



## Group Q1 2024 Results Presentation

07 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

<b>1</b>	<b>Executive Summary</b>	<b>5</b>
<b>2</b>	<b>Key Highlights</b>	<b>11</b>
<b>3</b>	<b>Final Remarks</b>	<b>22</b>
<b>4</b>	<b>Q1 2024 Performance Details</b>	<b>25</b>

# Executive Summary

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1

# 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>**

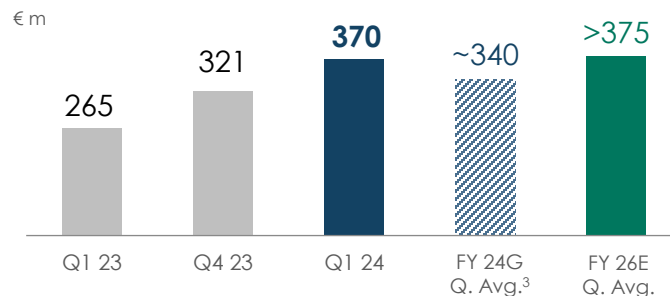
- Significant capital generation

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

## FULL CONFIDENCE IN OUR STRATEGIC PLAN TARGETS

### Q1 NET INCOME @ €370M:

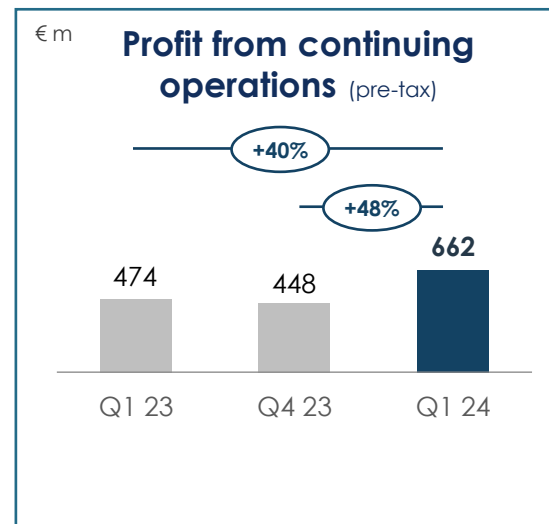
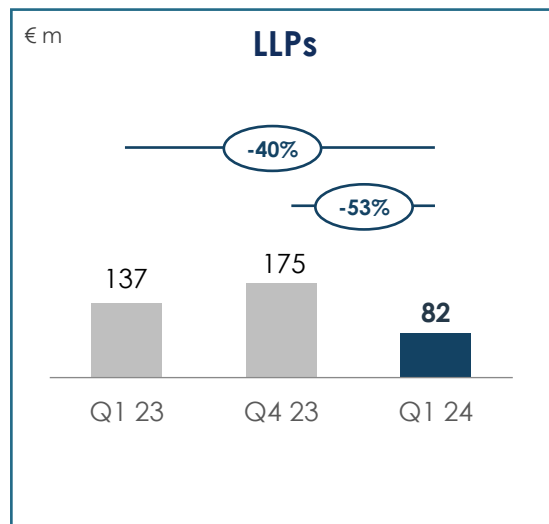
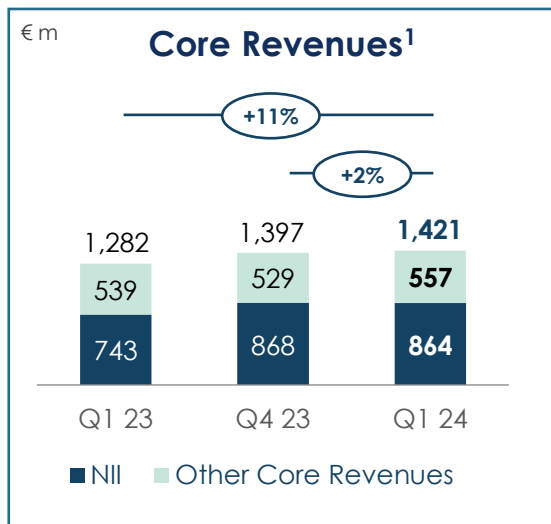
- +40% Y/Y and +15% Q/Q
- Ahead of FY 2024 guidance (quarterly average)



... allowing a promising outlook for  
shareholder remuneration

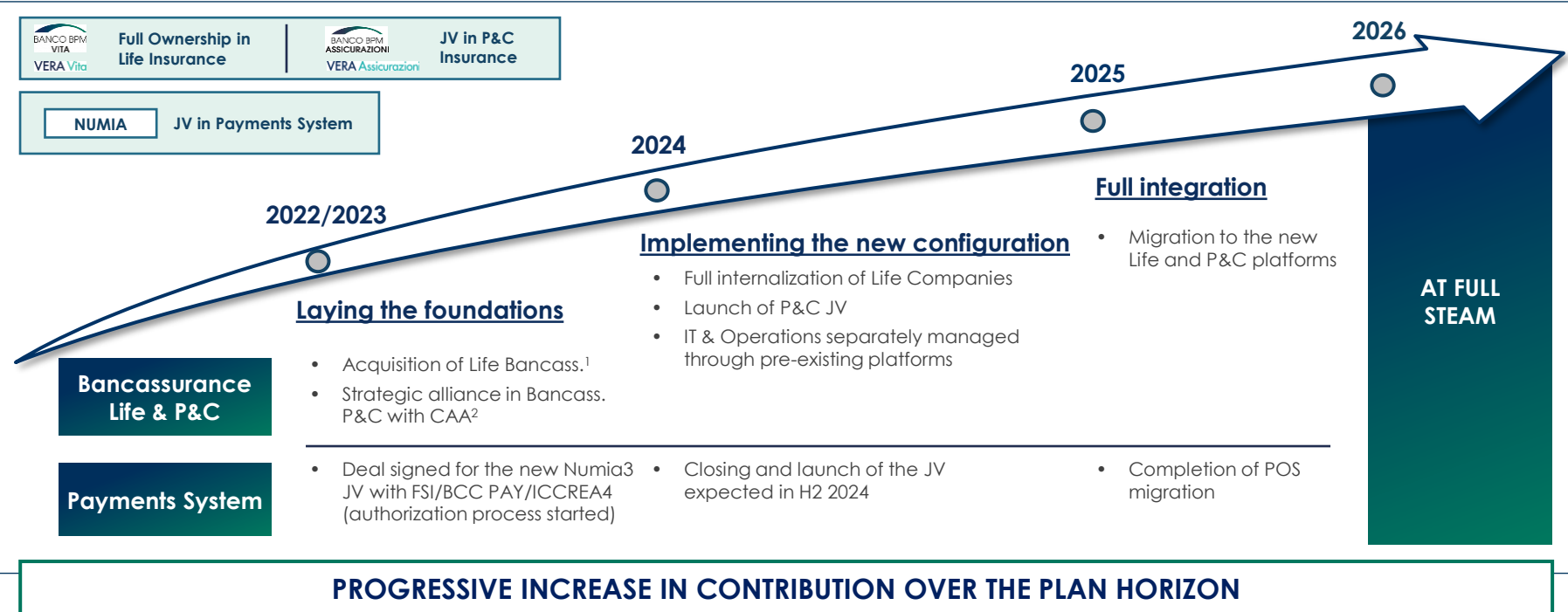
# Q1 2024: Strong performance in key P&L items

## 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

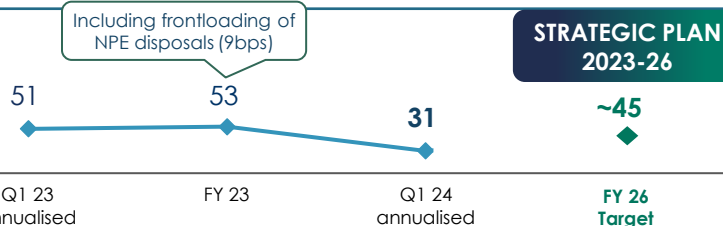




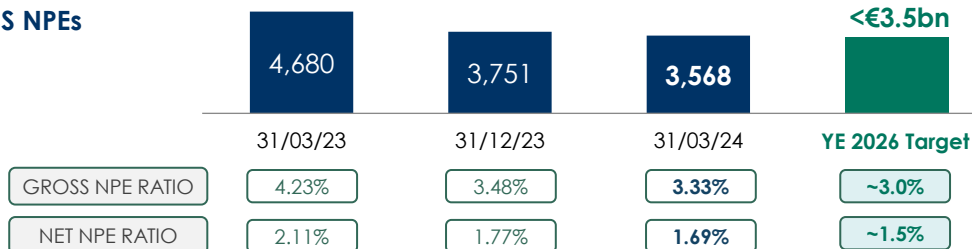
# Asset Quality trajectory well on track

## DECREASING COST OF RISK BACKED BY SAFE ASSET QUALITY

### COST OF RISK (bps)



### GROSS NPEs (€ m)



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

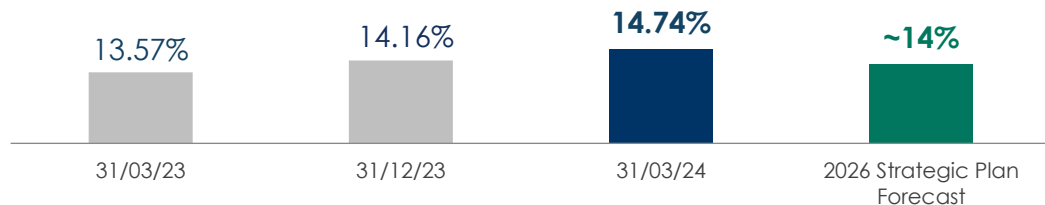
## A PROMISING START: ALREADY CLOSE TO OUR STRATEGIC PLAN TARGETS

- 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

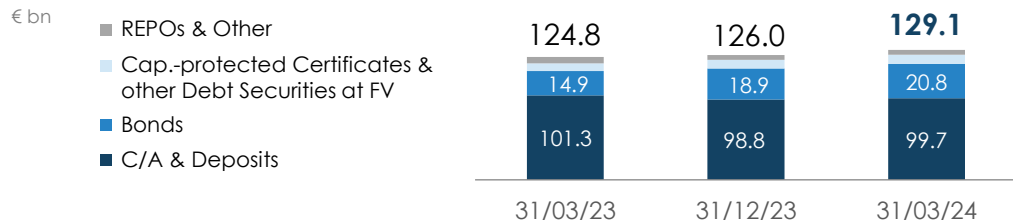
### CET1 RATIO EVOLUTION: +117BPS Y/Y AND +58BPS IN Q1



**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.**

# Key Highlights

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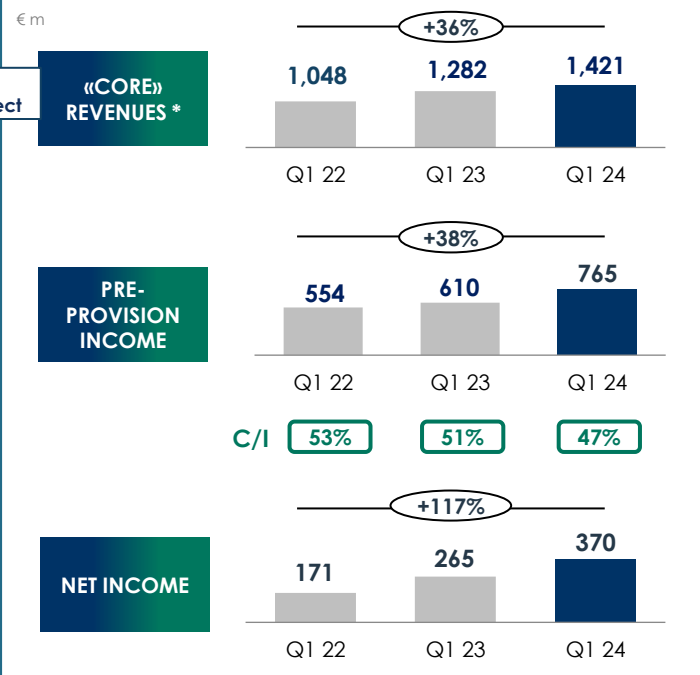
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# P&L at a glance

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

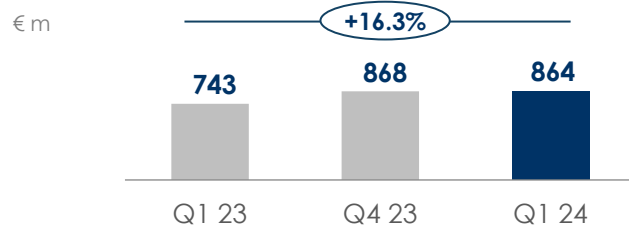
## Q1 TREND: TWO-YEAR EVOLUTION



\* 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

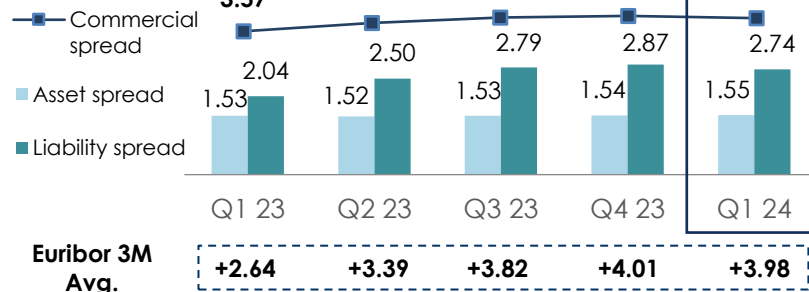
## NII TREND



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

## COMMERCIAL SPREAD: +72BPS Y/Y

Quarterly average, in %



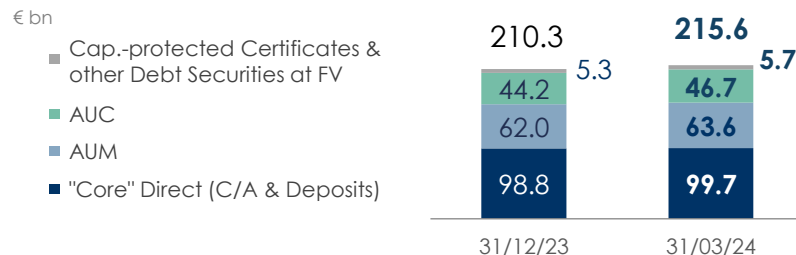
## MAIN ACTIONS SUPPORTING NII TARGET OVER THE PLAN HORIZON

- **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:

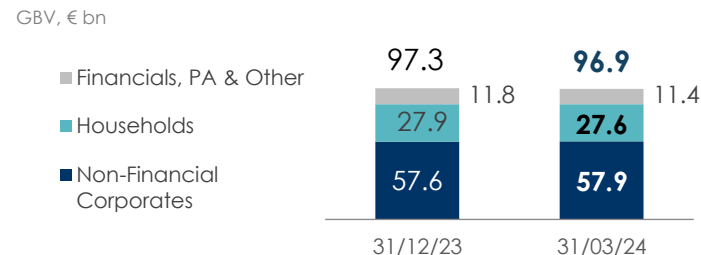
- **+€2.5bn AUC stock in Q1** (+€6bn in the Strategic Plan horizon<sup>2</sup>)
- **+€1.6bn AUM stock in Q1** (+€8bn in the Strategic Plan horizon<sup>2</sup>)

#### 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

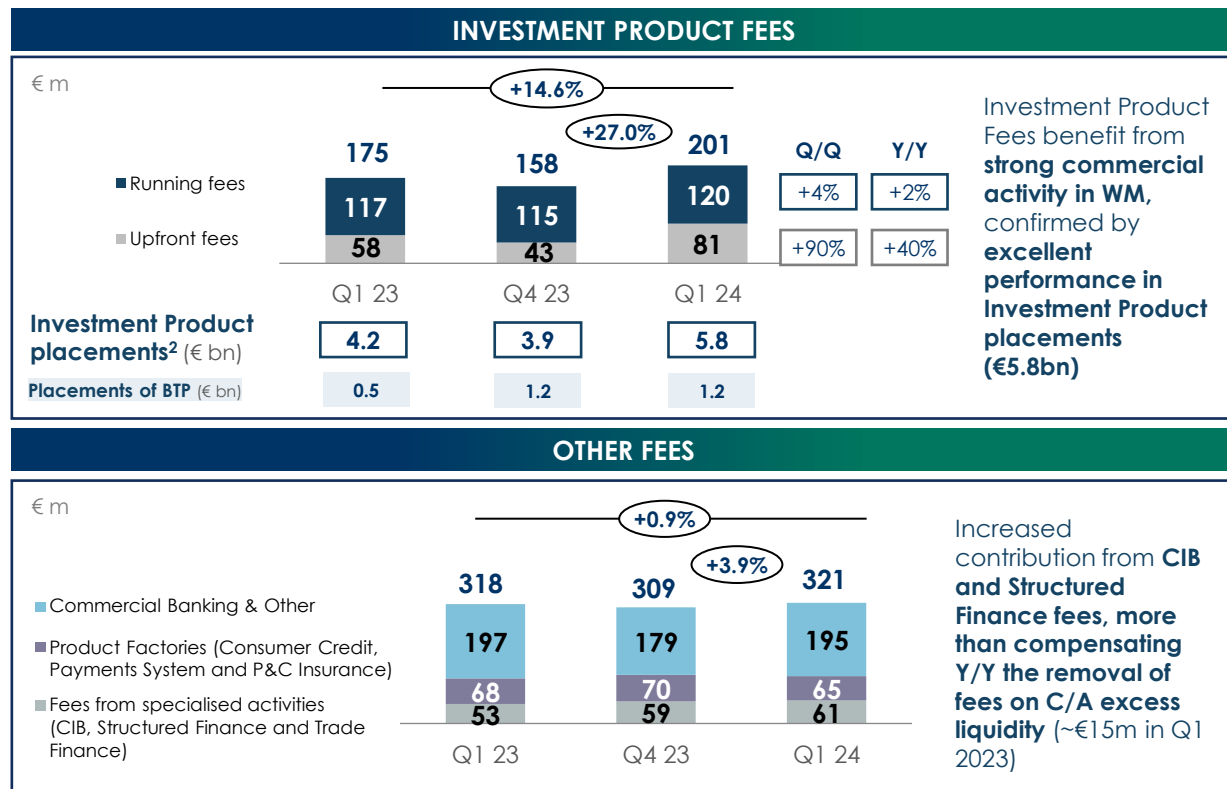
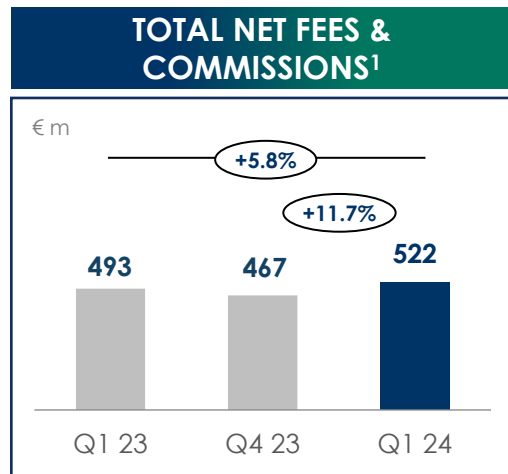


#### LOAN PORTFOLIO: HIGHLY SECURED AND WELL POSITIONED:

- 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**

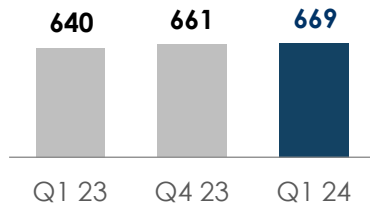
# Total Net Fees & Commissions up at €522m: +11.7% Q/Q and +5.8% Y/Y



# Cost/Income ratio down at 47%

## TOTAL OPERATING COSTS

€ m



C/I

51%

47%

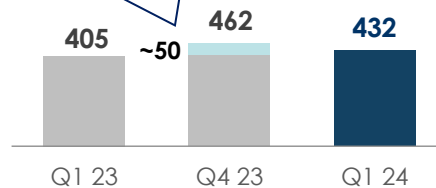
47%

From 65% in 2017

## STAFF COSTS

€ m

2023 impact from new Labour Contract



2023 PF for impact of new labour contract<sup>1</sup>

418

424

432

+1.8% Q/Q

+3.3% Y/Y

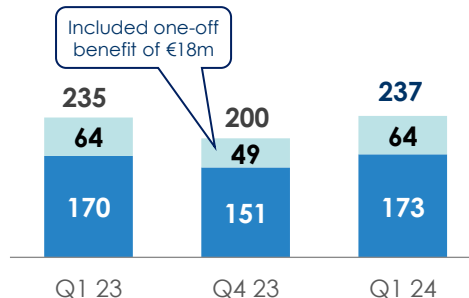
- Staff costs in Q1 2024 include the quarterly incremental impact from the new labour contract (€12.5m) vs. the year 2023
- Upcoming savings from Early Retirement Plan not yet included

## 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

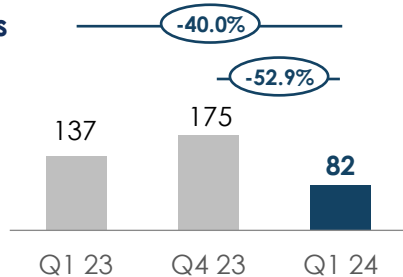


# Cost of Risk: an excellent quarter

## LLPS & COR

### LLPs

€ m



### CoR

FY 23

53bps

Q1 24  
annualised

31bps

Including frontloading of  
NPE disposals (9bps)

### Overlays

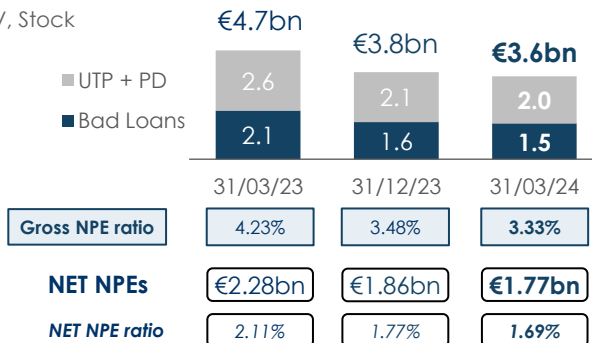
@ ~€200m  
(vs. ~€190m YE 23)

### 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

4.23%

3.48%

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%

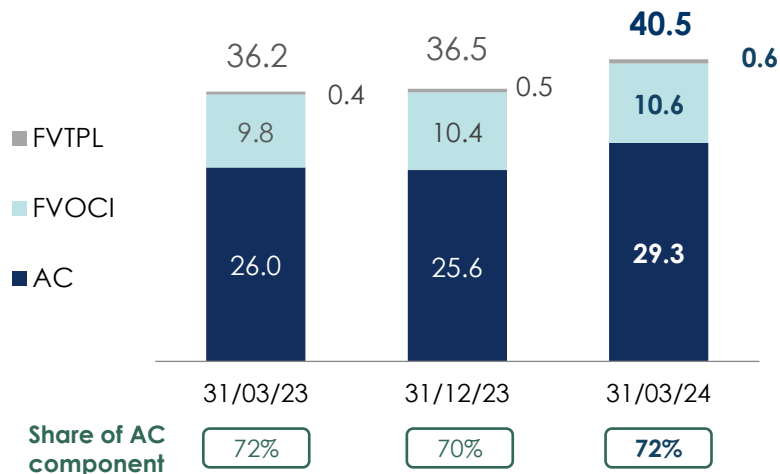
69%

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%

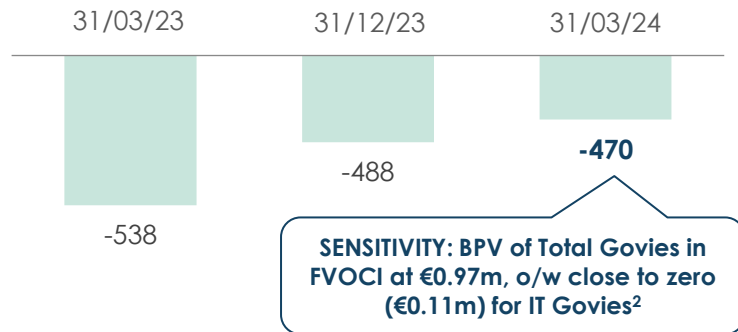
- IT govies on total govies at 37.9% (stable Y/Y), well below SP Target for the 2024-26 period (<50%)
- Share of IT govies on FVOCI govies ptf. at 19.1%

# Reserves of debt securities at FVOCI and Net Financial Result

Very low sensitivity of debt securities portfolio at FVOCI confirmed

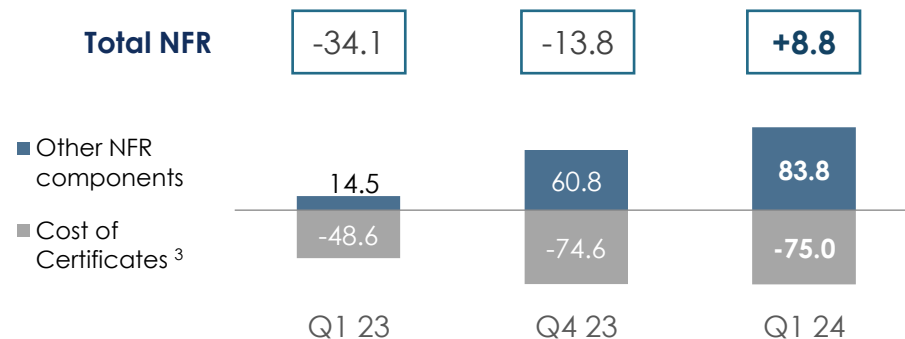
## RESERVES OF DEBT SECURITIES AT FVOCI<sup>1</sup>

Post-tax  
€ m



## BREAKDOWN OF NET FINANCIAL RESULT

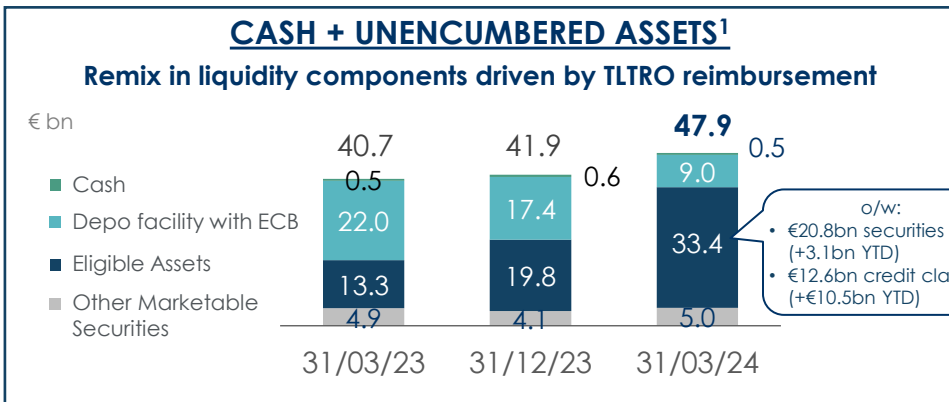
€ m



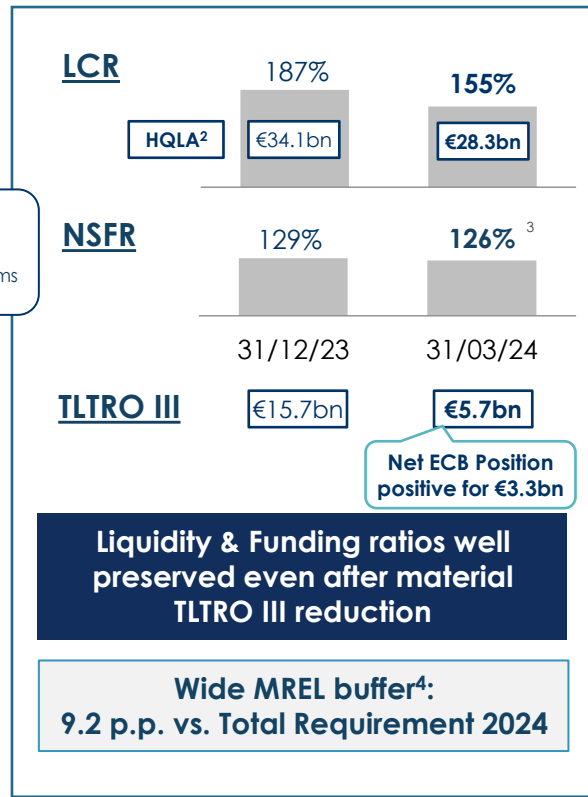
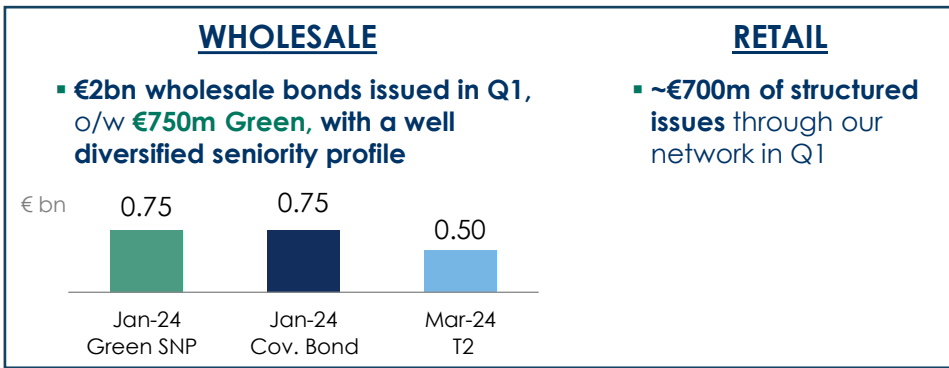
**Positive contribution from trading and hedging strategies more than compensating the negative impact from certificates**

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

## LIQUIDITY



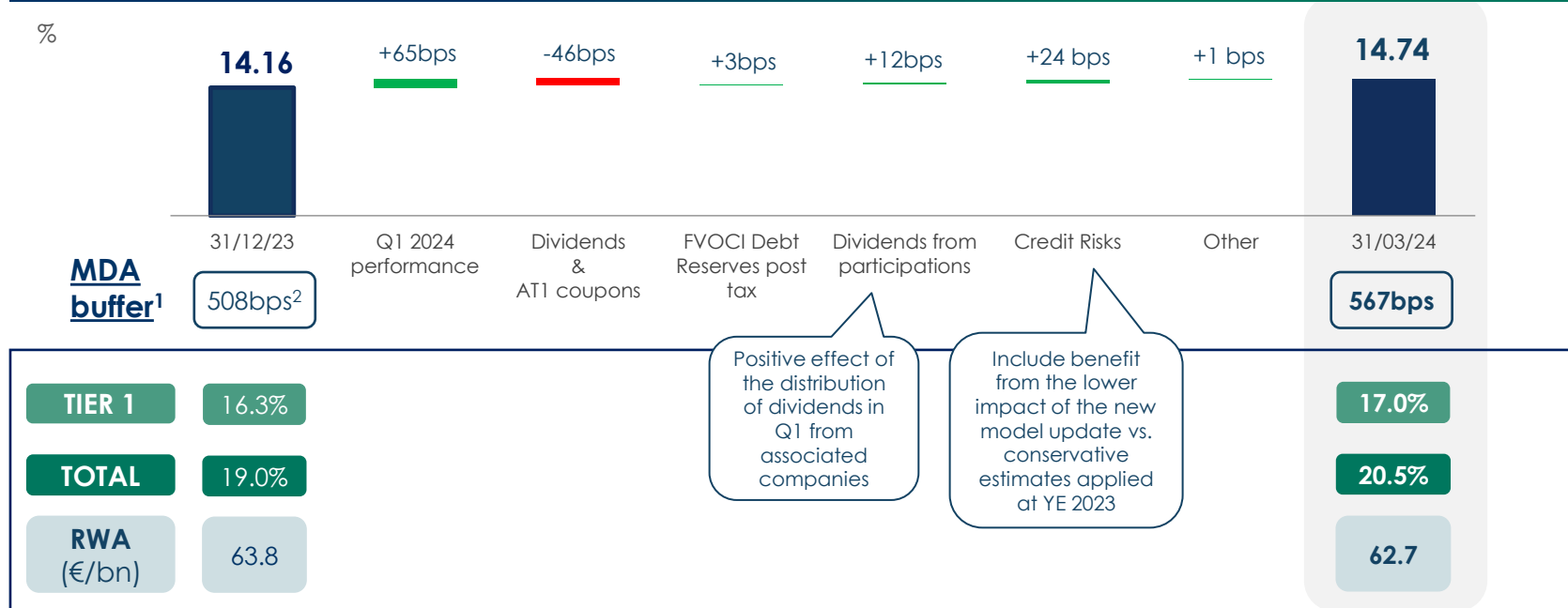
## FUNDING



# 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








# Final Remarks

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# 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
<b>TOTAL REVENUES</b>	€1.34bn Quarterly Avg.	€1.43bn	~€1.35bn Quarterly Avg.
<b>PRE-PROV. INCOME</b>	€0.69bn Quarterly Avg.	€0.77bn	~€0.69bn Quarterly Avg.
<b>COST OF RISK</b>	53bps (FY)	31bps (annualized)	~45bps (FY)
<b>GROSS NPEs</b>	€3.8bn	€3.6bn	<€3.5bn
<b>CET 1 RATIO</b>	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>**



**Q1 2024**

**Performance Details**

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**4**

# 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	
Value	%
-13,191	-57.2%
-3,253	-2.9%
-415	-11.4%
-2,838	-2.6%
3,975	9.1%
-181	-2.3%
834	8.3%
3,322	12.8%
9,629	160.1%
-190	-11.8%
-65	-2.3%
8	0.7%
-401	-9.0%
240	114.8%
1,219	31.0%
<b>-2,029</b>	<b>-1.0%</b>

Chg. YTD	
Value	%
-8,421	-46.0%
-1,428	-1.3%
-914	-22.1%
-514	-0.5%
4,144	9.5%
275	3.7%
190	1.8%
3,679	14.4%
300	2.0%
-35	-2.4%
-29	-1.0%
3	0.3%
-139	-3.3%
-20	-4.3%
175	3.5%
<b>-5,449</b>	<b>-2.7%</b>

Chg. Y/Y	
Value	%
3,341	2.8%
-2,559	-2.4%
5,900	39.6%
9,563	163.4%
1,463	99.0%
8,100	185.1%
-20,166	-64.4%
148	28.8%
5,299	24.4%
72	n.m.
-78	-8.2%
232	74.4%
174	504.1%
-1,622	-35.4%
-1	-91.3%
1,007	7.5%
<b>-2,029</b>	<b>-1.0%</b>

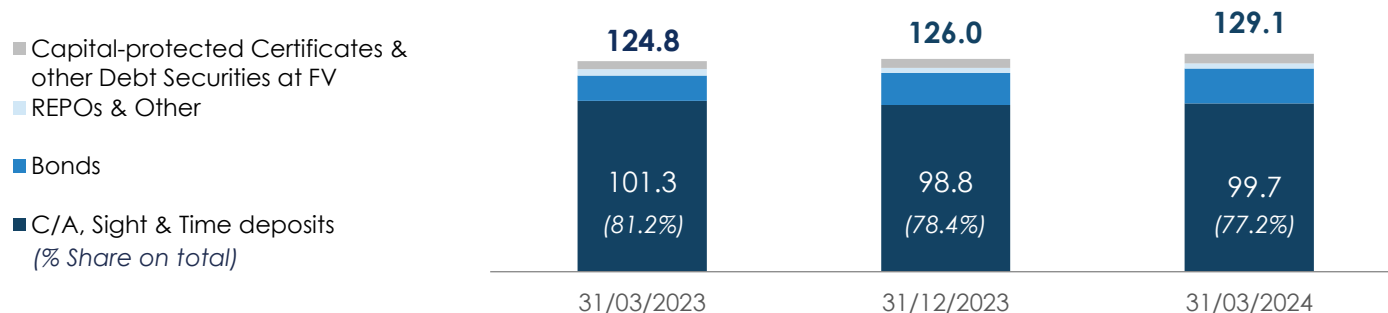
Chg. YTD	
Value	%
2,609	2.2%
701	0.7%
1,907	10.1%
378	2.5%
141	5.0%
236	1.9%
-10,556	-48.7%
-9	-1.3%
1,349	5.2%
3	4.2%
-11	-1.2%
91	20.0%
-3	-1.5%
374	14.4%
0	-2.9%
327	2.3%
<b>-5,449</b>	<b>-2.7%</b>

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>

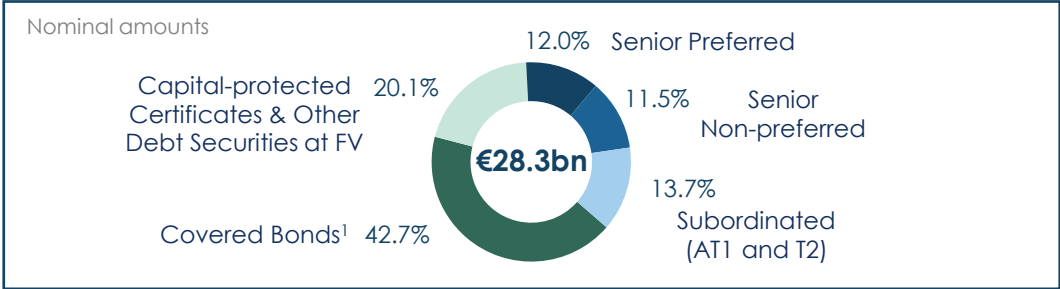
€ bn



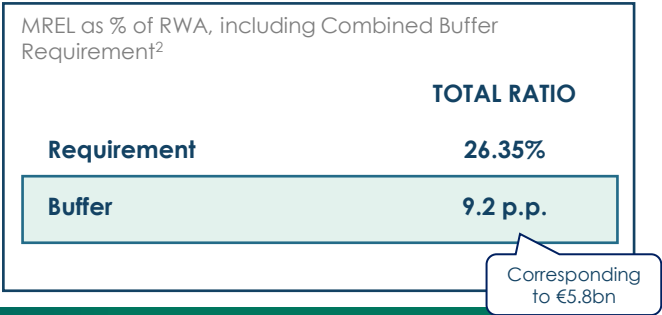
	31/03/23	31/12/23	31/03/24	% chg. Y/Y	% chg. YTD
C/A & Sight deposits	101.0	98.6	99.0	-2.0%	0.4%
Time deposits	0.3	0.2	0.7	155.4%	196.2%
Bonds	14.9	18.9	20.8	39.6%	10.1%
REPOs & Other	3.8	3.0	2.9	-24.5%	-5.2%
Capital-protected Certificates & other Debt Securities at FV	4.8	5.3	5.7	18.9%	7.7%
<b>Direct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

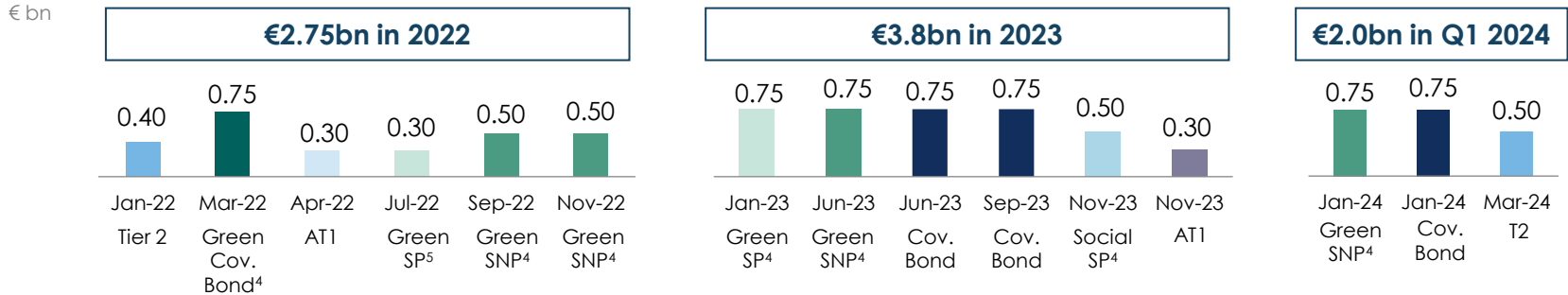
## Bonds, Certificates & Other Debt Securities at FV outstanding as at 31/03/2024



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



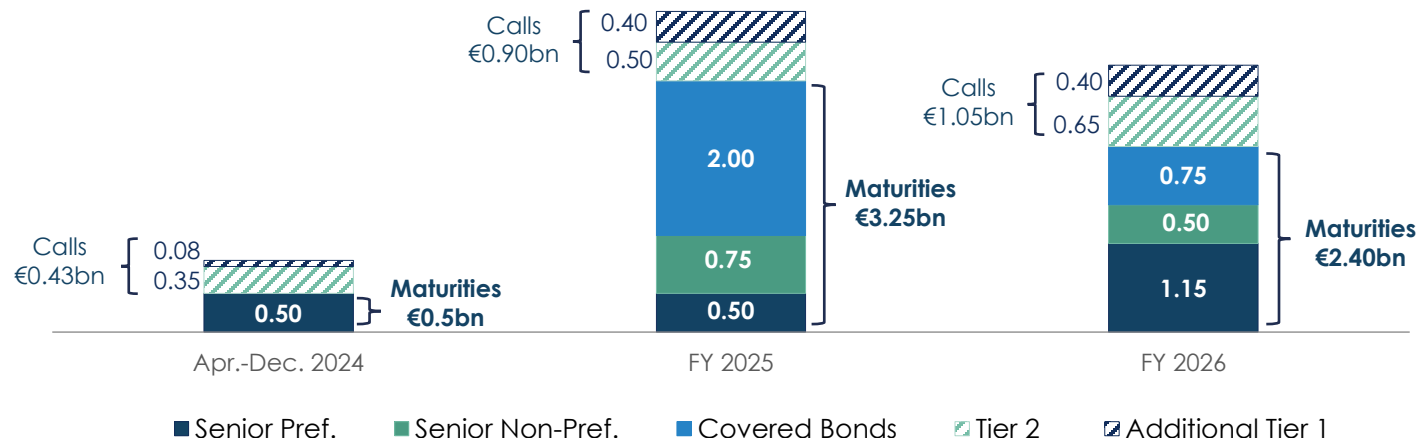
## Wholesale bonds issued since 2022<sup>3</sup>



# 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

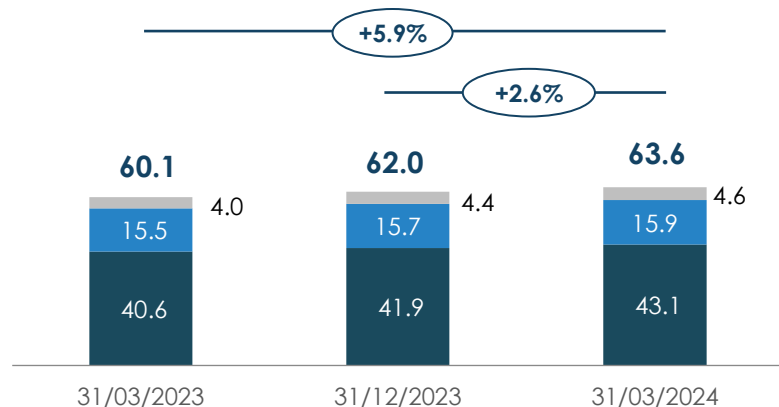
Managerial data based on nominal amounts.

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>

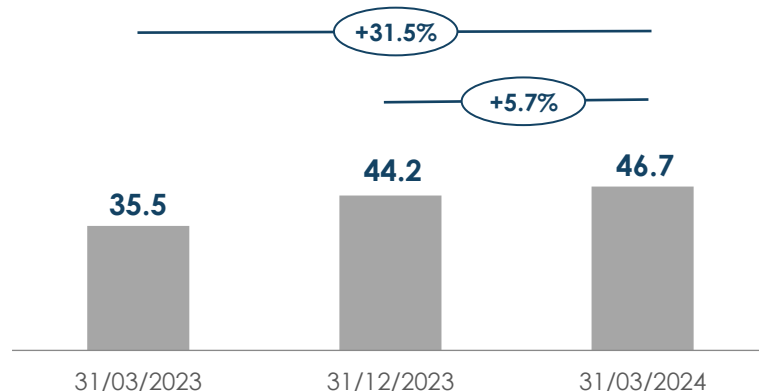
€ bn



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

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

€ bn



Managerial data of the commercial network

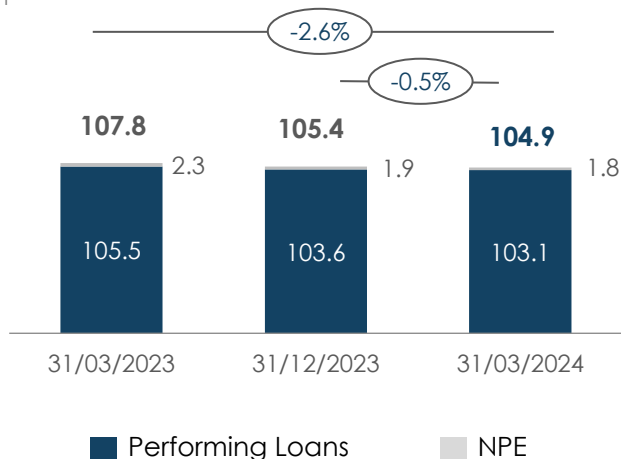


Notes: 1. AuM from Bancassurance as at 31/03/24 contains €15.4bn pertaining to Banco BPM Vita, Vera Vita and Vera Financial included also in the balance sheet item "Insurance Direct Funding and Insurance liabilities", as fully consolidated (€15.2bn as at 31/12/23 and €5.7bn as at 31/03/23, this latter 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 28 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>

**SAFE RISK PROFILE:**

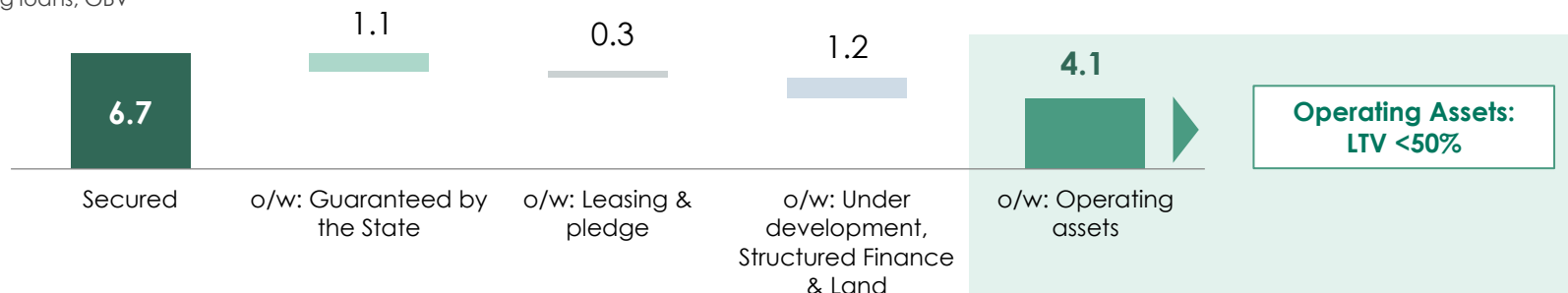
- **89% Secured (€6.7bn)**
- **73% in Low-Mid Risk rating classes**
- **73% of the collateralized portfolio<sup>2</sup> is located in the North (50% in Lombardy, o/w 35% Milan)**

**Annotations:**

- €500m vs 31/03/23** (referring to TOTAL)
- Vs. 8% as at 31/03/23** (referring to In % on total Perf. loans)

## 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>

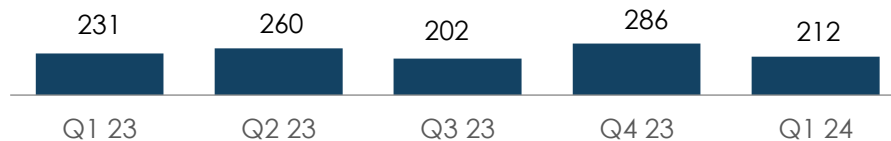
Coverage ratios %	31/03/2023	31/12/2023	31/03/2024
Bad Loans	64.9%	60.9%	60.7%
UTP	40.8%	43.2%	43.4%
Past Due	25.1%	28.2%	26.1%
<b>NPE</b>	<b>51.4%</b>	<b>50.4%</b>	<b>50.5%</b>
Performing Loans	0.40%	0.41%	0.41%
<b>TOTAL CUSTOMER LOANS</b>	<b>2.6%</b>	<b>2.1%</b>	<b>2.1%</b>

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

# NPE migration dynamics

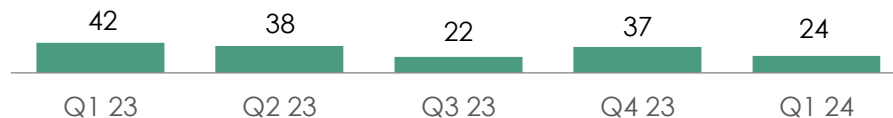
## Inflows from Performing to NPEs (Default rate)

€ m



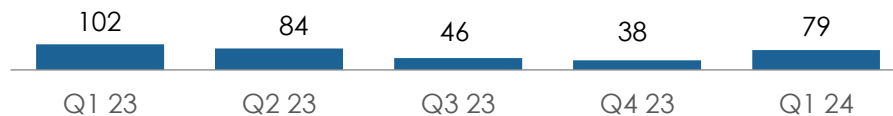
## Outflows from NPEs to Perf. Loans

€ m



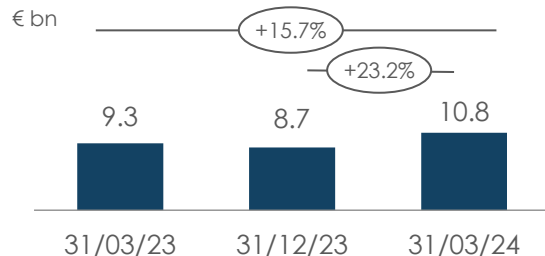
## Flows from UTP to Bad Loans (Danger rate)

€ m

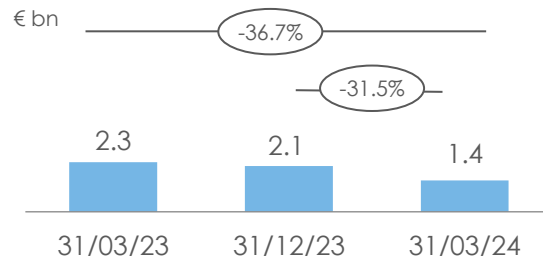


# Focus on Govies portfolio of the Banking Business

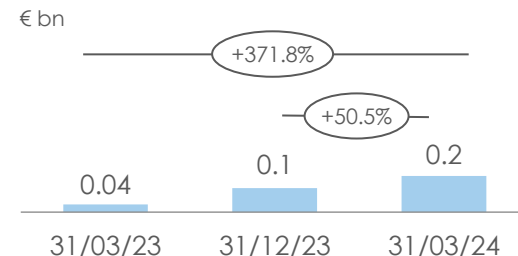
## Italian Govies at AC



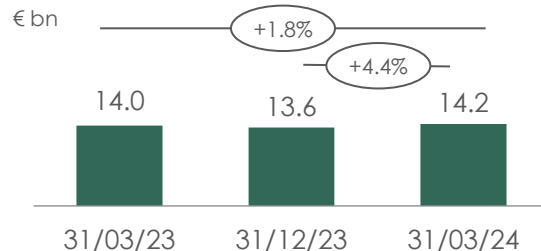
## Italian Govies at FVOCI



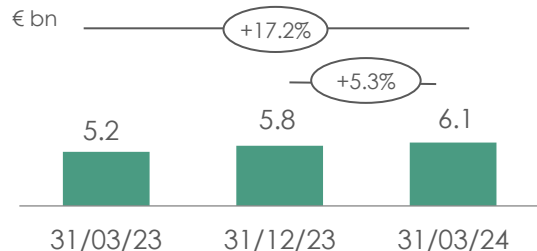
## Italian Govies at FVTPL



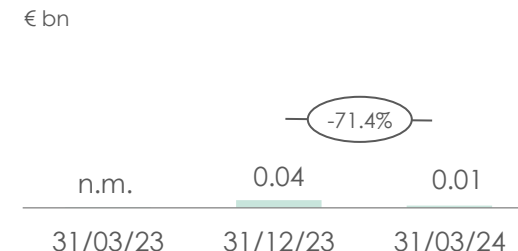
## Non-Italian Govies at AC



## 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%

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