

Banco BPM 2023-26: A Solid Success Story

*Strongly committed team,
ready to deliver Superior Shareholder Value*

*Sustainable Banking,
proudly supporting the Italian Economy*

12 December 2023



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Banco BPM 2023-26: a Solid Success Story

AGENDA

	Page
Distinctive Strengths & Performance Track Record	5
2023-26 Strategic Plan Financials	13
Performance Acceleration Program	27
Closing Remarks	56
Appendix	58

STRATEGIC PLAN AT A GLANCE

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 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 →

Distinctive Strengths & Performance Track Record

A plan based on solid foundations

HIGH VALUE FRANCHISE & EFFECTIVE BUSINESS MODEL

Optimal geographic footprint

12.8%

Market share by
branches in Lombardy¹

78.1%

Customer loans in
Northern Italy &
Tuscany

Financial conglomerate with highly specialized product factories

Life Insurance

NEW CONSOLIDATED LIFE INSURANCE GROUP
with Vera to be fully acquired by Dec. 2023²

AGOS

P&C Insurance²

PayCo³

KEY JVs WITH TOP
MARKET PLAYERS

ANIMA
CHI RISPARMIA AMA



BBPM AS MAIN SHAREHOLDER OF
TOP INDEPENDENT ITALIAN PLAYER IN AM

PROVEN PROFITABILITY TRACK RECORD & BALANCE SHEET SOLIDITY

Solid and sustainable pace of growth

>2x

Net Income 2023G
vs 2021

CET 1 Sept-23 14.3%
+90bps vs. YE 21

Previous Plan targets over-achieved 1 year in advance

EPS FY 2024
Prev. Plan target
~0.69€



EPS FY 2023
Guidance
>0.80€

WELL-POSITIONED TO EXTRACT FURTHER PROFITABILITY

Optimal geographic presence: at the core of the Italian economy

STRONG FRANCHISE

Clients: 3.8 million

Retail Branches: 1,358

7% National Market Share
by branches²

Leadership in Italy's richest regions

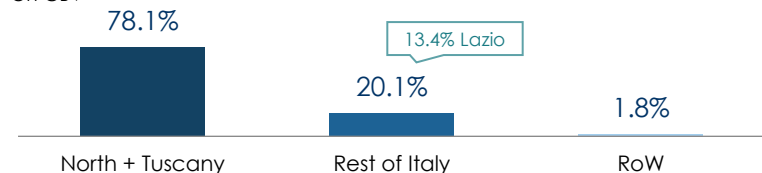
Market share by branches¹

Lombardy	Veneto	Piedmont
12.8%	7.9%	9.7%

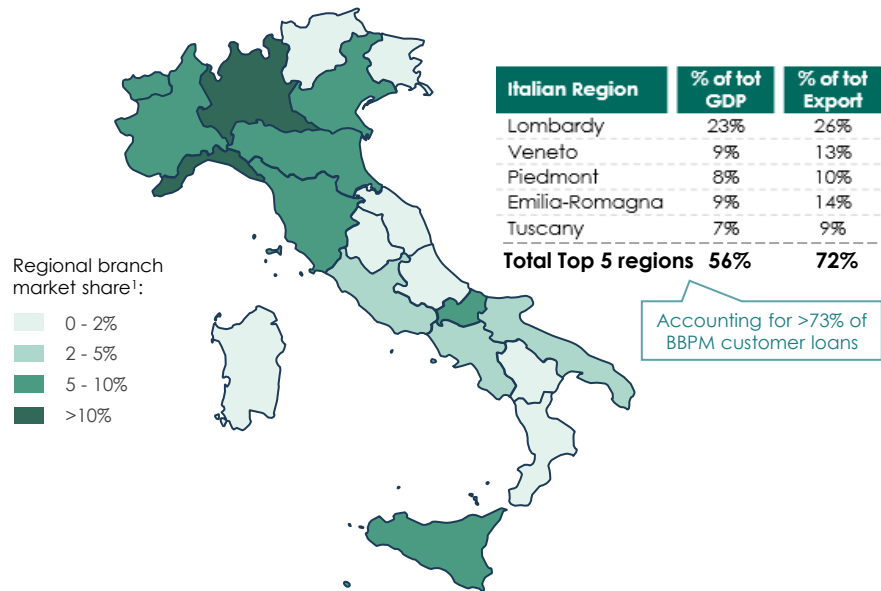
(9.3% in the North)

Performing Customer Loans: Breakdown by geographic area

On GBV



BBPM TERRITORIAL FOOTPRINT



Sources: Infostat, Bank of Italy; IHS; ISTAT

Specialized banks & product factories: strategic growth engines

SPECIALIZED BANKS

Ability to provide a full range of banking products & services

INVESTMENT BANKING

PRIVATE BANKING & WEALTH MANAGEMENT SOLUTIONS

Banca Akros

BANCA ALETTI GRUPPO BANCO BPM









Full ownership

#1 in fixed income, top Italian broker, market maker and issuer of structured products

One of the primary private banks in the Italian market

From 14.3% in 2017

Stake

ASSET MANAGEMENT	ANIMA 	22%	BBPM as main shareholder	Top independent AM player
CONSUMER CREDIT	Agos 	39%	JV with:  CREDIT AGRICOLE CONSUMER FINANCE	Leading national player
LIFE INSURANCE ¹ (Recently re-insourced)	<div> <div>BANCO BPM VITA</div> <div>VERA </div> </div>		Full ownership	Life: Single insurance Group
P&C INSURANCE ¹	<div> <div>BANCO BPM ASSICURAZIONI</div> <div>VERA </div> </div>	35%	JV with:  ASSURANCES	P&C: Partnership with top European Bancassurer
PAYMENTS BUSINESS ²	PayCo	28.6%	JV with:  FSI  Iccrea Banca	2 nd largest player in Italy

KEY PRODUCT FACTORIES

Relevant stakes in specialized finance businesses

Signifi

further v

be extr

Significant further value to be extracted

**HIGHER REVENUE CONTRIBUTION
THANKS TO STRENGTHENED
OWNERSHIP STRATEGY FOR KEY BUSINESSES**

1. Develop top-level product offering for our clients
2. Direct involvement in governance and management of the product factories ("significant influence")
3. Two revenue streams for Banco BPM: distribution fees and income from companies' results

A successful 7-year journey increasing profitability and solidity

2017 – 2019

TRANSFORMATIONAL RESTRUCTURING

- FORMER BANKS' IT, ORGANISATIONAL AND COMMERCIAL INTEGRATION
- NETWORK AND PRODUCT FACTORIES / JVs' SIMPLIFICATION & SPECIALISATION
- MASSIVE DERISKING

2020 – 2021

BUSINESS MODEL AND CAPITAL PROFILE CONSOLIDATION

- DIGITAL & MULTICHANNEL COMMERCIAL MODEL
- IMPROVEMENT IN RISK / CAPITAL POSITION
- STRENGTHENED PROFITABILITY

2022 – 2023

PROFITABILITY AND VALUE CREATION

- STRATEGIC AMBITIONS' ENHANCEMENT
- STEADY INCREASE IN PROFITABILITY
- GOVERNANCE & RISK MANAGEMENT REINFORCEMENT
- RESHAPING OF BANCASSURANCE AND PAYMENTS BUSINESS MODEL
- INVESTMENT GRADE-RATED BY S&P, MOODY'S, FITCH AND DBRS

COST EFFICIENCY & DERISKING

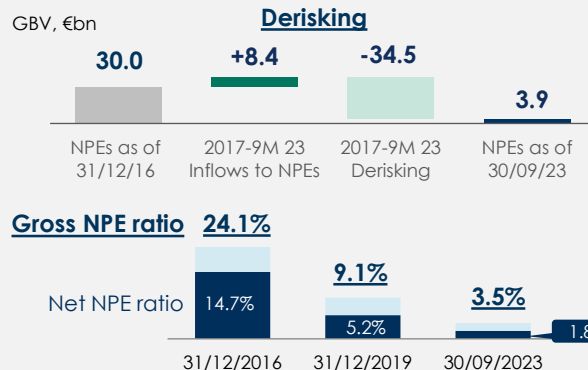
Retail Branches (#)

~950 reduction vs. YE 2016
from ~2,300 to ~1,350

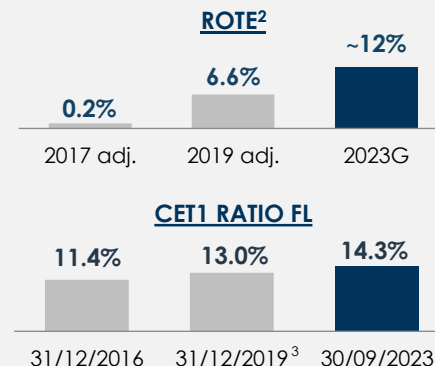
Headcount (#)

~5,000 reduction vs. YE 2016
from ~24,700 to <20,000

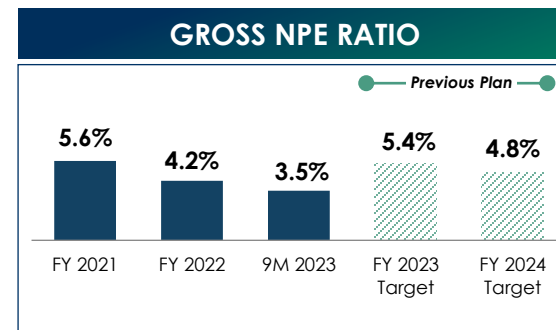
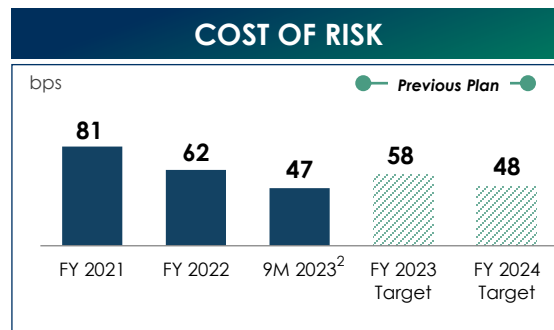
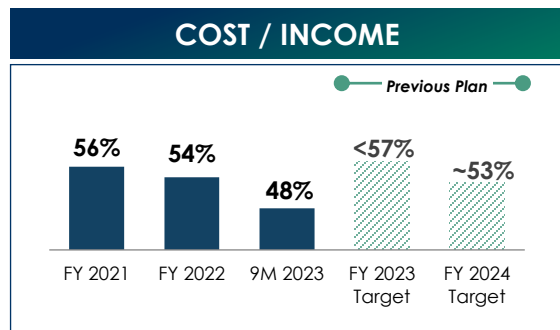
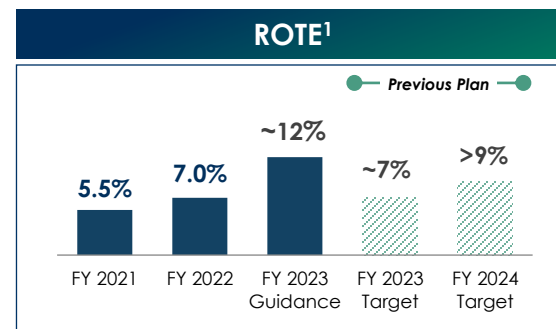
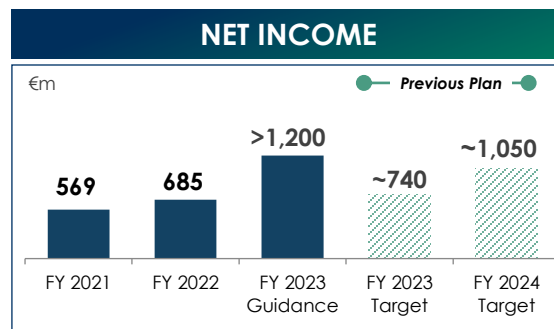
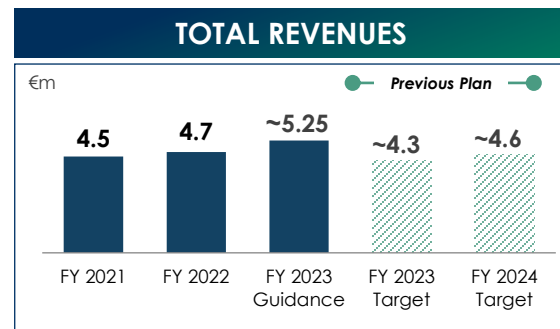
	2017 Adj. ¹	2019 Adj.	9M 23
C/I	64%	60%	48%



PROFITABILITY & CAPITAL POSITION



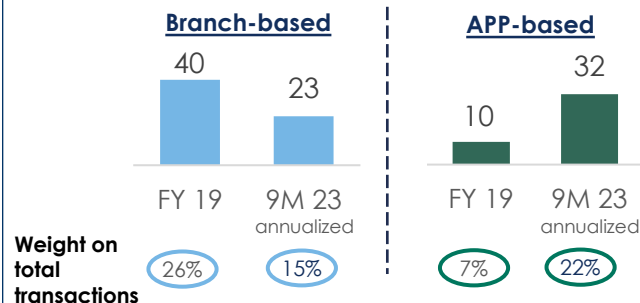
Previous Plan targets for 2024 over-achieved 1 year in advance



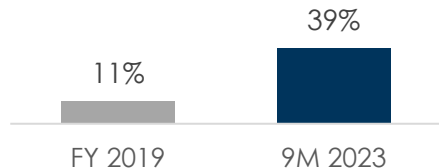
Successfully continuing our path of Digital & Sustainability integration

DIGITAL BANKING

BRANCH AND APP-BASED TRANSACTIONS (M)



% OMNICHANNEL SALES¹



SUSTAINABILITY



BUSINESS

- NZBA joined in Q1 23 → 5 priority sectors identified²**
- 59%** Green & Low Transition risk new loans to Corp. & SMEs³ in 9M 23
- ~€500m** New loans to Non-profit Sector in 2021-9M 23
- €4.25bn** Green & Social bonds issued in 2021-2023⁴: BBPM #1 Green bond issuer among Italian banks in 2022
- NEW Green Social & Sustainability Bonds Framework aligned with Taxonomy published in 2023**
- 27%** Share of ESG corporate bonds in the proprietary ptf. as at 30/09/23

OWN ENVIRONMENTAL IMPACT

- 54%** Net Scope 1 & 2 emissions Market-based in 2022 vs. 2021
- PEOPLE & COMMUNITIES**
- +33%** Women in managerial positions since 2020
- €13.7m** Donations & contributions for «E» & «S» projects in 2021-9M 23

GOVERNANCE

- Sustainability Committee at Board level** established in April 2023
- ESG KPI in **ST & LT management remuneration policy**
- ESG integrated in **Lending Policies** and in **key Risk Management processes**

RECOGNITION OF OUR EFFORTS:

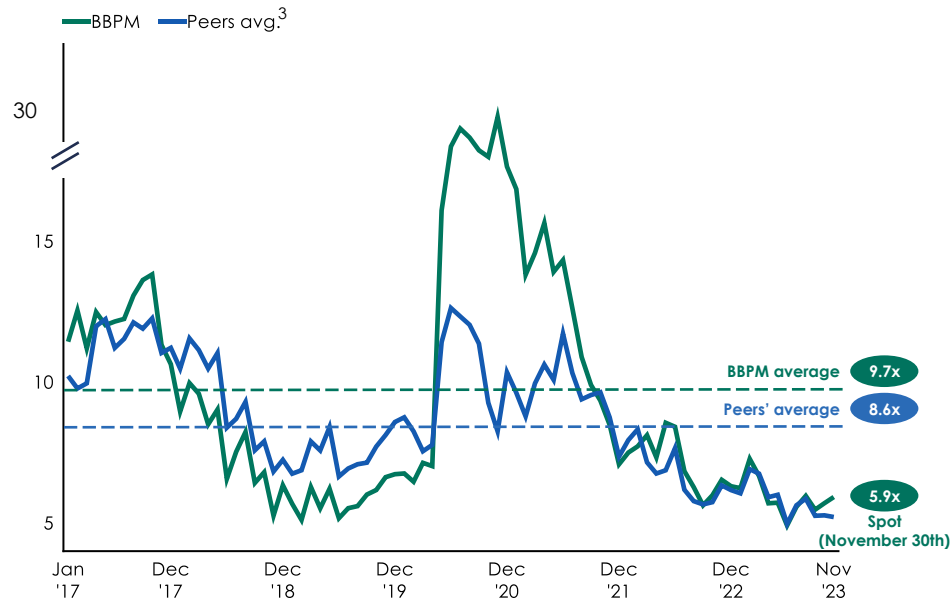
ESG rating improvement, with Sustainalytics score from 22.4 (Mid-Risk) to 15.7 (Low-Risk) → among the top-rated Italian banks

Best share price performance since merger, yet still room for growth

TOP 30 EU BANKS – SHARE PRICE PERFORMANCE JAN 2017 / NOV 2023¹



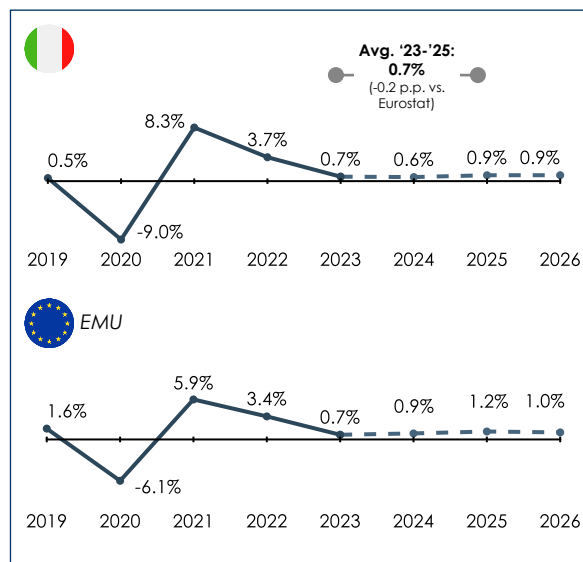
P/E²: SIGNIFICANT GAP VS. LONG-TERM AVERAGE



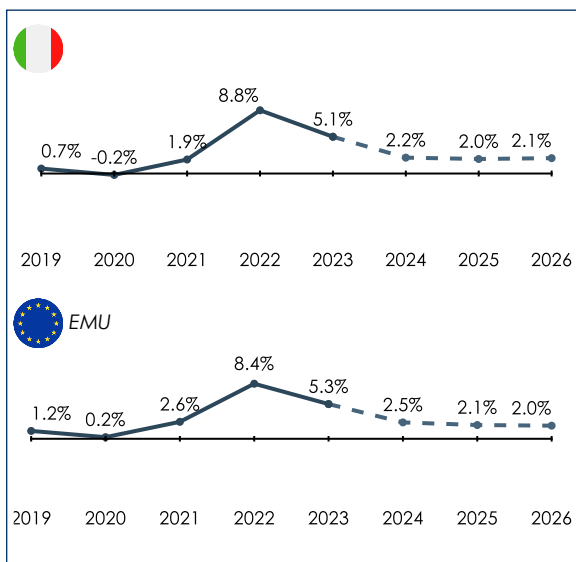
2023-26 Strategic Plan Financials

Main underlying macro-economic assumptions

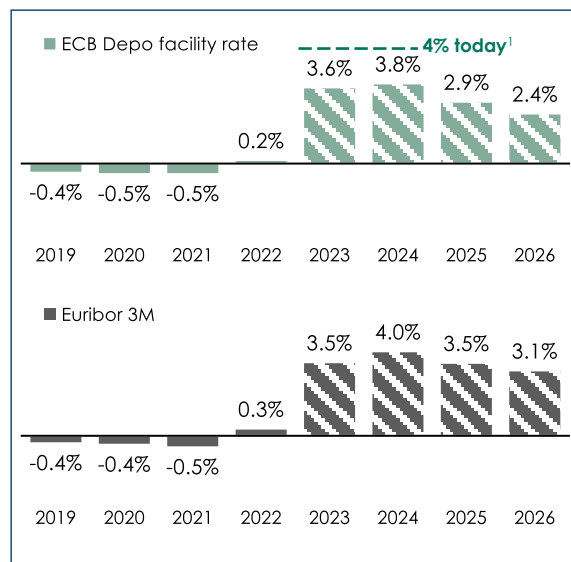
GDP REAL GROWTH (YOY %)



CONSUMER PRICE INDEX (YOY %)



SHORT-TERM RATES (YEARLY AVERAGE)

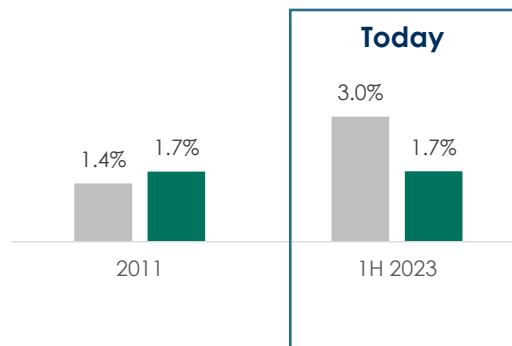


Key opportunities from current market conditions

CURRENT NII LEVEL ACHIEVED ALSO IN LOWER INTEREST RATE CONTEXT

Top Italian Banks by assets¹

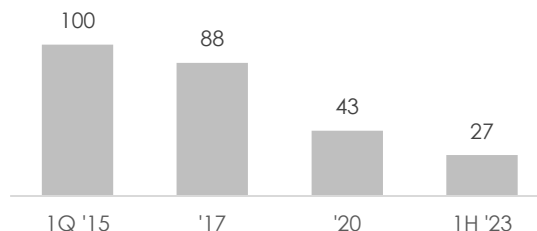
■ Average Euribor 3M ■ NII / Avg. Total assets



ENHANCED CREDIT STANDARDS PREVENTING MAJOR DETERIORATION

- Today's **point of departure** is **stronger than ever**:

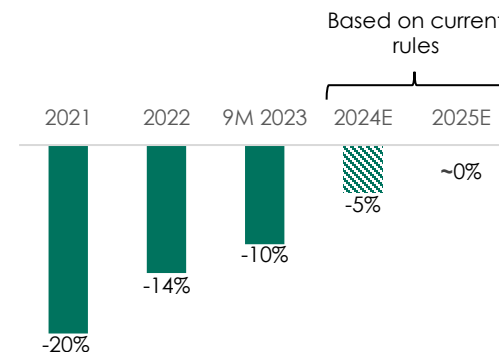
Italy² – Probability of default (weighted average) - Corporate & SMEs
Indexed numbers (1Q 2015= 100)



- In recent years, Italian banks adopted **new credit management standards** guided by a strict **regulatory framework** and a rigorous **supervisory approach**

SYSTEMIC CHARGES PHASING-OUT

Top Italian Banks by assets³ - Impact of systemic charges on Net Income



Raised P&L ambitions leading to top-level shareholder remuneration

Previous Plan: 2024 Targets

~€4.6bn Total Revenues	~53% Cost Income	48bps Cost of Risk
4.8% Gross NPE ratio	~€1.05bn Net Income	>9% ROTE ¹
~13.6% ² CET1 ratio		



New Plan: 2026 Targets

~€5.4bn Total Revenues	<50% Cost Income	~45bps Cost of Risk
~3.0% Gross NPE ratio	>€1.5bn Net Income	~13.5% ROTE ¹
~14% CET1 ratio		

**€4BN
SHAREHOLDER
REMUNERATION
IN 2023-26**

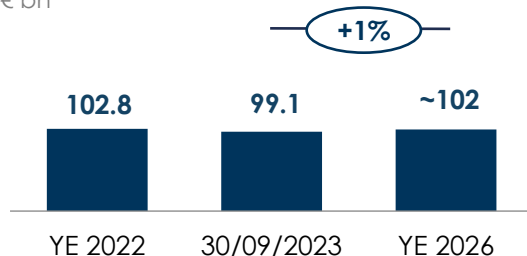
**Best in class:
>50% of current
Market Cap³**

Volumes: back to loan growth, acceleration on indirect funding

○ CAGR 9M 2023-26

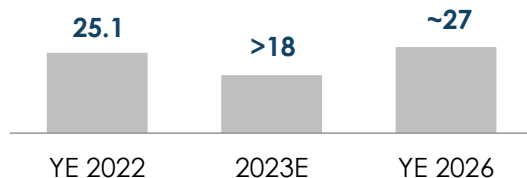
CORE NET PERF. CUSTOMER LOANS

€ bn



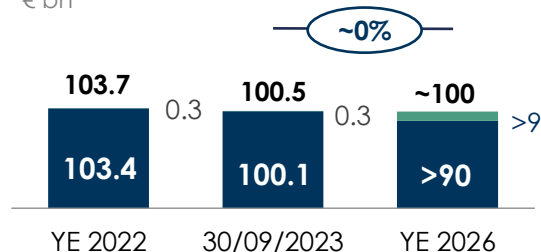
€ bn

New Lending¹



C/A & CUSTOMER DEPOSITS

€ bn



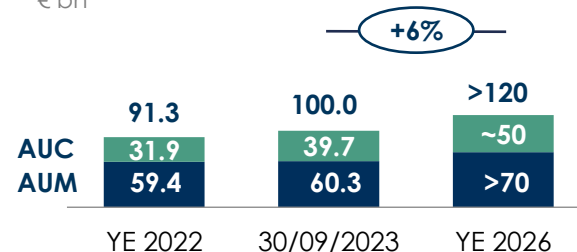
■ C/A & Sight Deposits

■ Time Deposits

Leverage on time deposits to stabilize overall level of retail funding

INDIRECT FUNDING

€ bn

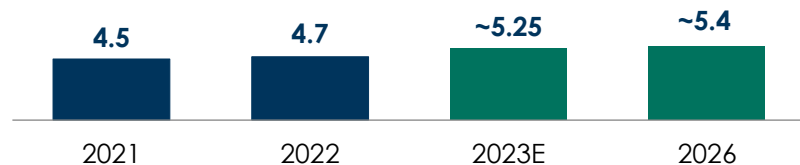


€7.5bn Cumulative AuM Net Inflows in 2024-26, mainly driven by Life products

P&L: targets to build further on our current growth trajectory

TOTAL REVENUES

€ bn



O/w Key Product Factories

ANIMA 

Agos 

Bancass. Life

Bancass. P&C

PayCo

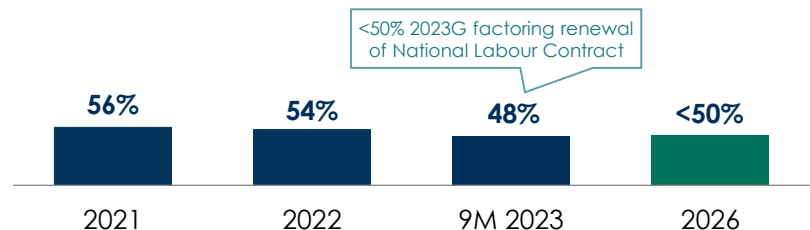
~€0.8bn¹

~€1.18bn¹

2023E

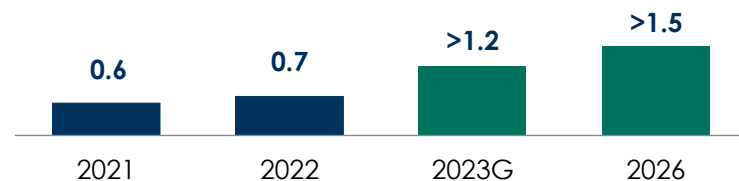
2026

COST / INCOME



NET INCOME

€ bn



ROTE²

5.5%

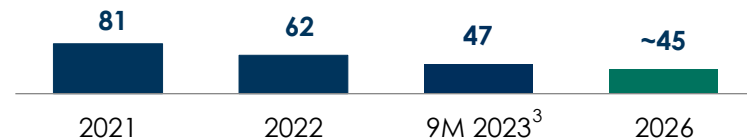
7.0%

~12%

~13.5%

COST OF RISK

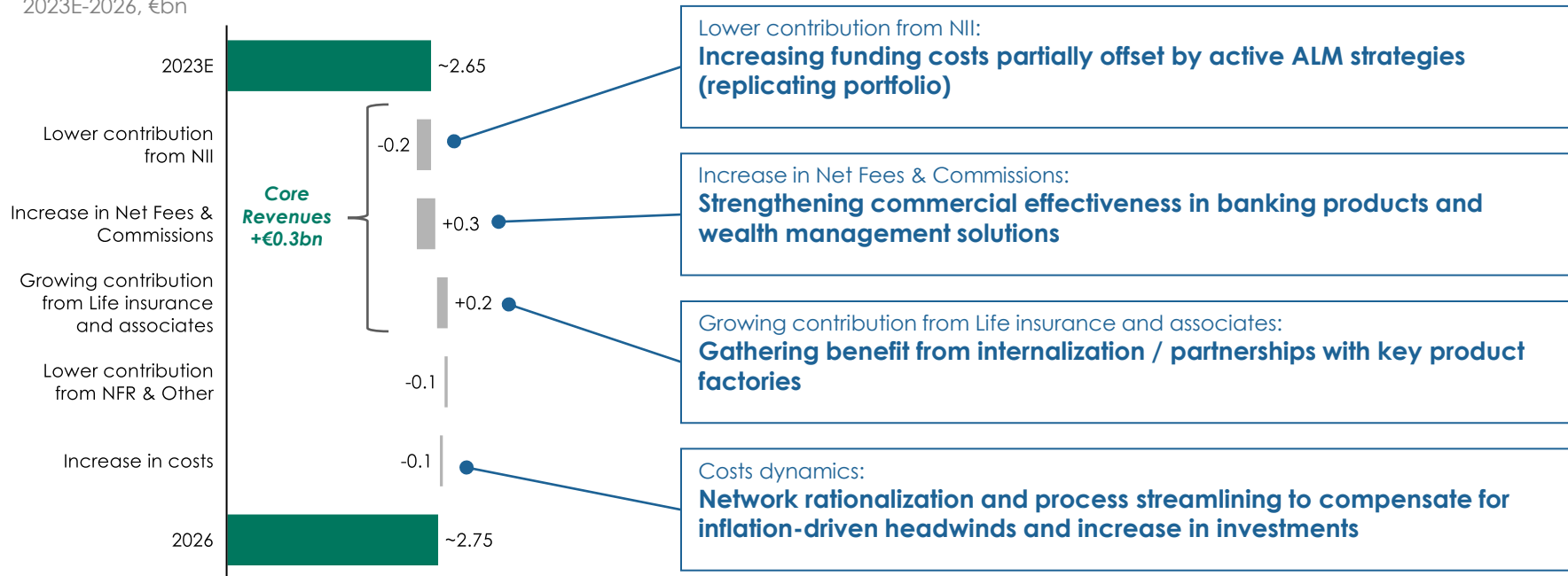
bps



NII and Cost headwinds over-compensated by Fees and Associates

PRE-PROVISION INCOME

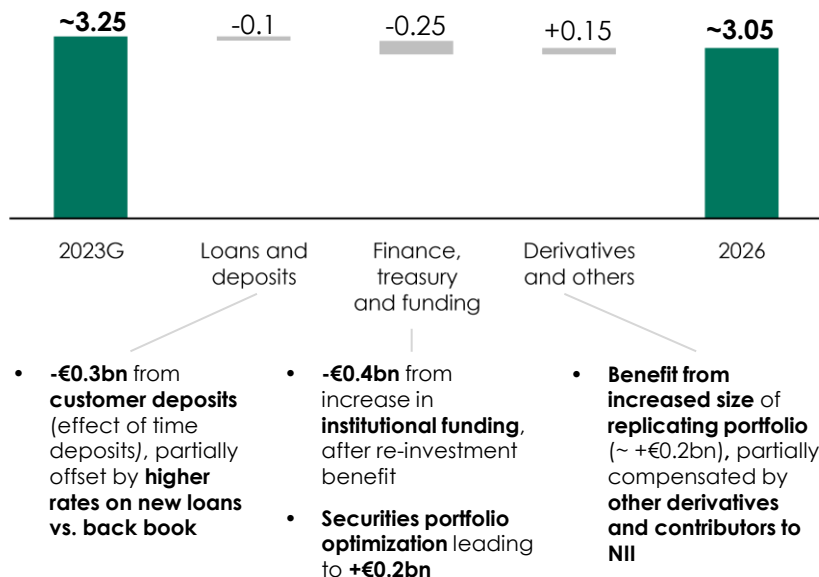
2023E-2026, €bn



NII and Net Commissions: main evolution drivers

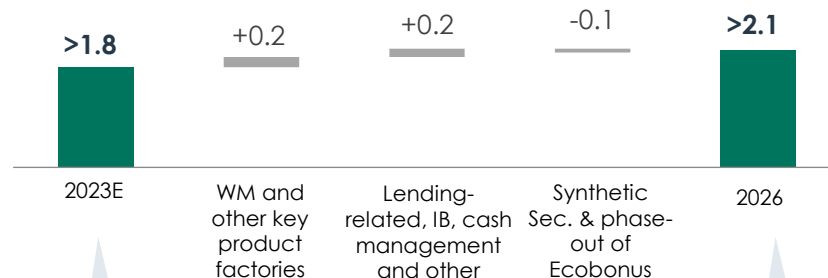
COMPENSATING NII REDUCTION...

2023G-2026, €bn



... WITH HIGHER NET COMMISSIONS

2023E-2026, €bn



Of which net commissions from key product factories:

~€0.65bn
2023G

~€0.85bn
2026

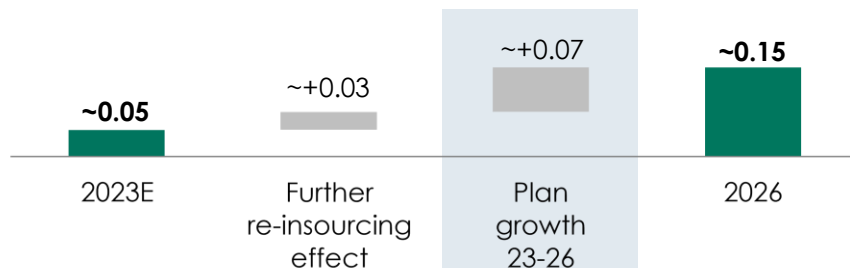
ANIMA + Agos + Bancass. Life + Bancass. P&C + PayCo

Income from Life Insurance and Associates: main drivers

INCOME FROM CONSOLIDATED (LIFE) INSURANCE

Contribution to Revenues
2023E-2026, €bn

Bancass. Life







- More volumes for **higher share of Life** products on AuM
- Improved margins thanks to **value chain internalization**
- *Note: 2023 results of Life product factories affected by spike in interest rates; normalization / decrease of interest rates to impact positively in 2024-26 via higher CSM amortization*

INCOME FROM ASSOCIATES

Contribution to Revenues
2023E-2026, €bn



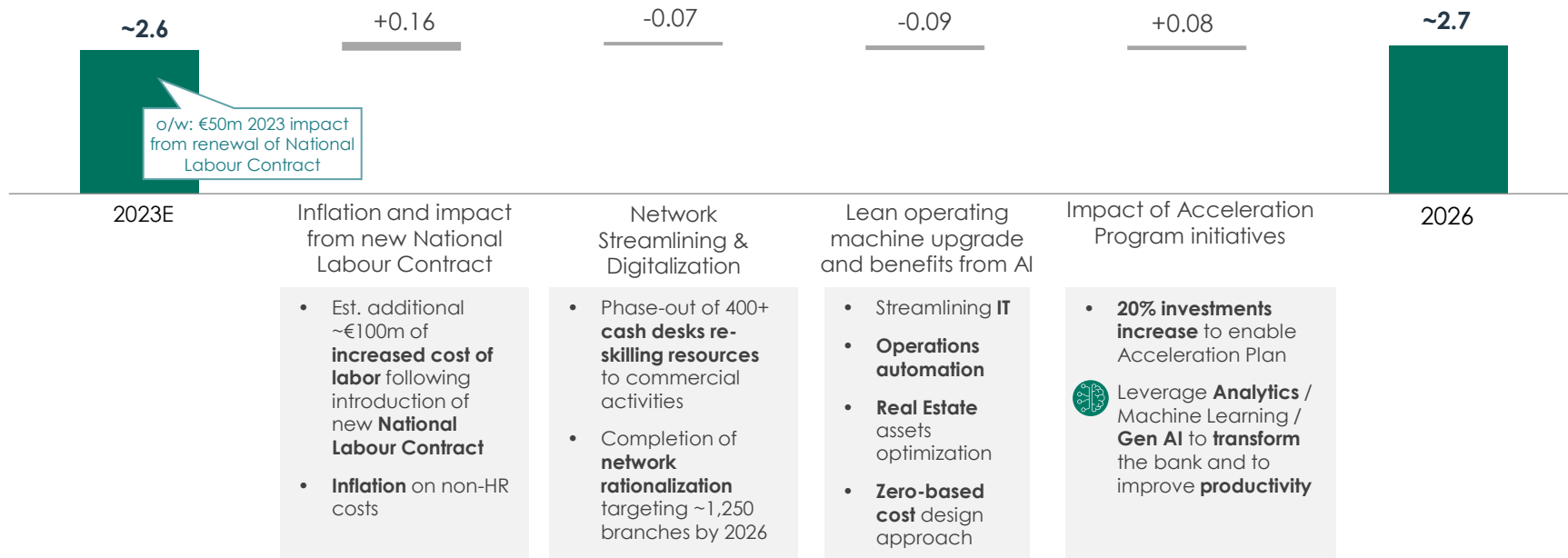
- Largely (>90%) from key product factories:

ANIMA  + Agos  + Bancass. P&C  + PayCo 

Costs: further efficiencies to offset inflation and increase in investments

COST EVOLUTION DETAILS

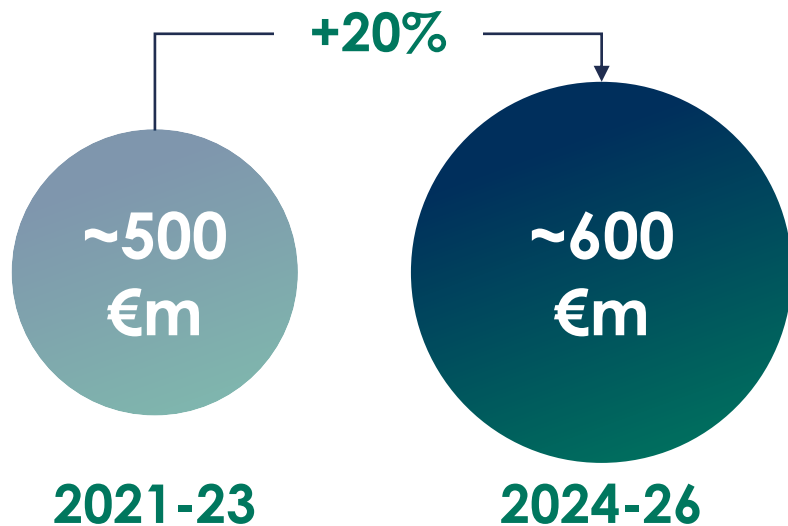
2023E-2026, €bn










IT investment boost led by tech upgrade and digital innovation

IT INVESTMENTS

Cum. 2024-26 vs. Cum. 2021-23, €m



KEY INVESTMENT AREAS

-  **Digital tools** for RMs (e.g., WM advisory platform)
-  **Omnichannel solutions** for customer management
-  **Advanced Analytics** into **credit processes**
-  **AI/ Gen AI solutions**
-  **Technology modernization** and **cybersecurity**
-  **Operations automation**
-  **Regulatory compliance**



Supporting ESG strategy

Distinctive track record in Asset Quality & Cost of Risk

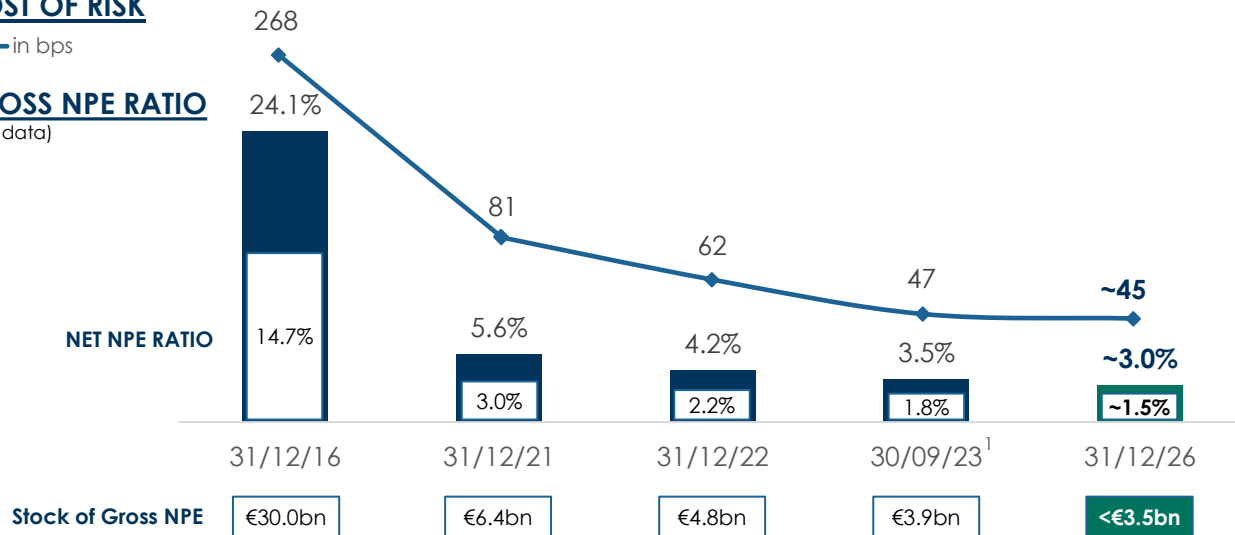
IMPROVEMENT OF CREDIT RISK PROFILE CONFIRMED

COST OF RISK

— in bps

GROSS NPE RATIO

(EoP data)



HISTORICAL PERFORMANCE DRIVERS:

- Enhanced loan portfolio quality
- Proactive **credit management**
- **Material de-risking** performed

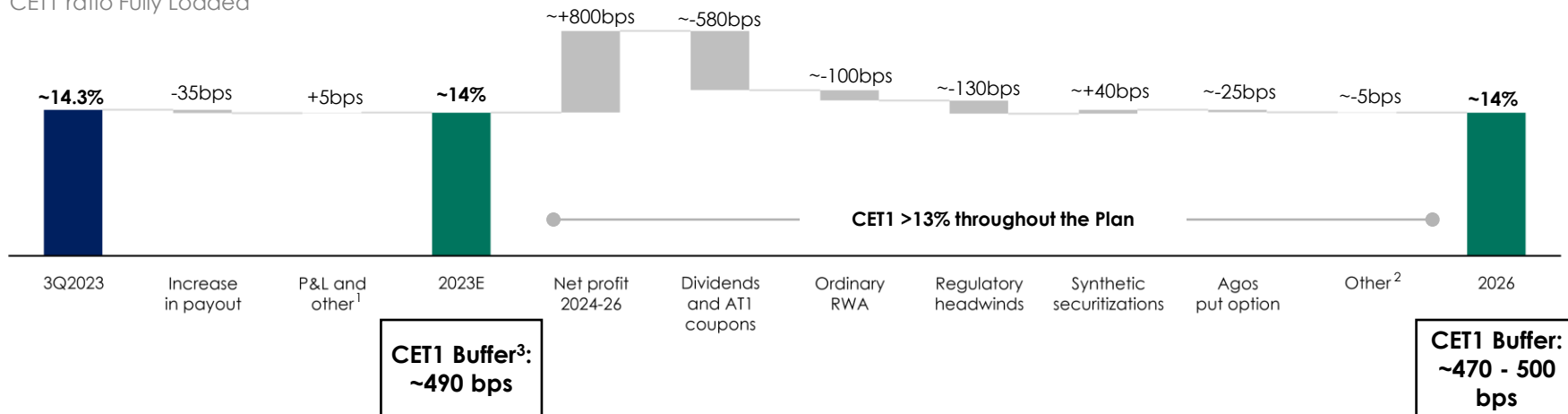
2023-26 PERFORMANCE DRIVERS:

- **Reinforcement of credit granting** & default prevention
- **Improved recovery performance** and extra workout capacity
- High share of **State guarantees** in current book

Capital position not affected by increased shareholder remuneration

CET1 RATIO EXPECTED EVOLUTION

CET1 ratio Fully Loaded



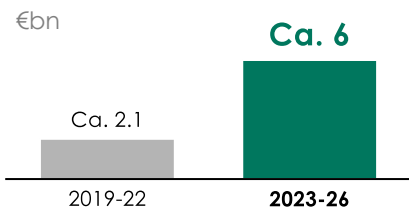
LIQUIDITY AND FUNDING RATIOS

LCR and NSFR to be maintained well above the minimum requirements over the Strategic Plan horizon

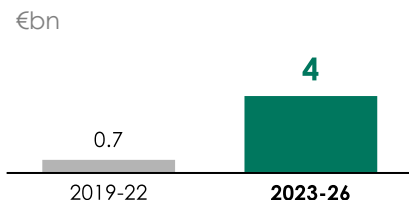
Solid buffer vs. MREL requirements to be preserved on a continuous basis

Strong P&L enabling to boost shareholder remuneration

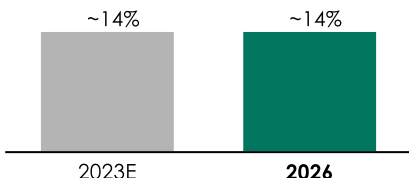
3X
NET INCOME



5X
SHAREHOLDER
REMUNERATION



**STRONG CAPITAL
POSITION
PRESERVED**



SIZEABLE 2023-26 REMUNERATION

- **>50%** current market cap¹
- **~40%** TBV (9M 2023)

OUTLOOK

- **Interim dividend** to be introduced in 2024
- From 2024 onwards, **form of remuneration (dividends / buyback)** to be re-assessed periodically
- **Further increase** in shareholder remuneration using **excess capital** to be considered **according to the full achievement of the plan targets**

DIVIDENDS IN 2024

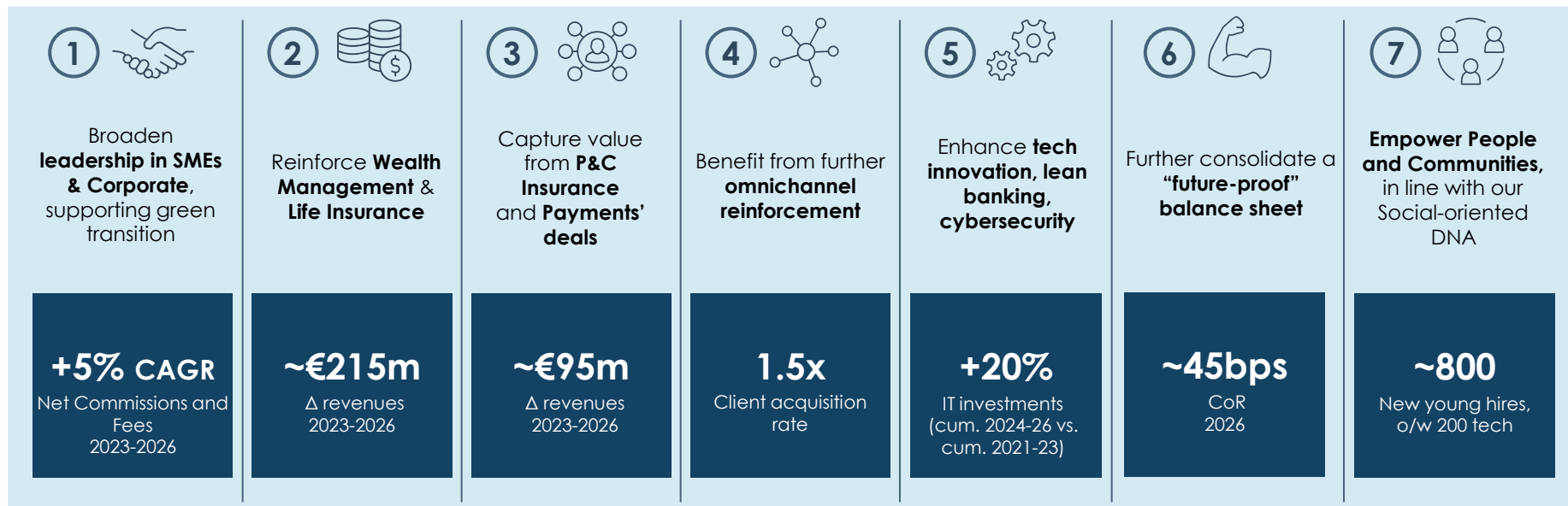
~€1.3bn

o/w ~€0.75bn dividends on 2023 results

~17%
of market cap¹

Performance Acceleration Program

The seven pillars of our Performance Acceleration Plan



**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**

>€10bn

**Green & Low Transition risk
new lending**

(avg. P.Y. 2024-26)¹

**CARBON
NEUTRAL BY 2024**

**For Net Scope 1&2
emissions²**



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**

SME & Corporate: a strong platform for further growth

Broaden leadership in SMEs & Corporate

Reinforce Wealth Management & Life Insurance

Capture value from P&C Insurance and Payments' deals

Benefit from further omnichannel reinforcement

Enhance tech innovation, lean banking, Cybersec

Further consolidate a "future-proof" balance sheet

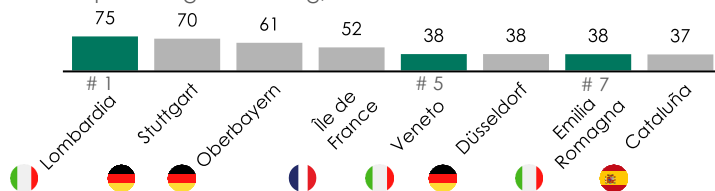
Empower People and Communities

WELL-ESTABLISHED IN CORE REGIONS OF ITALIAN ECONOMY

Top regions for Corporates and SMEs by market share¹

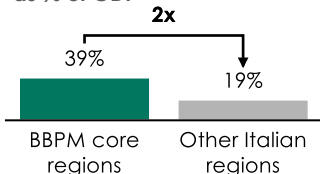


Gross value added – industrial production²
European Regions ranking, €bn

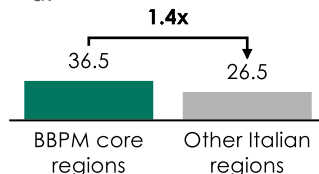


3 of BBPM core regions among the top 8 in Europe for industrial value added

Export of goods and services as % of GDP³

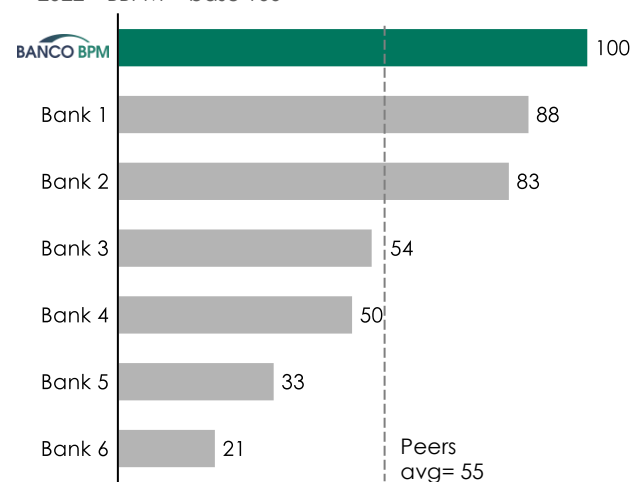


GDP per capita³ €k



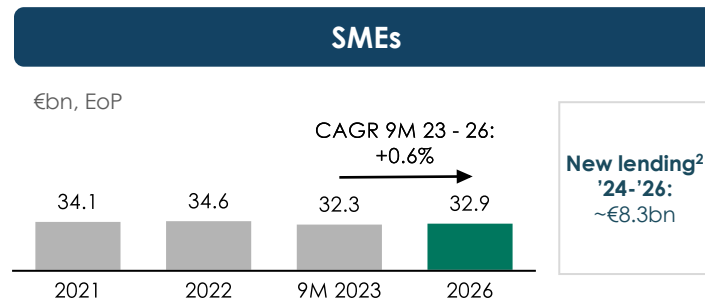
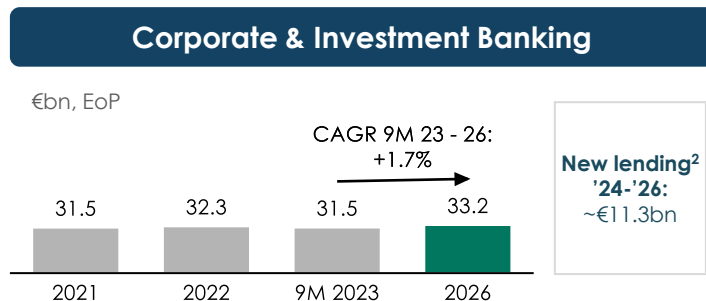
PREFERRED PARTNER OF SMEs

Net Promoter Score (Customer Satisfaction Index)⁴
2022 – BBPM = base 100

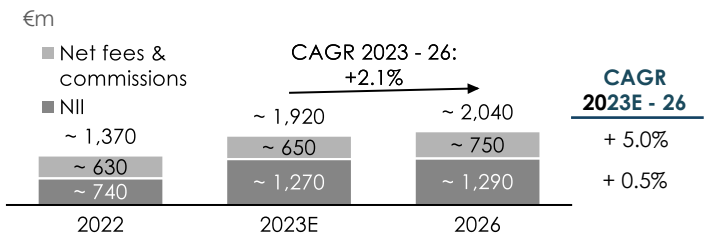
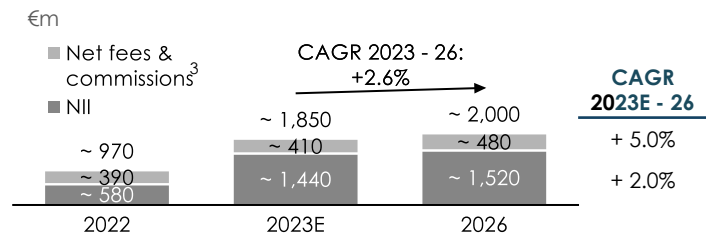


Solid growth by 2026 to be mostly driven by Fees & Commissions

Loans to customers¹



Core revenues



Strategic priorities

Evolution of client servicing model to consolidate BBPM role and **penetration on the client base**

Operating **efficiency** and **remote selling** as enabler of **cross-selling** and **commercial focus**

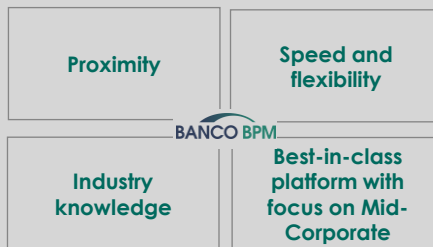
ESG Factory: Consolidation of BBPM's role as **partner for sustainable transition of Italian SMEs and Corporates**

Extension of value-added Financing and Advisory solutions from CIB to SMEs

Corporate & Investment Banking: a tailor-made service model

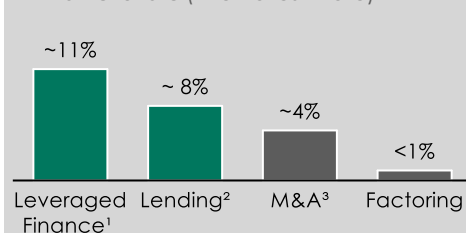
A ROBUST MODEL WITH GROWTH POTENTIAL

BBPM distinctive identity in the mid-corporate market...



...with still room for growth in specific clients and business areas

Market Share (internal estimate)



BANCO BPM

THREE MAIN PRIORITIES OF ACTION

ADVANCED CUSTOMER SERVICE MODEL

- **Relationship Managers** focused on **Key Clients** and portfolios optimization
- Dedicated effort on **clients with additional potential** through evolution of segmentation
- **Advanced industry coverage:** Infrastructure (PNRR), PowerGen, Private Equity,...

OFFER SCALE UP

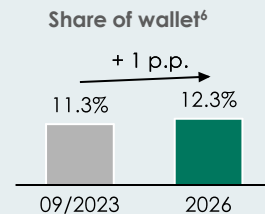
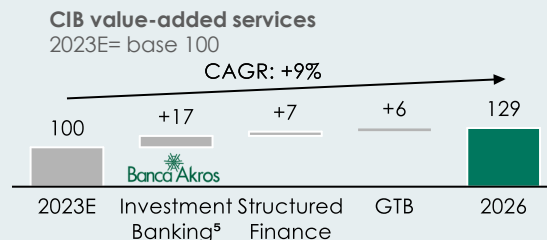
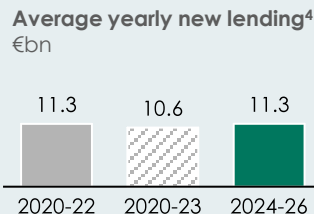
- **Banca Akros full potential:** origination synergies on BBPM's client base, expansion of investment products offering and sales business unit set-up
- **Supply Chain Finance:** specialists, products, digital platform, growth via M&A of specific target (including fintech)

BROADEN LEADERSHIP

- **Originate to Share** as enabler of growth in Structure Finance Business
- **Global Transaction Banking digitalization** with Artificial Intelligence-driven solutions for economies of scale

← Specific focus also on **growth in Large Corporate value-added business** (i.e. capital markets / bond issuances) leveraging BBPM investment grade rating as enabler →

Key targets



Notes: 1. Market share calculated on deal value, based on disclosed data (2022). 2. Market shares relative to Corporate and SMEs. 3. Market share calculated on deal value, based on disclosed data of transactions between €10m and €250m (11M 2023). 4. M/L-term loans (Sec. and Unsec.), incl. revolving. 5. Include growth on net commissions and net financial result. 6. Data refers to corporate clients, share of wallet calculated on drawn credit lines. Sources: Assifact; Mergermarket; Bank of Italy.

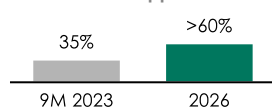
SMEs: differentiated approach based on Digital and 360° Advisory

STRATEGIC PRIORITIES

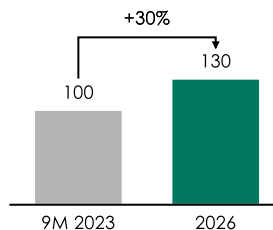
Small and micro business¹: digitalization and simplification as growth enablers

- New digital solutions:** new **App** and **Remote Banking** enabling a **best-in-class** experience in transactional services and omnichannel sales
- Smart and digital lending:** automated decision and remotized journeys on selected credit products by year-end 2024
- SME remote sales development:** dedicated workforce in Digital Branch with full suite of products remotely available

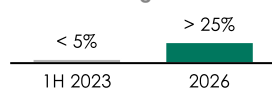
% SB clients with App



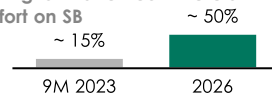
% RMs' effort on commercial activities² 9M 2023= base 100



% SB smart lending enabled sales



% Digital Branch commercial effort on SB



EXAMPLES OF AI/ GENERATIVE AI USE CASES

- Smart Lending based on advanced credit scoring
- Co-piloting Digital Branch customer support



M&A and Corporate Finance

Banca Akros

Generational change / Wealth

BANCA ALETTI

Wider set of solutions for SMEs

Global Transaction Banking

Supply Chain Finance

- Expansion of today's coverage of 70 **SME business centers** with targeted openings in high-potential areas
- Further exploit synergies** with product factories, CIB, Akros and Aletti
- Agribusiness dedicated solutions:** specialized offering and proximity

SMEs BBPM
360° advisory with complete value proposition

BANCO BPM

Notes: 1. Businesses with turnover up to €5m. 2. Perimeter including Small and Micro Business relationship managers.

AMBITION 2023-2026

+€100m

Growth in net fees and commissions
+5% CAGR 2023-26 vs
+3% growth 2022 – 23

~50% | P&C Insurance
Payments services
Trade Finance
Fees from AuM

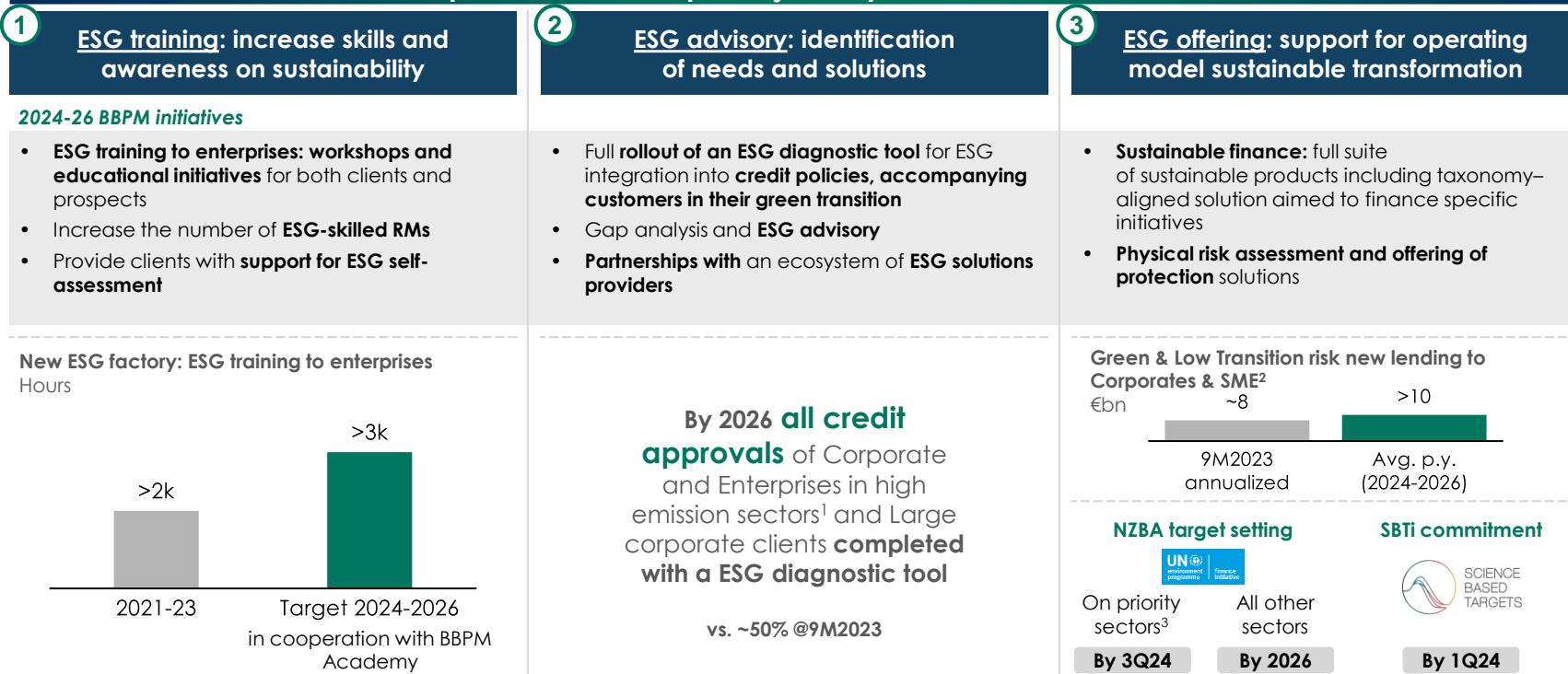


~50%
Lending related-fees,
current accounts, others

ESG Factory for corporates and SMEs: supporting sustainable transition



Corporate and Enterprises journey for sustainable transition



Wealth Mgmt: building on recent progress to further exploit our potential

Broaden leadership in SMEs & Corporate

Reinforce Wealth Management & Life Insurance

Capture value from P&C Insurance and Payments' deals

Benefit from further omnichannel reinforcement

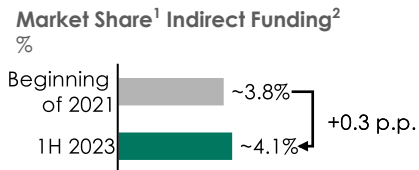
Enhance tech innovation, lean banking, Cybersec

Further consolidate a "future-proof" balance sheet

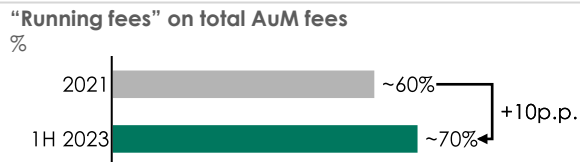
Empower People and Communities

POSITIVE EARLY RESULTS FROM THE TRANSFORMATION ACTIVATED ON WEALTH MANAGEMENT

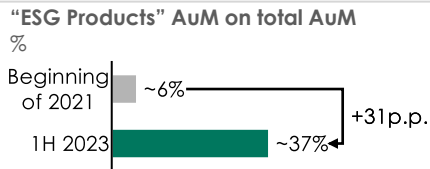
Growing market share on indirect funding



Fees mix now more resilient to downturns



Growing share of ESG products

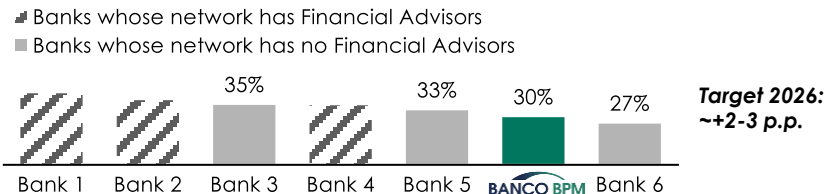


STILL SIZEABLE RESIDUAL POTENTIAL

Market Share¹ – 1H 2023



Share of AuM on total customer funding (excl. Certificates)³ – 1H 2023



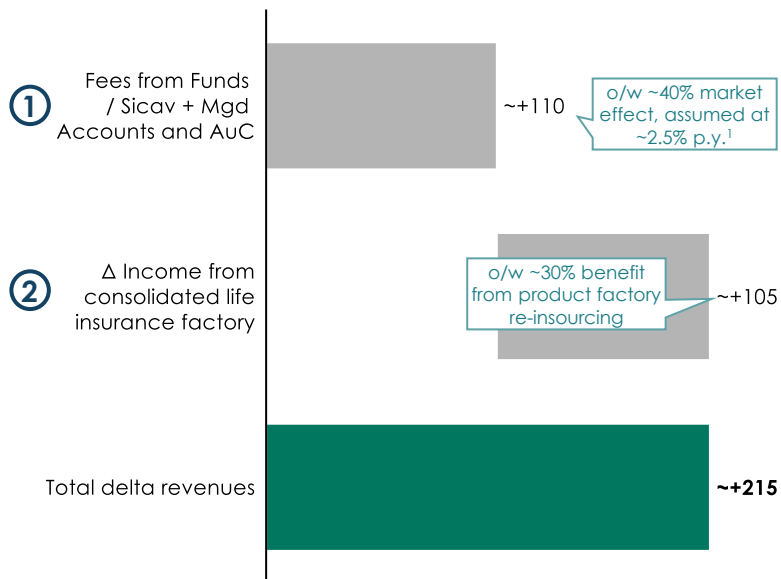
Notes: 1. BBPM actual data compared to Bank of Italy reports on Italian Banking System. 2. Excluding Cap. Protected Certificates from AUC. 3. "Core" direct funding + indirect funding.

Sources: Bank of Italy; Peers Annual Reports.

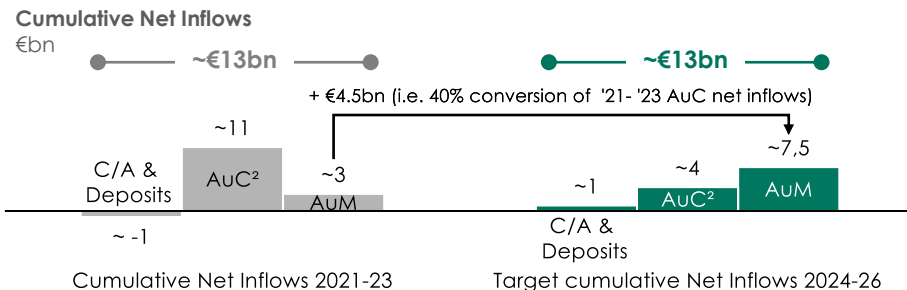
AuM growth and life insurance factory support ~€215m revenue upside

TARGET ~ +€215M OF REVENUES: HOW TO REACH IT

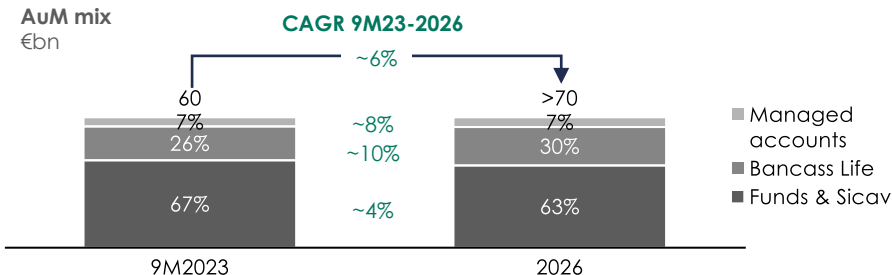
Delta revenues 23-26 from Wealth Management and Life Bancassurance
€m



① Supported by decrease in interest rates, focus is to convert into AuM ~40% of AuC gathered since '21



② Increased commercial focus on Bancassurance Life products now fully insured



Affluent: four key priorities to enable AuM growth

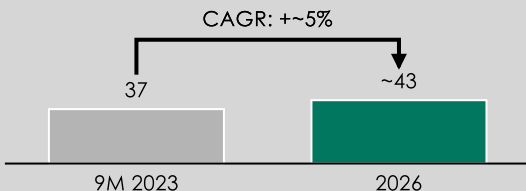
AFFLUENT SEGMENT KEY FIGURES

Affluent share of AuM on Total BBPM Group



>60% of total

Target

Affluent segment AuM
€bn



KEY INITIATIVES

- Differentiated proposition for Upper & Lower Affluent, also providing a **dedicated RM to >180k clients** (~+40% clients with dedicated RM)
- Better reach outside branches thanks to enablement of **off-premise sales** and **completed remote offer**
- Group-wide unique WM platform**
 - fungible across channels (remote and off-premise),
 - modular (basic & advanced)
-  **AI-powered** (Robo4Advisory, CRM-integrated, ...), increasing RM productivity
-  Strengthening of **ESG advisory** and enhancement of the **ESG products range** (also by exploiting Life-Bancass in-house product factories)

PRIORITIES AND OBJECTIVES

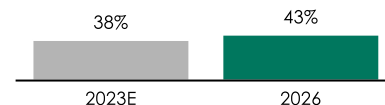
IMPROVED PENETRATION TO LOWER END OF CLIENTS

Share of AuM on total customer funding – Clients with TCF <€200k (%)



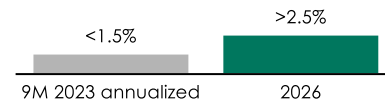
INCREASED REACH TO CLIENTS IN WORKING AGE

Share of AuM on total customer funding – Under 65 clients (%)



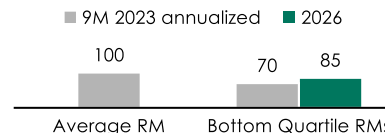
BETTER ACQUISITION RATE

Acquisition rate (%)



CONSISTENCY OF RMs' COMMERCIAL PERFORMANCE

WM fees on total customer deposits - Bottom quartile RMs vs. average RM (base 100)



Private: three key priorities to enable Banca Aletti further growth

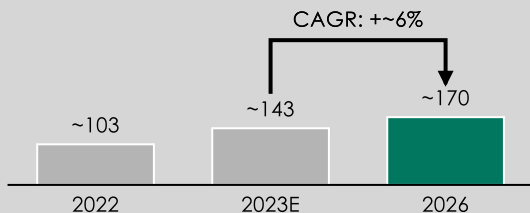
PRIVATE SEGMENT KEY FIGURES

Private share of AuM of Total BBPM Group

~20% of total

Target

Banca Aletti Revenues
€m



BANCA ALETTI KEY INITIATIVES

- **Group Cross segment synergies** empowerment and extension (SMEs, Corporate, Institutional)



Wealth Management Advisory Platform (same as per Affluent – as previously illustrated)



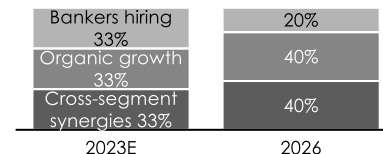
New ESG WM solutions enhancement, penetration and internalization (BA3 Sicav, Managed accounts, Paid advisory, Insurance solutions, Digital solutions)

- **Dedicated model and proposition for Entrepreneurial families & HNWI**, jointly with **CIB Group, Aletti Fiduciaria and Aletti Suisse** (dedicated illiquid services and solutions in Switzerland and Luxembourg)

PRIORITIES AND OBJECTIVES

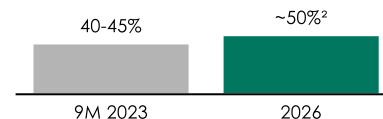
POLARIZATION OF GROWTH ON INTERNAL ACTIONS

Net inflows by source (%)



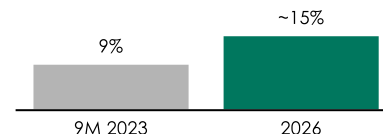
SHARE OF BUSINESS FROM UPPER-END CLIENTS¹

Share of TCF from upper-end clients on total TCF



PENETRATION OF PAID ADVISORY ON AUC

Share of AuC with paid advisory on total AuC (%)



~+€95m revenues from deals in P&C Insurance and Payments

Broaden leadership in SMEs & Corporate

Reinforce Wealth Management & Life Insurance

Capture value from P&C Insurance and Payments' deals

Benefit from further omnichannel reinforcement

Enhance tech innovation, lean banking, Cybersec

Further consolidate a "future-proof" balance sheet

Empower People and Communities

Payments deal announced on 2023 July 14th

- Banco BPM, Gruppo BCC Iccrea and FSI have underwritten a binding agreement for the creation of a **strategic partnership**
- The agreement provides for the **assignment into the joint venture of Banco BPM's payments activities**, for a mixed consideration based on **cash and shares** (28,6% of JV): **tot €500m** immediate + **additional max amount of +€100m**
- The Bank will be able to **preserve the current commission margins**, while **fully benefiting from their growth**, as well as from the **contribution of the profits expected from the JV** and its potential **accretion in the value of its equity investment**

Closing by 1Q 2024

P&C deal announced on 2022 Dec 22nd

- CAA's acquisition of **the 65% stake in Banco BPM Assicurazioni S.p.A.** and, subject to the repurchase by Banco BPM of the stake currently held by Cattolica Assicurazioni, **of 65% in Vera Assicurazioni**
- Launch of a **20-year commercial partnership in the Non-Life/Protection sector** which will have as its objective the **distribution of insurance products to be placed by both the Banco BPM Network and part of Agos Network**

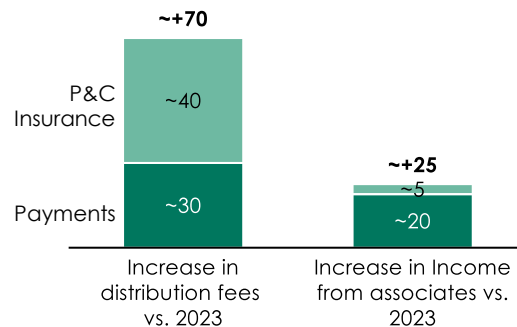
Closing by 2023

P&C AND PAYMENTS GROWTH 2023-26

- Additional value** from last 12 months' deals comes from both an **increase in fees as well as profit as shareholders**

~€95m of value for the Acceleration Plan

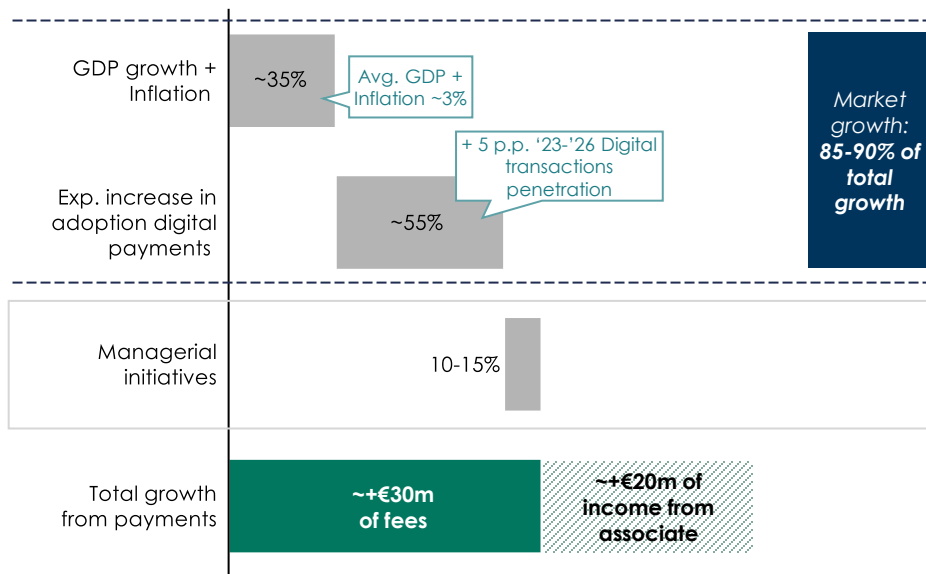
Δ 2023-26 (€m)



Expected growth in Payments mainly driven by market dynamics

EXPECTED PAYMENTS FEES GROWTH BY DRIVER

Delta fees 2023-26 from Payments



INITIATIVES DETAILS

Product penetration initiatives

- **Marketing** and **Commercial** jointly dedicated **investments**
- **Additional salesforce** to develop **LAKA/ Corp.** clients
- **Personalized offers** on high potential customer clusters
- **Leverage** on relaunched BBPM's **customer base growth** ambition

Cross-sell / Up-sell initiatives

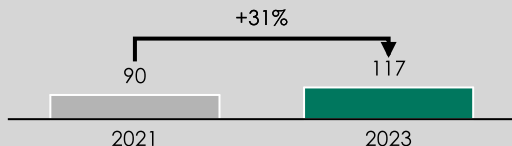
- Up-sell: Focus on **Smart POS, premium cards** for **business segment** and **digital/mobile payments**
- Cross-sell: Focus on **pushing VAS** enabled by the new platform (i.e., **Soft Pos**; other specific **SME, small and micro businesses** services)

Full deployment within 1 year from closing

P&C proposition to leverage on best-in class partnership with CAA

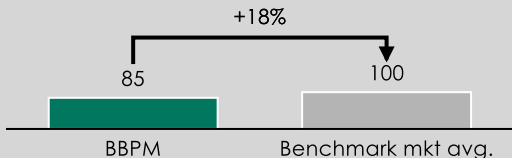
1. Commercial focus is delivering early results

Daily Average premiums for Standalone Policies – Retail (€k)



2. Still sizable potential to grasp

Product penetration Individuals – P&C Insurance (Benchmark Base 100, EoY2022)



3. Sustained market growth expected

Growth P&C Italy CAGR '23-26' (%)

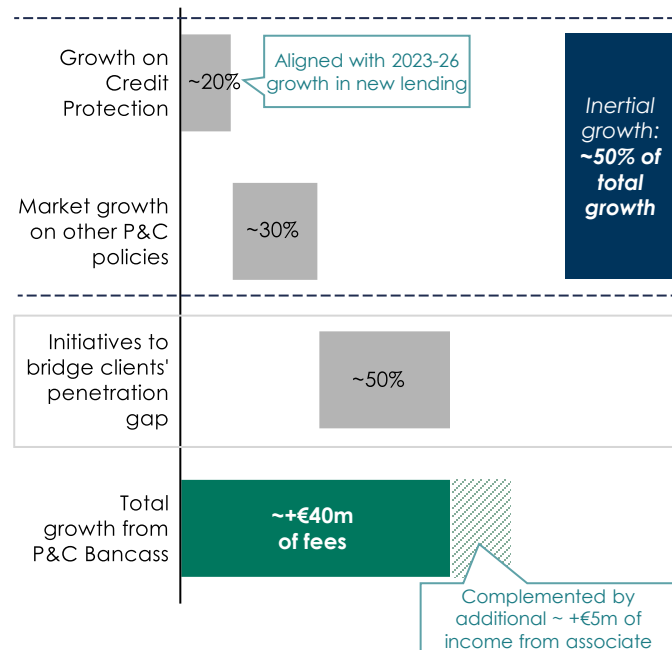
+4.3%

CAGR Bancass vs. other channels '16-22²

>3x

EXPECTED GROWTH OF P&C FEES BY DRIVER

Delta fees 2023-26 from Bancassurance P&C



INITIATIVES DETAILS

TOOLS

- New specific **'check-up'** tools to map **customer needs** and **insurance gap** to stimulate adoption
- Full integration of the **insurance offer and commercial routines** into **new Wealth Management platform**

NETWORK

- Exploitation of the newly set-up **dedicated Bancassurance Protection commercial organizational unit:**
 - +130 FTEs** (of which +120 FTEs dislocated across the regions)
 - Continuous **specialized training program**

PRODUCTS

- Leveraging on CAA international capabilities** to build a **new state-of-the-art products and services catalogue**

Fostering clients' proximity with empowered omnichannel approach

Broaden leadership in SMEs & Corporate

Reinforce Wealth Management & Life Insurance

Capture value from P&C Insurance and Payments' deals

Benefit from further omnichannel reinforcement

Enhance tech innovation, lean banking, Cybersec

Further consolidate a "future-proof" balance sheet

Empower People and Communities

KEY RESULTS ACHIEVED

	2019	9M 2023
Clients with App / total clients ¹ (%)	30%	57%
Mobile APP trx ² (%)	7%	22%
Physical Branch trx ² (%)	26%	15%
Omnichannel sales / total sales ¹ (%)	11%	39%
o/w fully Remote ³	4%	17%
Commercial contacts of Digital Branch ¹ (%)	6%	55%
# branches	~1,727	~1,358
# cash desks	~3,350	~1,900
# self + smart assistance / total inbound interactions ¹ (%)	36%	75%

KEY FOCUS IN THE LAST YEARS

CLIENT DIGITALIZATION

- Focus on '**digital identity**' as key enabler for paperless processes
- Continuous enrichment of **Mobile App** for **Individuals** and **SME** clients

SALES DIGITALIZATION

- Remotization of key retail product journeys and services**
- Customer **engagement** with an **omnichannel approach**

NETWORK STRUCTURE TRANSFORMATION

- Steady **reduction of branches and cash desks** in line with increased customer digitization
- Customer Center transformed into **Digital Branch⁴**, with inbound optimization via **self/smart assistance**

PRIORITIES BY 2026

① Digital client activation program

② Omnichannel advisory transformation

③ Network transformation 2.0

④ Acquisition program and Webank scale-up

⑤ Digitalization for SMEs (already covered in the first pillar section)

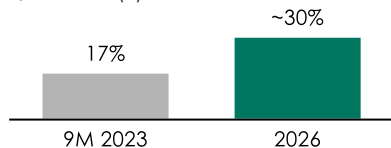
New

Leading edge ambition on current omnichannel initiatives

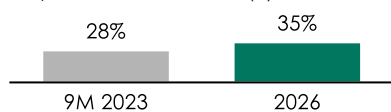
① Digital client activation program

- Extension of **self / digital product offering**
- **Digital Sales & Marketing boost program**
- Completion of **Marketing Automation platform** (es. real-time engagement of clients)

Fully remote¹ sales / total sales² (%)



Clients with at least 1 purchase in last 12 months (%)



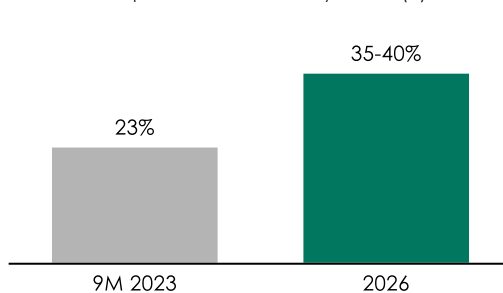
O/w digital only customers³

Period	O/w digital only customers (%)
9M 2023	14%
2026	25%

② Omnichannel advisory transformation

- **Extension of omnichannel advisory solutions** (i.e. Digital-Off-premise; *In-app*-videocollaboration)
- Integration of **WM advisory platform** into Advanced **CRM/ Marketing automation** tools
- Upgrades to **retail RMs front end**

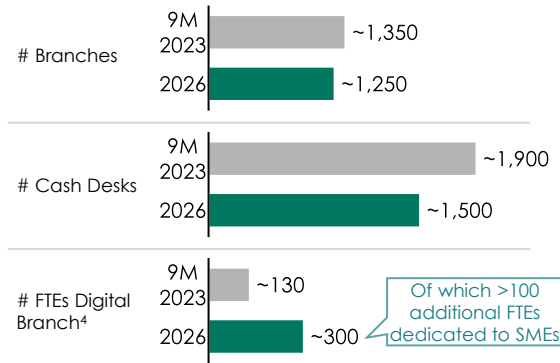
Remote and off-premise financial advisory services (%)



③ Network transformation 2.0

~€70m expected cost saving

- **Further** reduction of branches and cash desks (opened only half day), also thanks to **~500** new **state-of-the-art** advanced **ATM machines**
- **In-branch digitalization program** (digitalization of network workforce and CX in-branch)
- **Further growth/commercial impact of Digit. Branch**



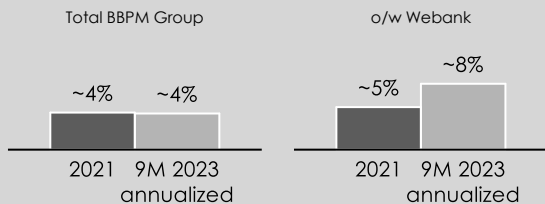
EXAMPLES OF AI/GENERATIVE AI USE CASES

- **Personalization and funnel optimization** of digital marketing contents
- **Co-piloting** of financial advisory
- Digital Branch **in/outbound flow optimizer**

Acceleration of customer acquisition to sustain deposit volumes

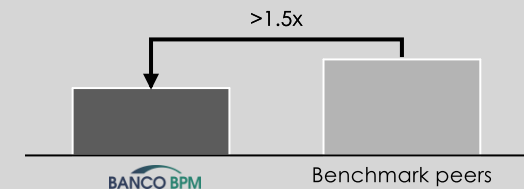
ROOM TO IMPROVE ACQUISITION RATE (ALSO LEVERAGING WEBANK)

Acquisition rate (%)



NOTE: Limited / no initiatives rewarding bank account openings in the last 3Y

Acquisition rate of Individuals - Avg. 2021-23¹ (%)



④

MAIN PRIORITIES TO REVAMP ACQUISITION RATE AND DEFEND CURRENT LEVEL OF DEPOSITS

RETAIL ACQUISITION PROGRAM

- Improvement to **retail onboarding process**
- **Promo initiatives on direct funding** / launch of acquisition engine
- **Cross-selling offers** with **dynamic pricing solutions**
- **Branch refocusing** initiatives and **digital marketing support**



AI/GENERATIVE AI USE CASE

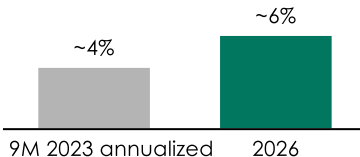
Digital advertising & commercial promo optimization

UPSCALE WEBANK

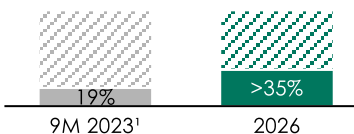
(~+30% of Webank customers)

- Revamp of **Brand Awareness / digital advertising**
- Selective **deposit remuneration offers**
- Introduction of remote **financial advisory with Digital Branch**
- **Offer extension** (e.g. Agos products, Protection, ...)

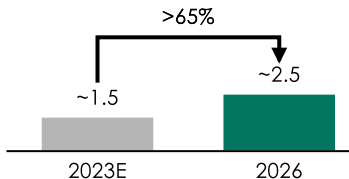
BBPM Group acquisition rate (%)



Retail clients acquired online / total acquired retail clients (%)



Deposits from clients acquired in calendar year (€bn)



AI/GEN AI
Customer Life-
Time Value
models

Integrated by a **New Customer Value Management approach** to improve retention through personalized caring initiatives

IT platform: a new journey based on four key priorities

Broaden leadership in SMEs & Corporate

Reinforce Wealth Management & Life Insurance

Capture value from P&C Insurance and Payments' deals

Benefit from further omnichannel reinforcement

Enhance tech innovation, lean banking, Cybersec

Further consolidate a "future-proof" balance sheet

Empower People and Communities

Merging into one
2017 - 2019

Merging of different IT systems / operations into a single one in 2017 (first year of the merger), further **integration of specialized banks** (Aletti, Akros, ...) & **branches optimization**

New digital-enabled backbone
2020 - 2023

Adoption of a **fully digital front-end**, development of a **new back-end framework**, **data center consolidation** (from 5 to 2)

Scale-up adoption & accelerate
2024 - onwards



Adoption of cloud, leveraging on our new "agile" architecture



Reinforce our commitment on cybersecurity



Strengthening of key competences



Adoption of AI & Generative AI

Achieve digital excellence leveraging on faster, more innovative, efficient & secure IT

Higher IT investments with an improved “mix” towards transformation

Investing more and better while becoming faster, more efficient, secure & resilient



Achieve digital excellence leveraging on faster, more innovative, efficient & secure IT



Embrace cloud and adopt new agile architecture to access best-of-breed technologies & speed up innovation

>60%

web banking transactions processed on cloud



Internalize key competencies to improve our delivery model

200+ professionals

with key technical skills¹; of which ~15% for cybersecurity



Strengthen our defenses & improve our operative resilience

+20% investments on cyber in 24-26 vs. 21-23 plan



SHIFT FROM “RUN” TO “CHANGE”

~5 p.p.

Share of overall IT cash out² re-directed from “running the bank” to “changing the bank” (24-26 vs. 21-23)

INCREASE SPEND ON BUSINESS-LED INITIATIVES³

~5 p.p.

Share of overall IT investments re-directed to “business-led” initiatives³ (24-26 vs. 21-23)

AI @ Scale to transform our way of doing business

Pushing innovation throughout the Group leveraging on **Advanced Analytics, Machine Learning & Generative AI** with a **Group value-driven strategy**



Generate **value** from AI on the entire value chain ...



Higher commercial productivity
(revenues)

e.g., AI data-driven advisory, marketing customization, flow optimizer for Digital Branch...



Improved efficiency
(costs)

e.g., streamlined operations, leaner internal helpdesk, ...



Better governance & risk posture

e.g., faster & better credit decisions, improved compliance. ...



~30 new use cases
released by 2026 of which **~30% adopting generative AI**

...thanks to a **clear strategy / framework**

Value-driven prioritization
of use cases

Hub & Spoke service model
enabled by **AI Centre of Excellence**

State-of-the-art AI environment with advanced built-in features: new data lake, cloud-native, privacy by design, dedicated data governance ...


~25% of additional investments
focused on AI

Operations efficiency, cost control, lean banking, greener footprint


KEY INITIATIVES

ICT	<ul style="list-style-type: none"> • Vendor & contract optimization • Technical improvements e.g., consumption reductions, outdated hardware decommission, ... 	15% Cash out savings vs. ICT 2023 baseline
Operations	<ul style="list-style-type: none"> • Back-office automation with Robotic Process Automation (RPA), AI & Generative AI • Simplification / revision of internal processes and internal procedures to enable the operating transformation 	20% Ops productivity increase
Real Estate	<ul style="list-style-type: none"> • Reduction of non-instrumental assets and working spaces optimization • ~20% reduction in 2026 vs. 2022 in power consumptions (Scope 1 & 2) 	50% <small>Generating €230M RWA optimization</small> Non-instrumental Real Estate assets disposal
Other G&A ¹	<ul style="list-style-type: none"> • Zero-based cost budgeting and demand management applied also on “run” expenditures • Cost-optimization initiatives on selected cost items (e.g., switch to video surveillance, reducing internal printing, optimizing info-providers, ...) • Organizational de-layering 	5% Other G&A ¹ reduction vs. '23 baseline

BENEFITS



~€90m
cross-category gross savings identified (2026 vs. 2023)



Carbon neutral
for Net Scope 1 & 2 emissions by 2024

Already 100% of electric energy from renewable sources maintained throughout the Plan

Distinctive track-record and future-ready “credit-machine”

Broaden leadership in SMEs & Corporate

Reinforce Wealth Management & Life Insurance

Capture value from P&C Insurance and Payments' deals

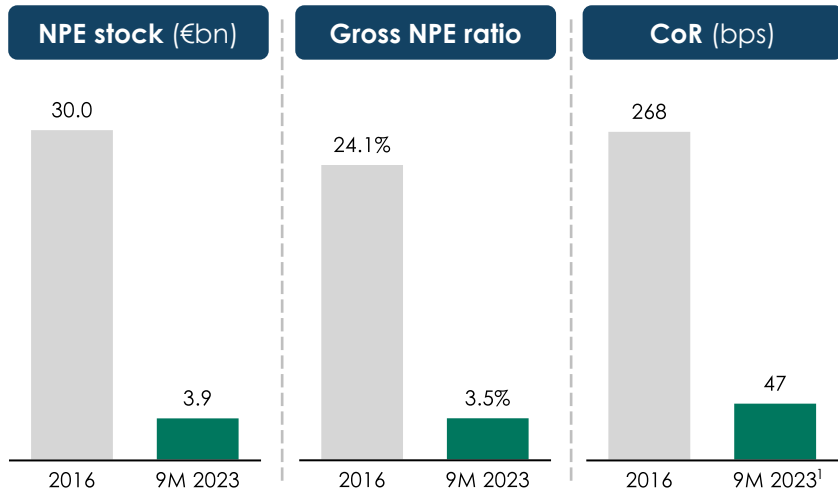
Benefit from further omnichannel reinforcement

Enhance tech innovation, lean banking, Cybersec

Further consolidate a “future-proof” balance sheet

Empower People and Communities

2016-2023: BBPM DE-RISKING TRACK RECORD

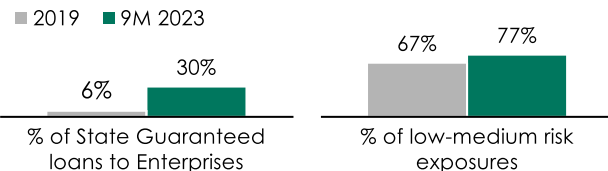


Notes: 1. Includes Cancellations, Write-offs, Recoveries, Cure & Other. 2. Annualized.

TODAY'S STARTING POINT: STRONGER AND MORE SOLID

Portfolio quality strongly improved

Credit Machine with extra-capacity and more advanced than ever



Indexed numbers (2019 = 100)



- **Credit policies:** RWA-driven and specialized by sector
- **Early Warning System:** machine learning and daily bank account data to improve monitoring and prevention
- **Gardant Joint Venture** and optimized servicers' portfolio to improve recovery performance
- **Credit risk data warehouse:** managerial and risk data integration to support decision-making

Increasing effort and performance on pre-default and prevention

END-TO-END STRENGTHENING IN CREDIT LIFECYCLE MANAGEMENT

Reinforcement of credit granting, default prevention

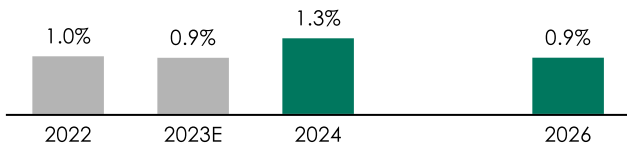
Improved recovery performance and extra workout capacity

- **Smart and digital lending:** lower risk and more capacity
 - **Small ticket:** AI-ML powered automated lending process
 - **Complex decisions:** enriched data-set and more time to support credit experts
- **Pre-default:** dedicated team adopting more specialized strategies
- **Exit strategies** from higher risk exposures supported by credit policies framework and dedicated internal KPI
- **Credit policies to address Net Zero strategy**

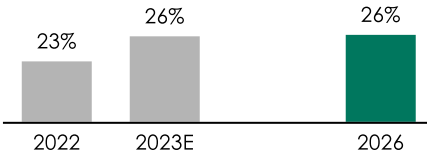
- Step up in the **proactive management strategy of workouts on single names**
- **Automation and digitalization** of disposal processes on small ticket / clusters of NPE

- **Credit operating platform enhancement** to optimize the adoption of State guarantees
- **Digital credit workflow** evolution

Default rate

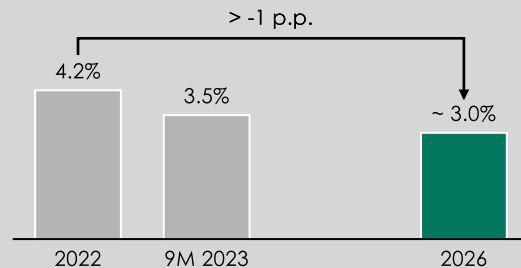


Workout activity¹

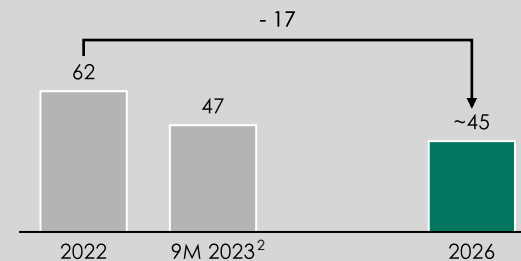


AMBITIONS

Gross NPE ratio



CoR bps



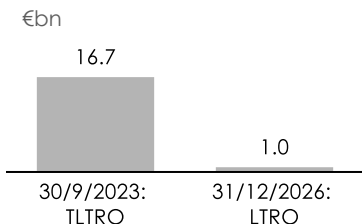
Optimization of funding strategy and securities portfolio

STARTING POINT AND STRATEGIC PRIORITIES

Funding management in the new scenario

ECB funding

- Continuation of **TLTRO reimbursement** – in line with current maturities

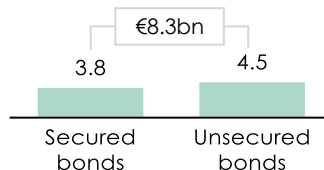


Investment Grade issuer status

- Higher **cost effectiveness** in bond issuance activities



Net Bond issuance¹ 2024 – 26



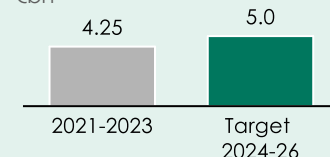
ESG FOCUS



- Leadership** among Italian Banks as **issuer of Green, Social & Sustainable Bonds** (1st green issuer in 2022, 2nd in 2023)

- GS&S Bonds Framework** aligned with EU-taxonomy (Nov. 2023)²

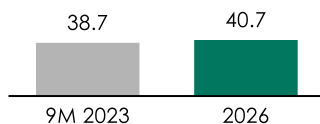
GS&S Bond issuance³ €bn



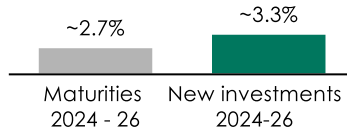
Securities portfolio optimization

- Moderate increase in share of **Government bonds aimed at preserving NII**, while confirming the target of exposures to Italian Govies

Nominal Banking Book⁴ €bn



Average Yield at due date vs purchase (Maturities and New Investments) – Banking Book



Exposure to Italian Govies on total Govies

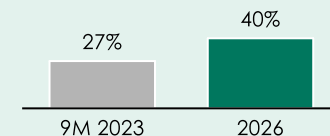
2024-26



Previous Strategic Plan target confirmed

- New **Sustainable Investment Policy** to be published in 2024

% of non-Govies ESG bonds





A comprehensive plan to empower our People

Broaden leadership in SMEs & Corporate

Reinforce Wealth Management & Life Insurance

Capture value from P&C Insurance and Payments' deals

Benefit from further omnichannel reinforcement

Enhance tech innovation, lean banking, Cybersec

Further consolidate a "future-proof" balance sheet

Empower People and Communities

Academy

- Creation of a **new training Academy structure** to uphold a new standard in skills development

Sustainability, Accessibility & Inclusion

- **Disability** management
- Diffusion of a **diversity and inclusion** culture
- Certifications on **gender equality** (UNIPDR 125)
- **Accessibility** («GuardiamOltre» project)



Generational change

- **Exit plans** for around 1,600 people
- Around **800 new young hires**, of which ~200 IT-tech specialists (e.g., data scientists, cloud and cybersecurity specialists, ...)

Talent mgmt and people development

- **Personalized paths** for new hires
- **Reskilling initiatives** with a specific focus on ~500 front desk operators (ref. reduction of branches/cash desks)
- Evolution of **remuneration systems** with a retention logic
- **Short-term and Long-term incentive plans** for managers & employees confirmed aligned with **ESG targets**

Flexible and goal-oriented work

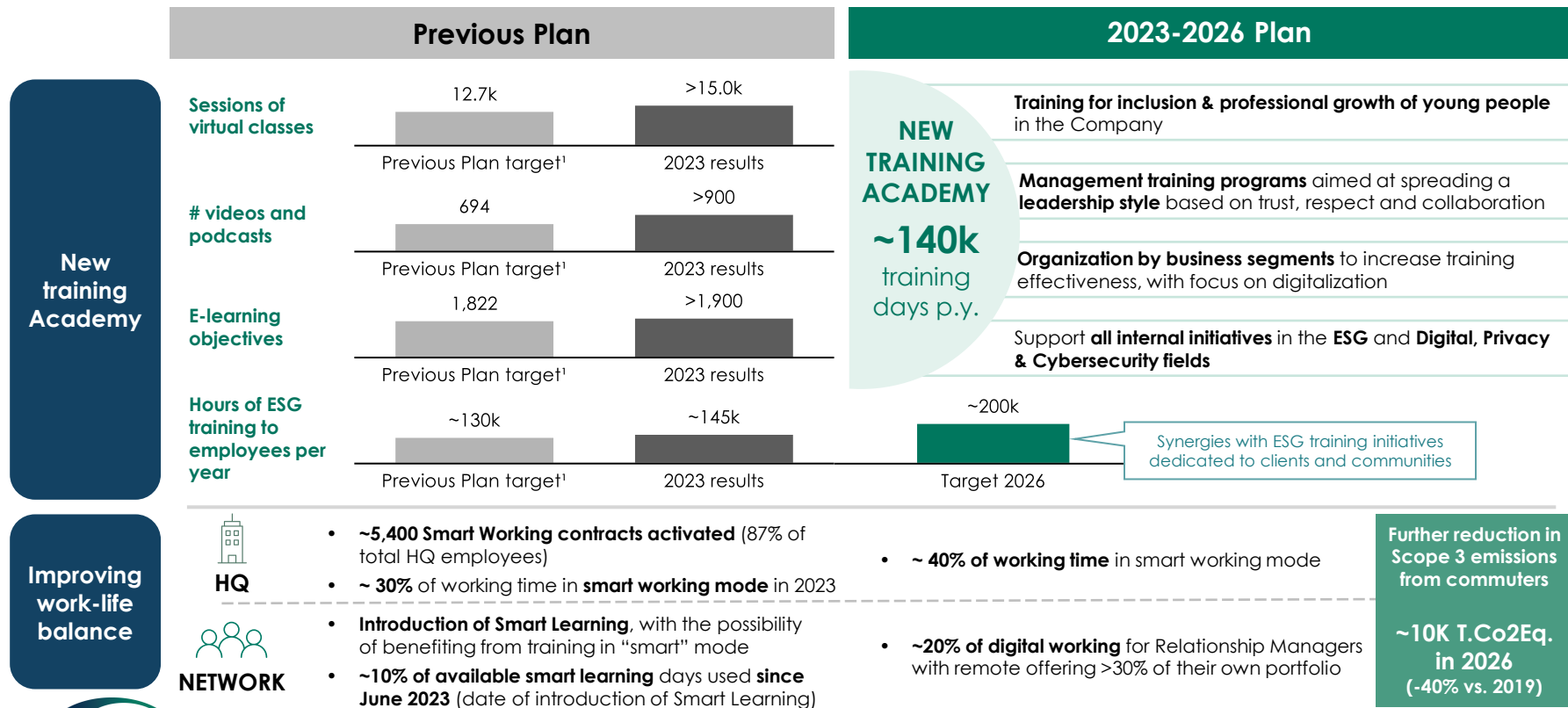
- **Smart Working evolution** as lever to **work-life balance** improvement and talent attraction (e.g., tech)

Communication tools

- Evolution of **internal communication toolkit** also leveraging on **AI-driven solutions** (e.g., ChatBot)



Academy to enhance skills, commitment for better work-life balance





Promoting generational turnover and talent management

2023-2026 Plan



Generational change

- Around **800 new young hires**



Personalized paths for young hires with high potential

- 12 months of **training and activities in Wealth Management sector**
- 12 months of **training and activities in the SME sector**
- Start of **first managerial roles**



Professional retraining program

- **30% role changes** year over year



Young talents

- Targeted **growth paths** for **~900 young talents identified in the Group¹**

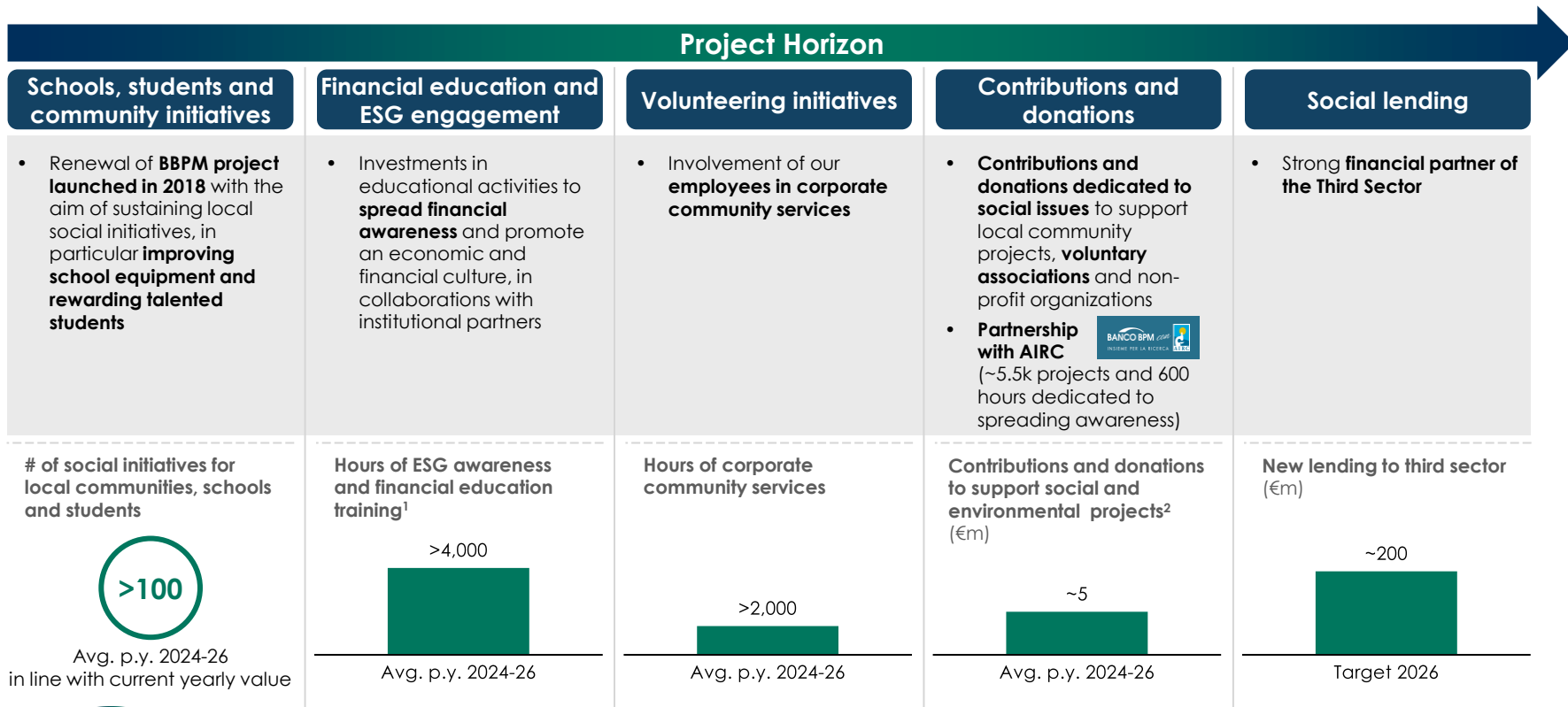


Women talent empowerment

- **+20% women** in managerial positions by 2026 vs. 2023



Keeping up our commitment to support Communities



Closing Remarks

Cumulatively ~€6bn of Net Income and €4bn of remuneration

«Core» Revenues ¹	2022	2023G	2026
Total Revenues (€bn)	4.7	~5.25	~5.4
o/w NII (€bn)	2.3	~3.25	~3.05
o/w "Core" Non-interest income (€bn)	2.0	~2.0	~2.4
Non-interest income on Revenues	~44%	<40%	~45%
Operating costs (€bn)	~2.5	~2.6	~2.7
Cost/income	54%	<50%	<50%
Net Income (€bn)	0.7	>1.2	>1.5
ROTE ²	7.0%	~12%	~13.5%
CET 1 RATIO	12.8%	~14%	~14%
		30/09/23	
CoR (bps) ⁵	62	47	~45
GROSS NPE RATIO	4.2%	3.5%	~3.0%
NET NPE RATIO	2.2%	1.8%	~1.5%

EPS GUIDANCE
>0.8€ FY 2023
~0.9€ FY 2024³
CONFIRMED

• €4bn total shareholder remuneration 2023–26

- >50% of market cap⁴
- ~€1.3bn remuneration in 2024
- Introduction of interim dividend

Appendix

Key financial targets of the Strategic Plan 2023-26

	€bn	2022	2023G	2026
Profit & Loss	Total revenues	4.7	~5.25	~5.4
	o/w NII	2.3	~3.25	~3.05
	o/w "Core" Non-interest income ¹	2.0	~2.0	~2.4
	Operating costs	-2.5	~2.6	~2.7
	Pre-Provision Income	2.1	~2.65	~2.75
Key ratios	Net income	0.7	>1.2	>1.5
	Cost / Income ratio	54%	<50%	<50%
	RoTE ²	7.0%	~12%	~13.5%
	CET 1	12.8%	~14%	~14%
			30/09/23	
Balance sheet & Asset Quality	Net customer loans	109.5	108.0	~111
	Direct funding from Banking business ³	123.4	124.5	>133
	Indirect funding ⁴	91.3	100.0	>120
	Cor (in bps)	62	47	~45
	Gross NPE ratio	4.2%	3.5%	~3.0%
	Net NPE ratio	2.2%	1.8%	~1.5%

2022 data are restated for the application of IFRS 17 to subsidiary and associated insurance companies.

Notes: 1. Includes: Net fees, Income from insurance business and income from associates. 2. Calculated as Net Profit from P&L (year x) / Tangible Shareholder Equity 31.12.XX (excluding Net Profit of the period and AT1 instruments). 3. Excluding REPOs and including Cap. Protected Certificates.

4. Excluding Cap. Protected Certificates from AUC.



Detailed ESG Highlights of the Strategic Plan 2023-26

BUSINESS

Green & Low Transition risk new lending to Corporate & Enterprises¹

>€10bn
Avg. p.y. 2024-26¹

Social Lending
(new lending to Third Sector)

~€200m
2026

Issue of Green, Social & Sustainable Bonds

€5bn
(2024-26)

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

40%
at YE26

- **ESG Factory:** becoming a reference partner for Corporate & Enterprise clients in their sustainable transition
- **Targets NZBA** by Q3 '24 for priority sectors identified and by 2026 for all other sectors, with SBTi to be signed by Q1 '24
- **Enhancement of Climate & Environmental Risk Management** and **run-off** for **sectors strongly affected by climate transition** confirmed²
- **WM & Life Bancassurance:** Strengthening of ESG advisory and enhancement of the ESG products range

OWN ENVIRONMENTAL IMPACT

Scope 1 & 2 consumptions (Gigajoule)

<480K in 2026 (-20% vs. 2022)

To improve to
~440K in 2030

Net emissions Scope 1 & 2 Market-based

Carbon Neutral by 2024

Already 100% of electric energy from renewable sources maintained throughout the Plan

Scope 3 emissions from commuters (T.Co2Eq.)

~10K in 2026 (-40% vs. 2019)

PEOPLE & COMMUNITY

Women in managerial positions

+20% at YE26 vs. YE23

New young hires

#800 (2024-26)

ESG training hours for employees

#200K in 2026

Contributions to support Social & Environmental projects

~€5m Avg. p.y. 2024-26

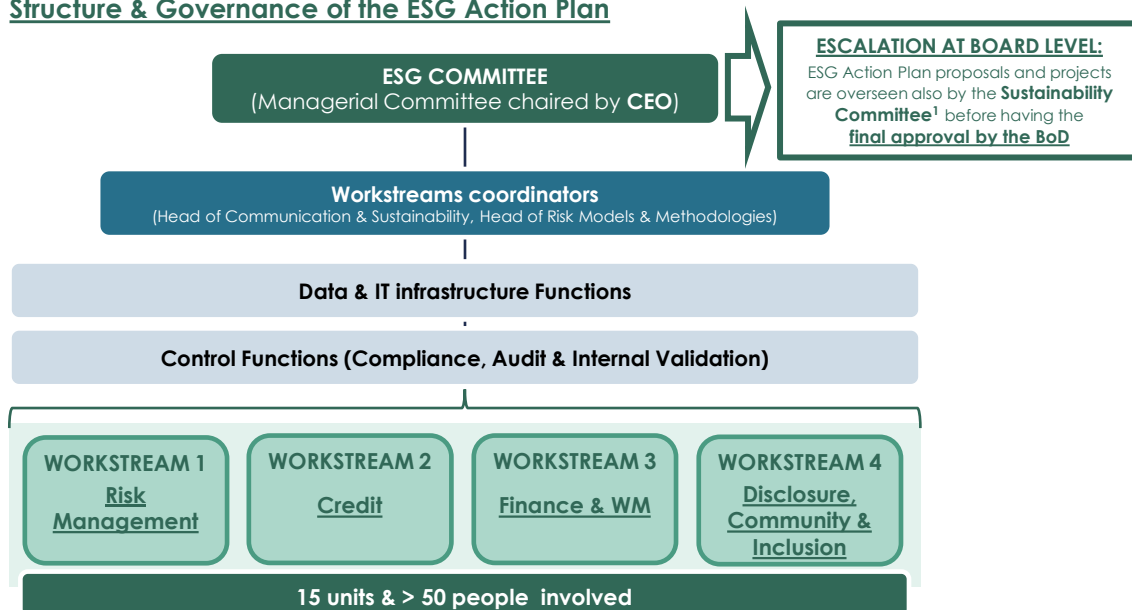
- **Remuneration:** short-term and Long-term incentive plans for managers & employees confirmed aligned with ESG targets



ESG Action Plan: further strengthening our Sustainability Governance

ESG ACTION PLAN

Structure & Governance of the ESG Action Plan



Details:

- Launched in Q3 2023, to be fully developed in the Plan period
- ESG workgroups:
 - Rationalized in **4 interlinked areas**
 - Supported by **Data, IT and Control Functions**
 - Directly overseen by **ESG Committee & CEO**

KEY INITIATIVES:

- Further consolidation of **internal climate risk measurement, scenario analysis, stress testing** and **risk reporting**, including its public **disclosure**
- Enhancement of **social and governance risks coverage**
- Development of credit policies to address **Net Zero strategy**
- Develop the **ESG strategy** at **Finance** and **WM level**
- Reinforcement of ESG organizational controls, processes and policies in line with the new **Corporate Sustainability Reporting Directive (CSRD)**
- Strengthening **ESG and financial awareness**

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