1	Issuer	Banco BPM S.p.A.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	IT0005623837
2a	Public or private placement	Public
3	Governing law(s) of the instrument	Italian law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	YES
Regulatory treatment		
4	Current treatment taking into account, where applicable, transitional CRR rules	T2 Capital
5	Post-transitional CRR rules	T2 Capital
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Individual entity and consolidated
7	Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument pursuant to Art. 63 CRR
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	500
9	Nominal amount of instrument	500
EU-9a	Issue price	99.882
EU-9b	Redemption price	100%
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	26/11/2024
12	Perpetual or dated	Dated
13	Original maturity date	26/11/2036
14	Issuer call subject to prior supervisory approval	YES
15	Optional call date, contingent call dates and redemption amount	In a lump sum on maturity except for regulatory events. The only option for the issuer is to repay the loan, totally but not partially, on 26/11/2031 with the authorisation of the competent authority
16	Subsequent call dates, if applicable	N/A
Coupons/dividends		
17	Fixed or floating dividend/coupon	Fixed with the parameter revision after 5 years and three months
18	Coupon rate and any related index	4.5% until 26/11/2031 then 5 years EUR mid swap rate + 2.25%
19	Existence of a dividend stopper	NO
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory. The subordinated bonds constitute BANCO BPM 2nd level subordinated liabilities, so classified according to the supervisory legislation at the time of issue. Therefore, in case of liquidation of the Bank, bondholders will only be reimbursed after all the other creditors of the Bank not equally subordinate have been satisfied, except for those with a degree of subordination equal to or more than that of the Subordinated Bonds.
21	Existence of step up or other incentive to redeem	NO
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	NO
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 2 - Ranking in insolvency (master scale)
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated liabilities not qualifying as own funds
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	https://gruppo.bancobpm.it/media/dlm_uploads/Banco-BPM-November-2024-Final-Terms.pdf

Annex 1: Template EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments (12 of 12)

		a
		Qualitative or quantitative information - Free format
1	Issuer	Banco BPM S.p.A.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	IT0005657850
2a	Public or private placement	Public
3	Governing law(s) of the instrument	Italian law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	YES
Regulatory treatment		
4	Current treatment taking into account, where applicable, transitional CRR rules	T2 Capital
5	Post-transitional CRR rules	T2 Capital
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Individual entity and consolidated
7	Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument pursuant to Art. 63 CRR
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	503
9	Nominal amount of instrument	500
EU-9a	Issue price	99.656
EU-9b	Redemption price	100%
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	01/07/2025
12	Perpetual or dated	Dated
13	Original maturity date	01/01/2036
14	Issuer call subject to prior supervisory approval	YES
15	Optional call date, contingent call dates and redemption amount	In a lump sum on maturity except for regulatory events. The only option for the issuer is to repay the loan, totally but not partially, on 01/01/2031 with the authorisation of the competent authority
16	Subsequent call dates, if applicable	N/A
Coupons/dividends		
17	Fixed or floating dividend/coupon	Fixed with the parameter revision after 5 years and three months
18	Coupon rate and any related index	4% until 01/01/2031 then 5 years EUR mid swap rate + 1.8%
19	Existence of a dividend stopper	NO
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory. The subordinated bonds constitute BANCO BPM 2nd level subordinated liabilities, so classified according to the supervisory legislation at the time of issue. Therefore, in case of liquidation of the Bank, bondholders will only be reimbursed after all the other creditors of the Bank not equally subordinate have been satisfied, except for those with a degree of subordination equal to or more than that of the Subordinated Bonds.
21	Existence of step up or other incentive to redeem	NO
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	NO
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 2 - Ranking in insolvency (master scale)
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated liabilities not qualifying as own funds
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	https://gruppo.bancobpm.it/download/it0005657850-banco-bpm-emtn-series-number-31