



## Group Profile

May 2024



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This presentation includes both accounting data (based on financial accounts) and internal management data (which are also based on estimates).

Mr. Gianpietro Val, as the manager responsible for preparing the Bank's accounts, hereby states pursuant to Article 154-bis, paragraph 2 of the Financial Consolidated Act that the accounting data contained in this presentation correspond to the documentary evidence, corporate books and accounting records.

# Methodological Notes

- The balance sheet and income statement layouts contained in this news release have been reclassified along management criteria in order to provide an indication on the Group's overall performance based on more easily understandable aggregate operating and financial data. These layouts have been prepared based on the financial statement layouts indicated in the Bank of Italy's Circular no. 262/2005 and following updates.
- It is reminded that, as part of a wider reorganization on the Bancassurance business model started in 2022 (please refer to FY 2022 and FY 2023 Annual Reports for details), on 14 December 2023 the Group completed:
  - the acquisition of control of Vera Vita – previously already held at 35% - through the purchase of 65% of the capital from Generali Italia, in execution of the exercise of the call option by the Banco BPM Group on 29 May 2023. Consequently, as of 31/12/23, the balance sheet of Vera Vita is included, line-by-line, in the consolidated financial statements. The economic contribution, for the entire 2023 financial year, is shown in the reclassified income statement item "Income (loss) from investments in associates carried at equity", as the company was owned at 35% until the end of 2023, while, starting from Q1 2024, the economic contribution from Vera Vita is reported line-by-line.
  - the purchase transaction of 65% of the shares of Vera Assicurazioni (which in turn holds 100% of Vera Protezione) from Generali Italia and the simultaneous sale of a 65% stake to Crédit Agricole Assurances (CAA). Consequently, as of 31/12/23, the investment held in Vera Assicurazioni (and indirectly in Vera Protezione) for 35% is included in the reclassified balance sheet line item "Equity investment", in line with the classification at the beginning of the year. The related economic contribution, for the stake held (35%), is shown in the reclassified income statement item "Income (loss) from investments in associates carried at equity", as the investment is qualified as an "associates" for the entire 2023 financial year. Nothing changes for the financial year 2024.
  - the sale of its 65% controlling stake in Banco BPM Assicurazione to CAA. As a result of the following loss of control of the subsidiary, the stake held (35%) in Banco BPM Assicurazione is considered as "associate" and included in the reclassified balance sheet line item "Equity investment". The related economic contribution is represented, line-by-line, in the consolidated income statement for the entire 2023 financial year, as it was considered as subsidiary until the end of the 2023, while, starting from Q1 2024, it is included in the reclassified income statement item "Income (loss) from investments in associates carried at equity".

As a result of the above, for the 2023 financial year, in the reclassified income statement a new item "Impact of bancassurance reorganization" has been created, which includes the overall net effects related to bancassurance transactions, with the aim of simplifying their illustration and guarantee a homogeneous comparison (€ -22.2 million). In the first quarter of 2024, the definition of the prices of purchase and sale transactions led to a revision of the estimate of the effects recognized in 2023, by crediting the Q1 2024 income statement of € 2.4 million.

- With reference to the binding agreement signed for the establishment of a strategic partnership aimed at developing a new Italian and independent reality in the digital payments sector, which provides for the contribution to the joint venture Numia S.p.A. of Banco BPM's payment activities and the equity investment in Tecmarket Servizi S.p.A., it should be noted that:
  - starting from the situation as of June 30, 2023, the related assets and liabilities, subject to contribution, are reclassified in the specific balance sheet items "Non-current assets and groups of assets held for sale" and "Liabilities associated with assets held for sale," in line with IFRS 5;
  - starting from Q1 2024, the profits generated by activities tied to the monetics sector carried out by the subsidiary Tecmarket Servizi S.p.A., as well as profits from the management of digital payment services, provided by the Parent company (after the partial demerger of the abovementioned subsidiary on 1 January 2023), which were previously posted under "Other net operating income", has been reclassified under the line-item "Net fees and commission income" of the reclassified income statement starting from Q1 2024, due to the incoming finalization of the JV in Payments system. 2023 data have been restated accordingly. Looking ahead, this representation will allow for a more homogeneous comparison with the commission income that will be received by the Group for the distribution of services related to payment/monetics business, following the completion of the deal here described.
- The Group capital ratios and data included in this presentation are calculated including the interim profit and deducting the amount of the dividend pay-out determined according to the current regulation.

# Agenda

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# Group Overview & Development Milestones

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1

# BANCO BPM AT A GLANCE...

Italy's third largest listed banking group, rooted in the wealthiest areas of the country

## STRONG FRANCHISE

Clients: 3.8 million

# Branches: 1,436<sup>2</sup>

Material support to  
the real economy

### Leadership in Italy's richest regions

Market share by branches<sup>1</sup>

Lombardy	Veneto	Piedmont
12.9%	7.9%	9.8%

(76% in the North)

### Breakdown of Customer Loans

~ 30% to Households

~ 60% to NFCs

## AMONG THE BIGGEST BANKING PLAYERS IN ITALY<sup>3</sup>

Net  
Customer  
Loans

€104.9bn

Shareholders'  
Equity

€14.4bn

Direct  
Funding

€129.1bn

CET1 ratio FL

14.7%

## HIGH-VALUE ADDED PRODUCT FACTORIES & JVs

BANCA ALETTI

Banca Akros

BANCO BPM  
VITA

VERA Vita

ANIMA  
CHI RISPARMIA AMA

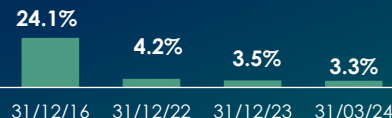
AGOS

VERA Assicurazioni

BANCO BPM

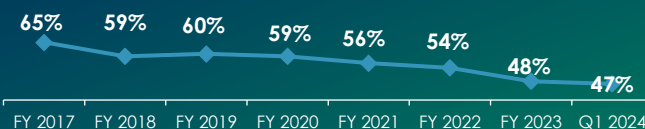
## SUCCESSFUL TURNAROUND COMPLETED

Gross  
NPE ratio



Without requesting  
additional funds  
to shareholders

C/I  
ratio



# Transformational initiative closed: Set up of the new Bancassurance organizational model

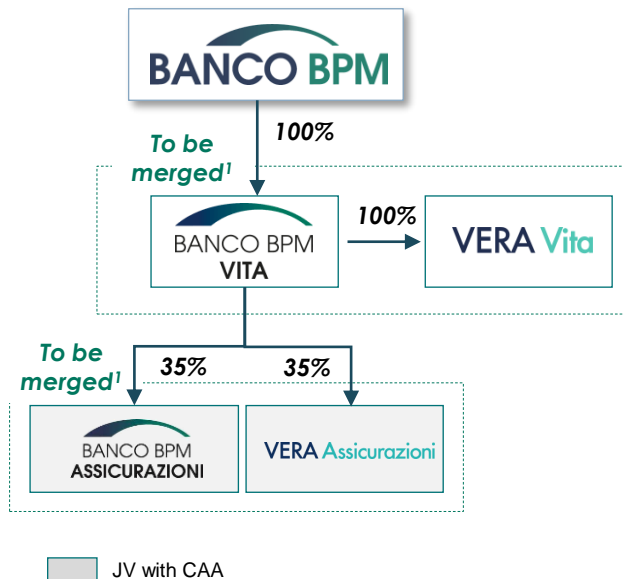
## TRANSACTION DETAILS

**CALL ON 65% OF VERA VITA AND VERA ASSICURAZIONI EXERCISED IN MAY 2023**

### **CLOSING OF TRANSACTION IN DECEMBER 2023:**

- CAA purchase 65% stake in BBPM Assicurazioni and in Vera Assicurazioni<sup>1</sup>, for a consideration of ~€260m (**total valuation of the non-life business €400m**)
- Signing of a **20-year distribution agreement**

## PLANNED ORGANIZATIONAL STRUCTURE



## STRATEGIC RATIONALE

1. **Single Insurance Group, with unified governance and oversight by BBPM Vita**
2. **Single commercial offer to customers across the entire BBPM network by unifying product catalogue**
3. **Unique in-house product factory capable of developing potential synergies**
4. **Favourable capital treatment (Danish Compromise)**

# Transformational initiative under way: Creation of the second largest player in the Payments business in Italy

## A €2BN NPV DEAL BASED ON THREE STRATEGIC PILLARS...

1

**PRESERVATION & PROGRESSIVE  
STRENGTHENING OF THE P&L CONTRIBUTION**

2

**UPFRONT VALUE GENERATION**

➤ **€500m** at closing  
~€200m cash + shares

**+32 bps**

➤ **€100m** deferred payment  
cash

*Expected impact on  
CET 1 at closing  
(up to 50 bps including  
deferred component)*

3

**FURTHER UPSIDE**



*Stake in the JV with the  
optionality to benefit from future  
value generated by the  
participation*

## ... ESTABLISHING A TOP PLAYER IN THE PAYMENT ARENA



>10% market share



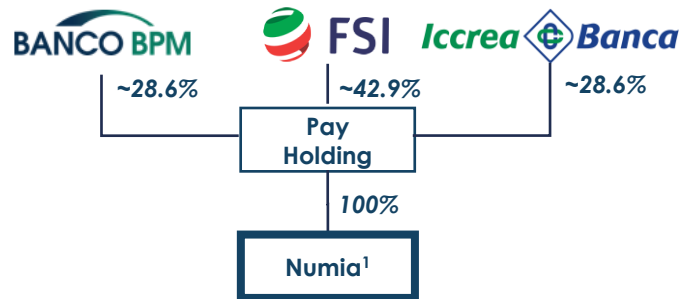
~9m payment cards



~400K POS



~€110bn in transacted business volumes



*Deal signed, with closing expected in H2 2024*



# ...FROM RESTRUCTURING TO SUSTAINABLE LONG-TERM VALUE CREATION

Banco BPM was established in January 2017 from the merger between Banco Popolare and BPM:

- First bank to take advantage of consolidation opportunities in the Italian banking system
- First integration authorized by ECB, after transition to the Single Supervisory Mechanism

## 2017-2019

### SUCCESSFUL RESTRUCTURING

- IT, ORGANISATIONAL AND COMMERCIAL INTEGRATION OF THE TWO FORMER BANKS
- MASSIVE DERISKING
- SIMPLIFICATION & SPECIALISATION OF THE NETWORK AND OF THE PRODUCT FACTORIES / JVS

## 2020-2021

### CONSOLIDATION OF THE BUSINESS MODEL AND OF THE CAPITAL PROFILE

- MORE EFFICIENT, DIGITAL & MULTICHANNEL COMMERCIAL MODEL
- FURTHER IMPROVEMENT IN RISK/CAPITAL POSITION
- STRENGTHENED PROFITABILITY: BACK TO SHAREHOLDER REMUNERATION

## 2022 – 2023

### ACCELERATION OF PROFITABILITY AND OF LONG-TERM VALUE CREATION POTENTIAL

- "TRANSFORMATIONAL" INITIATIVES
- PROFITABILITY AT "RECORD" LEVEL
- ENHANCEMENT OF STRATEGIC AMBITIONS
- GOVERNANCE & RISK MANAGEMENT FURTHER REINFORCEMENT OF

- FURTHER STRENGTHENING OF THE PROFITABILITY IN 2023
- NEW STRATEGIC PLAN PRESENTED TO THE MARKET ON 12 DECEMBER 2023

# Banco BPM Strategic Plan 2023-2026: key highlights

## Accelerated profitability & sustainable value creation

~€6bn

Cumulative Net  
Income 2023-26

€4bn

Total Shareholder  
remuneration 2023-26

>€1.5bn

Net Income  
2026

~13.5%

RoTE  
2026

~14%

CET1  
2026

## The seven pillars of our Performance Acceleration Program

**1** Broaden  
leadership in  
SMEs & Corporate,  
supporting green  
transition

**2** Reinforce  
Wealth  
Management  
& Life Insurance

**3** Capture  
value from P&C  
Insurance and  
Payments' deals

**4** Benefit  
from further  
omnichannel  
reinforcement

**5** Enhance  
tech innovation,  
lean banking,  
cybersecurity

**6** Further  
consolidate a  
"future-proof"  
balance sheet

**7** Empower  
People and  
Communities, in  
line with our Social-  
oriented DNA

← SUSTAINABILITY FULLY INTEGRATED THROUGHOUT THE PLAN →

# Further developing the integration of our Sustainability strategy

## SUSTAINABILITY AMBITIONS EMBEDDED IN THE PLAN



**E**

- Supporting our clients in their transition path through advisory and commercial offering, paving the way for a **Net Zero Strategy**
- Strengthening the **management & monitoring of Climate & Environmental Risk**
- Keep on **reducing our own environmental impact**

**NZBA**  
target setting  
by 2026

**CARBON**  
**NEUTRAL BY 2024**  
For Net Scope 1&2  
emissions<sup>2</sup>



**S**

- Further enhancing our **People strategy, Generational change** and **Women empowerment**
- Strengthening our **leadership position as third sector lender**
- Confirming as a **top Community bank** with strong **impact on our local communities** (school and education-driven)

**+20%**  
Women in  
managerial  
positions YE 2026  
vs. YE 2023

**~€200m**  
New loans to  
third sector  
(2026)

**~€5m**  
Donations &  
contributions for "E"  
and "S" projects  
(avg. P.Y. 2024-26)



**G**

- **Short-term and Long-term incentive plans** for managers & employees confirmed **aligned with ESG targets**
- Supporting our **Digital transformation** with a strong **Privacy & Cybersecurity management**
- **Further enhancement** of **ESG risk measurement** framework, in coherence with the evolution of **external regulation** and **risks materiality**

**~15%**  
Share of hirings of  
Cybersecurity specialists  
on total hirings of Digital &  
IT professionals (2024-26)

**#200K**  
ESG training hours to  
employees in 2026

# Key Messages: Q1 2024 Executive Summary

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# A POWERFUL START INTO THE YEAR: HIGH PROFITABILITY AND STRONG CAPITAL GENERATION

## COMPELLING FINANCIALS

- Well-diversified business model & solid franchise

**NET FEES**  
**+12% Q/Q**

- Effective cost management

**C/I @ 47%**  
(48% FY 23)

- Low Cost of Risk...

**CoR @ 31BPS<sup>1</sup>**

- ... backed by safe AQ

**GROSS NPES**  
**-€1.1BN Y/Y**

- Robust funding capacity

**DIRECT FUNDING**  
**+€3BN YTD<sup>2</sup>**

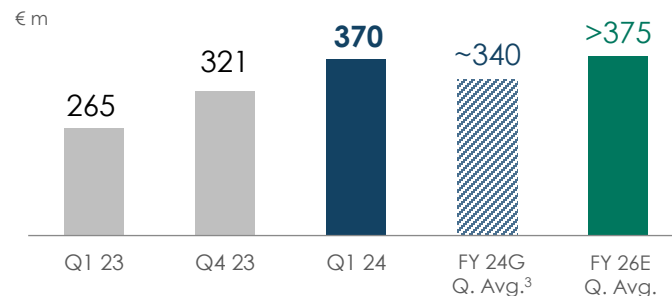
- Significant capital generation

**CET 1 @ 14.7%**  
(14.2% YE 23)

## FULL CONFIDENCE IN OUR STRATEGIC PLAN TARGETS

### Q1 NET INCOME @ €370M:

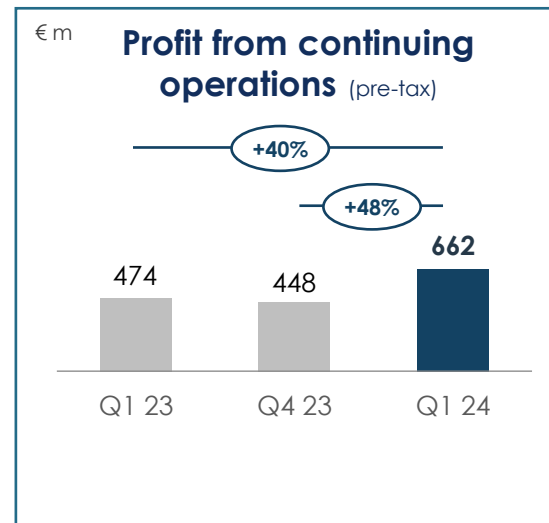
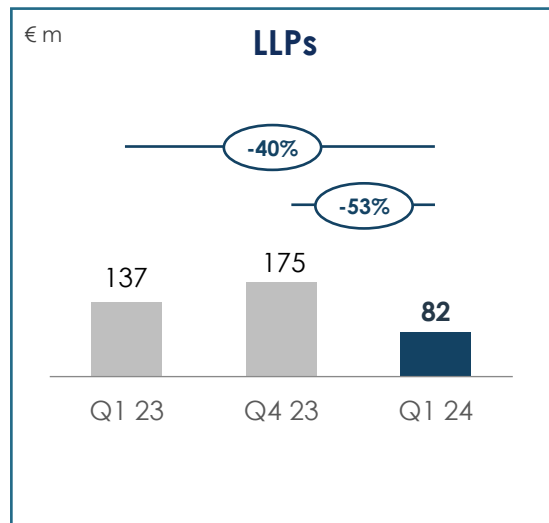
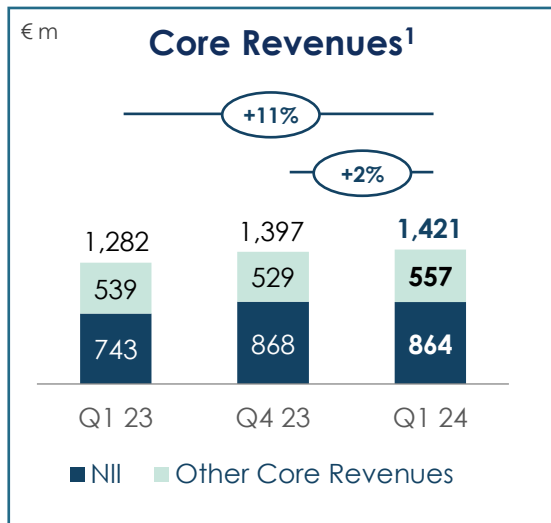
- +40% Y/Y and +15% Q/Q
- Ahead of FY 2024 guidance (quarterly average)



... allowing a promising outlook for  
shareholder remuneration

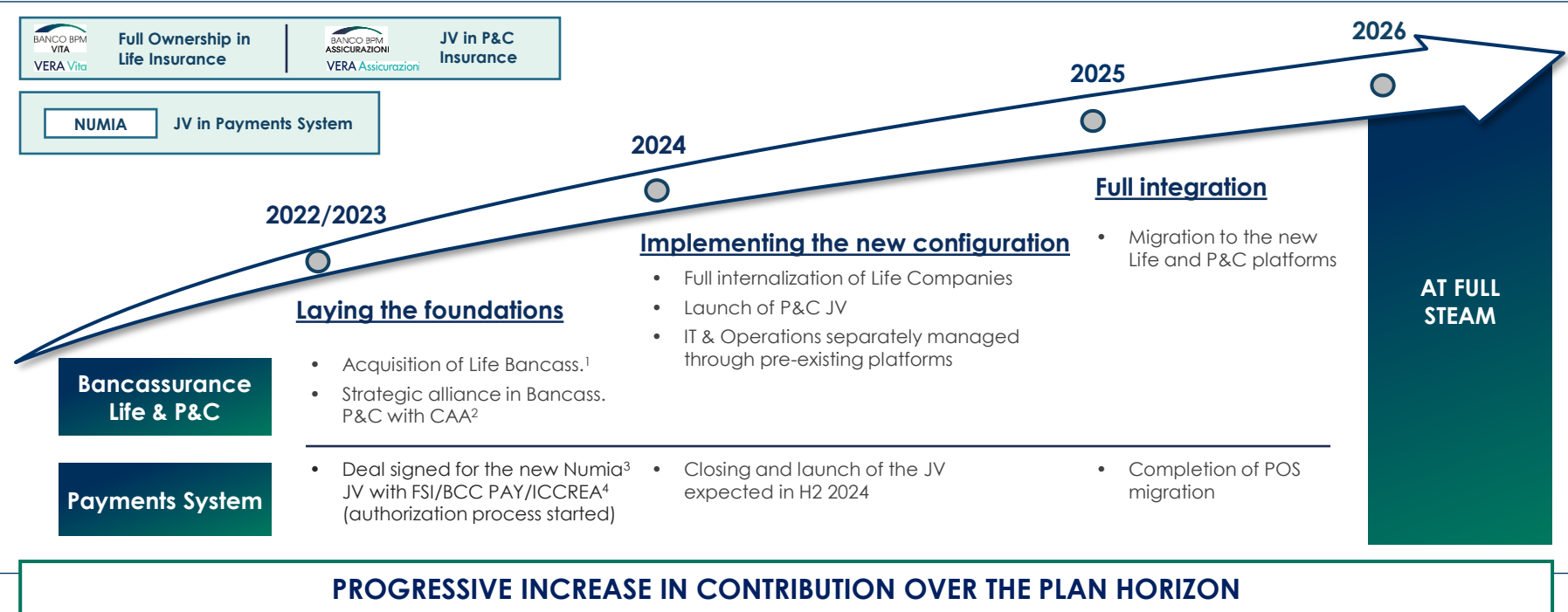
# Q1 2024: Strong performance in key P&L items

## CONFIRMING A SOLID GROWTH IN OUR PROFITABILITY TRAJECTORY



# Key Product Factories: further opportunities over the plan horizon

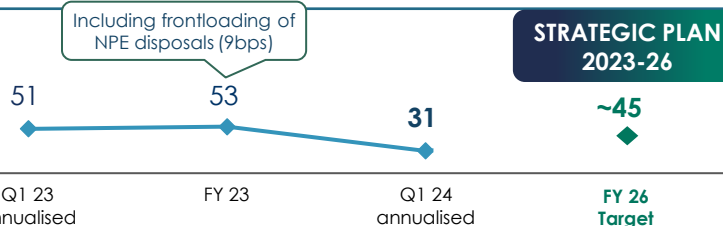
## EVOLUTION PATH OF OUR NEW STRATEGIC GROWTH ENGINES



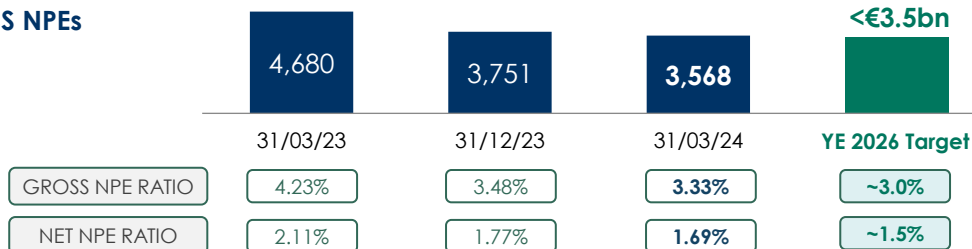
# Asset Quality trajectory well on track

## DECREASING COST OF RISK BACKED BY SAFE ASSET QUALITY

### COST OF RISK (bps)<sup>1</sup>



### GROSS NPEs (€ m)



	Q1 23 annualised	FY 23	Q1 24 annualised	FY 26 Target
DEFAULT RATE	0.88%	0.93%	0.83%	0.9%

## A PROMISING START: ALREADY CLOSE TO OUR STRATEGIC PLAN TARGETS

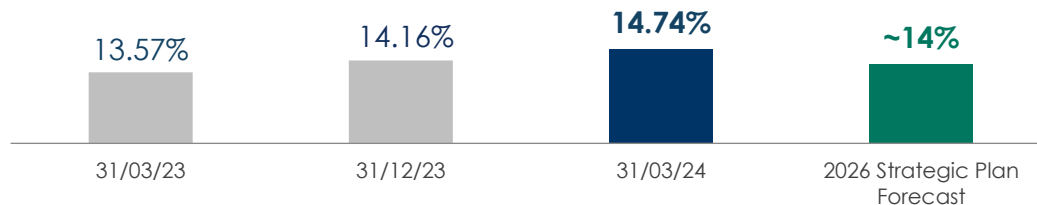
- GROSS NPEs DOWN BY €1.1BN Y/Y AND BY €0.2BN IN Q1 2024
- DEFAULT RATE STILL BELOW 1% (AT 0.83%)
- FURTHER SUPPORT FOR STRATEGIC PLAN ASSET QUALITY GOALS:
  - €700m NPE disposal target by 2026 (with Cost or Risk already frontloaded in 2023), o/w a total of ~€600m to be finalised by YE 2024 (~€100m already executed in Q1 2024 and with €150m expected in Q2 2024)



# Strong capital base and well-balanced liquidity & funding position

## SIGNIFICANT CAPITAL GENERATION

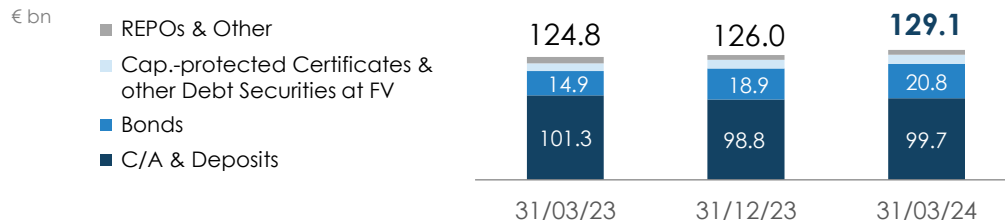
### CET1 RATIO EVOLUTION: +117BPS Y/Y AND +58BPS IN Q1



**MDA BUFFER  
@ 567BPS**

## ROBUST FUNDING CAPACITY & LIQUIDITY POSITION

### TOTAL DIRECT FUNDING<sup>1</sup>: +€4.2BN Y/Y AND +€3BN IN Q1



**LTD<sup>2</sup> @ 81%**

**NSFR<sup>3</sup> @ 126%**

**LCR @ 155%**

**POSITIVE RATING  
MOMENTUM  
CONTINUING  
IN 2024**

LT Senior Pref. rating  
(Outlook)<sup>5</sup>

**S&P Global**  
Ratings  
BBB-  
(Positive)

**MOODY'S**  
Baa2  
(Stable)

**FitchRatings**  
↑ BBB up in Mar. 24  
(Stable)

**MORNINGSTAR | DBRS**  
BBB  
↑ (Positive) up in Apr. 24

**MREL BUFFER<sup>4</sup>  
@ 9.2 P.P.**

**Q1 2024**

# **Performance Highlights**

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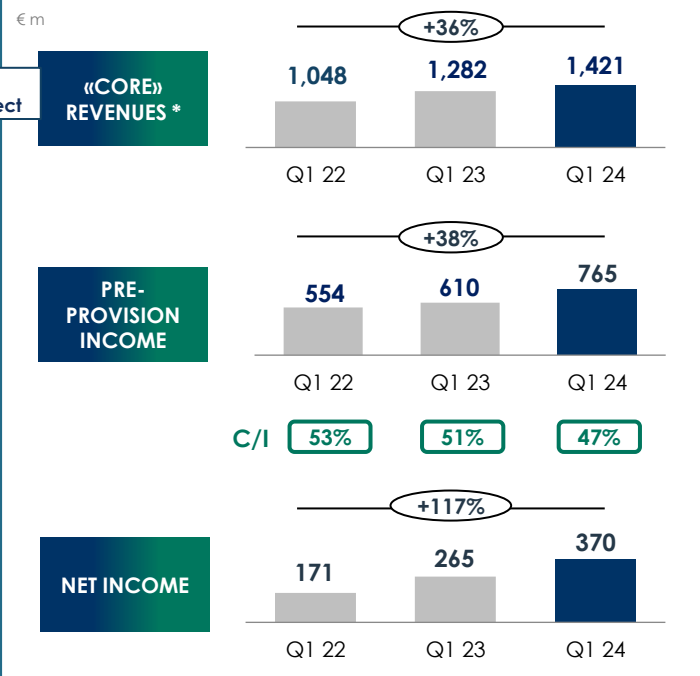
**3**

# P&L at a glance

P&L HIGHLIGHTS € m	Q1 23	Q4 23	Q1 24	Chg. Q/Q	Chg. Y/Y
Net interest income	743	868	864	-0.4%	16.3%
Net fees and commissions *	493	467	522	11.7%	5.8%
Income from associates	36	49	30		
Income from insurance	10	13	5		
<b>«Core» Revenues<sup>1</sup></b>	<b>1,282</b>	<b>1,397</b>	<b>1,421</b>	<b>1.7%</b>	<b>10.9%</b>
Net financial result	-34	-14	9		
o/w Cost of certificates	-49	-75	-75		
o/w Other NFR	14	61	84		
Other net operating income *	2	14	4		
<b>Total revenues</b>	<b>1,250</b>	<b>1,397</b>	<b>1,434</b>	<b>2.6%</b>	<b>14.7%</b>
Operating costs	-640	-661	-669	1.1%	4.5%
<b>Pre-Provision income</b>	<b>610</b>	<b>736</b>	<b>765</b>	<b>4.0%</b>	<b>25.4%</b>
Loan loss provisions	-137	-175	-82	-52.9%	-40.0%
Other <sup>2</sup>	1	-113	-21		
<b>Profit from continuing operations (pre-tax)</b>	<b>474</b>	<b>448</b>	<b>662</b>	<b>47.8%</b>	<b>39.5%</b>
Taxes	-147	-105	-215		
<b>Net profit from continuing operations</b>	<b>327</b>	<b>343</b>	<b>446</b>	<b>30.1%</b>	<b>36.6%</b>
Systemic charges	-57	1	-68		
PPA and other <sup>3</sup>	-4	-23	-8		
<b>Net income</b>	<b>265</b>	<b>321</b>	<b>370</b>	<b>15.3%</b>	<b>39.5%</b>

+0.7% Q/Q  
excl. day effect

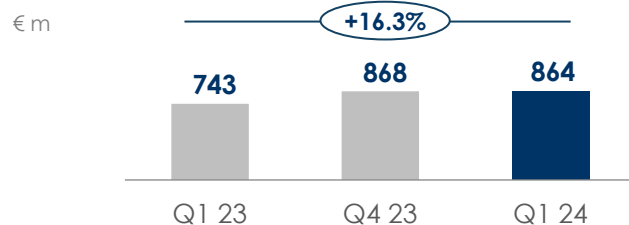
## Q1 TREND: TWO-YEAR EVOLUTION



\* N.B. Part of the contribution from payment activities, which was previously classified under "Other net operating income", has been included in "Net fees and commission income" starting from Q1 2024, due to the upcoming finalization of the JV in Payments system. 2023 data have been restated accordingly. See Methodological Notes for details.

# NII at €864m in Q1 2024

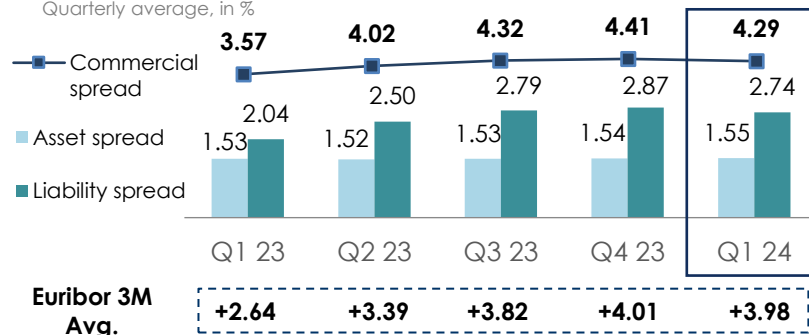
## NII TREND



← **INTEREST RATE SENSITIVITY STABLE Q/Q @ ~€250M<sup>1</sup>** →  
(AT NII + NFR LEVEL)

## COMMERCIAL SPREAD: +72BPS Y/Y

Quarterly average, in %



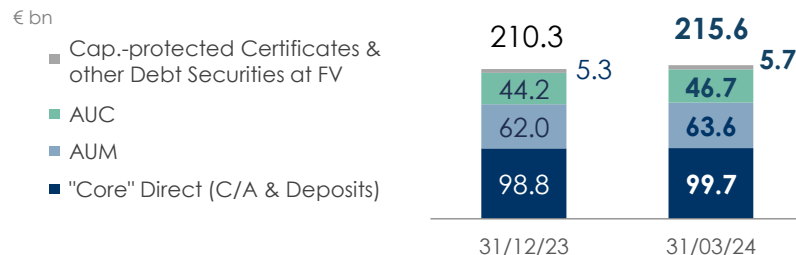
## MAIN ACTIONS SUPPORTING NII TARGET OVER THE PLAN HORIZON

- INCREASE SIZE OF REPLICATING PORTFOLIO (STRATEGIC PLAN TARGET: FROM €15BN TO €25BN)**
  - Notional amount of IRS @hedge accounting<sup>2</sup>: €16bn as at 31/03/24
  - Additional option-based structures ready to increase fix-receiver amount by >€3bn in H2 2024, with positive impact at NFR in Q1 24
- LEVERAGE ON INVESTMENT GRADE STATUS**
  - Confirmed upside potential from spread reduction in new bonds & certificates (~€80m benefit by 2026)<sup>3</sup>
- INCREASE IN SHARE OF INDEXED C/A**
  - From 24% (31/12/23) to 28% (31/03/24), enabling cost of funding reduction in the forthcoming lower interest rate scenario
- IMPROVE DEPOSIT MIX**
  - Replacing the most expensive accounts (mostly institutional) with more fragmented and cheaper funding sources
- SLOWDOWN IN C/A CONVERSION INTO TIME DEPOSITS**
  - Only ~€500m of new Time Deposits in Q1 2024 (mainly SMEs and Corporates)

# Solid franchise value

## Strong growth in Total Customer Financial Assets and resilient Loan volumes

### TOTAL CUSTOMER FINANCIAL ASSETS<sup>1</sup>: +€5.4BN IN Q1



#### STRONG PERFORMANCE IN INDIRECT FUNDING:

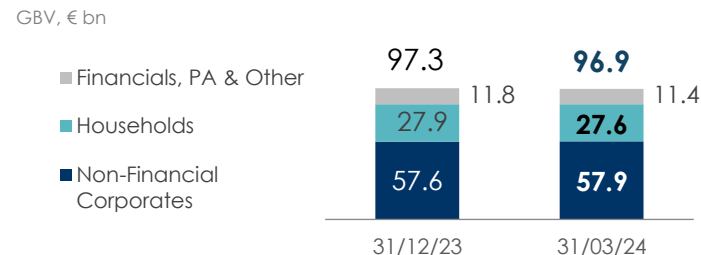
- **+€2.5bn AUC stock in Q1** (+€6bn in the Strategic Plan horizon<sup>2</sup>)
- **+€1.6bn AUM stock in Q1** (+€8bn in the Strategic Plan horizon<sup>2</sup>)

#### HIGH-VALUE DEPOSIT BASE:

- **Deposits +€0.86bn in Q1** (+€1bn in the Strategic Plan horizon<sup>2</sup>)
- **Retail & SME deposits<sup>3</sup> >80%**

>73% for Small Businesses<sup>4</sup>

### STEADY CORE PERFORMING CUSTOMER LOANS

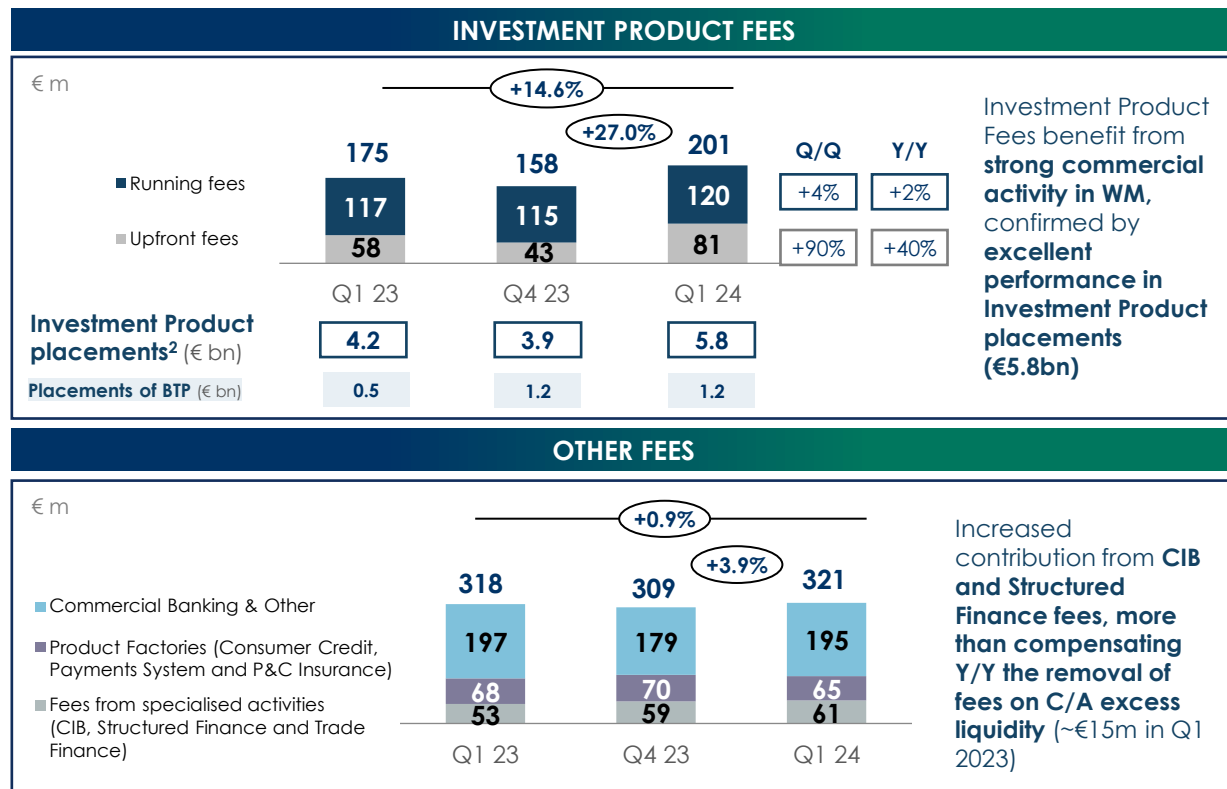
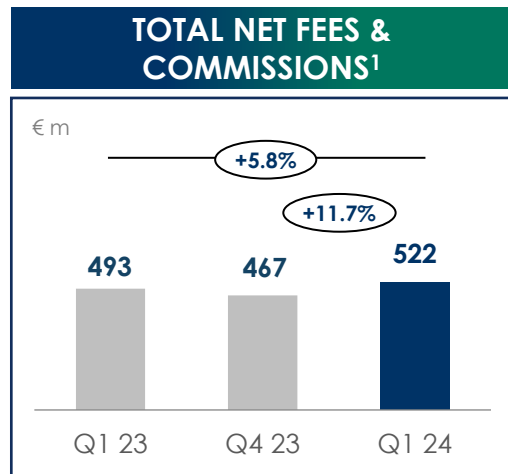


#### LOAN PORTFOLIO: HIGHLY SECURED AND WELL POSITIONED:

- Loan portfolio sustained by **Non-Financial Corporates: +€0.3bn in Q1**
- **57% of Non-Financial Corporate portfolio is secured:**
  - 30% with State Guarantees
  - 27% Collateralised
- Loan portfolio concentrated in **Northern Italy: 75.1%**

**Q1 2024 NEW LENDING<sup>5</sup> AT €4.9BN**

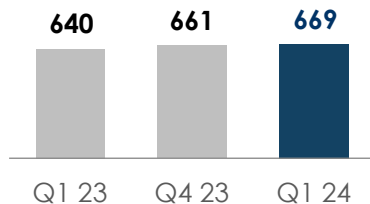
# Total Net Fees & Commissions up at €522m: +11.7% Q/Q and +5.8% Y/Y



# Cost/Income ratio down at 47%

## TOTAL OPERATING COSTS

€ m



C/I

51%

47%

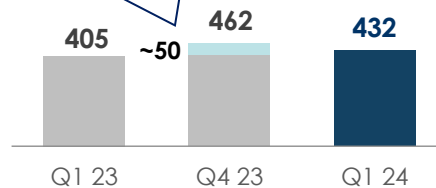
47%

From 65% in 2017

## STAFF COSTS

€ m

2023 impact from new Labour Contract



2023 PF for impact of new labour contract¹

418

424

432

- Staff costs in Q1 2024 include the quarterly incremental impact from the new labour contract (€12.5m) vs. the year 2023
- Upcoming savings from Early Retirement Plan not yet included

+1.8% Q/Q

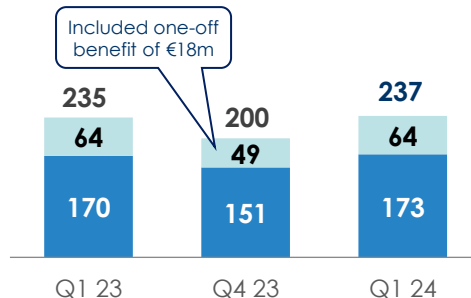
+3.3% Y/Y

## OTHER ADMINISTRATIVE EXPENSES & D&A

€ m

D&A

Other Administrative Expenses



Included one-off benefit of €18m

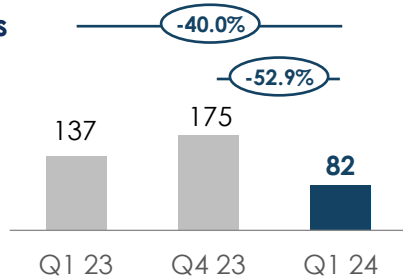
Other Administrative Expenses & D&A +1.0% Y/Y, well contained notwithstanding inflation impact

# Cost of Risk: an excellent quarter

## LLPS & COR

### LLPs

€ m



### CoR

FY 23

53bps

Q1 24  
annualised

31bps

Including frontloading of  
NPE disposals (9bps)

### Overlays

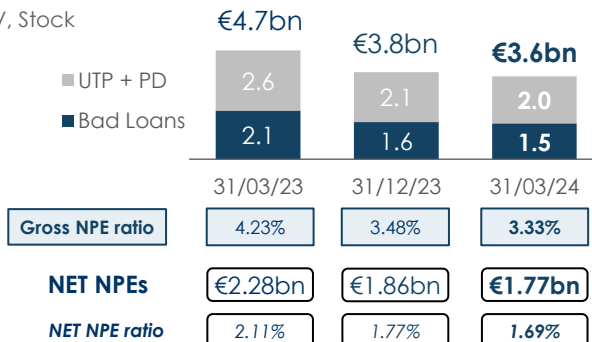
@ ~€200m  
(vs. ~€190m YE 23)

### Stage 2 Loans<sup>1</sup>

@ €10.1bn  
(vs. €12.2bn YE 23)

## Gross NPEs: -23.8% Y/Y and -4.9% Q/Q

GBV, Stock



Gross NPE ratio

31/03/23

4.23%

31/12/23

3.48%

31/03/24

3.33%

NET NPEs

€2.28bn

€1.86bn

€1.77bn

NET NPE ratio

2.11%

1.77%

1.69%

## Migration rates well under control

<1% since  
9M 2021

### Default rate

(from Performing to NPEs)

FY 23

0.93%

Q1 24  
annualised

0.83%

### Cure rate<sup>2</sup>

(from UTP to Performing)

5.1%

4.4%

### Net Default rate

(Net flows to NPEs from performing)

0.80%

0.73%

## NPE Coverage<sup>3</sup> confirmed above 50%

### BAD LOAN COVERAGE

31/03/23

64.9%

(72%)

31/12/23

60.9%

(69%)

31/03/24

60.7%

(69%)

Coverage ratios indicated in  
brackets include write-offs

~70% excl. loans with  
State Guarantees

### UTP COVERAGE

40.8%

43.2%

43.4%

### % Share of Secured NPE (GBV)

64%

69%

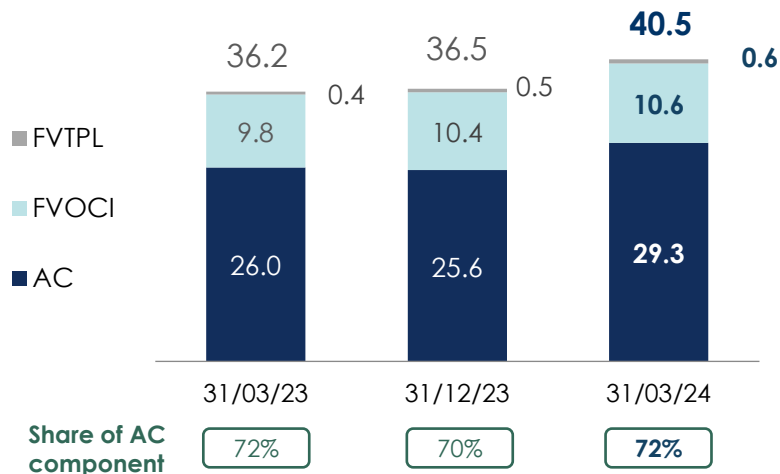
67%



# Optimization and diversification of Debt Securities portfolio

## OVERALL TREND AND ACCOUNTING BREAKDOWN

€ bn



## COMPOSITION BY COUNTERPARTY

€ bn

	31/03/23	31/12/23	31/03/24
Corporate	5.4	6.1	7.7
Govies	30.8	30.4	32.7
Non-IT Govies	62.3%	63.9%	62.1%
IT Govies	37.7%	36.1%	37.9%

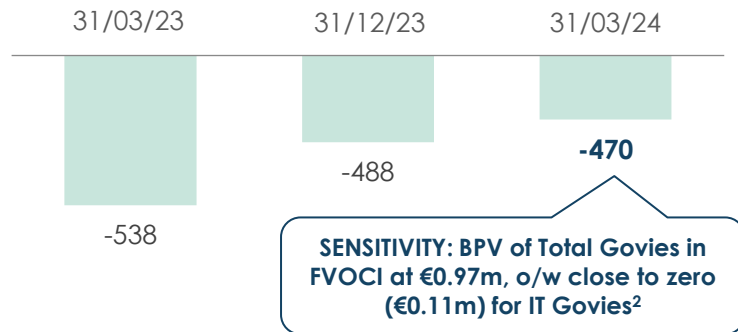
- IT govies on total govies at 37.9% (stable Y/Y), well below SP Target for the 2024-26 period (<50%)
- Share of IT govies on FVOCI govies ptf. at 19.1%

# Reserves of debt securities at FVOCI and Net Financial Result

Very low sensitivity of debt securities portfolio at FVOCI confirmed

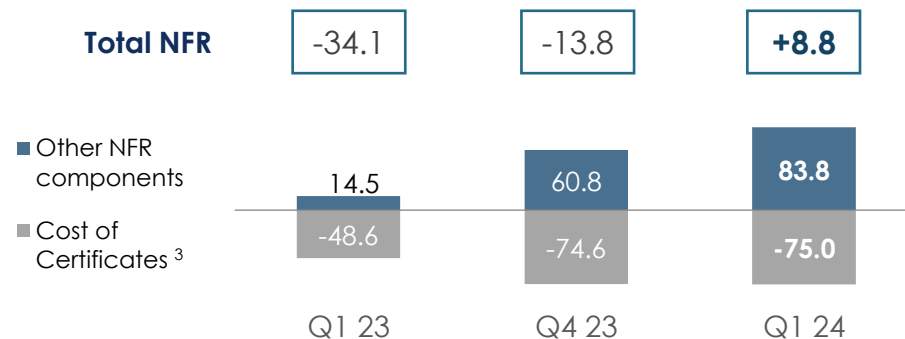
## RESERVES OF DEBT SECURITIES AT FVOCI<sup>1</sup>

Post-tax  
€ m



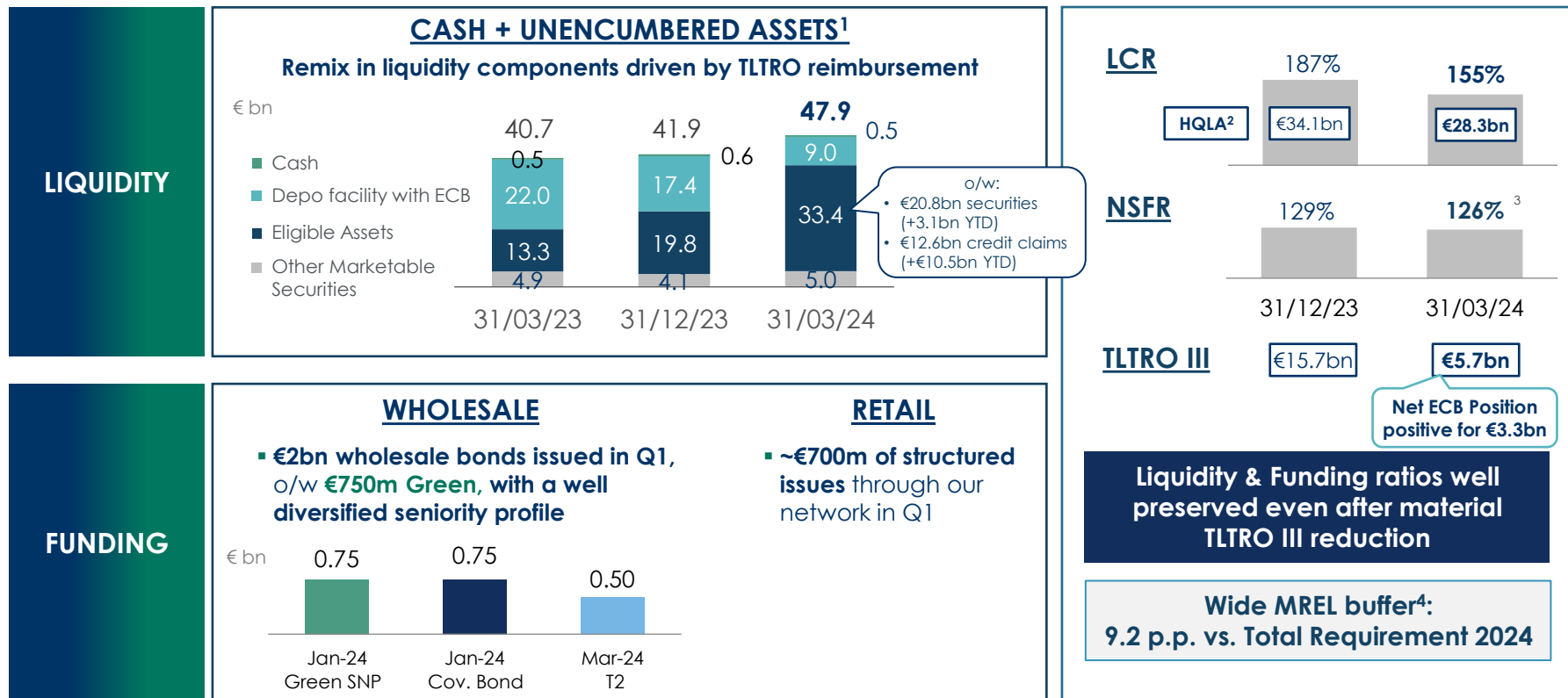
## BREAKDOWN OF NET FINANCIAL RESULT

€ m



**Positive contribution from trading and hedging strategies more than compensating the negative impact from certificates**

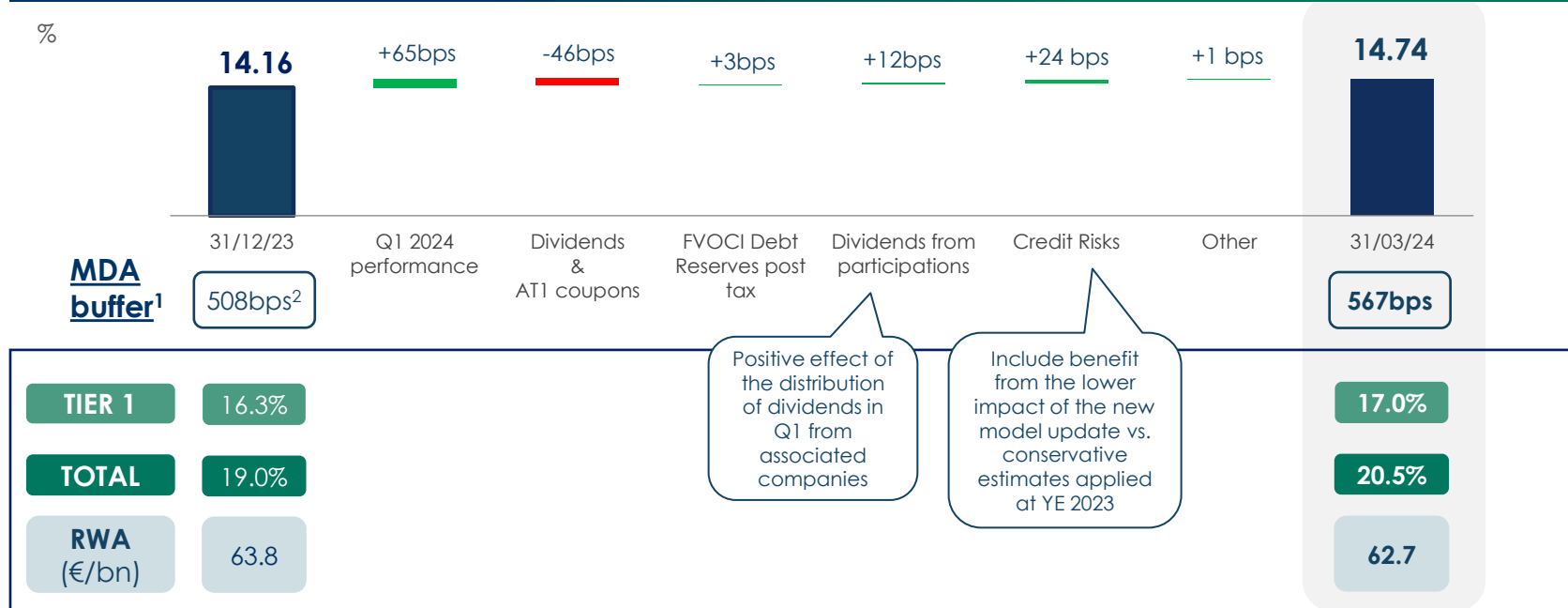
# Robust liquidity & funding position, with ratios well above minimum requirements








# Strong internal capital generation driving increase in CET1 ratio to 14.74%

## Further significant strengthening in ratios and buffers

### CET 1 RATIO EVOLUTION: +58BPS IN Q1 2024



# Highly confident in the delivery of our targets in 2024...

MAIN DRIVERS		KPIs	Δ VS. 2023
Interest rate scenario	Confirmed vs. previous forecast: <b>3 ECB rate cuts in H2 2024</b>	Net Interest Income	
Commercial activity	Strong <b>boost from Investment Product</b> placements	Net Fees & Commissions	
Operating costs	<b>Strict cost discipline</b> to mitigate inflation dynamics	Cost / Income	
Default Rate	<b>1.3% in FY 2024</b> embedded in the Plan → <b>potential improvement from current macro scenario</b>	Cost of Risk	
Capital position	<b>Positive trend</b> , with RWA dynamics under control	CET1 ratio	

**2024 EPS GUIDANCE OF ~€0.90<sup>1</sup>**

→ **STRONG IMPROVEMENT VS. 2023 (+8%)**  
 → **POSITIVE OUTLOOK**  
 → **FURTHER UPDATE WITH H1 RESULTS**

... and in 2026, thanks to the accelerated pace vs. the Plan

	2023A	Q1 2024A	STRATEGIC PLAN 2026E
TOTAL REVENUES	€1.34bn Quarterly Avg.	€1.43bn	~€1.35bn Quarterly Avg.
PRE-PROV. INCOME	€0.69bn Quarterly Avg.	€0.77bn	~€0.69bn Quarterly Avg.
COST OF RISK	53 bps (FY)	31 bps (annualized)	~45 bps (FY)
GROSS NPEs	€3.8bn	€3.6bn	<€3.5bn
CET 1 RATIO	14.16%	14.74%	~14% Strategic Plan forecast

**WELL ON TRACK FOR:**  
**€6BN NET INCOME 2023-26**  
**€4BN DISTRIBUTION 2023-26**

**~€2bn distribution already on 2023-24 Net Income**  
**o/w: ~€1.4bn cash in 2024<sup>1</sup>**

# ***Appendix:***

## ***Q1 2024 Performance Details***

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# P&L: Quarterly comparison

Reclassified income statement (€m)	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Chg. Q/Q	Chg. Q/Q %
Net interest income	743.0	809.9	868.7	867.7	864.4	-3.3	-0.4%
Income (loss) from invest. in associates carried at equity	36.3	24.3	34.1	49.4	30.3	-19.0	-38.5%
<b>Net interest, dividend and similar income</b>	<b>779.3</b>	<b>834.2</b>	<b>902.8</b>	<b>917.0</b>	<b>894.7</b>	<b>-22.3</b>	<b>-2.4%</b>
Net fee and commission income	493.1	484.7	474.9	466.8	521.6	54.8	11.7%
Other net operating income	2.4	1.4	4.2	13.7	3.8	-9.9	-72.0%
Net financial result	-34.1	-8.4	-22.8	-13.8	8.8	22.6	n.m
Income from insurance business	9.6	15.0	8.2	13.1	4.8	-8.3	-63.3%
<b>Other operating income</b>	<b>471.0</b>	<b>492.7</b>	<b>464.5</b>	<b>479.9</b>	<b>539.1</b>	<b>59.2</b>	<b>12.3%</b>
<b>Total income</b>	<b>1,250.3</b>	<b>1,326.9</b>	<b>1,367.3</b>	<b>1,396.9</b>	<b>1,433.8</b>	<b>36.9</b>	<b>2.6%</b>
Personnel expenses	-405.4	-402.9	-402.2	-461.5	-431.6	29.9	-6.5%
Other administrative expenses	-170.2	-166.6	-165.1	-150.5	-172.9	-22.4	14.9%
Amortization and depreciation	-64.5	-65.2	-68.1	-49.1	-64.1	-15.1	30.7%
<b>Operating costs</b>	<b>-640.1</b>	<b>-634.7</b>	<b>-635.3</b>	<b>-661.1</b>	<b>-668.7</b>	<b>-7.5</b>	<b>1.1%</b>
<b>Profit (loss) from operations</b>	<b>610.3</b>	<b>692.2</b>	<b>732.1</b>	<b>735.7</b>	<b>765.1</b>	<b>29.4</b>	<b>4.0%</b>
Net adjustments on loans to customers	-137.5	-121.3	-124.8	-175.0	-82.5	92.6	-52.9%
Profit (loss) on FV measurement of tangible assets	-1.9	-30.5	-11.8	-102.7	-13.4	89.3	-87.0%
Net adjustments on other financial assets	0.7	0.5	-1.0	-2.1	-3.0	-0.8	40.1%
Net provisions for risks and charges	2.4	0.9	-17.2	-8.3	-5.0	3.4	-40.3%
Profit (loss) on the disposal of equity and other invest.	0.2	-0.4	0.3	0.3	0.4	0.1	41.6%
<b>Income (loss) before tax from continuing operations</b>	<b>474.2</b>	<b>541.4</b>	<b>577.6</b>	<b>447.8</b>	<b>661.7</b>	<b>213.9</b>	<b>47.8%</b>
Tax on income from continuing operations	-147.4	-169.7	-183.0	-104.7	-215.4	-110.8	n.m.
<b>Income (loss) after tax from continuing operations</b>	<b>326.8</b>	<b>371.8</b>	<b>394.6</b>	<b>343.1</b>	<b>446.3</b>	<b>103.2</b>	<b>30.1%</b>
Systemic charges after tax	-57.3	-0.4	-69.6	0.7	-68.1	-68.8	n.m
Impact of bancassurance reorganization	0.0	0.0	0.0	-22.2	2.5	24.7	
Realignment of fiscal values to accounting values	0.0	0.0	0.0	8.8	0.0	-8.8	
Goodwill impairment	0.0	0.0	0.0	0.0	0.0	0.0	
Income (loss) attributable to minority interests	0.0	0.4	0.1	-0.4	0.0	0.4	
Purchase Price Allocation after tax	-7.4	-6.8	-7.3	-6.8	-8.7	-1.8	26.6%
Fair value on own liabilities after Taxes	3.3	-5.8	1.2	-2.1	-1.8	0.3	-14.0%
<b>Net income (loss) for the period</b>	<b>265.3</b>	<b>359.1</b>	<b>319.0</b>	<b>321.1</b>	<b>370.2</b>	<b>49.2</b>	<b>15.3%</b>



# Balance Sheet

Reclassified assets (€ m)	31/03/23	31/12/23	31/03/24
Cash and cash equivalents	23,068	18,297	9,877
Loans and advances measured at AC	111,393	109,568	108,140
- Loans and advances to banks	3,643	4,142	3,228
- Loans and advances to customers <sup>(1)</sup>	107,751	105,427	104,913
Other financial assets	43,875	43,706	47,850
- Assets measured at FV through PL	7,848	7,392	7,667
- Assets measured at FV through OCI	10,048	10,693	10,883
- Assets measured at AC	25,978	25,622	29,300
Financial assets pertaining to insurance companies	6,016	15,345	15,645
Equity investments	1,610	1,454	1,419
Property and equipment	2,894	2,858	2,829
Intangible assets	1,253	1,257	1,261
Tax assets	4,463	4,201	4,062
Non-current assets held for sale and discont. operations	209	469	449
Other assets	3,931	4,975	5,150
<b>Total</b>	<b>198,712</b>	<b>202,132</b>	<b>196,683</b>

Reclassified liabilities (€ m)	31/03/23	31/12/23	31/03/24
Banking Direct Funding	120,038	120,770	123,379
- Due from customers	105,122	101,862	102,563
- Debt securities and other financial liabilities	14,916	18,908	20,816
Insurance Direct Funding & Insurance liabilities	5,854	15,040	15,417
- Financial liabilities measured at FV pertaining to insurance companies	1,478	2,800	2,941
- Liabilities pertaining to insurance companies	4,376	12,240	12,476
Due to banks	31,300	21,691	11,134
Debts for Leasing	514	671	662
Other financial liabilities designated at FV	21,747	25,698	27,046
Other financial liabilities pertaining to insurance companies	3	73	76
Liability provisions	962	895	884
Tax liabilities	312	454	545
Liabilities associated with assets held for sale	35	212	209
Other liabilities	4,587	2,592	2,966
Minority interests	1	0	0
Shareholders' equity	13,358	14,038	14,365
<b>Total</b>	<b>198,712</b>	<b>202,132</b>	<b>196,683</b>

Chg. Y/Y		Chg. YTD	
Value	%	Value	%
-13,191	-57.2%	-8,421	-46.0%
-3,253	-2.9%	-1,428	-1.3%
-415	-11.4%	-914	-22.1%
-2,838	-2.6%	-514	-0.5%
3,975	9.1%	4,144	9.5%
-181	-2.3%	275	3.7%
834	8.3%	190	1.8%
3,322	12.8%	3,679	14.4%
9,629	160.1%	300	2.0%
-190	-11.8%	-35	-2.4%
-65	-2.3%	-29	-1.0%
8	0.7%	3	0.3%
-401	-9.0%	-139	-3.3%
240	114.8%	-20	-4.3%
1,219	31.0%	175	3.5%
<b>-2,029</b>	<b>-1.0%</b>	<b>-5,449</b>	<b>-2.7%</b>

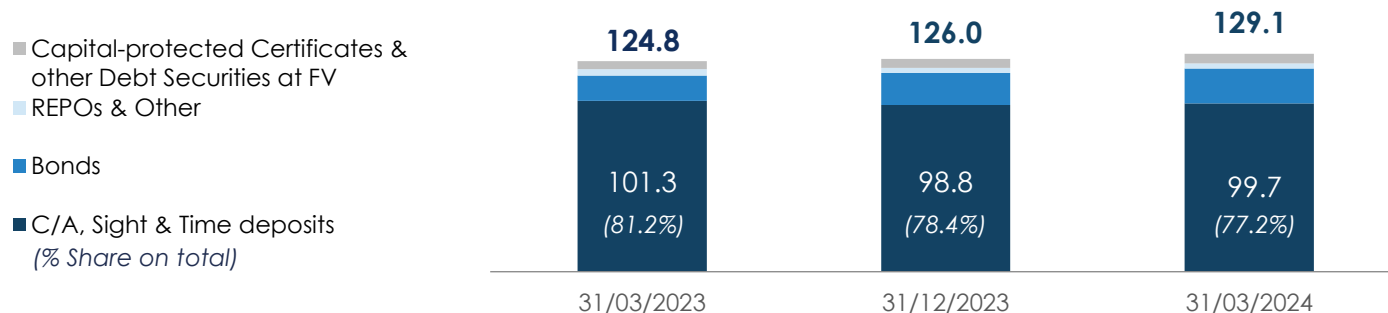
Chg. Y/Y		Chg. YTD	
Value	%	Value	%
3,341	2.8%	2,609	2.2%
-2,559	-2.4%	701	0.7%
5,900	39.6%	1,907	10.1%
9,563	163.4%	378	2.5%
1,463	99.0%	141	5.0%
8,100	185.1%	236	1.9%
-20,166	-64.4%	-10,556	-48.7%
148	28.8%	-9	-1.3%
5,299	24.4%	1,349	5.2%
72	n.m.	3	4.2%
-78	-8.2%	-11	-1.2%
232	74.4%	91	20.0%
174	504.1%	-3	-1.5%
-1,622	-35.4%	374	14.4%
-1	-91.3%	0	-2.9%
1,007	7.5%	327	2.3%
<b>-2,029</b>	<b>-1.0%</b>	<b>-5,449</b>	<b>-2.7%</b>

Note: 1. The item "Customer Loans" includes the Senior notes of GACS transactions

# Total Direct Funding from the Banking business

## Total Direct Funding<sup>1</sup>

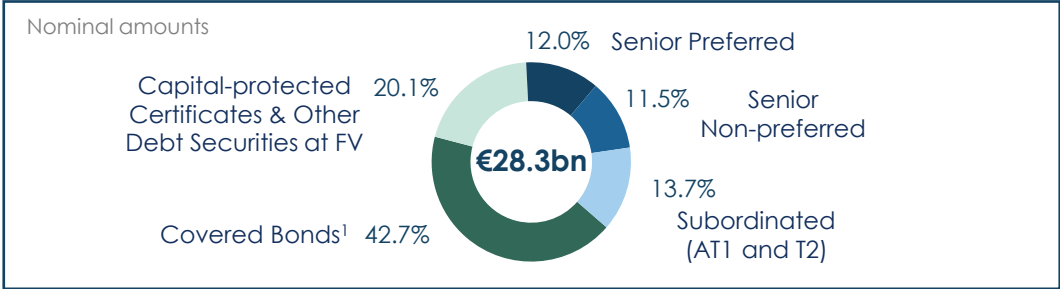
€ bn



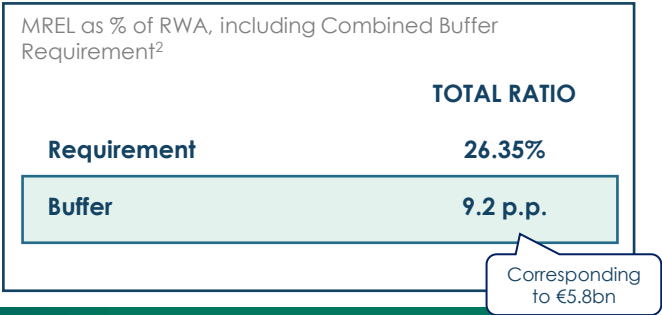
	31/03/23	31/12/23	31/03/24	% chg. Y/Y	% chg. YTD
C/A & Sight deposits	101.0	98.6	99.0	-2.0%	0.4%
Time deposits	0.3	0.2	0.7	155.4%	196.2%
Bonds	14.9	18.9	20.8	39.6%	10.1%
REPOs & Other	3.8	3.0	2.9	-24.5%	-5.2%
Capital-protected Certificates & other Debt Securities at FV	4.8	5.3	5.7	18.9%	7.7%
<b>Direct Funding</b>	<b>124.8</b>	<b>126.0</b>	<b>129.1</b>	<b>3.4%</b>	<b>2.4%</b>

# Solid and well diversified liability profile, driven by successful issuance activity

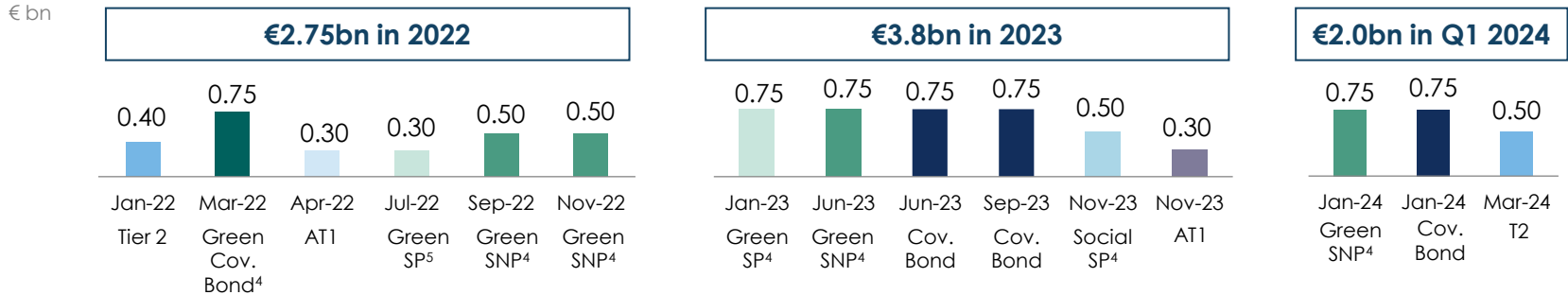
## Bonds, Certificates & Other Debt Securities at FV outstanding as at 31/03/2024



## MREL requirement & buffer as at 31/03/2024



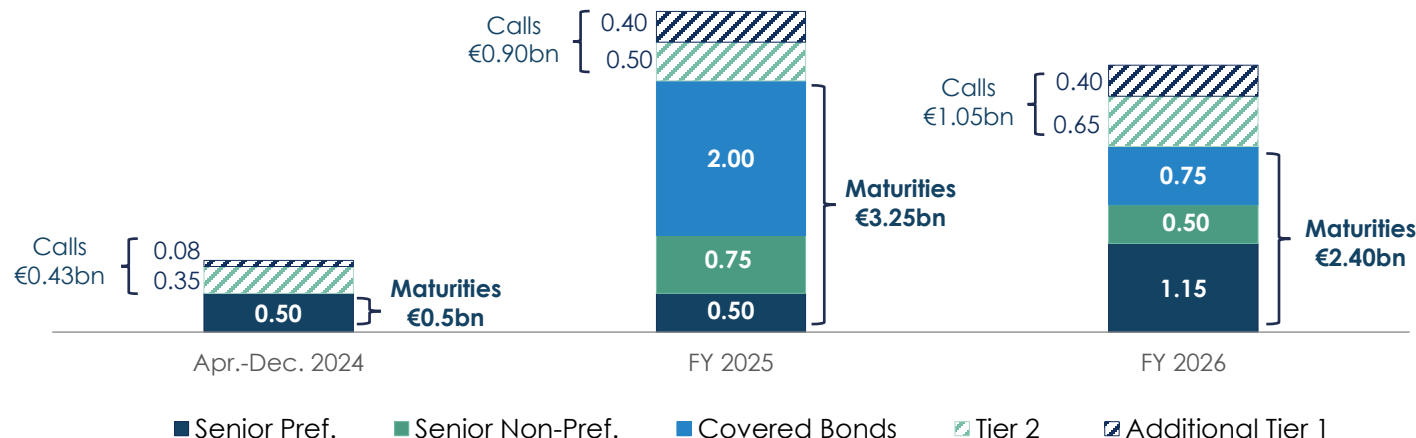
## Wholesale bonds issued since 2022<sup>3</sup>



# Bond maturities: limited and manageable amounts

## Wholesale bond maturities<sup>1</sup> and calls

€ bn



- The Group faces rather limited amounts of aggregate wholesale bond maturities in the period April 2024-December 2026:
  - €3.40bn in the Senior space
  - €2.75bn in the Covered Bond space
- Manageable amounts also of callable subordinated bonds<sup>2</sup>: €0.43bn in Apr.-Dec 2024; €0.90bn in 2025 and €1.05bn in 2026

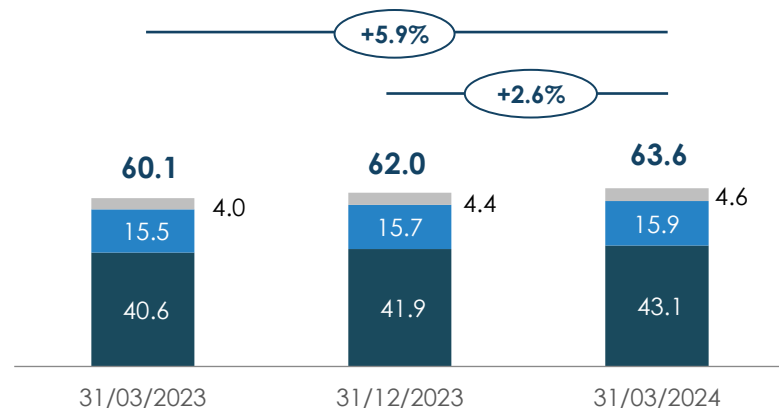
Managerial data based on nominal amounts.

Note: 1. Excluding Repos with retained CB and ABS as underlying (€0.57bn maturities in 2025; €4.15bn maturities in 2026). 2. Redemption profile based on the first call date for callable bonds. For some instruments, the exercise of the call is subject to prior approval by the competent authority. The information provided in this chart should not be considered as a confirmation of their actual exercise.

# Indirect customer funding up at €110.3bn: +15.4% Y/Y and +3.9% YTD

## Assets under Management (AuM)<sup>1</sup>

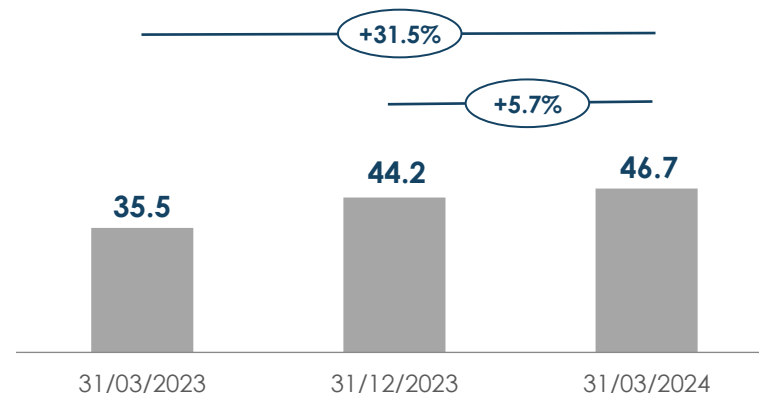
€ bn



- Funds & Sicav
- Bancassurance
- Managed Accounts and Funds of Funds

## Assets under Custody (AuC)<sup>2</sup>

€ bn



Managerial data of the commercial network

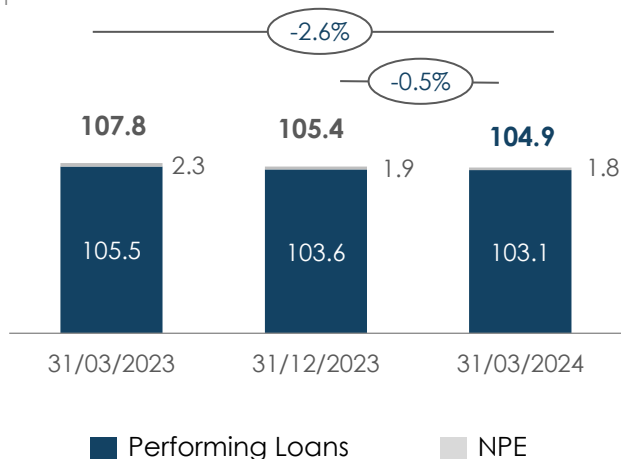


Notes: 1. AuM from Bancassurance as at 31/03/24 contains €15.4bn pertaining to Banco BPM Vita, Vera Vita and Vera Financial included also in the balance sheet item "Insurance Direct Funding and Insurance liabilities", as fully consolidated (€15.2bn as at 31/12/23 and €5.7bn as at 31/03/23, this latter considering only Banco BPM Vita, as Vera Vita and Vera Financial have been consolidated starting from 31/12/2023. 2. AuC data are net of capital-protected certificates, as they have been regrouped under Direct Funding (see slide 34 for more details).

# Net Customer Loans at Amortized Cost<sup>1</sup>

## Net Customer Loans

€ bn



Net Performing Customer Loans	31/03/23	31/12/23	31/03/24	Change	
				In % Y/Y	In % YTD
<b>Core customer loans</b>	<b>102.3</b>	<b>96.9</b>	<b>96.5</b>	<b>-5.6%</b>	<b>-0.4%</b>
- Medium/Long-Term loans	80.1	77.1	76.9	-3.9%	-0.2%
- Current Accounts	8.4	7.5	7.2	-14.5%	-3.1%
- Cards & Personal Loans	0.8	0.7	0.6	-31.5%	-12.0%
- Other loans	12.9	11.7	11.8	-8.7%	0.6%
<b>GACS Senior Notes</b>	<b>1.8</b>	<b>1.4</b>	<b>1.3</b>	<b>-26.8%</b>	<b>-9.4%</b>
<b>Repos</b>	<b>0.9</b>	<b>4.8</b>	<b>5.0</b>	<b>426.6%</b>	<b>3.3%</b>
<b>Leasing</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>	<b>-26.1%</b>	<b>-8.3%</b>
<b>Total Net Performing Loans</b>	<b>105.5</b>	<b>103.6</b>	<b>103.1</b>	<b>-2.2%</b>	<b>-0.4%</b>

# Analysis of Commercial Real Estate exposure

Highly secured, concentrated in low-mid risk rating classes and in the North of Italy

GBV, in € bn	Performing Exposure	In % on total Perf. loans
Construction of buildings <sup>1</sup>	3.0	3%
RE Activities	4.5	4%
<b>TOTAL</b>	<b>7.5</b>	<b>7%</b>

-€500m vs 31/03/23

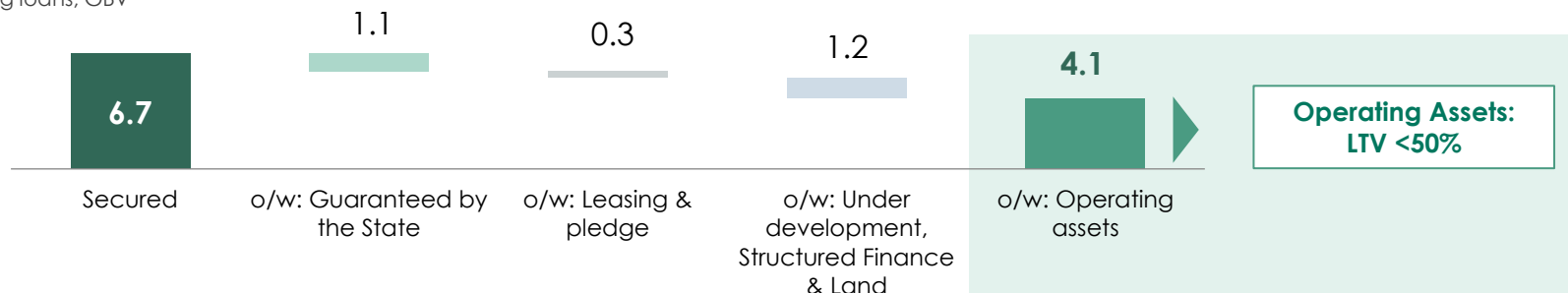
Vs. 8% as at 31/03/23

**SAFE RISK PROFILE:**

- **89% Secured (€6.7bn)**
- **73%** in Low-Mid Risk rating classes
- **73%** of the collateralized portfolio<sup>2</sup> is located in the North (**50%** in Lombardy, o/w **35%** Milan)

## Secured exposure: composition by guarantees & collateral

Performing loans, GBV  
€ bn



# Asset Quality details

## Loans to Customers at AC<sup>1</sup>

Gross exposures €/m and %	31/03/2023	31/12/2023	31/03/2024	Chg. Y/Y		Chg. YTD	
				Value	%	Value	%
Bad Loans	2,094	1,601	1,547	-547	-26.1%	-55	-3.4%
UTP	2,522	2,056	1,931	-592	-23.5%	-125	-6.1%
Past Due	64	93	90	26	40.6%	-3	-3.2%
<b>NPE</b>	<b>4,680</b>	<b>3,751</b>	<b>3,568</b>	<b>-1,113</b>	<b>-23.8%</b>	<b>-183</b>	<b>-4.9%</b>
Performing Loans	105,894	103,991	103,570	-2,324	-2.2%	-421	-0.4%
<b>TOTAL CUSTOMER LOANS</b>	<b>110,574</b>	<b>107,742</b>	<b>107,138</b>	<b>-3,436</b>	<b>-3.1%</b>	<b>-604</b>	<b>-0.6%</b>

Net exposures €/m and %	31/03/2023	31/12/2023	31/03/2024	Chg. Y/Y		Chg. YTD	
				Value	%	Value	%
Bad Loans	734	626	607	-127	-17.3%	-19	-3.0%
UTP	1,493	1,168	1,094	-399	-26.7%	-75	-6.4%
Past Due	48	67	67	19	38.7%	-0	-0.5%
<b>NPE</b>	<b>2,275</b>	<b>1,862</b>	<b>1,768</b>	<b>-508</b>	<b>-22.3%</b>	<b>-94</b>	<b>-5.0%</b>
Performing Loans	105,475	103,565	103,145	-2,330	-2.2%	-420	-0.4%
<b>TOTAL CUSTOMER LOANS</b>	<b>107,751</b>	<b>105,427</b>	<b>104,913</b>	<b>-2,838</b>	<b>-2.6%</b>	<b>-514</b>	<b>-0.5%</b>

Coverage ratios %	31/03/2023	31/12/2023	31/03/2024
Bad Loans	64.9%	60.9%	60.7%
UTP	40.8%	43.2%	43.4%
Past Due	25.1%	28.2%	26.1%
<b>NPE</b>	<b>51.4%</b>	<b>50.4%</b>	<b>50.5%</b>
Performing Loans	0.40%	0.41%	0.41%
<b>TOTAL CUSTOMER LOANS</b>	<b>2.6%</b>	<b>2.1%</b>	<b>2.1%</b>

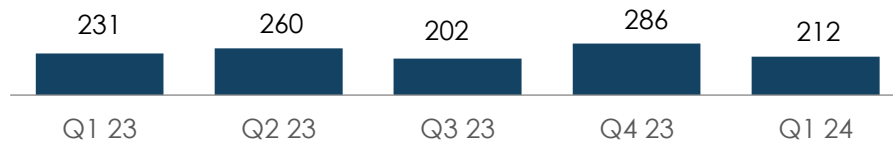
Notes: 1. Loans and advances to customers at Amortized Cost, including also the GACS senior notes.



# NPE migration dynamics

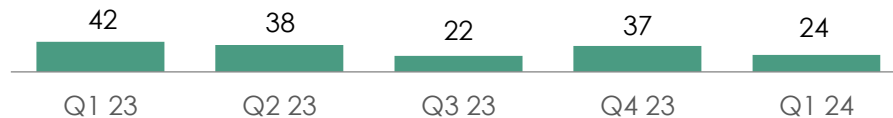
## Inflows from Performing to NPEs (Default rate)

€ m



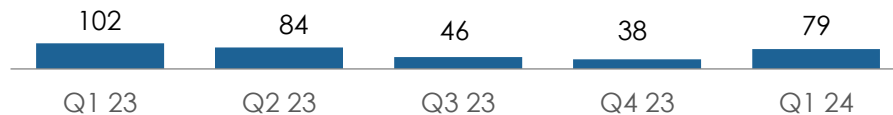
## Outflows from NPEs to Perf. Loans

€ m



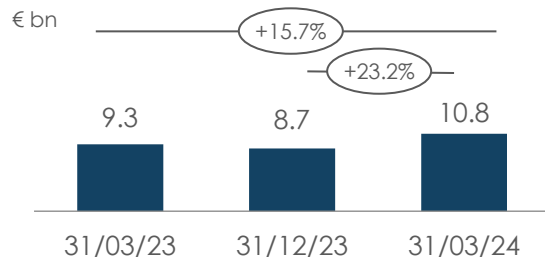
## Flows from UTP to Bad Loans (Danger rate)

€ m

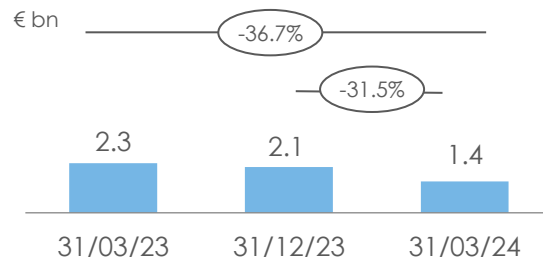


# Focus on Govies portfolio of the Banking Business

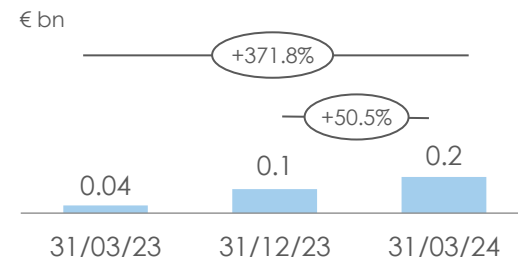
## Italian Govies at AC



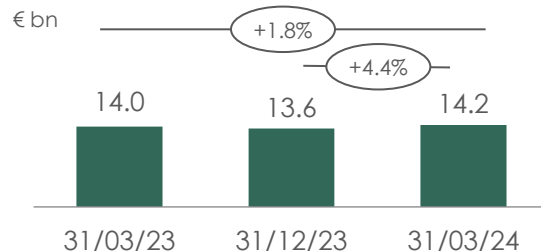
## Italian Govies at FVOCI



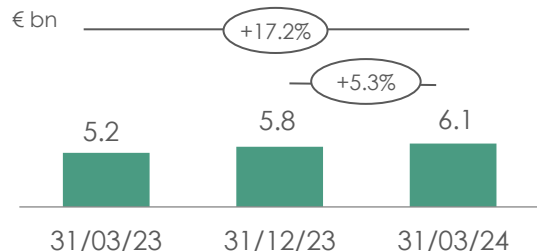
## Italian Govies at FVTPL



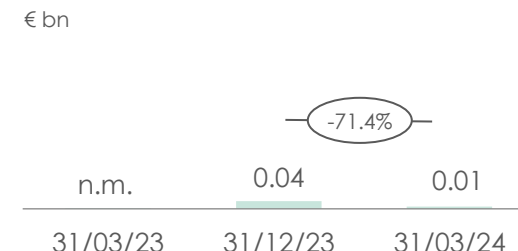
## Non-Italian Govies at AC



## Non-Italian Govies at FVOCI



## Non-Italian Govies at FVTPL



# Capital position in detail

FULLY LOADED CAPITAL POSITION (€ m and %)	31/03/2023	31/12/2023	31/03/2024
CET 1 Capital	8,076	9,036	9,238
T1 Capital	9,466	10,425	10,627
Total Capital	11,192	12,125	12,825
RWA	59,514	63,823	62,660
CET 1 Ratio	13.57%	14.16%	14.74%
AT1	2.34%	2.18%	2.22%
T1 Ratio	15.91%	16.34%	16.96%
Tier 2	2.90%	2.66%	3.51%
Total Capital Ratio	18.81%	19.00%	20.47%

FULLY LOADED RWA COMPOSITION (€ bn)	31/03/2023	31/12/2023	31/03/2024
CREDIT & COUNTERPARTY RISK	50.6	54.2	53.4
of which: AIRB	23.2	20.8	25.9
MARKET RISK	1.3	1.5	1.2
OPERATIONAL RISK	7.4	7.9	7.9
CVA	0.2	0.2	0.2
TOTAL	59.5	63.8	62.7

As communicated to the market on 12 December 2023, Banco BPM has been authorized by ECB to apply new AIRB model parameters from the reference date of 31/12/2023. The first implementation in IT systems of these new parameters started in Q1 2024, whilst for Q4 2023 the Group proceeded with an increase in voluntary buffer/capital deduction ex art. 3 CRR. As at 31/03/2024 such increase in buffer/capital deduction has been removed, whilst the adoption of new AIRB parameters led to an increase in RWA density both in the Retail segment (from 16.3% at YE 2023 to 20.3% as at 31/03/24) and the Corporate segment (from 35.1% to 46.7%)

LEVERAGE (€ m and %)	31/03/2023	31/12/2023	31/03/2024
Total Exposure	200,940	199,614	197,952
Class 1 Capital	9,466	10,425	10,627
Leverage Ratio	4.71%	5.22%	5.37%

# ***Appendix:***

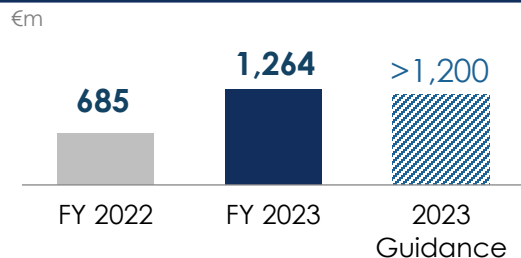
## ***FY 2023 Highlights***

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# FY 2023: a powerful kickstart of our Strategic Plan journey

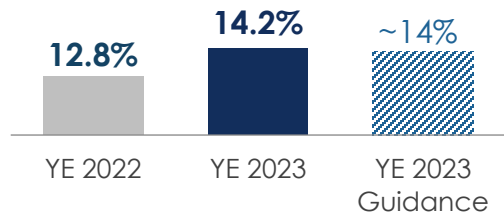
## OUTPERFORMANCE OF OUR P&L GUIDANCE ALLOWS A SUBSTANTIAL STEP-UP IN SHAREHOLDER REMUNERATION

### 2023 NET INCOME: +85% Y/Y



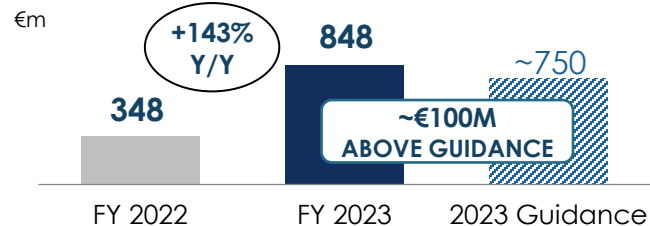
**2023 ROTE<sup>1</sup>**  
**12.4%**  
(7.0% in 2022)

### CET 1 RATIO: +132 BPS Y/Y



**MDA BUFFER**  
**542 BPS**  
(413 BPS in 2022)

### SHAREHOLDER DISTRIBUTION

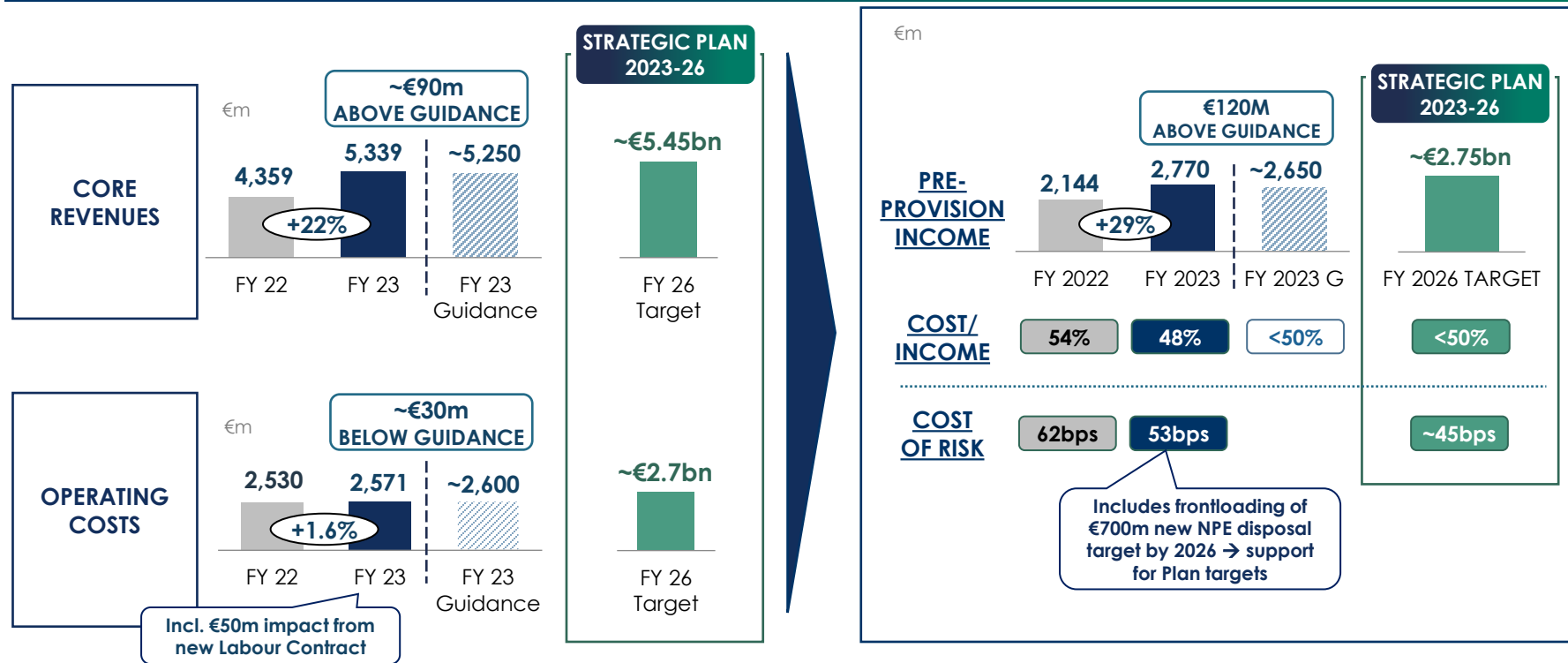


**2023 PROPOSED DPS: €56 CENTS**  
(€23 CENTS in 2022)

**2023 DIVIDEND PAYOUT: 67%**  
(50% in 2022)

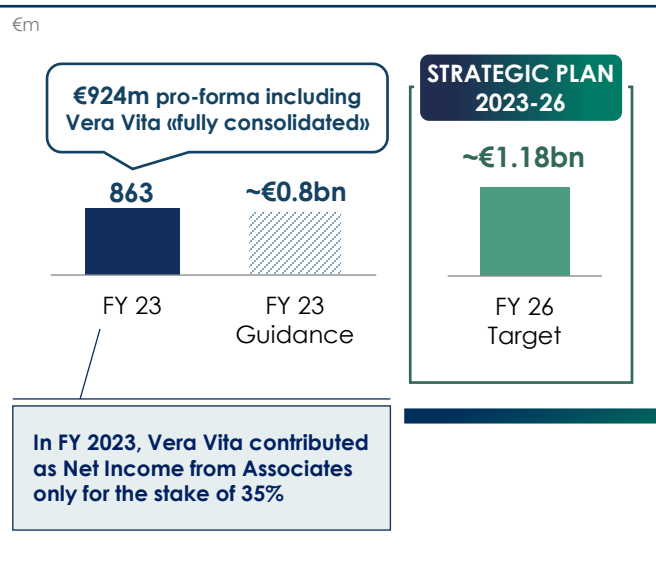
# Significant growth in profitability: a major step forward to Strategic Plan targets

## FY 2023 PERFORMANCE: KEY DRIVERS BETTER THAN GUIDANCE



# Well-diversified business model ready to be deployed

## REVENUES FROM KEY PRODUCT FACTORIES<sup>1</sup>



## KEY PRODUCT FACTORIES: SIGNIFICANT FURTHER VALUE TO BE EXTRACTED

### CONFIRMED

Asset  
Mgmt.

ANIMA

MAIN SHAREHOLDER of top independent Italian AM player

Consumer  
Credit

Agos

STRATEGIC ALLIANCE: JV with Crédit Agricole Consumer Finance

### NEW FEATURES

Bancass.  
Life

BANCO BPM  
VITA  
VERA Vita

FULL  
OWNERSHIP

2022  
The  
foundations

Acquired 100%  
BBPM Vita  
(closing in July)

2023  
First steps towards  
completion

Acquired 100%  
Vera Vita  
(closing in Dec.)

Internalisation completed

2024  
Implementation

2025/26

Bancass.  
P&C

BANCO BPM  
ASSICURAZIONI  
VERA Assicurazioni

STRATEGIC  
ALLIANCE

Sale of 65% BBPM Assicurazioni &  
Vera Assicurazioni to CA Assicurazioni

MoU Signed

Closing in Dec.

Payments

PayCo

STRATEGIC  
ALLIANCE

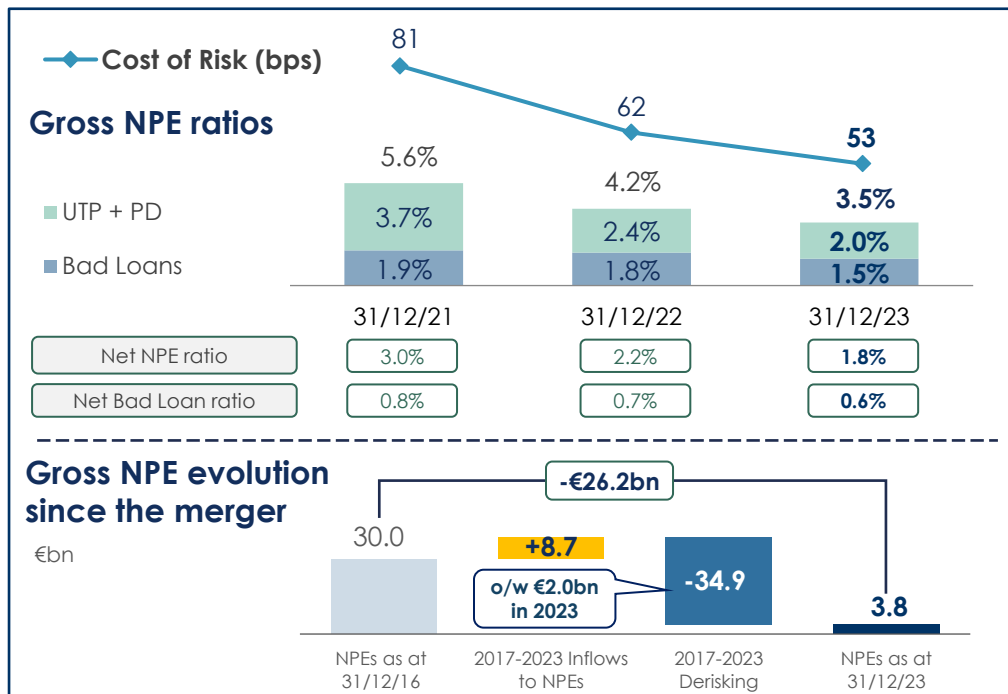
JV with FSI/ BCC  
PAY/ICCREA:  
Deal signed

Closing

ALL KEY  
PRODUCT  
FACTORIES  
AT FULL  
STEAM

# Steady improvement in asset quality: NPEs and LLPs at record lows

## A SUCCESSFUL TURNAROUND STORY DRIVEN BY €34.9BN DERISKING

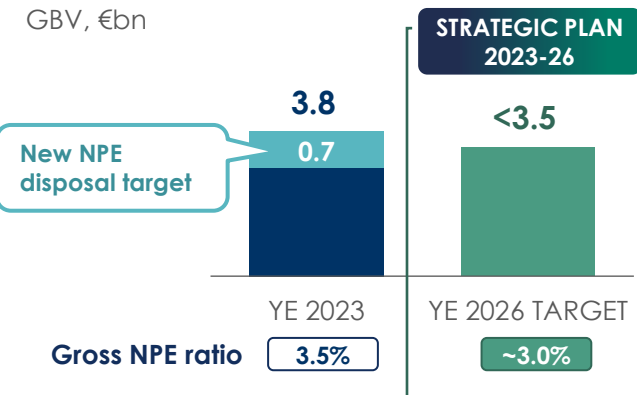


## WELL ON TRACK FOR 2026 STRATEGIC PLAN TARGET

€700m new NPE disposal target by 2026, with Cost or Risk already frontloaded (mostly in Q4 23) → strong support for Strategic Plan AQ goals

### Gross NPEs

GBV, €bn

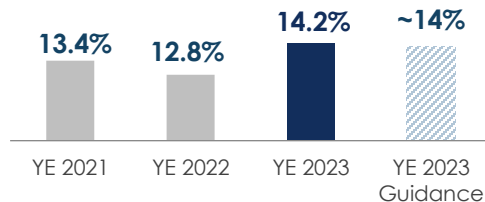




# Strong capital base and sound liquidity & funding position

## SIGNIFICANT CAPITAL GENERATION

### CET1 RATIO: EVOLUTION

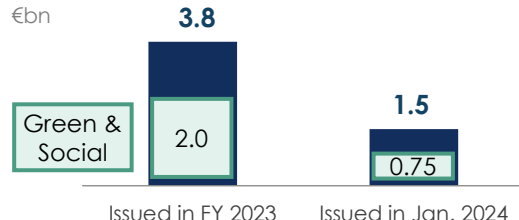


### MDA BUFFER @ 542 BPS

- Solid CET 1 ratio at YE 2023, above guidance, after including the significant increase in payout (67% vs. 50% in 2022)
- Strong contribution from FY 2023 organic performance: +328bps gross<sup>1</sup>, +151bps net of dividend<sup>2</sup>

## FURTHER IMPROVING OUR WHOLESALE FUNDING CAPACITY

### WHOLESALE BONDS ISSUED



- BBPM #2 Green bond issuer among Italian banks in 2023
- Green Social & Sustainability Bonds Framework aligned with Taxonomy<sup>4</sup>

### INVESTMENT GRADE RATINGS

- All Senior LT ratings are Investment Grade since Nov. 2023
- Additional cost of funding benefit to come on top of Plan projections, based on bonds issued in Jan. 2024

### NSFR<sup>3</sup> @ 129%

### LCR @ 187%

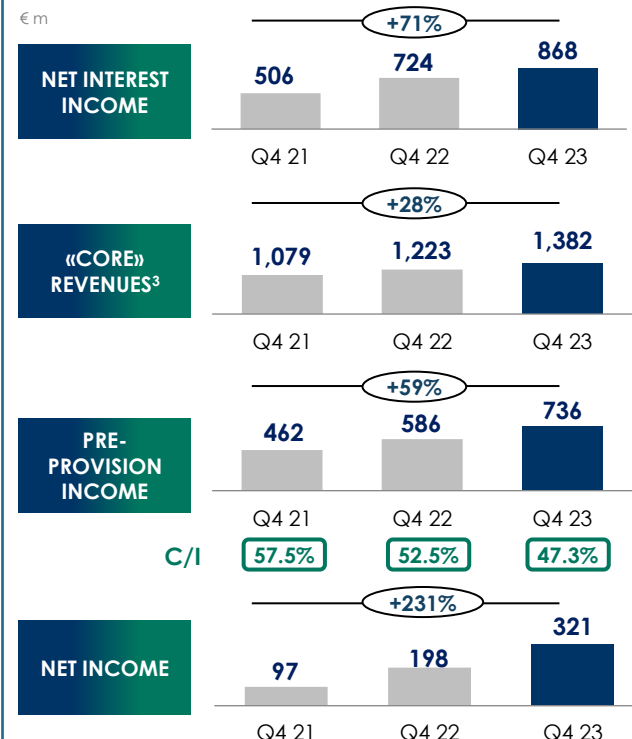
- Successful wholesale issuance activity with a high share of Green & Social bonds (52%) since Jan. 2023
- Total liquidity at €41.9bn at YE 2023 (+€3.2bn Y/Y)

# P&L at a glance: FY 2023 Net Income almost doubled Y/Y

## P&L HIGHLIGHTS

€ m	FY 22	FY 23	Chg. Y/Y	Q4 22	Q3 23	Q4 23	Chg. Q/Q
Net interest income	2,314	3,289	42.1%	724	869	868	-0.1%
Net fees and commissions	1,887	1,860	-1.4%	447	460	452	-1.8%
Income from associates	136	144		38	34	49	
Income from insurance	22	46		13	8	13	
<b>«Core» Revenues</b>	<b>4,359</b>	<b>5,339</b>	<b>22.5%</b>	<b>1,223</b>	<b>1,371</b>	<b>1,382</b>	<b>0.8%</b>
Net financial result	243	-79		-9	-23	-14	
o/w Cost of certificates	-70	-263		-32	-76	-75	
o/w Other NFR	313	184		23	53	61	
Other net operating income	72	81		19	19	29	
<b>Total revenues</b>	<b>4,674</b>	<b>5,341</b>	<b>14.3%</b>	<b>1,233</b>	<b>1,367</b>	<b>1,397</b>	<b>2.2%</b>
Operating costs	-2,530	-2,571		-647	-635	-661	
o/w Banking business costs	-2,524	-2,558	1.3%	-642	-632	-660	4.5%
<b>Pre-Provision income</b>	<b>2,144</b>	<b>2,770</b>	<b>29.2%</b>	<b>586</b>	<b>732</b>	<b>736</b>	<b>0.5%</b>
Loan loss provisions	-682	-559	-18.1%	-185	-125	-175	40.2%
Other <sup>1</sup>	-172	-171		-88	-30	-113	
<b>Profit from continuing operations ( pre-tax)</b>	<b>1,289</b>	<b>2,041</b>	<b>58.4%</b>	<b>313</b>	<b>578</b>	<b>448</b>	<b>-22.5%</b>
Taxes	-407	-605		-86	-183	-105	
<b>Net profit from continuing operations</b>	<b>882</b>	<b>1,436</b>	<b>62.9%</b>	<b>228</b>	<b>395</b>	<b>343</b>	<b>-13.0%</b>
Systemic charges	-152	-127		0	-70	1	
PPA and other <sup>2</sup>	-45	-45		-30	-6	-23	
<b>Net income</b>	<b>685</b>	<b>1,264</b>	<b>84.6%</b>	<b>198</b>	<b>319</b>	<b>321</b>	<b>0.7%</b>

## Q4: QUARTERLY EVOLUTION

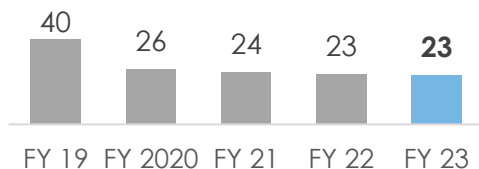


# Successfully continuing our digitalization path

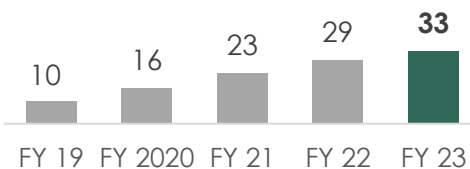
## DIGITAL BANKING KPI

### # BRANCH AND APP-BASED TRANSACTIONS (M)

#### Branch-based



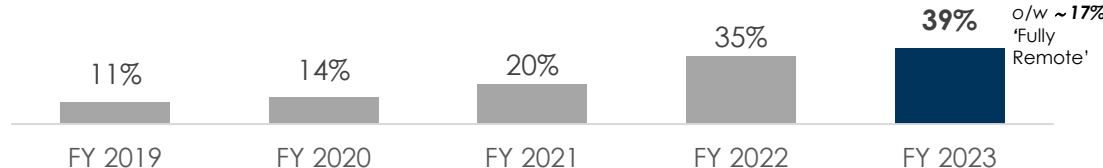
#### APP-based



Weight on  
total  
transactions



### % OMNICHANNEL SALES<sup>1</sup>



o/w ~17%  
\*Fully  
Remote\*

## FY 2023 INITIATIVES IN DIGITAL

- Increase of **products and services** available for **remote selling/signature** (e.g. POS; main SME lending products)
- **Digital Identity** adoption: **>#1.3 m clients**
- **Digital branch** empowerment on commercial activities (accounting for > 50% of total **remote sales** in **Q4 2023**)
- **Evolution of virtual assistance**, impacting further inbound optimization and enabling new commercial proposition
- Launch of innovative **in-App Video-collaboration**
- Deployment of new omnichannel **Marketing Automation platform**

# ***Appendix:***

## ***ESG Strategy and Credit Ratings***

---

# Our path towards a sound sustainability strategy: the recent history

## 2018-2020

- **Internal Control and Risk Committee**<sup>1</sup> in charge of overseeing sustainability topics
- **Energy Manager & Mobility Manager** appointed
- Published the **rules for the environmental policy**, the **Workplace health and safety guidelines** and the **Guidelines on the integration of sustainable risks in the provision of investment services**
- **100% of electricity consumption from certified renewable sources**
- Extraordinary measures for local communities and social projects in response to Covid-19 pandemic
- **First ESG lending product** (Plafond for ESG investments)
- ISO 45001 **Occupational Health and Safety**, ISO 50001 **Energy** and ISO 14001 **Environmental certifications** obtained



## 2021

- Activation of the first **"ESG Action Plan"** to fully integrate ESG into our operating model
- **ESG targets** integrated within **ST & LT incentive plans** for CEO & Top Management
- **Green, Social and Sustainability Bonds Framework** published, and **first bond (social)** issued under the framework
- **Integration of lending policies and Risk Management** with ESG factors started
- **Enlarged ESG products offering** and **integration of ESG risk in Advisory and Wealth Management**
- 2021-2024 Strategic Plan: **ESG as key foundation stone**
- Banco BPM joined the **UNGC** and became a supporter of the **TCFD**



## 2022-2023

- **Sound progress in the ESG strategy and business integration with strong results in the main ESG KPIs**
- First **ECB Climate Stress test** performed in 2022
- **Fundraising** and other **support measures** for **people from Ukraine**, in cooperation with **Caritas** in 2022 and for **Emilia Romagna** in 2023
- **Update of the Code of Ethics** in 2022
- 2022 CNFS wins **"Oscar di Bilancio"**
- In March 2023 **Banco BPM 5 priority sectors identification**:
  - oil & gas
  - power generation
  - cement
  - automotive
  - coal
- **New Sustainability Committee** established at Board level in April 2023
- **New ESG Action Plan** reshaped and launched in Q3 2023
- **NEW GS&S Bonds Framework aligned with Taxonomy** published in Nov. 2023
- Banco BPM **#1 Green bond issuer** among Italian banks in 2022 and #2 in 2023
- Publication of the 2022 and 2023 **Green Social & Sustainability Bonds Reports** → Banco Bpm wins in 2023 the prestigious **Award for Impact Reporting** by **Environmental Finance**
- 2023-2026 Strategic Plan: **Sustainability and ambitions full integration**



# Sustainability Governance and Accountability

## INTEGRATED SUSTAINABILITY GOVERNANCE



## ESG TARGETS INCLUDED IN SHORT & LONG-TERM INCENTIVE PLANS FOR CEO & TOP MANAGEMENT SINCE 2021

- Our remuneration policy is **gender neutral**
- Within this policy:
  - ✓ variable remuneration is correlated with **strategic actions** addressing **environmental** and **human resource** management issues → ESG Targets **consistent with Strategic Plan** and **monitored at RAF level**
  - ✓ **ESG KPIs** are included also in **variable remuneration of the commercial network since 2023**

## NEW ESG ACTION PLAN

- ESG workgroups rationalized in **4 interlinked areas**
- Supported by **Data Quality, IT and Control Functions**
- Directly overseen by **ESG Committee & CEO**

### 4 WORKSTREAMS

- **Governance ESG (Risk Management)**
- **Credit**
- **Markets (Finance & WM)**
- **Disclosure, Community & Inclusion**

15 unit  
involved

>50 people  
involved

## STRATEGIC PLAN 2023-2026: SUSTAINABILITY AMBITIONS AND ESG INITIATIVES & TARGETS FULLY EMBEDDED IN THE PILLARS

# Sustainability achievements: 2023 state-of-the-art



## ENVIRONMENT



## SOCIAL



## GOVERNANCE

**Net Scope 1 & 2 emissions Market-based**  
(Chg. Y/Y)<sup>1</sup>

2022

-54.3%

2023

**Carbon Neutral**

**Scope 1 & 2 consumptions**

**Reduced by >10% both in 2022 and 2023**

- NZBA joined in Q1 23 → 5 priority sectors identified<sup>2</sup>
- >€1bn of new Green Residential Mortgages in 2022-2023 (new lending)
- 100% of electric energy from renewable sources confirmed

**Share of women in managerial positions**

2022

26.1%

2023

**29.7%**

**Share of new hirings between 20-30 years**  
(cumulated, since Jan.21)

89.5%

**96.5%**

**Donations and contributions for social & environmental projects**

€4.6m

**€5.8m**

- ~€0.35bn of new lending to third sector in 2022-2023
- #9,402 hours of corporate community services, ESG awareness and financial education in 2023

- >#164K hours of ESG training courses to employees in 2023
- Sustainability Committee at Board level established in April 2023
- Published Guidelines on respecting and safeguarding human rights (May 2023)
- New ESG Action Plan launched in Q3:
  - 4 interlinked areas (**Risks; Credit; Finance & WM; Disclosure, Community & Inclusion**)
  - Supported by **Data, IT and Control Functions** and directly overseen by ESG Committee & CEO

**Issue of Green, Social & Sustainable Bonds**

2022

€2bn<sup>3</sup>

2023

**€2bn**

- NEW GS&S Bonds Framework aligned with Taxonomy<sup>4</sup>

**Share of ESG bonds in the Corporate bond proprietary pff.**

2022

24.2%

2023

**29.1%**

**ESG bond issues assisted by Banca Akros**

2022

>€8bn

2023

**>€8bn**

## RECOGNITION OF OUR EFFORTS

**2022 CNFS wins "Oscar di Bilancio"**

**BBPM wins the Award for Impact Reporting by Environmental Finance**

**Sustainalytics ESG risk score from 22.4 (Mid-Risk) to 15.7 (Low-Risk) → among the top-rated Italian banks**

**Standard Ethics Rating upgraded from EE to EE+**

# Banco BPM #1 Green bond issuer among Italian banks in 2022 and #2 in 2023

## SIGNIFICANT ISSUANCE ACTIVITY OF GREEN & SOCIAL BONDS:

- €5.3bn Social & Green bonds issued in the period 2021-Jan. 2024 (o/w €5.0bn under the Green Social & Sustainability Bonds Framework)

## NEW GREEN, SOCIAL & SUSTAINABILITY BONDS FRAMEWORK ALIGNED WITH TAXONOMY PUBLISHED ON 7 NOV. 2023:

- The new Framework, published after the inaugural Framework of July 2021, is **aligned with best market practices<sup>1</sup>**, **cover a broader range of activities and include European taxonomy alignment for some eligible assets<sup>2</sup>**

### Social & Green bonds issued under the framework

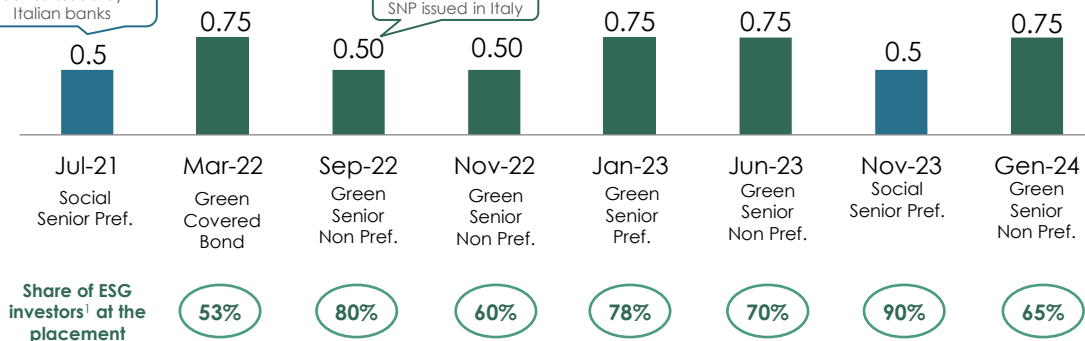
Additional €300m Green Senior Pref. bond issued as a private placement in July 2022

€ bn

The first Green Covered Bond issuance in Italy in 2022 and the second ever for an Italian bank

One of the few Social bonds issued by Italian banks

Second Green SNP issued in Italy



#### USE OF PROCEEDS:

- Social Bond:** refinance Italian **SME loans** guaranteed by the State granted in response to the Covid-19 crisis
- Green Covered bond:** refinance a portfolio of green mortgages granted to households for the purchase of houses which belong to the top 15% energy efficient buildings in Italy
- Green Senior Non-pref. & Pref. bonds:** refinance existing **Eligible Green Loans** as defined within the Green, Social & Sustainability Bonds Framework (such as green residential mortgages and loans for renewable energy)

Second Green, Social and Sustainability Bond Reporting published in July 2023

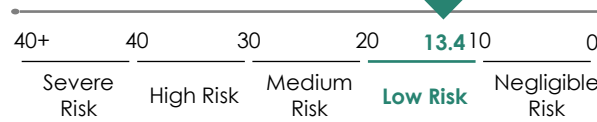




# Sound ESG Ratings and inclusion in the FTSE MIB ESG index & in the Bloomberg G-E Index

## MORNINGSTAR SUSTAINALYTICS

Upgraded from 15.7 to 13.4 (confirmed at Low Risk) in May 2024\*

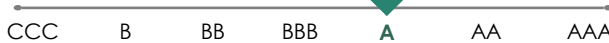


## MSCI ESG RATINGS

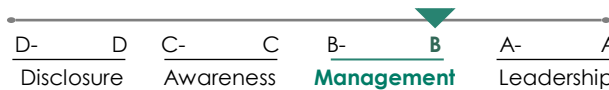


CCC B BB BBB A AA AAA

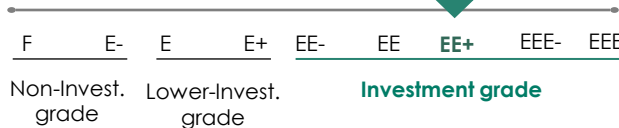
Upgraded from BBB to A in Mar. 2023 and then confirmed @ A in Mar. 2024\*\*



Confirmed at B in Feb. 2024

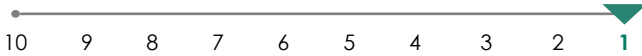


Upgraded to EE+ with Stable Outlook (from EE with Positive Outlook) in Nov. 2023



## ISS ESG

### Governance Quality Score



Confirmed at top level "1" in Nov. 2023

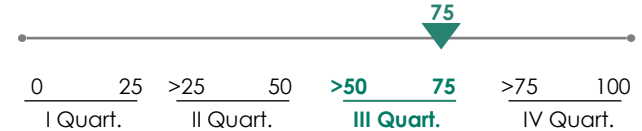
## S&P Global



Upgraded from 56 to 57 in Sept. 2023



## LSEG



Downgraded from the fourth to the third quartile, with a score of 75, in Feb. 2024

## MIB ESG

▪ Inclusion in the Euronext MIB ESG index since its launch in October 2021



- First inclusion in Jan. 2022, with a score of 73.9
- Inclusion confirmed also in Jan. 2023 with a score improved to 79.7

Ratings updated as at May 2024.

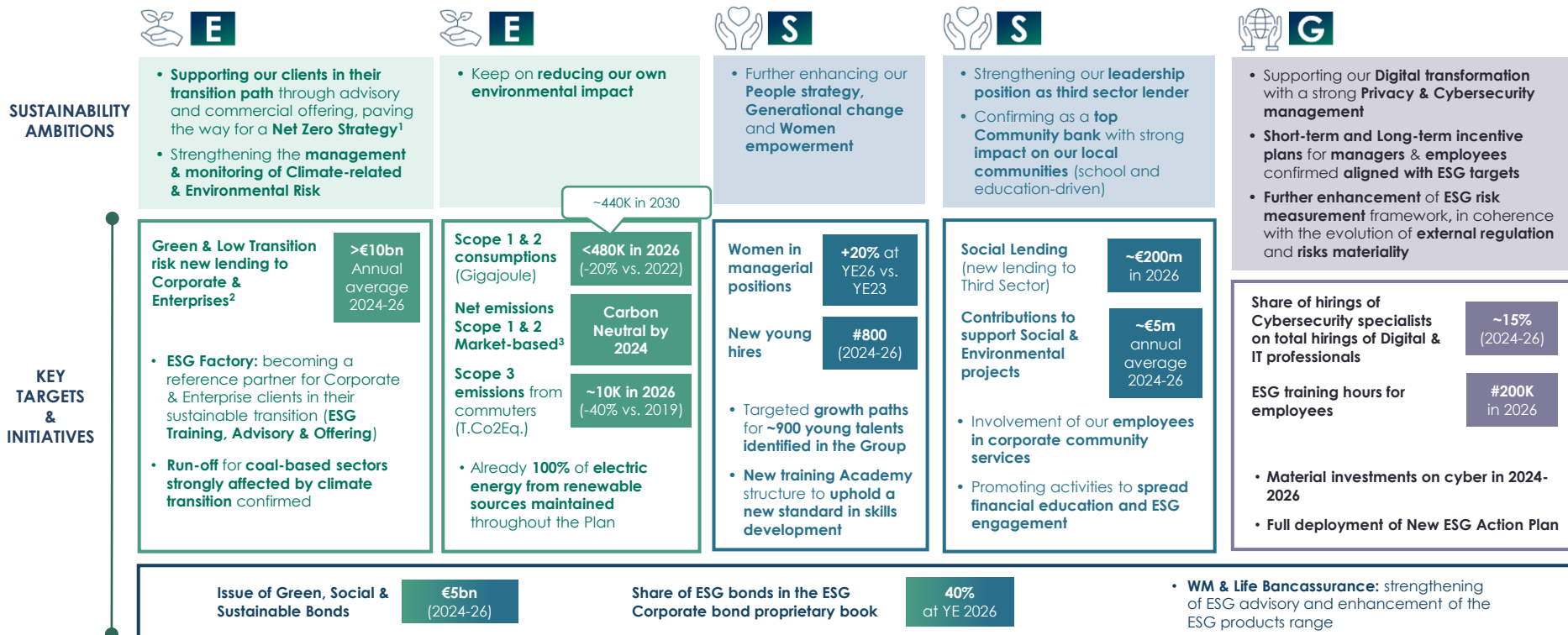


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# Strategic Plan 2023-2026: Sustainability ambitions and ESG initiatives & targets fully embedded in the pillars of the Plan



# Credit Ratings now all **INVESTMENT GRADE** - Evolution since the merger<sup>1</sup>

**MORNINGSTAR** | **DBRS**

	Starting level (05/01/2017)	Rating action (18/04/2024)	Notch Improvement
<b>Long-Term Senior Debt</b>	BBB (low)	<b>BBB</b>	<b>+1</b>
LT Deposit Rating	BBB (low)	BBB (high)	+2

## **TREND POSITIVE**

**Trend improvement on LT Senior Debt and Issuer from Stable to Positive - rating action of 18/04/2024.**

## **KEY RATING DRIVERS:**

- Sustained improvements in profitability, through a combination of cost control, low cost of risk and a strong increase in revenues
- Third largest Italian bank by total assets, with solid market shares in retail and commercial banking
- Continued progress in asset quality improvement
- Funding and liquidity profile is underpinned by a large and stable deposit base and adequate capital position

**FitchRatings**

	Starting level (23/12/2016)	Rating action (21/03/2024)	Notch Improvement
<b>LT Issuer Default Rating</b>	BB-	<b>BBB-</b>	<b>+3</b>
LT Deposit Rating	-	BBB	-

## **OUTLOOK STABLE**

**Upgrade by one notch of the Senior Preferred debt rating (to BBB) – rating action 21/03/2024)**

## **KEY RATING DRIVERS:**

- Strong franchise, rooted in northern Italy and business model oriented toward commercial banking, but also fairly diversified in WM, CIB and bancassurance
- Improved profitability and asset quality
- Disciplined approach to risk and adequate capital buffers
- Stable and diversified funding and sound liquidity metrics

**MOODY'S**

	Starting level (03/01/2017)	Rating action (02/04/2024)	Notch Improvement
<b>LT Senior unsecured</b>	Ba2	<b>Baa2</b>	<b>+3</b>
LT Deposit Rating	Ba1	Baa1	+3

## **OUTLOOK STABLE**

**2 notch improvement of BCA and LT Senior Unsecured (rating action of 21/11/2023)**

## **KEY RATING DRIVERS:**

- BCA reflects improving asset quality and profitability
- Strong franchise as Italy's third-largest bank
- Sound capital buffers well above regulatory requirements
- Stable retail deposit base

**S&P Global**  
Ratings

**New  
Rating**

	Starting level	Rating action (07/11/2023)	Notch Improvement
<b>LT Issuer Credit Rating</b>	N.A.	<b>BBB-</b>	<b>-</b>

## **OUTLOOK POSITIVE**



## **KEY RATING DRIVERS:**

- Solid franchise in the wealthiest northern regions of Italy and well-diversified business model
- Significant enhancement of capitalization and strong de-risking
- Sound recurring earnings capacity with good profitability prospects
- Solid funding and liquidity profile
- ALAC buffer evolution

**BANCO BPM**

Note: 1. Standalone and Long-term ratings. For Fitch, the starting rating considered is the last rating that had been assigned pre-merger to the former two banks Banco Popolare and BPM

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