



Consolidated interim financial report

as at 30 June 2025



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This document is a courtesy translation into English of the document in Italian approved by the Board of Directors. In case of any discrepancies or doubts between the English and the Italian versions of the Report, the Italian version prevails.

Banco BPM S.p.A.

Registered office: Piazza F. Meda, 4 - 20121 Milan, Italy

Administrative headquarters: Piazza Nogara, 2 - 37121 Verona, Italy

Fully paid up share capital as at 30 June 2025: 7,100,000,000.00 euro

Tax Code and Milan Companies' Register Enrolment no.: 09722490969

A company representing Banco BPM VAT Group, VAT no. 10537050964

Member of the Interbank Deposit Guarantee Fund and the National Guarantee Fund

Parent Company of Banco BPM Banking Group

Enrolled in the Bank of Italy Register of Banks and the Register of Banking Groups

OFFICERS, DIRECTORS AND INDEPENDENT AUDITORS AS AT 30 JUNE 2025

Chairman
Deputy Chairman
Chief Executive Officer
Directors

Board of Directors

Massimo Tononi
Maurizio Comoli
Giuseppe Castagna
Mario Anolli
Paolo Boccardelli
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Nadine Farida Faruque
Paola Ferretti
Marina Mantelli
Chiara Mio
Alberto Oliveti
Mauro Paoloni
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Chairman
Standing Auditors

Board of Statutory Auditors

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Elbano de Nuccio
Maurizio Lauri
Silvia Muzi
Nadia Valenti

Alternate Auditors

Sara Antonelli
Marina Scandurra
Mario Tagliaferri

Co-General Manager
Co-General Manager

General Management

Domenico De Angelis
Edoardo Maria Ginevra

Manager responsible for preparing the Company's financial reports

Gianpietro Val

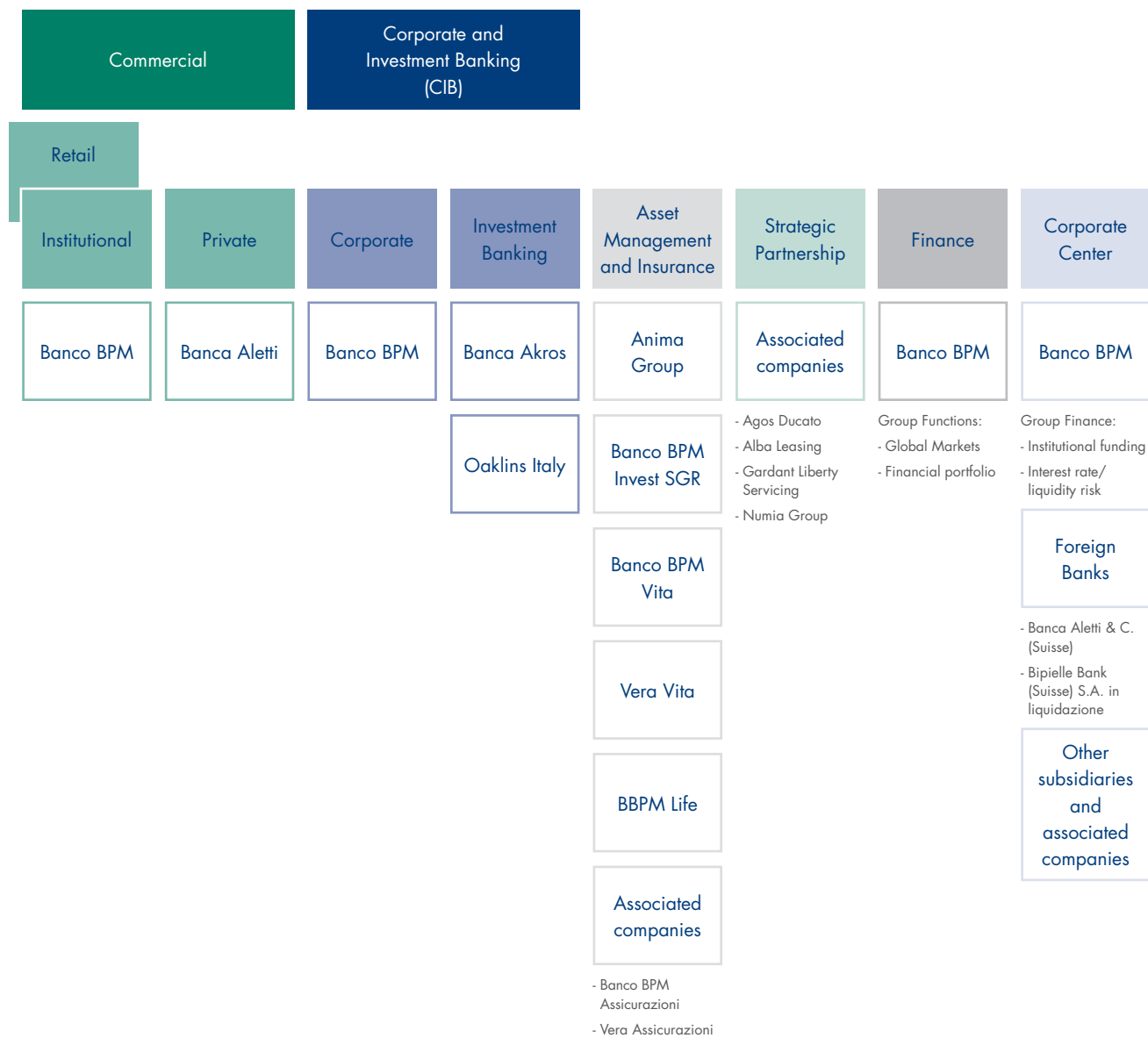
Independent Auditors

PricewaterhouseCoopers S.p.A.

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BUSINESS LINES OF THE BANCO BPM GROUP



GROUP TERRITORIAL NETWORK



Banco BPM Group Branches in Italy		Numero
Banco BPM		1,376
Banca Aletti		53
Banca Akros		1
Total		1,430

Presence abroad

The Group's foreign operations include a subsidiary company, Banca Aletti Suisse, and Representative Offices in China (Hong Kong) and India (Mumbai).

GROUP FINANCIAL HIGHLIGHTS AND ECONOMIC RATIOS

Highlights

The tables below provide the income statement and balance sheet highlights of the Group, calculated based on the reclassified financial statements. The underlying calculations for these are illustrated in the "Results" section of this Report.

It should be noted that the balance sheet data as at 30 June 2025 include the contribution of Anima Holding and its subsidiaries; similarly, the income statement figures for the first half year include the contribution of Anima Holding and its subsidiaries limited to the second quarter of 2025, following the conclusion of the tender offer on 11 April 2025.

Some economic and financial ratios are also provided, based on accounting data, corresponding to those used by the Company Management to analyse performance and consistent with the most widespread practices in the banking sector.

The definitions of the ratios and of the main balance sheet and income statement items commented on in this report are illustrated in the following section "Results", to which reference should be made for further details.

The attachments to the consolidated condensed interim financial statements provide a statement of reconciliation between the reclassified financial statements and those prepared on the basis of Circular no. 262.

(millions of euro)	I half 2025	I half 2024 (*)	% Change
Income statement figures			
Financial margin	1,665.5	1,797.7	(7.4%)
Net fee and commission income	1,205.3	1,045.1	15.3%
Operating income	3,024.0	2,794.4	8.2%
Operating expenses	(1,347.4)	(1,338.6)	0.7%
Profit (loss) from operations	1,676.6	1,455.8	15.2%
Profit (loss) before tax from continuing operations	1,515.1	1,241.8	22.0%
Profit (loss) after tax from continuing operations	1,069.1	845.9	26.4%
Parent Company's profit (loss) for the period	1,214.5	750.1	61.9%

(*) The figures relating to the previous period have been restated to guarantee a like-for-like comparison. For more details on data comparability, please refer to the "Results" section of this report.

(millions of euro)	30/06/2025	31/12/2024	% Change
Balance sheet figures			
Total assets	210,948.3	198,209.1	6.4%
Loans to customers (net)	100,434.4	99,727.3	0.7%
Financial assets and hedging derivatives	61,465.4	51,301.1	19.8%
Group shareholders' equity	15,258.1	14,603.9	4.5%
Customers' financial assets			
Direct bank funding	129,416.1	126,149.1	2.6%
Direct funding with protected capital certificates	134,888.2	132,044.1	2.2%
Indirect funding	275,432.8	116,169.4	137.1%
- Asset management	221,928.2	66,113.2	235.7%
- Administered assets	53,504.6	50,056.1	6.9%

	30/06/2025	31/12/2024	Absolute change
Information on the organisation			
Average number of employees and other staff (*)	18,651	18,694	(43)
Number of bank branches	1,430	1,434	(4)

(*) Weighted average of staff calculated on a monthly basis in terms of full-time equivalent resources. Does not include the Directors and Statutory Auditors of Group Companies.

Financial and economic ratios and other Group figures

	30/06/2025	31/12/2024
Profitability ratios (%)		
Financial margin/Operating income	55.07%	62.97%
Net fee and commission income/Operating income (*)	39.86%	36.02%
Operating expenses/Operating income (cost/income ratio)	44.56%	46.56%
Operational productivity figures (thousands of euro)		
Loans to customers (net) per employee ⁽¹⁾	5,385.0	5,334.7
Annualised operating income per employee (euro) ^(**) ⁽¹⁾	324.3	305.1
Annualised operating expenses per employee (euro) ^(**) ⁽¹⁾	144.5	142.1
Credit risk ratios (%)		
Net bad loans/Loans to customers (net)	0.42%	0.49%
Net unlikely to pay/Loans to customers (net)	0.96%	0.98%
Net bad loans/Shareholders' equity	2.75%	3.37%
Texas ratio	11.67%	11.74%
Other ratios		
Financial assets and hedging derivatives/Total assets	29.14%	25.88%
Total derivatives/Total assets	1.51%	1.42%
- trading derivatives/total assets	1.06%	0.90%
- hedging derivatives/total assets	0.45%	0.52%
Net trading derivatives/Total assets	0.26%	0.16%
Loan to deposit ratio (net loans/direct funding)	74.46%	75.53%
Regulatory capitalisation and liquidity ratios		
Phased-in Common equity tier 1 ratio (CET1 capital ratio) ⁽²⁾	14.15%	15.05%
Phased-in Tier 1 capital ratio ⁽²⁾	16.32%	17.30%
Phased-in total capital ratio ⁽²⁾	19.23%	20.33%
Liquidity Coverage Ratio (LCR)	160%	132%
Leverage ratio	4.64%	5.21%
Banco BPM stock		
Number of outstanding shares	1,515,182,126	1,515,182,126
Official closing prices of the stock		
- Final	9.912	7.812
- Maximum	10.380	7.960
- Minimum	7.694	4.732
- Average	9.363	6.109

(*) The figures relating to the previous period have been restated to guarantee a like-for-like comparison. For more details on data comparability, please refer to the "Results" section of this report.

(**) The annualised result does not represent a forecast of profits for the year.

(1) Weighted average of employees calculated on a monthly basis in terms of full-time equivalent resources, as shown in the previous table. Does not include the Directors and Statutory Auditors of Group Companies.

(2) The capital ratios as at 30 June 2025 were calculated by including the economic result in progress during the first half of 2025 net of the portion that is expected to be distributed as a dividend based on the specific applicable legislation. It should be noted that the ratios as at 30 June 2025 take into account the new rules envisaged by EU Regulation 2024/1623 (Basel 3+) and are therefore not immediately comparable with those as at 31 December 2024.

Interim report on operations

ECONOMIC SCENARIO

The international scenario

In a context of increased uncertainty, the outlook for the global economy changed significantly during the first half of the year. Among many factors, the main change came from the tightening of US trade policy: a development capable of causing a broad slowdown in global growth and reigniting inflationary pressures in the USA. There is also a risk linked to the prospects of the conflict, exploding on occasion and slowing to a crawl at times, in the Middle East, which threatens to raise the prices of energy commodities, and that in Ukraine, which has dragged on without a solution for over three years now. The escalation of trade tensions and geopolitical uncertainty are expected to cause GDP to grow this year at the slowest pace since 2008: according to the latest World Bank report, global growth is forecast at 2.3% in 2025 (+2.8% in 2024), almost half a percentage point lower than the rate forecast at the beginning of the year.

Among the main economies, the US economy is heading towards a slowdown in 2025, in contrast to the significant dynamism shown the previous year (+2.8% average growth rate in 2024). The signs of weakness during the first few months of the year were confirmed by a contraction in GDP (-0.5% quarterly annualised) during the first quarter of 2025 (+2.4% in the fourth quarter of 2024), mainly reflecting, however, the sharp increase in imports due to the advance of purchases from abroad, in view of the announced introduction of tariffs, and lower public spending. These movements were partly offset by a robust increase in investments (especially technological investments) and consumer spending (+0.5%); however, this has decelerated significantly (+4.0% in the fourth quarter of 2024). At the beginning of April, the Trump administration, as mentioned above, implemented significant tariff hikes, which were followed by escalations, de-escalations, postponements, judicial rulings and appeals, generating a climate of high uncertainty in international trade. At present, with inevitable changes to come, the average effective tariff rate is higher than 15%, the highest since the Great Depression of the 1930s. Based on initial preliminary estimates, the US economy grew more than expected during the second quarter, rebounding after the contraction in the first three months. Annualised quarterly GDP stood at +3.0%. On the one hand, the effect of the advance of imports has ceased, while on the other, the impact of concerns about the consequences of President Donald Trump's trade policies on personal consumption appears to be easing - a key aggregate for the US economy. During the period, the latter increased by 1.4%, an acceleration compared to +0.5% in the previous quarter. For the whole of 2025, the current growth estimate is 1.5%, justified by a weakening in domestic demand over the course of the year, linked to the effect of uncertainty caused by the geopolitical context.

The US labour market continues to show particular resilience. The unemployment rate fell to 4.1% in June 2025 (4.2% in May), belying market expectations of an increase. Non-agricultural payrolls increased by 147 thousand in June 2025, after 144 thousand in May. The annual US inflation rate accelerated for the second consecutive month to 2.7% in June 2025, the highest level since February (+2.4% in May); on a monthly basis, the increase was 0.3%, the highest in five months. The acceleration in prices is probably driven by companies starting to pass on the higher import costs resulting from the new tariffs.

During the period, the public deficit and the US federal debt attracted increasing attention. In addition to tariffs, in fact, with the aim of reducing the public deficit, the US government launched the so-called *Department of Government Efficiency* (DOGE) headed by the billionaire Elon Musk, with the prospect of drastic cuts to the budget; however, it did not live up to expectations. In the second half of the half year, an opposing initiative was also proposed and approved (in July): the "Reconciliation Law" (or *One Big Beautiful Bill Act* - OBBA), which also includes an increase in the federal debt ceiling, which will keep the general government deficit above 7% of GDP and push the debt/GDP ratio to 127% by 2034.

During the first part of 2025, China continued to suffer from uncertainty in terms of international trade and the real estate market: the collapse in real estate investments worsened (-11.2% in the first half of the year). This fragility is counteracted by the enforcement of accommodating monetary policies. However, the Chinese economy recorded higher than expected growth in the first quarter of 2025: GDP +5.4% YoY, thanks to the spike in exports (+6.9% YoY). Chinese exporters have also accelerated shipments in view of the impending US tariffs at a momentum that will be difficult to sustain over time. In the second half of the semester, expectations of further fiscal stimulus decreased and the weakness of the real estate market became a factor once again. In the April/June period, GDP slowed to +5.2%, while its overall progress in 2025 should be +4.8%. Urban unemployment remained at 5% in June, after reaching a two-year high of 5.4% in February. Deflationary pressures, while mitigated, persist: in June, inflation was 0.1%, compared to -0.7% in February.

For the Japanese economy, a moderate recovery is expected in 2025, after the weak growth of 2024 (+0.2%). GDP remained unchanged in the first quarter of 2025 (vs. +0.6% in the fourth quarter of 2024), in response to the uncertain international macroeconomic scenario. Spending by individuals grew by 0.1% (estimate revised upwards). Gross fixed investments by companies strengthened to +1.1%, the fastest pace since the second quarter of 2024. However, public spending fell by 0.5%. Net exports slowed down (-0.6%), decreasing for the first time since the beginning of 2024. During the second quarter, according to initial data, the pace of growth remained weak, albeit with a slight acceleration. Consumption should benefit from the upward trend in wages obtained in a context of labour market tensions. However, domestic demand remains structurally weak. GDP growth rate for the whole of 2025 is expected at +0.7%. The inflation rate fell to 3.3% in June, marking the lowest level since last November.

Developing and emerging economies are at the forefront of the ongoing international trade war. Growth in per capita income in developing economies is expected to be 2.9% in 2025, 1.1% below the average between 2000 and 2019. In detail, Indian GDP in the first quarter of the year recorded growth of 2% QoQ, while inflation fell to 2.1% in June 2025, the lowest level since January 2019, and unemployment stood at 5.6% in the same month. For the whole of 2025, GDP growth is expected to be 6.4% (6.6% in 2024). In the first quarter of 2025, the Brazilian economy grew by 1.4% (+0.1% in the fourth quarter of 2024) while inflation accelerated to 5.4% in June, from 5.3% previously, exceeding the maximum level set by the Central Bank (4.5%) for the 9th month. Unemployment fell to 6.2% in the 3 months until May, its lowest level in a year.

With regard to global trade, a significant slowdown is expected: according to ECB estimates, global imports began to slow considerably in April, with a decline from 4.1% in 2024 to 3.1% in 2025. The expected deceleration reflects the impact of tariffs and the high uncertainty relating to trade policies. The prices of raw materials, in particular those of energy commodities, favoured the - at times rapid - return of inflationary pressures, especially in the Eurozone: Brent (futures) went from USD 76 at the beginning of the year to around USD 60 at the beginning of May, before facing tensions triggered by the Israel-Iran conflict and then gradually returning, at the conclusion of the same, to around USD 67 at the end of the half year. Natural gas (TTF futures) went from 47.7 EUR/Mwh at the beginning of the year to around 33 EUR/Mwh at the end of the half year.

The economy in Europe and Italy

Overall, in the first quarter of 2025, the Eurozone economy performed well, beating expectations and slightly up compared to the end of 2024. In fact, the real GDP in the area grew by 0.6% compared to the previous quarter (+0.3% during the fourth quarter of 2024) and by 1.5% YoY (vs +1.2%). Growth in the Eurozone was influenced by the impressive figures from Ireland, which recorded an increase in GDP of 9.7% compared to the previous quarter, thanks to the presence of major global multinationals on the island, for tax reasons. The figure was also distorted by the aforementioned advance of US imports from the area, before the entry into force of the new tariffs. Expansion in Germany was higher than expected: +0.4% QoQ, compared to a decline of 0.2% in the previous quarter.

Growth in the area was the result of the moderate contribution of household consumption (+0.3% on a quarterly basis), fixed investments (+2.7%) and exports, also favoured by advance orders to the USA to avoid the tariffs announced by Trump. The volume of exports in the first quarter amounted to 761.5 billion (an increase of 7.8% compared to January-March 2024), while imports reached 699.5 billion (an increase of 7.4% compared to the first quarter of 2024). On the other hand, the contribution of the inventories component was slightly negative.

Despite some ups and downs, manufacturing production in the Eurozone recorded progress of 1.7% and 3.7% QoQ in May compared to twelve months prior. At regional level, among the major countries, there was an increase in production in Germany of 2.2% compared to April (+1.9% YoY) and of 0.6% in Spain (+1.7% YoY). The production of the services segment in seasonally adjusted terms and adjusted for working days fell by 0.3% in April compared to the previous month, but grew by 0.7% YoY. The tourism and catering segment recorded a positive performance, with growth of 1.1% QoQ and 2.8% YoY. With reference to the Eurozone construction sector, growth recorded a decrease of 1.7% compared to April but an increase in the first 4 months of +3.6%, also thanks to the +4.3% QoQ growth in April.

Concerns relating to inflation eased in the wake of the cooling of Eurozone prices, which went from a YoY increase of +2.4% in December 2024 to +2.0% in June 2025, in line with the objective of the European Central Bank. The main origin of the decline in inflation was the reduction in oil and gas prices, while the core component proved to be stickier. The cooling of inflation has allowed the Regulator to continue the process of normalisation of monetary policies that began in 2024. The Refi rate was therefore reduced through four consecutive interventions, falling from 3.15% at the beginning of 2025 to 2.15% at the end of the first half of 2025. In addition, the labour market trend was positive, with the number of employees increasing to 153.72 million in the first quarter of 2025, an all-time high, despite a stable unemployment rate of 6.3%. However, business and consumer confidence indices worsened slightly in the first

six months due to the high uncertainty of the macro-scenario, also fuelled by the new trade policies announced by Trump and by growing geopolitical tensions.

The anticipatory signs, expressed by the PMI indices updated in June, indicate a not particularly positive climate for European manufacturing with values below the expansion threshold, even if the trend shows a constant improvement. On the other hand, the services sentiment in June (50.5) was positive, confirming a certain capacity for resilience in the sector. With regard to construction, the PMI index remained in decline (46.5 in May), reflecting the marked reductions in Germany and France, while Italian companies showed an increase in activity for the third consecutive month despite the end of the 110% superbonus contribution.

On the public finance front, the public debt to GDP ratio in the Eurozone at the end of the first quarter of 2025 was 88.0%, compared to 87.4% at the end of the fourth quarter of 2024. The deficit/GDP ratio showed a downward trend in the first quarter of 2025, reaching a value of 2.9% of GDP. The data, still provisional, relating to the second quarter of 2025 show a worsening trend in these indicators, also due to public spending programmes for infrastructures and weapons envisaged by the new ReArm Europe plan; announced by the European Commission in March 2025, the plan envisages an increase in military spending within the EU. The objective is the mobilisation of 800 billion over four years, of which 650 to be raised at national level and the remainder through common debt. In addition, it is planned to divert funds intended for other purposes to defence investments. In addition, Germany has announced an extensive public investment programme for the army, roads, railways and hospitals. In detail, starting from 2025, Germany expects to invest around 120 billion euro per year in public infrastructure (2.7% of the reference GDP in 2024).

In this context of high uncertainty, initial estimates for the second quarter indicate better-than-expected economic growth for the Eurozone: +0.1% compared to the previous quarter (against expectations of an unchanged QoQ figure) and +1.4% YoY (expected at +1.2%). The result suggests that companies are adapting to the uncertainty of international trade policies, potentially reducing the need for a more expansionary monetary policy by the European Central Bank. In detail, Spain, France and Ireland continued to record higher than expected expansion, offsetting the weakness of Germany and Italy. For the whole of 2025, estimates stand at around 1% growth (0.9% in 2024). It is believed that the negative impact of tariffs on imports in the USA may be offset by the stimulating effects of aggregate demand that will come from the aforementioned infrastructure investment plans.

The Italian economy faces the same highly uncertain cyclical scenario. The first part of 2025 has shown partly contrasting macroeconomic dynamics. Italian manufacturing shows a scenario of weakness. Compared to the first five months of 2024, cumulative industrial production in May 2025 fell by -1.2% (-0.9% compared to twelve months earlier), affected by the difficulties of German industry. Compared to the low reached in December 2024, however, the index showed a certain stabilisation during the first few months of the new year. At sector level, the decline concerned in particular the means of transport sectors (-9.9% cumulative production in May from the beginning of the year on the corresponding period of 2024), manufacture of refined petroleum products (-7.1%) and the textiles, clothing, leathers and accessories industry (-8.0%). The performance of services was the opposite, with annual growth in turnover in April 2025 of 2.1% in value and 0.3% in volume. In June 2025, the manufacturing PMI index remained weak, with a value continuously below the expansion threshold for fifteen months. The indications of services are more positive, with a PMI index confirming a prolonged state of sector health.

The dynamics of the labour market remain good. The positive trend in the number of employees continues: in May 2025 it reached 24.3 million, up by 80 thousand compared to the previous month and by 408 thousand compared to the previous 12 months. The employment rate rose to 62.9%, while unemployment rose to 6.5% due to a jump in the available workforce. The data on inflation in Italy remain at levels lower than those of the main European countries despite an increase in June 2025: the national consumer price index for the entire community (NIC), gross of tobacco, grew in June by +0.2% on a monthly basis and +1.7% compared to the corresponding month of 2024 (changes identical to those of the HICP); "core inflation", on the other hand, accelerated from 1.9% to 2.1%. An analysis of international trade shows that Italy also benefited from the effect of advance orders to avoid the announced imposition of tariffs by the US. Growth in exports during the first quarter was 3.2% YoY, thanks to the contribution of the United States, whose imports from Italy increased by approximately 12% YoY and by 41.2% QoQ.

Despite the complex context outlined above, Italian GDP in the first quarter of 2025 grew by 0.3% QoQ and by 0.7% compared to the first quarter of 2024. However, this is a slightly lower rate than that of the Eurozone (+0.6%), but similar if the exceptional impact caused by Ireland were removed from the latter. The growth is the summary of the positive contribution of domestic demand net of inventories (+0.4 pp) and net exports (+0.1 pp), while the change in inventories subtracted 0.3 percentage points from the change in GDP. The change acquired for 2025 is 0.5%. As regards the second quarter of the year, based on preliminary data published by ISTAT, the Italian economy suffered an unexpected contraction compared to the previous three months: -0.1% GDP in the period, due to the negative effect of the foreign component (net exports), as detailed by ISTAT. However, the aggregate increased by +0.4% YoY (i.e. compared to the same quarter of 2024) while the change acquired for 2025 is in any case equal to +0.5%. The

uncertainties of the macroeconomic scenario, a consequence of international tensions and the trade policies of the new US administration, point to moderate overall GDP growth in 2025, slightly lower than in 2024 (+0.7%), despite a positive contribution from the NRRP also for the current year. Consensus estimates indicate GDP growth of 0.6% for the whole of 2025.

During the first half of 2025, news regarding public finances was predominantly positive: the European Commission, at the beginning of June, favourably assessed Italy's recovery from the excessive deficit. Tax inflows during the first five months of the year reached 213.5 billion, marking an increase of 3.3% compared to the same period of 2024. At the same time, the share of debt held by non-resident investors grew, indicating a growing confidence in Italian government bonds. The results should make it possible to close the year in line with estimates of a 2025 deficit/GDP ratio of 3.3% (3.4% in 2024) and a public debt/GDP ratio of 137.6% (vs. 135.3% in 2024).

Monetary policy and the financial markets

During the first half of 2025, the decline in global inflation, more pronounced in the Eurozone and in Italy, opened up further room for manoeuvre for monetary policy. The complex mix of geopolitical tensions - and their economic-financial repercussions - arising during the period, the different conditions of public finance - especially with reference to the USA and the change in course of German fiscal policy - as well as some important technological developments related to cryptocurrencies have, however, imposed different timescales and strategies on the main central banks.

During the half year, the ECB sent a series of key signals, indicating support for growth in a context of rapidly declining inflation as a priority for monetary policy. It therefore decisively continued its policy of reducing interest rates, in place since mid-2024, lowering the reference rates by 25 basis points in the June meeting for the fourth time since the beginning of the year: to 2.0% Depo rate, 2.15% on the main refinancing operations and 2.4% on the marginal refinancing operations. Conversely, the US Federal Reserve remained cautious for the entire period, keeping reference rates steady, waiting to find solid evidence of a lasting slowdown in inflation, before acting in an expansionary direction on the official rates front. The target corridor for Federal funds therefore remained unchanged in the half year at 4.25%-4.50%. This is despite the fact that there has been significant political pressure from the White House to also lower the official rates more decisively.

In this last respect, a key role was played during the period by the events concerning the US public debt. As mentioned above, one of the objectives of the new and more restrictive trade policy of the Trump administration is also to obtain, through tariffs, a consistent flow of taxation capable of giving room for manoeuvre to more expansive tax policies, to be implemented also through tax cuts, as occurred with the aforementioned legislative intervention (OBBA) at the beginning of July. On the other hand, the weakening of the dollar and of its role as a reserve currency, in addition to the decision of Moody's, the last of the three main rating agencies to downgrade the US credit rating from the maximum level, and the lower propensity among institutional investors for US government bonds, exerted upwards pressure on medium-/long-term US Treasury yields.

The rate on the ten-year T-Bond was initially affected by expectations of a return of inflation linked to the imposition of tariffs and the return to positive values of the risk premium requested by investors on US government bonds, with other macroeconomic drivers staying the same: the 10Y T-Bond opened the year at 4.56%, reaching a peak of 4.79% in January and, after a period of volatility also linked to the ups and downs connected to tariffs and inflation that, in any case, appeared under control, closed the period at 4.22%.

Short-term rates in the Eurozone followed the gradual decline in official rates. In particular, the 3-month Euribor fell from 2.74% at the beginning of the year to 1.93% at the end of the half year. As regards the medium-long term, German 10Y rates (Bund), after opening the year at 2.375%, closed the period at 2.61%, also in the face of a strongly expansionary turn in German fiscal policy, which pushed yields at the beginning of March to the peak for the period of 2.9%. The BTP/Bund spread recorded a significant decline in the half year, falling below the 100 bps threshold: at the end of June it reached a level of 88 bps, from 115 bps at the end of 2024, based on the stricter financial legislation approach and the moderately favourable performance of Italian public accounts.

As mentioned above, due to a combination of factors, including heightened political uncertainty, the growing budget deficit and persistent current accounts imbalances, the US dollar weakened against the main currencies during the period: the Euro/USD exchange rate, after opening the year at 1.036, rose sluggishly and reached a high of 1.18 at the end of June, with depreciation of around 12% in just six months. Geopolitical tensions, at times intense, accentuated the volatility of the US currency, supporting commodities prices, in particular those of precious metals: gold prices rose by about 26% in the first half of the year, reaching a new all-time high.

Despite the numerous challenges faced, capital markets have demonstrated general resilience, stimulated by the strength of US economic data, robust demand for new technologies and the forecasting of imminent interest rate cuts in the United States. The progress of the main stock indexes was once again driven in particular by US technology

companies. The huge investments in new data centres announced by the main cloud and artificial intelligence suppliers have fuelled the market's risk appetite. Among these, the S&P500 recorded an increase of +5.5% in the half year, interrupted only, between March and April, by a rapid and profound, but temporary, correction in the wake of the announcement of US tariffs and geopolitical tensions. The Nasdaq-100 index of technology stocks recorded an increase of +7.93% during the period, interrupted only by the same similar correction between March and April. In Europe, the Eurostoxx 600 index recorded a performance of +6.65% during the half year. Within this, it is worth highlighting the performance of the banking segment, which closed with an increase of +37.6%, while the corresponding Italian index closed the period with a performance of +32.5%.

Domestic banking activity

The scenario described in the previous paragraphs shows a picture of uncertainty that impacts investment and consumption demand, with possible negative effects also for the banking system. In the half year under review, however, the banks in the Eurozone demonstrated their resilience, with the Italian banking system, in particular, maintaining operational robustness and solid profitability.

Overall, in the first half of 2025, credit dynamics were substantially stable: based on initial SI-ABI estimates published in July 2025, total loans to residents in Italy in June 2025 stood at 1,654 billion, a YoY change of +0.5%. Loans to the private sector alone equalled 1,422 billion in the same month, up 0.7% compared to a year earlier. Loans to households and non-financial companies were equal to 1,281 billion, up 0.9% YoY.

In detail, in May 2025, the latest figure available, the rate of change of loans to non-financial companies was -1.4% YoY. The gradual decline is due to lower needs to finance inventories and working capital and greater recourse to self-financing, partly offset by the greater need for fixed investments and the incentive deriving from the drop in interest rates.

Loans to households increased by 1.5% YoY, with an increase in both home purchase loans and consumer credit. The partial recovery of purchasing power, the resilience of the real estate market and the decrease in interest rates brought about a moderate expansion of the aggregate.

In terms of funding, in June 2025 bank deposits from customers were positive: both deposits and bonds were up. The stock of total direct funding (deposits from resident customers and bonds) is equal to 2,100 billion, up by 1.0% compared to the previous year.

Specifically, deposits from resident customers in May 2025 amounted to 1,832 billion and increased by 1.0% YoY. Medium- and long-term funding, through bonds, rose by 0.9% compared to a year earlier.

The amount of current account deposits recorded an increase of 5.8% between May 2025 (1,386 billion) and May 2024 (1,310 billion); on the contrary, deposits with a pre-established duration recorded a decrease of 6.1% YoY. Deposits with advance notice were up slightly, with an annual change of 1.0%, while repurchase agreements (net of central counterparties) remained essentially stable.

The evolution in interest rates was naturally affected by the cuts in official rates by the ECB. The average rate of bank funding from customers stood at 0.93% in June 2025, down compared to 1.26% in June 2024. More specifically, the average rate on deposits in euro applied to households and non-financial companies stood at 0.66% (1.03% in June 2024) and that on bonds at 2.85% (2.92% in June 2024). On the other hand, with regard to loans, the average rate in the same month fell to 4.02% from 4.44% at the beginning of the year and from 4.77% in June 2024. In June 2025, the mark-up (calculated as the difference between the average rate on loans and average 3-month Euribor rate) was 2.04% (1.04% in June 2024), while the mark-down (calculated as the difference between the average rate on deposits and the average 3-month Euribor rate) was 1.32% (2.70% in June 2024). As a result, the banking spread has narrowed: it stood at 3.36% in June 2025, down compared to 3.74% in June 2024. In terms of credit quality, the impact of non-performing loans on total loans, significantly reduced over the last few years, remained basically stable, and the loan default rate remained at low levels. In particular, in May 2025, the amount of net non-performing loans was equal to 31.2 billion, essentially on the same levels as December 2024 (31.3 billion) and represents 1.50% of total loans, while at the end of 2024 this ratio was 1.51% (1.41% in December 2023).

In May 2025, the assets of Italian and foreign open-ended funds stood at around 1,217 billion, a YoY increase of 3.1%. The significant imbalance towards foreign funds, which account for 75.9% of the total, remains.

SIGNIFICANT EVENTS DURING THE PERIOD

The first half of 2025 was characterised by a situation of persistent geopolitical instability, deriving, in particular, from the ongoing conflicts in Ukraine and the Middle East that have influenced the world economy and international balances.

In this context, the Group's operations focused on the areas described below.

Voluntary public purchase offer on all shares of Anima Holding

During the first half year, the voluntary tender offer by Banco BPM Vita for all the ordinary shares of Anima Holding S.p.A., launched in November 2024, was concluded.

In more detail, in February 2025, the commitments to subscribe to the Offer were finalised between Banco BPM Vita, on the one hand, and Poste Italiane S.p.A., FSI SGR and certain top managers of Anima, on the other, concerning Anima shares which, added to the interest already held by Banco BPM of approximately 22%, represented a total of approximately 44.8% of the share capital of Anima.

On 28 February 2025, the Shareholders' Meeting of Banco BPM, resolved, with 97.64% of votes in favour, to authorise, pursuant to Art. 104, paragraph 1 of the Consolidated Finance Law, Banco BPM and on its behalf the Board of Directors, to ensure that, in compliance with the directives issued by Banco BPM in the exercise of management and coordination activities, the subsidiary Banco BPM Vita can: (i) increase the unit price offered from 6.20 euro (cum dividend) to 7.00 euro (cum dividend) and (ii) exercise the right, where deemed appropriate, to waive all or part of one or more of the voluntary conditions of effectiveness attached to the offer by Banco BPM Vita and not yet fulfilled at the date of the Shareholders' Meeting. In fact, it should be noted that the effectiveness of the Offer was subject to the fulfilment of a series of conditions, including a positive response from the ECB regarding the applicability to the transaction of the regulatory treatment of the Danish Compromise. In execution of the resolution of the Shareholders' Meeting, the unit price of the Offer was therefore increased to 7.00 euro (cum dividend).

Furthermore, following the communication of 21 March 2025 in which the ECB expressed its vision regarding the non-applicability of the Danish Compromise to the acquisition of Anima Holding, the bodies of Banco BPM and Banco BPM Vita, convinced of the strong strategic value of the transaction resolved, on 27 March 2025, to the extent of their respective responsibilities, to waive the application of the regulatory treatment of the Danish Compromise and the continuation of the tender offer for Anima Holding.

To meet the financial commitments of Banco BPM Vita, on 10 March 2025, the parent company Banco BPM made a contribution to future share capital increases.

Having obtained all the authorisations required by sector regulations in relation to the Offer for the purposes and effects of Art. 102, paragraph 4 of the Consolidated Finance Law, with the decision of 13 March 2025, CONSOB approved the Offer Document.

The period of adhesion to the Offer agreed with Borsa Italiana S.p.A. began on 17 March 2025 and ended on 4 April 2025.

On 9 April 2025, the final data of the Offer were disclosed, which concluded with the adhesion of a total of 221,067,954 shares, representing 67.976% of the share capital of Anima Holding S.p.A., for a total value of 1,547.5 million.

Therefore, as a result of the Offer, as well as the transfer of the interest already held by Banco BPM in Anima Holding to Banco BPM Vita (equal to 21.973%), effective from 11 April 2025, the Group holds a total of 292,527,616 shares, representing 89.949% of the share capital of Anima Holding. As part of the business model outlined in the Group's Strategic Plan, the interest in Anima Holding¹ is therefore wholly owned by Banco BPM Vita.

The transaction forms part of the broader context of the Strategic Plan of Banco BPM Group, updated on 11 February 2025 with a three-year time frame until 2027, as better illustrated below, which leverages a revenue growth model strongly focused on product factories. In greater detail, the business model of the entire Banco BPM Financial

¹ Anima Holding in turn holds the following interests: Anima SGR S.p.A. (100%), Anima Alternative SGR S.p.A. (100%), Kairos Partners SGR S.p.A. (100%), Castello SGR S.p.A. (80%), which in turn, holds 76.05% of the share capital of Vita S.r.l.

Conglomerate will benefit from the new integrated Life Insurance and Asset Management factory, thus bolstering the proven potential of the Group's distribution network.

Anima Holding and its subsidiaries Anima SGR, Anima Alternative SGR, Kairos Partners SGR and Castello SGR integrated the Banco BPM Banking Group and were included in the line-by-line scope of consolidation as of 30 June 2025.

Update of 2023-2026 Strategic Plan

The Board of Directors of Banco BPM, in its meeting on 11 February 2025, approved the update of the Group's 2023-2026 Strategic Plan, extending the time frame until 2027.

The excellent results achieved during the previous year, as well as the extraordinary transactions and the initiatives carried out in 2024 have therefore made it appropriate to update the Plan in advance, envisaging new, more ambitious performance objectives and higher remuneration targets for shareholders.

The update, developed by incorporating the new macroeconomic outlooks with more conservative assumptions, is based on the same 7 strategic pillars of the 2023-2026 Strategic Plan, with the addition of a new pillar relating to the integration of Anima, starting from the second half of 2025.

With reference to the documents published by Banco BPM (press release of 12 February 2025 and relative presentation to the market), for more details, the macro-strategy defined for the next three-year period is summarised below.

- the consolidation of its vocation as a bank close to businesses and SMEs;
- the strengthening of wealth management and life insurance;
- the development of product factories with a view to reinforcing a more diversified and higher value-added business model;
- the strengthening of omnichannel services for an increasingly digital bank;
- innovation as a priority to make the bank leaner and more secure in the cyber environment;
- the objective of being close to people and the community, supporting their growth;
- further strengthening the Group's capital profile.

Ambitious ESG sustainability objectives have also been defined, which envisage a strong commitment to actions to support customers' ESG sustainability paths, encouraging i) the decarbonisation of production processes to support the transition to a net zero greenhouse gas emission economy, in line with the objectives of the European Green Deal, ii) support for the territories in which Banco BPM operates and the communities present therein, also through training and awareness initiatives on sustainability issues and the disbursement of grants for the development of social and environmental projects, iii) the promotion of interventions aimed at ensuring the production and housing continuity of the stakeholders and, lastly, iv) the ESG training activities of the Group's employees, an essential channel for the development and dissemination of ESG culture.

Streamlining of the Group's activities

Partial demergers from the separation of a lease loan portfolio

In March 2025, the deeds of partial demerger of Banco BPM were signed relating to the disposal of the Bank's non-performing leasing portfolio, for an amount of approximately 67 million (Toledo Project) in favour of two special purpose companies: Tago LeaseCo S.r.l. and Burgos Leasco S.r.l., following the obtainment of the authorisations issued by the European Central Bank.

Subsequently, Banco BPM and Finanziaria Internazionale S.p.A. signed a deed of transfer through which Banco BPM sold 100% of the capital of Tago LeaseCo and Burgos Leasco to Finanziaria Internazionale.

Banco BPM therefore no longer holds any interests in the aforementioned special purpose entities.

This transaction had substantially no impact on the income statement during the half year.

Interest disposals

On 14 March 2025, the sale to Mediobanca – Banca di Credito Finanziario S.p.A. of the interest held by Banco BPM in SelmaBipiemme Leasing, equal to 40% of the company's capital, was completed for the price of 17 million.

In advance, SelmaBipiemme Leasing S.p.A. had distributed an extraordinary dividend to shareholders for a total of 60 million, of which 24 million was due to Banco BPM.

As a result of the transaction described above, which amounted to a total of 41 million and which had no impact on the income statement in the first half of 2025, Banco BPM no longer holds any interest in the aforementioned company.

On 11 June 2025, Banco BPM finalised the sale to Cober S.r.l. of the 84% interest in the share capital of PMG S.r.l. in liquidation, for a total value of 44 thousand euro, after offsetting the respective trade receivables and tax payables and with the subsequent remission to PMG S.r.l. in liquidation of the residual credit after offsetting.

On the same date, Banco BPM sold to Copernicus Servicing Italia S.p.A. the non-performing loans, with a face value of 35.4 million, claimed by Banco BPM from PMG S.r.l. in liquidation and almost entirely written down, for a total price of approximately 1 million.

These transactions had no significant impact on the income statement for the half year.

As a result of the aforementioned disposals, Banco BPM no longer holds any interest in PMG S.r.l. in liquidation, nor are there receivables due from it or payables due to it.

However, the completion of these transactions generated a net positive impact on the consolidated income statement for the first half of the year of approximately 9.5 million, connected to the derecognition of deferred taxes previously recognised in the consolidated financial statements.

Other events in the period

Banco BPM Vita share capital increase

With reference to the voluntary tender offer promoted by Banco BPM Vita on all the shares of Anima Holding S.p.A. described above, in order to provide Banco BPM Vita with the financial resources necessary for the payment of the consideration for each Anima Holding share used for the offer and the purchase of the interest held by Banco BPM in Anima Holding as following the adhesion period, Banco BPM, on 10 March 2025, made a payment to the company for a future capital increase for an aggregate principal amount of 2,276.5 million.

On 27 May 2025, the Extraordinary Shareholders' Meeting of Banco BPM Vita resolved to increase the share capital against payment by a total of 1,920 million, through the issue of 384,000,000 shares with a unit face value of 5 euro, fully subscribed by the sole shareholder Banco BPM.

Therefore, on 17 June 2025, Banco BPM Vita returned to Banco BPM the amount of 356.5 million, corresponding to the surplus between the amount of the payment made on 10 March 2025 and the amount of the increase of share capital resolved upon.

Following the obtainment of the authorisation from IVASS, on 1 July 2025 the share capital increase of Banco BPM Vita was recorded with the competent Register of Companies; the new share capital of the company is therefore equal to 2,099.1 million, represented by 419,825,000 shares with a unit face value of 5 euro, entirely held by Banco BPM.

Voluntary public exchange offer promoted by UniCredit on Banco BPM shares

On 25 November 2024, UniCredit S.p.A. announced, pursuant to and by effect of Art. 102 of the Consolidated Finance Law and Art. 37 of the Issuers' Regulation ("Press Release 102"), its intention to promote a full voluntary public exchange offer ("Public Exchange Offer"), not previously agreed with the Bank, on all shares of Banco BPM. More specifically, the share swap ratio was set at 0.175 newly-issued UniCredit shares for each Banco BPM share, which entailed on the date of the announcement, an implicit offer price of 6.657 euro per share and a total consideration of approximately 10.1 billion.

The Public Exchange Offer was subject to conditions of effectiveness detailed in the same UniCredit Press Release 102 (and in the subsequent Offer Document), including the circumstances that (i) by the date of payment of the consideration of the Offer, Banco BPM and/or Banco BPM Vita do not modify the terms and conditions of the Offer on all Anima shares, with respect to what was communicated to the market on 6 November 2024, including the waiver in whole or in part of the conditions precedent to the Anima Offer or a modification of the consideration (the "Anima Tender Offer Condition"), (ii) between the date of Press Release 102 and the trading day prior to the date of payment of the

consideration of the Offer, Banco BPM and/or its direct or indirect subsidiaries and/or associates do not resolve and in any case do not carry out, even if resolved before the date of Press Release 102, nor undertake to carry out, acts or transactions that may counteract the achievement of the objectives of the Public Exchange Offer pursuant to Art. 104 of the Consolidated Finance Law, even if they have been authorised by the ordinary or extraordinary shareholders' meeting of Banco BPM or are decided and carried out independently by the ordinary or extraordinary shareholders' meeting and/or by the management bodies of the subsidiaries and/or associates of Banco BPM (the "Defensive Measures Condition"), as well as (iii) the issue of Other Authorisations - as defined therein, also including *"the necessary communications to the Presidency of the Council of Ministers pursuant to Art. 2 of Italian Decree Law no. 21 of 15 March 2012 and subsequent amendments (Golden Power)"* - without prescriptions, conditions or limitations (the "Other Authorisations Condition").

On 28 February 2025, following the call by the Bank's Board of Directors, the Ordinary Shareholders' Meeting of Banco BPM was held, called to resolve on: *"Authorisations, pursuant to Art. 104, paragraph 1, of Italian Legislative Decree 58/1998, as subsequently amended and/or supplemented, to the Board of Directors of the Company to ensure that, as part of the full voluntary tender offer promoted by the subsidiary Banco BPM Vita (the "Offer") on ordinary shares of Anima Holding, Banco BPM Vita may: (i) increase the consideration offered from 6.20 euro (cum dividend) to 7.00 euro (cum dividend); (ii) exercise the right, where deemed appropriate, to waive all or part of one or more of the conditions of effectiveness set out in the Offer. Related and/or consequent resolutions"*.

The aforementioned Ordinary Shareholders' Meeting of the Bank almost unanimously approved both proposals on the agenda.

Following the authorisation obtained, as communicated to the market on the same date, the consideration of the Anima Offer was increased from 6.20 euro (cum dividend) to 7.00 euro (cum dividend). As a result of the foregoing, both the Anima Tender Offer Condition and the Defensive Measures Condition were not fulfilled.

On 28 March 2025, UniCredit announced to the market that the ECB and the Bank of Italy had obtained authorisation to acquire - following the Public Exchange Offer - direct control of Banco BPM, indirect control and the qualified indirect interest of banks, financial companies and asset management companies of the Banco BPM Group and the Anima Group.

On 1 April 2025, Consob approved the Public Exchange Offer document (the "Offer Document"), the registration document, the explanatory notes and the summary (jointly, the "Offer Documentation") relating to the public ordinary shares offer, deriving from the share capital increase of UniCredit to service the Public Exchange Offer, published on 2 April 2025. The period of adhesion to the Public Exchange Offer was agreed between UniCredit and Borsa Italiana as forty trading days, from 8:30 a.m. on 28 April 2025 to 5:30 p.m. on 23 June 2025 (inclusive).

On 18 April 2025, the Presidency of the Council of Ministers notified UniCredit and Banco BPM with a measure exercising the special powers envisaged by the Golden Power regulation, by imposing on UniCredit the specific requirements set out below: *"a. not to reduce, for a period of five years, the loan/deposits ratio implemented by Banco BPM S.p.a. and UniCredit S.p.a. in Italy, with the aim of increasing loans to households and domestic SMEs; b. not to reduce the level of the current project finance portfolio of Banco BPM S.p.a. and Unicredit S.p.a. in Italy; c. for a period of at least 5 years: (i) not to reduce the current weight of Anima Holding S.p.a.'s investments in securities of Italian issuers; (ii) to support the Company's development; d. to cease all activities in Russia (funding, lending, placement of cross-border loan funds) within nine months from the date of this measure; e. if it is not possible to comply with one or more of the requirements listed above, to immediately notify the competent monitoring Administration, indicating the reasons that make it impossible to fulfil the requirements"*.

Due to the provisions contained in the Golden Power Measure, the Other Authorisations Condition was also not met. On 24 April 2025, the Board of Directors of Banco BPM unanimously approved the press release drawn up pursuant to Art. 103, paragraphs 3 and 3-bis of the Consolidated Finance Law, and Art. 39 of the Consob Regulations 11971/1999 (the "Issuer's Press Release"). The Board of Directors, following a careful assessment of the terms and conditions described in the Offer Document, also taking into account the various elements highlighted in more detail in the Issuer's Press Release, considered the Public Exchange Offer to be uneconomical and the consideration offered not commensurate.

Following the detachment of the coupon relating to the UniCredit dividend, which took place on 22 April 2025, and the coupon relating to the Banco BPM dividend, which took place on 19 May 2025, the exchange ratio of the consideration of the Public Exchange Offer was automatically adjusted - in accordance with the provisions of the Offer Document - to a share swap of 0.166 newly issued UniCredit shares for each Banco BPM share used for adhesion to the Public Exchange Offer.

With decision no. 23562/2025 of 21 May 2025, Consob - pursuant to Arts. 102 and 106, paragraph 4 of the Consolidated Finance Law - suspended the Public Exchange Offer for a period of 30 calendar days starting from 22

May 2025, with resumption of the period for adhesion to the Public Exchange Offer on 23 June and the related closure postponed until 23 July 2025.

Subsequently, on 23 May 2025, the Board of Directors of UniCredit resolved to waive the Anima Tender Offer Condition and the Defensive Measures Condition, the latter with reference only to the defensive measures authorised by the aforementioned Shareholders' Meeting of the Bank of 28 February 2025.

On 3 July 2025, UniCredit published the supplements to the Offer Document and the Offer Documentation.

On 12 July 2025, the Lazio Regional Administrative Court, with ruling no. 13748/2025 ruled on the appeal filed by UniCredit in relation to the Golden Power Measure, confirming the substantial legitimacy of the provisions contained in the aforementioned Measure, i.e. (i) not to reduce the loan/deposits ratio implemented by Banco BPM and UniCredit in Italy, with the objective of increasing loans to households and domestic SMEs, (ii) not to reduce the level of the current project finance portfolio of Banco BPM and UniCredit in Italy, (iii) not to reduce the current weight of Anima's investments in securities of Italian issuers and to support the Company's development, (iv) to cease all activities in Russia (funding, lending, placement of cross-border loan funds). As disclosed by the Bank to the market on the same date, in fact, the ruling intervened exclusively with regard to the time profile of the limit on the loan/deposits ratio and required that a time frame be set with respect to the requirement relating to the maintenance of the project finance portfolio level, fully confirming the provisions relating to the weight of Anima's investments and the termination of all activities in Russia.

Subsequently, on 14 July 2025, the European Commission sent a note to the Presidency of the Council of Ministers in which it expressed a preliminary assessment of the contradiction of the Golden Power Decree and the provisions contained therein with respect to Art. 21 of Regulation EC/139/2004, and the principles of EU law, giving the Italian Government a deadline of 20 working days, expiring on 11 August 2025, to submit its observations on the matter.

In consideration of all the above, with resolution no. 23640/2025 of 22 July 2025, Consob once again suspended the Public Exchange Offer - pursuant to Arts. 102 and 106, paragraph 4 of the Consolidated Finance Law - for a further 30 calendar days. Nonetheless, through a specific press release issued on the same date, UniCredit informed the market of the withdrawal of the Public Exchange Offer, as *"the condition relating to the Golden Power authorisation has not been met"*.

Funding and capital transactions

In January 2025, Banco BPM concluded an issue of Social Senior Preferred securities, reserved to institutional investors, for an amount of 500 million, fixed coupon of 3.375% and a 5-year maturity.

This is the first Italian Social Bond of 2025 issued as part of the Green, Social and Sustainability Bonds Framework, which increases the total ESG issues of Banco BPM to 6.25 billion. The income will be used to refinance Eligible Social Loans; in particular, the purpose of the funding is to refinance loans disbursed to Italian SMEs, located in economically disadvantaged areas.

The Framework integrates with Banco BPM's ESG strategy and represents the effective implementation of the environmental and social sustainability objectives that are increasingly guiding and characterising the Bank's various business areas.

In February 2025, Banco BPM concluded the issue of Social Covered Bonds, reserved to institutional investors, for an amount of 750 million, fixed coupon of 2.625% and maturity of 4.5 years, as part of its 10 billion Covered Bond programme.

The income from said issue will be used to refinance Eligible Social Loans, as defined in the Bank's Green, Social and Sustainability Bonds Framework. In particular, funding is mainly aimed at refinancing residential mortgages granted to disadvantaged people, with a state guarantee greater than or equal to 80%.

Moreover, in May 2025, Banco BPM concluded a new issue of an Additional Tier 1 equity instrument with a perpetual duration and "callable" from the fifth year, for an amount of 400 million. The security, intended for institutional investors, was issued at par with a fixed coupon of 6.25% until November 2030; payment of the coupon is totally discretionary and subject to certain limitations.

The security also provides for a temporary reduction of the face value if the CET1 ratio at consolidated or individual level falls below 5.125%.

Lastly, on 24 June 2025, a new subordinated Tier 2 issue was concluded, intended for institutional investors, for an amount of 500 million, fixed coupon of 4% until January 2031, maturity 10.5 years and possibility of early repayment in January 2031.

The security is issued under the Euro Medium Term Notes Programme of Banco BPM.

Inspections and proceedings of the Supervisory Authorities

During its standard business activities, the Group is subject to inspections conducted by the Supervisory Authorities. More specifically, within the European system of banking supervision (Single Supervisory Mechanism), the Group is subject to the prudential supervision and, following the acknowledgement of financial conglomerate status, to the supplementary supervision of the European Central Bank (ECB); with regard to specific matters, supervision is the direct responsibility of the Bank of Italy and CONSOB and, as regards the Group's insurance companies, of the Institute for Insurance Supervision (IVASS).

Supervisory activities entail making ordinary and recurring inspections ("on/off-site inspection"), accompanied by "remote" inspections, conducted through structured and continuous exchanges of information, as opposed to specific requests for documentation and in-depth examination of specific areas.

Most of the inspection activities have already been concluded with the release of the Final follow up letters or Final decisions, through which the ECB communicates the corrective actions required in relation to the areas for improvement identified. If the inspections regarded aspects with a potential impact on capital, the observations made as well as the information acquired during the entire process were duly considered, when relevant, within the valuation of the company's assets/liabilities. If the inspections have identified areas for improvement as regards the processes examined, the Group has prepared specific corrective action plans.

Listed below are the inspections launched in 2025 and the inspections that concluded with the receipt of the decision, containing binding requirements, for which the relative remediation plans are underway.

Banco BPM is also waiting to receive final results from the Supervisory Authority regarding certain inspections concluded in 2024 (in particular, the inspection relating to the assessment of credit and counterparty risk management, with reference to the Retail portfolio).

Inspections by the ECB:

- with regard to internal governance and risk management in relation to Bancassurance, the inspection, which began on 17 February and was carried out on site, ended on 14 May 2025;
- on climate and environmental risk management, the inspection, which began on 4 December 2023 and was conducted on site, ended on 15 March 2024. On 16 May 2025, the Bank received the decision imposing 3 binding requirements for which corrective actions are underway;
- with regard to liquidity and funding risk, the inspection, which began on 15 April 2024 and was conducted on site, ended on 28 June 2024; on 12 February 2025, the Bank received the Final Follow-Up Letter, which contained only non-binding recommendations to comply with the expectations of the Supervisory Authority; corrective actions are in progress;
- with regard to the application sent by the Bank for the extension of the internal model for the purposes of calculating the prudential requirements of credit risk to the Specialised Lending exposure classes and the use of the slotting criteria approach, on 17 May 2024, the Bank received the decision, which contained 3 binding requirements for which corrective measures are underway;
- for the assessment of cybersecurity risk management, on 2 August 2024, the Bank received the decision containing 5 binding requirements the relative corrective actions for which are being developed;
- as regards credit and counterparty risk, investigations on internal models used to calculate credit risk requirements for the following exposure classes: Corporate - Other; Corporate - SME; Retail - Other non-SME; Retail - Other SME; Retail - Qualifying revolving; Retail - Secured by real estate non-SME; Retail - Secured by real estate SME. On 15 December 2023, the Bank received the decision containing 19 requirements for which corrective actions are underway;
- on credit and counterparty risk to review asset quality, with reference to the Commercial Real Estate ("CRE") portfolio, and the assessment of the credit risk management procedures and control and governance systems ("Credit and counterparty risk – Credit Quality Review of CRE portfolio and assess selected credit risk processes"), on 21 April 2023, the Bank received the decision that contained binding requirements and qualitative recommendations. As at 30 June 2025, all corrective actions had been completed;
- as regards credit and counterparty risk, with reference to the Retail - Residential Real Estate (RRE) portfolio: inspection concerning the assessment of the regulatory compliance of the framework for the implementation of accounting standard IFRS 9. The inspection, which started on 30 September 2024 and was conducted on site, ended on 13 December 2024. On 26 March 2025, the Bank received the final report, which did not identify significant shortcomings, indicating certain areas for improvement (relating to forbearance, management of guarantees and models for calculating the lump-sum write-down of non-performing loans).

Lastly, although no binding requirements were established for the Bank, with regard to the SME Retail portfolio, note the inspection on credit and counterparty risk for the assessment of the regulatory compliance of the framework for the implementation of IFRS 9 and the examination of the credit risk management methods (policies, methodologies, procedures and governance) with reference to portfolios of assets specifically identified and subject to qualitative review (Credit Quality Review). On 27 May 2024, the Bank received the Final Follow up Letter, containing recommendations for which, as at 30 June 2025, all corrective actions had been completed.

Inspections by the Bank of Italy:

- with regard to the analysis of the active collaboration process for loans backed by public guarantees: the inspection, conducted on site, began on 26 May 2025 and is still in progress;
- with regard to checks on automatic cash recirculation devices: the inspection, conducted on-site from 13 to 23 May 2025, involved 11 agencies of the Central-Southern Territorial Department;
- in the AML area, in terms of transactional monitoring: on 13 March 2025, Banco BPM received the outcome of the inspection, which identified a single operational finding. The corrective action plan is underway;
- as regards consumer credit and real estate credit to consumers, verification of the adequacy of the organisational and control structures, policies and procedures on the issue of loans, for the protection of consumers in difficulty and prevention of the risk of over-indebtedness. The on-site inspection began on 21 November 2023 and ended on 2 February 2024. On 16 April 2024, Banco BPM received the result of the inspection, which identified items for improvement in terms of procedures and practice, particularly in the management of the pre-contractual phase. The corrective action plan is underway.

RESULTS

Introduction

The balance sheet and income statement shown below are presented in reclassified format, according to operating criteria, in order to promptly provide information on the general performance of the Group, based on aggregated economic-financial data that can be quickly and easily understood.

These layouts have been prepared based on the financial statement layouts indicated in the Bank of Italy's Circular no. 262/2005 as updated, applying the same aggregation and classification criteria applied when preparing the consolidated financial statements as at 31 December 2024, except for what is illustrated below.

In this regard, it should be noted that, with reference to the reclassified income statement as of 30 June 2025 the income items constituting the remuneration of the structuring and risk hedging activities of the certificates, as well as those relating to the remuneration of sales to retail and corporate companies of hedging derivatives, previously shown in the item "net financial result", are included in the item "Net fee and commission income".

In addition, the impacts of the realignment of intergroup revenues and costs against the different recognition criteria adopted by Banco BPM (up-front recognition of distribution fee and commission income) compared to those adopted by the Group's insurance companies (recognition spread over time of distribution fee and commission expenses), previously shown in the item "Profit (loss) on insurance business", are recognised as an adjustment to the item "Net fee and commission income".

It should also be noted that, to ensure a like-for-like comparison, the data relating to the main items of the reclassified income statement as at 30 June 2025 commented on in this "Results" section are also presented in the formulation "on a like-for-like basis", i.e. excluding the contribution deriving from the line-by-line consolidation of the Anima Group starting from the second quarter of 2025. The figures on a like-for-like basis include the contribution deriving from the valuation using the equity method of the interest in Anima Holding held before the acquisition of control and exclude the extraordinary costs incurred during the second quarter for the acquisition of Anima Holding and for actions taken to protect the interests of shareholders in relation to the Public Exchange Offer promoted by UniCredit.

Reclassified accounting statements

Reclassified consolidated balance sheet

(thousands of euro)	30/06/2025	31/12/2024	Change	
Cash and cash equivalents	11,732,925	12,124,840	(391,915)	(3.2%)
Loans at amortised cost	104,621,445	103,089,541	1,531,904	1.5%
- Loans to banks	4,187,063	3,362,267	824,796	24.5%
- Loans to customers	100,434,382	99,727,274	707,108	0.7%
Other financial assets	61,465,361	51,301,101	10,164,260	19.8%
- at fair value through profit and loss	13,680,993	9,318,563	4,362,430	46.8%
- at fair value through other comprehensive income	15,696,904	13,279,954	2,416,950	18.2%
- at amortised cost	32,087,464	28,702,584	3,384,880	11.8%
Financial assets pertaining to insurance companies	17,504,808	16,689,586	815,222	4.9%
Interests in associates and joint ventures	1,394,891	1,708,439	(313,548)	(18.4%)
Property, plant and equipment	2,506,715	2,513,905	(7,190)	(0.3%)
Intangible assets	3,187,324	1,256,612	1,930,712	153.6%
Tax assets	3,049,511	3,372,636	(323,125)	(9.6%)
Non-current assets and disposal groups held for sale	196,649	444,525	(247,876)	(55.8%)
Other asset items	5,288,637	5,707,902	(419,265)	(7.3%)
Total assets	210,948,266	198,209,087	12,739,179	6.4%
Direct bank funding	129,416,105	126,149,114	3,266,991	2.6%
- due to customers	105,037,756	102,757,399	2,280,357	2.2%
- securities and other financial liabilities	24,378,349	23,391,715	986,634	4.2%
Direct funding from insurance business and insurance liabilities	17,010,335	16,214,811	795,524	4.9%
- financial liabilities pertaining to insurance companies measured at fair value	3,715,679	3,331,610	384,069	11.5%
- insurance liabilities	13,294,656	12,883,201	411,455	3.2%
Due to banks	6,318,623	6,332,722	(14,099)	(0.2%)
Lease payables	663,878	646,208	17,670	2.7%
Other financial liabilities designated at fair value	33,854,331	28,703,792	5,150,539	17.9%
Other financial liabilities pertaining to insurance companies	77,023	56,103	20,920	37.3%
Liability provisions	849,435	988,625	(139,190)	(14.1%)
Tax liabilities	577,086	471,782	105,304	22.3%
Liabilities associated with assets classified as held for sale	-	1,215	(1,215)	n.s.
Other liability items	6,865,701	4,040,703	2,824,998	69.9%
Total liabilities	195,632,517	183,605,075	12,027,442	6.6%
Non-controlling interests	57,641	69	57,572	n.s.
Group shareholders' equity	15,258,108	14,603,943	654,165	4.5%
Consolidated shareholders' equity	15,315,749	14,604,012	711,737	4.9%
Total liabilities and shareholders' equity	210,948,266	198,209,087	12,739,179	6.4%

Reclassified consolidated income statement

(thousands of euro)	I half 2025	I half 2024 (*)	Change
Net interest income	1,602,082	1,722,786	(7.0%)
Gains (losses) on interests in associates and joint ventures carried at equity	63,370	74,914	(15.4%)
Financial margin	1,665,452	1,797,700	(7.4%)
Net fee and commission income	1,205,348	1,045,110	15.3%
Other net operating income	(13,694)	2,494	n.s.
Net financial result	87,062	(76,247)	n.s.
Profit (loss) on insurance business	79,844	25,322	215.3%
Other operating income	1,358,560	996,679	36.3%
Operating income	3,024,012	2,794,379	8.2%
Personnel expenses	(890,190)	(860,561)	3.4%
Other administrative expenses	(321,381)	(348,968)	(7.9%)
Net value adjustments to property, plant and equipment and intangible assets	(135,799)	(129,068)	5.2%
Operating expenses	(1,347,370)	(1,338,597)	0.7%
Profit (loss) from operations	1,676,642	1,455,782	15.2%
Net adjustments to loans to customers	(164,213)	(194,052)	(15.4%)
Fair value gains (losses) on property, plant and equipment	(4,250)	(25,989)	(83.6%)
Net adjustments to securities and other financial assets	2,280	(3,248)	n.s.
Net provisions for risks and charges	3,401	8,242	(58.7%)
Gains (losses) on interests in associates and joint ventures and other investments	1,224	1,023	19.6%
Profit (loss) before tax from continuing operations	1,515,084	1,241,758	22.0%
Taxation charge related to profit or loss from continuing operations	(445,962)	(395,860)	12.7%
Profit (loss) after tax from continuing operations	1,069,122	845,898	26.4%
Banking industry charges, net of taxes	-	(66,636)	n.s.
Charges relating to early retirement incentives, net of taxes	-	(11,686)	n.s.
Charges for company restructuring, net of taxes	(30,699)	-	n.s.
Impact of restatement of the Anima share, net of taxes	201,831	-	n.s.
Bancassurance impacts, net of taxes	-	2,466	n.s.
Impact of the change in own credit risk on the issue of certificates (OCR), net of taxes	2,746	(1,299)	n.s.
Impact of the purchase price allocation (PPA), net of taxes	(20,210)	(18,624)	8.5%
Profit (loss) attributable to non-controlling interests	(8,325)	6	n.s.
Parent Company's profit (loss) for the period	1,214,465	750,125	61.9%

(*) The figures relating to the previous year have been restated to provide a like-for-like comparison. For more details on data comparability, please refer to the "Results" section of this report.

Reclassified consolidated income statement – Quarterly changes

Reclassified income statement items (thousands of euro)	2025		2024 (*)			
	Q2	Q1 (*)	Q4	Q3	Q2	Q1
Net interest income	785,148	816,934	855,337	861,922	858,390	864,396
Gains (losses) on interests in associates and joint ventures carried at equity	23,563	39,807	45,639	31,136	44,572	30,342
Financial margin	808,711	856,741	900,976	893,058	902,962	894,738
Net fee and commission income	651,359	553,989	508,297	501,234	507,337	537,773
Other net operating income	(6,221)	(7,473)	31,309	(10,443)	(1,347)	3,841
Net financial result	40,850	46,212	(34,914)	28,579	(64,570)	(11,677)
Profit (loss) on insurance business	53,522	26,322	28,593	62,461	16,175	9,147
Other operating income	739,510	619,050	533,285	581,831	457,595	539,084
Operating income	1,548,221	1,475,791	1,434,261	1,474,889	1,360,557	1,433,822
Personnel expenses	(456,161)	(434,029)	(449,064)	(435,579)	(428,926)	(431,635)
Other administrative expenses	(176,808)	(144,573)	(143,471)	(152,342)	(176,068)	(172,900)
Net value adjustments to property, plant and equipment and intangible assets	(69,200)	(66,599)	(68,460)	(68,187)	(64,919)	(64,149)
Operating expenses	(702,169)	(645,201)	(660,995)	(656,108)	(669,913)	(668,684)
Profit (loss) from operations	846,052	830,590	773,266	818,781	690,644	765,138
Net adjustments to loans to customers	(88,694)	(75,519)	(159,613)	(107,810)	(111,598)	(82,454)
Fair value gains (losses) on property, plant and equipment	(3,419)	(831)	(14,495)	(14,143)	(12,605)	(13,384)
Net adjustments to securities and other financial assets	(1,211)	3,491	(6,512)	1,193	(287)	(2,961)
Net provisions for risks and charges	1,504	1,897	(14,304)	(16,130)	13,220	(4,978)
Gains (losses) on interests in associates and joint ventures and other investments	885	339	(658)	2,062	645	378
Profit (loss) before tax from continuing operations	755,117	759,967	577,684	683,953	580,019	661,739
Taxation charge related to profit or loss from continuing operations	(202,868)	(243,094)	(170,759)	(222,975)	(180,425)	(215,435)
Profit (loss) after tax from continuing operations	552,249	516,873	406,925	460,978	399,594	446,304
Banking industry charges, net of taxes	-	-	(4,375)	-	1,474	(68,110)
Charges for company restructuring, net of taxes	(30,013)	(686)	-	-	-	-
Charges relating to early retirement incentives, net of taxes	-	-	(130,182)	-	(11,686)	-
Impact of restatement of the Anima share, net of taxes	201,831	-	-	-	-	-
E-money impact net of taxes	-	-	-	493,125	-	-
Bancassurance impacts, net of taxes	-	-	-	-	-	2,466
Impairment on interests in associates and joint ventures	-	-	(42,446)	-	-	-
Impact of the change in own credit risk on the issue of certificates (OCR), net of taxes	1,255	1,491	1,531	981	476	(1,775)
Impact of the purchase price allocation (PPA), net of taxes	(13,185)	(7,025)	(6,898)	(9,376)	(9,954)	(8,670)
Profit (loss) attributable to non-controlling interests	(8,327)	2	3	2	4	2
Parent Company's profit (loss) for the year	703,810	510,655	224,558	945,710	379,908	370,217

(*) The figures relating to previous periods have been restated to provide a like-for-like comparison. For more details on data comparability, please refer to the "Results" section of this report.

Methodological Note

Information is provided below on the aggregations and main reclassifications systematically made with respect to the financial statements formats provided for in Circular no. 262/2005, in accordance with that required by CONSOB in Communication no. 6064293 of 28 July 2006:

To prepare the consolidated balance sheet, the asset items have been reclassified as follows:

- the aggregate "Loans at amortised cost" is represented by item "40. Financial assets at amortised cost" with the exclusion of debt securities, included in "Other financial assets and hedging derivatives" and of the financial assets at amortised cost pertaining to insurance companies, shown in the aggregate "Financial assets pertaining to insurance companies" of the reclassified balance sheet. As previously illustrated, senior securities deriving from the sale of non-performing loans, shown under "Other financial assets and hedging derivatives", are also excluded;
- the aggregate "Other financial assets and hedging derivatives" is made up of items 20, 30 and 50, with the exception of financial assets pertaining to insurance companies, shown in the aggregate "Financial assets

pertaining to insurance companies" of the reclassified balance sheet. This aggregate also includes the amount of debt securities measured at amortised cost and of the senior securities deriving from the sale of non-performing loans mentioned above;

- the aggregate "Financial assets pertaining to insurance companies" includes the financial assets attributable to insurance operations (asset items: "20. Financial assets at fair value through profit and loss", "30. Financial assets measured at fair value through other comprehensive income", "40. Financial assets at amortised cost", "50. Hedging derivatives");
- the aggregate "Other asset items" consists of the residual items "60. Fair value change of financial assets in macro fair value hedge portfolios (+/-)" and "130. Other assets". Insurance assets are also included (item 80 of balance sheet assets).

The main balance sheet liability items were instead subject to the following reclassifications:

- the aggregate "Direct bank funding" is made up of items "10.b) Financial liabilities at amortised cost: due to customers", with the exclusion of lease payables due to customers (shown in the item of the same name in the reclassified balance sheet), and of amounts due to customers pertaining to insurance companies (shown in item "Direct funding from insurance business and insurance liabilities" of the reclassified balance sheet); "10.c) Financial liabilities at amortised cost: debt securities in issue" and "30. Financial liabilities designated at fair value", net of protected capital certificates, included in the aggregate "Other financial liabilities designated at fair value" and of financial liabilities pertaining to insurance companies designated at fair value, shown in item "Direct funding from insurance business and insurance liabilities";
- the aggregate "Direct funding from insurance business and insurance liabilities" includes the liabilities of the insurance companies for policies underwritten by customers. In particular, these are liability items "30. Financial liabilities designated at fair value", for unit-linked policies and "110. Insurance liabilities", for the remaining insurance products;
- the item "Due to banks" refers to item "10.a) Financial liabilities at amortised cost: due to banks", with the exception of lease payables due to banks (shown in the item of the same name in the reclassified balance sheet) and of amounts due to banks pertaining to insurance companies (shown in item "Direct funding from insurance business and insurance liabilities" of the reclassified balance sheet);
- the item "Lease payables" includes the liabilities at amortised cost to banks and customers relating to leasing transactions, as previously described;
- the aggregate "Other financial liabilities designated at fair value" includes items "20. Financial liabilities held for trading", increased by the amount of the protected capital certificates as described above, and "40. Hedging derivatives";
- the item "Other financial liabilities pertaining to insurance companies" includes amounts due to banks and to customers of insurance companies, not related to commitments to policyholders, recognised under liability item "10. Financial liabilities at amortised cost";
- the aggregate "Liability provisions" includes items "90. Provisions for employee severance pay" and "100. Provisions for risks and charges";
- the aggregate "Other liability items" consists of the residual items "50. Fair value change of financial liabilities in macro fair value hedge portfolios (+/-)" and "80. Other liabilities";
- the aggregate "Group shareholders' equity" is represented by items "120. Valuation reserves", "140. Equity instruments", "150. Reserves", "155. Advances on dividends", "170. Share capital", "180. Own shares (-)" and "200. Profit/Loss for the year".

Finally, as regards the reclassified income statement, the following main reclassifications were made:

- the portion of the economic results pertaining to investee companies carried at equity (included in item 250) has been stated in a specific item, which represents, together with the "Net interest income", the aggregate defined as the "Financial margin";
- the item "Profit (loss) on insurance business" includes the items specifically attributable to the insurance business represented by the profit (loss) on insurance services (item 160) and the balance of income and expenses from insurance activities (item 170), which includes the net change in technical reserves, claims for the period, as well as other income and expenses from insurance activities. In addition, this aggregate includes the economic components (interest, dividends, realised gains/losses, gains/losses from valuation) relating to the portfolios of financial assets and liabilities held by insurance companies ("10. Interest income", "20. Interest expense", "70. Dividends", "80. Net trading income", "90. Fair value gains/losses on hedging derivatives", "100. Gains (losses) on disposal or repurchase", "110. Net gains (losses) from other financial assets and liabilities measured at fair value through profit and loss", "130. Net credit impairment

losses/recoveries"). It should also be noted that, in the reclassified income statement, placement fees paid by insurance companies to the banking distribution network of Banco BPM, even if consolidated using the line-by-line method, are recognised as open balances. The item "Net fee and commission income" therefore includes fee and commission income received from the distribution network, while the item "Profit (loss) on insurance business" includes fee and commission expense paid by the insurance companies. The aim of this presentation method is to allow the contributions of the various operating segments that generate the economic result to be represented, in line with the requirements of accounting standard IFRS 8;

- dividends on shares classified under financial assets at fair value through profit and loss and measured at fair value through other comprehensive income (included in item 70) were re-attributed to the "Net financial result";
- the income relating to the issue of liabilities held for trading represented by Group certificates, which in the income statement drawn up based on Circular no. 262 is shown in item "80. Net trading income", was partially re-attributed to the reclassified income statement item "Net fee and commission income". In greater detail, with an operating outlook, net fee and commission income includes the portion of product profitability that remunerates the placement activities performed by the Group. Moreover, fee and commission expense relating to placement services carried out by third party networks are included in the net trading income;
- recoveries of taxes and duties and other expenses (included in item 230) were applied as a direct decrease in other administrative expenses, where the related cost is recorded, instead of being indicated in the reclassified aggregate of "Other net operating income";
- gains and losses on disposal of loans, not represented by debt securities (included in item 100) and gains (losses) from contractual modification without derecognition (booked to item 140), were added, together with net credit impairment losses/recoveries, to the item "Net adjustments to loans to customers";
- ordinary and extraordinary charges introduced for banks due to the single and national resolution funds (SRF and NRF), the deposit guarantee scheme (DGS) and the Guarantee Fund of the Life insurance sector were recognised, net of relative tax effects, in a separate item "Banking industry charges, net of taxes", rather than in "Other administrative expenses" and "Taxation charge related to profit or loss from continuing operations";
- the expenses relating to the incentivised retirement scheme activated by the Parent Company, recognised under the item "Personnel expenses", are recognised, net of the related tax effects, in a separate item of the reclassified income statement named "Charges relating to early retirement incentives, net of taxes";
- the charges related to the reorganisation of the Group's insurance companies, originally recognised under "Other administrative expenses", are recognised, net of the related tax effects, in a separate item of the reclassified income statement entitled "Charges for company restructuring, net of taxes";
- the accounting effects attributable to the transactions aimed at reorganising the payment systems segment are shown, net of the related tax effect, in a separate item of the reclassified income statement called "E-money impact, net of taxes", instead of being included in the items "Gains (losses) on interests in associates and joint ventures" and "Taxation charge related to profit or loss from continuing operations";
- the overall economic impacts related to the reorganisation of bancassurance activities are shown in an ad hoc item called "Bancassurance impacts net of taxes", which includes the relative tax effects;
- the impact deriving from the impairment test conducted on interests in associates and joint ventures is shown in the ad hoc item "Impairment on interests in associates and joint ventures";
- the economic impact of a change in own credit risk related to the issue of certificates classified in the portfolio of "Financial liabilities held for trading" is included in the ad hoc item "Impact of the change in own credit risk on the issue of certificates (OCR), net of taxes". This decision derives from the need to isolate the economic effects of the volatility of said own credit risk, as, with an operating outlook, they are not deemed expressive of actual profitability of the Group;
- "one-off" operating expenses incurred for the implementation of extraordinary transactions that have an impact on the Group's structure (e.g. acquisition of control of the Anima Group through a tender offer) or that are part of projects launched as a result of company acquisitions completed in previous financial years (Vera Vita), as well as the charges incurred to protect the interests of shareholders relating to the UniCredit Public Exchange Offer, net of the related tax effect, are recognised in a separate item of the reclassified income statement entitled "Charges for company restructuring, net of taxes";
- the impacts arising from Purchase Price Allocations made following business combinations have been grouped into a single separate item in the reclassified income statement called "Impact of Purchase Price Allocation (PPA), net of taxes". This item groups together the impacts that in the income statement format are recognised in interest income (reversal effect of the fair value measurement of loans), amortisation of intangible assets recognised in item 220 (amortisation of "client relationships" and of the "value of business

acquired"), in the balance of revenues and costs of a financial nature relating to insurance activities and in the item "Taxation charge related to profit or loss from continuing operations".

The annexes to the consolidated condensed interim financial statements provide the statements of reconciliation between the reclassified financial statements and those prepared on the basis of Circular no. 262.

In addition to the financial information prepared on the basis of IAS/IFRS international accounting standards, this report contains some alternative performance measures (APMs) identified in order to facilitate the understanding of the economic and financial performance of Banco BPM Group operations.

The aforementioned measures are based on the guidelines of the European Securities and Markets Authority (ESMA) of 5 October 2015 (ESMA/2015/1415), incorporated in CONSOB Communication no. 0092543 of 3 December 2015.

In particular, it should be noted that alternative performance measures:

- are based exclusively on historical data and are not indicative of future performance;
- are not determined on the basis of the IFRS accounting standards and are not subject to audit;
- are calculated on the basis of the reclassified financial statements, unless otherwise specified, and must be read together with the financial information of the Group contained in this report;
- since not all companies calculate APMs in the same way, the measures used by Banco BPM may not be consistent with similar parameters used by other companies;
- are calculated consistently and in the same way for the periods to which the financial information in this Report refers.

A list of the main APMs contained in this report is provided below, with an indication of the calculation methodology:

- **core revenues:** aggregate consisting of net interest income, gains (losses) on interests in associates and joint ventures carried at equity, net fee and commission income and profit (loss) on insurance business;
- **direct bank funding:** includes funding from customers represented by demand and term deposits and current accounts, bonds issued, certificates of deposit and other securities, debts and protected capital certificates relating to the Group's banking activities. On the other hand, funding relating to insurance companies is not included;
- **core direct funding: funding from customers relating only to current accounts and deposits;**
- **direct funding from insurance business and insurance liabilities:** includes the forms of funding classified under insurance liabilities and financial liabilities pertaining to insurance companies;
- **indirect funding:** management figure that represents the financial resources of customers entrusted to the bank under management (asset management) or under administration (administered assets), net of funding underlying protected capital certificates, included in direct funding;
- **"core" performing loans:** aggregate consisting of mortgages and other loans, current accounts, credit cards and personal loans;
- **net non-performing loans:** aggregate that includes bad loans, unlikely to pay and past due and/or overdue exposures;
- **Gross NPE ratio:** ratio of gross non-performing exposures to total exposures relating to the balance sheet item "Loans to customers at amortised cost";
- **Net NPE ratio:** ratio of net non-performing exposures to total net exposures relating to the balance sheet item "Loans to customers at amortised cost";
- **cost of credit or cost of risk:** calculated as the ratio of net value adjustments on loans to customers of the year (annualised data) to total on-balance sheet exposures to customers measured at amortised cost, net of value adjustments;
- **coverage ratio of non-performing loans:** calculated as the ratio of value adjustments on non-performing loans to the gross on-balance sheet non-performing loans to customers measured at amortised cost;
- **bad loan coverage ratio:** calculated as the ratio of value adjustments on bad loans to gross bad loans;
- **unlikely to pay coverage ratio:** calculated as the ratio of value adjustments on unlikely to pay loans to gross unlikely to pay loans;
- **coverage ratio of past due exposure:** calculated as the ratio of value adjustments on past due exposures to gross past due exposures;
- **coverage ratio of performing exposures:** calculated as the ratio of value adjustments on total performing exposures to total gross performing exposures;

- **net bad loans/loans to customers (net)**: calculated as the ratio of net bad loans to total net exposures referring to balance sheet items of "Loans to customers at amortised cost";
- **net unlikely-to-pay/loans to customers (net)**: calculated as the ratio of net unlikely-to-pay loans to total net exposures referring to balance sheet items of "Loans to customers at amortised cost";
- **net bad loans/shareholders' equity**: calculated as the ratio of net bad loans to shareholders' equity;
- **Texas ratio**: calculated as the ratio of the net value of non-performing loans to the Group's tangible shareholders' equity (net of related tax effects);
- **tangible shareholders' equity**: the difference between shareholders' equity pertaining to the Group and intangible assets (net of the related deferred tax effects);
- **financial assets and hedging derivatives/total assets**: calculated as the ratio of aggregate "Other financial assets" inferred from the reclassified balance sheet to total assets;
- **derivative assets/total assets**: calculated as the ratio of aggregate trading and hedging derivatives shown in the balance sheet assets to total assets;
- **trading derivative assets/total assets**: calculated as the ratio of net trading derivatives shown under item 20 a) of balance sheet assets, "Financial assets at fair value through profit and loss - held for trading" to total assets;
- **hedging derivative assets/total assets**: calculated as the ratio of hedging derivatives shown in item 50 of the balance sheet assets "Hedging derivatives" to total assets;
- **net trading derivatives/total assets**: calculated as the ratio of the aggregate net trading derivatives (corresponding to the mismatch, in absolute terms, between the derivatives included under the balance sheet item 20 a) of assets, "Financial assets at fair value through profit and loss - held for trading", and item 20 of liabilities, "Financial liabilities held for trading") to total assets;
- **loan to deposit ratio** (net loans/direct funding): calculated as the ratio of "Loans to customers at amortised cost" and the aggregate of direct bank funding;
- **cost/income ratio**: calculated as the ratio of operating expenses to operating income resulting from the reclassified Income Statement;
- **financial margin/operating income**: calculated as the ratio of aggregate financial margin to aggregate operating income taken from the reclassified income statement;
- **net fee and commission income/operating income**: calculated as the ratio of net fee and commission income to operating income taken from the reclassified income statement;
- **loans to customers (net) per employee**: calculated as the ratio of "Loans to customers at amortised cost" to the average number of employees;
- **operating income per employee**: calculated as the ratio of operating income (annualised figure) to the average number of employees;
- **operating expenses per employee**: calculated as the ratio of operating expenses (annualised figure) to the average number of employees;
- **adjusted result**: result net of the non-recurring items described in the following paragraph.

The regulatory capitalisation and liquidity ratios contained in this report are calculated by applying the specific legislative and regulatory provisions.

Non-recurring components of the reclassified consolidated income statement

With Communication no. DEM/6064293 of 28 July 2006, Consob asked companies issuing financial instruments listed on Italian regulated markets to provide information on the impact of non-recurring events or operations.

It is noted that the general criterion adopted by the Group requires that the following be classified as non-recurring:

- the results of the sale transactions of all the fixed assets (interests in associates and joint ventures, property, plant and equipment excluding the financial assets in the Hold to Collect ("HtC") portfolio, which can be sold in compliance with the materiality and frequency thresholds set out in IFRS 9);
- gains and losses on non-current assets and asset disposal groups held for sale;
- adjustments/recoveries on receivables (both due to valuation and actual losses) deriving from a change in the NPE Strategy approved during the year by the Board of Directors consisting of an amendment in the objectives and/or type of receivables subject to assignment with respect to those set forth previously;
- the income statement items of significant amounts connected with streamlining, restructuring, etc. (e.g. expenses for use of the redundancy fund, early retirement incentives, merger/integration expenses);

- income statement items of a significant amount which are not destined to recur frequently (e.g. penalties, impairments of property, plant and equipment, goodwill and other intangible assets, extraordinary debits/credits by Resolution Funds and the Interbank Deposit Guarantee Fund, effects associated with legislative changes, exceptional results, etc.);
- the economic impacts deriving from the fair value measurement of properties and other property, plant and equipment (works of art);
- tax effects connected with the income statement impacts set out in the previous points.

Conversely, the following are usually considered to be recurring:

- income statement effects deriving from the sale or measurement of all financial assets (other than loans), including those in the HtC portfolio and financial liabilities;
- save for exceptional cases, the income statement impacts deriving from valuation aspects (credit impairment losses and adjustments to other financial assets or provisions for risks and charges);
- the income statement impacts deriving from changes in reference valuation parameters considered by the valuation models applied on an ongoing basis;
- the income statement impacts of insignificant or undeterminable amounts which have the nature of contingent assets and/or liabilities (e.g. costs and revenues and/or adjustments to costs and revenues pertaining to other years);
- tax effects connected with the income statement impacts set out in the previous points.

In light of the criteria set out above, it should be noted that in the first half of 2025 the following non-recurring items were recognised:

- the item "net interest margin" includes the amount of interest collected following the favourable ruling of the Court of Cassation regarding the tax dispute relating to the alleged non-deductibility of costs related to the offences of the former Banca Popolare Italiana, equal to 35.9 million;
- the item "Fair value gains (losses) on property, plant and equipment" includes net write-downs of -4.2 million to take into account updates in appraisal values;
- the item "net provisions for risks and charges" included the reversal of provisions made in previous years relating to the estimate of charges for certain contractual commitments for +7.4 million;
- the item "Gains (losses) on interests in associates and joint ventures and other investments" includes the positive impact of 1.2 million, deriving from the sale of property, plant and equipment;
- "taxation charge related to profit or loss from continuing operations" includes the tax effects of the aforementioned non-recurring items, as well as the positive impact, equal to +9.5 million, connected with the derecognition of deferred taxes following the sale of the PMG interest. The overall effect on the item in question totalled -3.4 million;
- the item "Charges for company restructuring, net of taxes" includes certain "one-off" operating expenses as they are specifically incurred for the performance of extraordinary transactions that have an impact on the organisational structure of the Group (e.g. acquisition of control of Anima Holding through a tender offer) or form part of projects aimed at the integration of business combinations completed in previous years (Vera Vita). The item also includes non-recurring charges incurred to protect the interests of shareholders in relation to the UniCredit Public Exchange Offer. The overall impact, net of the related tax effect, amounted to -30.7 million (-45.2 million gross);
- the new item "impact of restatement of Anima share, net of taxes" includes the positive impact deriving from the revaluation at fair value of the shareholding held in Anima Holding before the acquisition of control, resulting from the realignment of the book value to the price of the tender offer, equal to a total of 201.8 million net of the related tax effect.

Overall, the impact of non-recurring items on the net result for the first half of 2025 was positive and equal to 208.0 million.

Excluding the impacts described above, the (adjusted) net result would be 1,006.5 million.

In the first half of 2024, the following non-recurring items had been recognised:

- the item "Fair value gains (losses) on property, plant and equipment" includes net value adjustments on owned real estate of -26.0 million to take into account updates in appraisal values rather than prices inferred from sales negotiations underway;
- the item "Gains (losses) on interests in associates and joint ventures and other investments" includes the positive impact of 1.0 million, deriving from the sale of property, plant and equipment;

- the "Taxation charge related to profit or loss from continuing operations" includes the tax impacts of the aforementioned non-recurring items amounting to +8.2 million;
- the new reclassified income statement item "charges relating to retirement incentives" includes the amount of expenses to be incurred for the Incentivised Retirement Scheme activated by the Parent Company, equal to -11.7 million net of the relative tax effect (-17.5 million gross);
- the item "Bancassurance impacts net of taxes" includes the effects, for a total of +2.5 million, attributable to the revision of the estimates carried out in the 2023 financial statements, resulting from the definition of the prices of purchase and sale transactions linked to the reorganisation of the bancassurance business, net of the relative tax effect.

Overall, non-recurring items pertaining to the first half of 2024 were a negative -26.0 million.

When deemed significant, information about non-recurring events or operations or those which do not occur frequently in the normal execution of the business and the impacts they have on the Group's equity and financial situation, as well as its cash flows is provided in the context of specific sections in the Explanatory Notes, which highlight trends in equity items.

The main balance sheet and income statement items as at 30 June 2025 are illustrated below.

Consolidated balance sheet figures

Loan brokering activities

Direct funding

(thousands of euro)	30/06/2025	% impact	31/12/2024	% impact	Abs. Change	% Change
Current accounts and deposits	101,862,226	78.7%	100,234,499	79.5%	1,627,727	1.6%
- current accounts and demand deposits	100,517,780	77.7%	98,784,887	78.3%	1,732,893	1.8%
- fixed-term deposits and other restricted current accounts	1,344,446	1.0%	1,449,612	1.1%	(105,166)	(7.3%)
Securities	24,367,126	18.8%	23,391,715	18.5%	975,411	4.2%
- bonds and liabilities at fair value	24,366,181	18.8%	23,390,568	18.5%	975,613	4.2%
- certificates of deposit and other securities	945	0.0%	1,147	0.0%	(202)	(17.6%)
Repurchase agreements	1,704,813	1.3%	960,343	0.8%	744,470	77.5%
Loans and other payables	1,481,940	1.1%	1,562,557	1.2%	(80,617)	(5.2%)
Direct bank funding	129,416,105	100.0%	126,149,114	100.0%	3,266,991	2.6%
Other funding (Protected capital certificates and other liabilities at fair value)	5,472,074		5,894,951		(422,877)	(7.2%)
Total direct bank funding with certificates	134,888,179		132,044,065		2,844,114	2.2%

Direct bank funding as at 30 June 2025 amounted to 134.9 billion, up both compared to 31 December 2024 (+2.2%) and YoY (+3.9%).

More specifically, during the period there was an increase of 1.6 billion in "core" funding represented by current accounts and deposits (+1.6%) and of 1.0 billion (+4.3%) in the component represented by bonds issued.

There was a YoY increase of 3.9 billion, equal to 19.2%, in bonds issued as a result of new issues that exceeded the repayments of the securities reaching maturity; "core" funding also showed a positive trend, recording an increase of 0.7 billion (+0.7%).

Funding guaranteed by the stock of certificates with unconditional capital protection and other liabilities at fair value as at 30 June 2025 was 5.5 billion, down by 7.2% on the figure of 5.9 billion as at 31 December 2024 and by 3.4% compared to 5.7 billion as at 30 June 2024.

Direct funding from insurance business and insurance liabilities, which include the aggregate comprised by financial and insurance liabilities of insurance companies, amounted to 17.0 billion and included the contribution of Banco BPM Vita, Vera Vita and BBPM Life (16.2 billion as at 31 December 2024 and 15.4 billion as at 30 June 2024).

Indirect funding

(thousands of euro)	30/06/2025	% impact	31/12/2024	% impact	Abs. Change	% Change
Managed assets:						
- Mutual funds and SICAVs	84,100,850	30.5%	44,725,212	38.5%	39,375,638	
- Securities and fund management	33,998,771	12.3%	4,852,766	4.2%	29,146,005	
- Insurance policies	87,349,391	31.7%	16,535,233	14.2%	70,814,158	
- Anima Group Wrapping (*)	16,479,177	6.0%	-	0.0%	16,479,177	
Total managed assets	221,928,189	80.6%	66,113,211	56.9%	155,814,978	235.7%
Administered assets	57,004,161		54,259,136		2,745,025	
Anima Group Wrapping (*)	205,780		-		205,780	
Underlying funding for protected capital certificates	(3,705,305)		(4,202,995)		497,689	
Total administered assets	53,504,636	19.4%	50,056,142	43.1%	3,448,494	6.9%
Total indirect funding	275,432,825	100.0%	116,169,353	100.0%	159,263,472	137.1%

(*) "Wrapping" is represented by indirect funding relating to investments by Anima Group products in other Anima Group products, aimed at both retail and institutional customers (equal to 16.7 billion, of which 16.5 billion in managed assets and 0.2 billion in administered assets).

Indirect funding was equal to 275.4 billion (119.3 billion without considering the contribution of the Anima Group), up, on a like-for-like basis, by 2.7% compared to 31 December 2024.

The managed assets component amounted to 221.9 billion (67.1 billion without considering the contribution of the Anima Group), an increase compared to the figure of 66.1 billion as at 31 December 2024 (+1.4% on a like-for-like basis).

Administered assets amounted to 53.5 billion (52.2 billion without considering the contribution of the Anima Group), with an increase, on a like-for-like basis, of 2.1 billion (+4.3%) compared to the end of 2024.

Loans to customers

(thousands of euro)	30/06/2025	% impact	31/12/2024	% impact	Abs. Change	% Change
Mortgage loans	75,937,586	75.6%	76,236,985	76.4%	(299,399)	(0.4%)
Current accounts	7,764,418	7.7%	7,865,528	7.9%	(101,110)	(1.3%)
Repurchase agreements	4,084,421	4.1%	2,997,838	3.0%	1,086,583	36.2%
Finance leases	267,747	0.3%	311,026	0.3%	(43,279)	(13.9%)
Credit cards, personal loans and salary-backed loans	412,306	0.4%	471,420	0.5%	(59,114)	(12.5%)
Other transactions	11,967,904	11.9%	11,844,477	11.9%	123,427	1.0%
Total net loans to customers	100,434,382	100.0%	99,727,274	100.0%	707,108	0.7%

Net loans to customers amounted to 100.4 billion as at 30 June 2025, up by 0.7 billion compared to the figure as at 31 December 2024; the increase is attributable to performing exposures (+0.9%), while non-performing exposures contracted (9.5%). Loans recorded a YoY reduction of 0.3 billion (-0.3%), deriving from a 0.1 billion (-0.1%) reduction in performing exposures and a 0.2 billion reduction in non-performing loans (-13.5%). During the first half of the year, the volume of new loans amounted to 15.3 billion¹. The quality of the "core" loan portfolio, characterised by a high percentage of secured positions for the Non-Financial Corporate segment, was confirmed (52%²).

Information on direct risks with customers residing in Russia and Ukraine or indirectly related to Russian counterparties is provided in "Part A - Other aspects - Impacts of the Russia/Ukraine and Middle East conflicts", to which reference is made for further details.

Lastly, as regards the support measures implemented by the Group with regard to customers affected by the crisis resulting from the Covid-19 pandemic, please refer to "Part A - Other aspects - Covid-19 support measures by the Group represented by loans with public guarantee".

¹ Management figure.

² Management figure.

Credit quality

It should be noted that the information contained in the following paragraph relating to credit quality refers to loans to customers included in the portfolio of financial assets at amortised cost.

Loans to customers at amortised cost

(thousands of euro)	30/06/2025		31/12/2024		Abs. Change	% Change
	Net exposure	% impact	Net exposure	% impact		
Bad loans	419,447	0.4%	491,434	0.5%	(71,987)	(14.6%)
Unlikely to pay	959,299	1.0%	978,930	1.0%	(19,631)	(2.0%)
Non-performing past-due exposures	51,946	0.1%	110,108	0.1%	(58,162)	(52.8%)
Non-performing exposures	1,430,692	1.4%	1,580,472	1.6%	(149,780)	(9.5%)
Performing loans	99,003,690	98.6%	98,146,802	98.4%	856,888	0.9%
Performing exposures	99,003,690	98.6%	98,146,802	98.4%	856,888	0.9%
Total loans to customers	100,434,382	100.0%	99,727,274	100.0%	707,108	0.7%

(thousands of euro)	30/06/2025				31/12/2024			
	Gross exposure	Total value adjustments	Net exposure	Coverage	Gross exposure	Total value adjustments	Net exposure	Coverage
Bad loans	997,764	(578,317)	419,447	58.0%	1,160,259	(668,825)	491,434	57.6%
Unlikely to pay	1,534,850	(575,551)	959,299	37.5%	1,552,028	(573,098)	978,930	36.9%
Non-performing past-due exposures	75,292	(23,346)	51,946	31.0%	142,590	(32,482)	110,108	22.8%
Non-performing exposures	2,607,906	(1,177,214)	1,430,692	45.1%	2,854,877	(1,274,405)	1,580,472	44.6%
of which: forbome	849,166	(338,871)	510,295	39.9%	971,332	(388,807)	582,525	40.0%
Performing exposures	99,448,872	(445,182)	99,003,690	0.45%	98,586,641	(439,839)	98,146,802	0.45%
of which: Stage 1	90,159,785	(85,911)	90,073,874	0.1%	89,482,716	(85,669)	89,397,047	0.1%
of which: Stage 2	9,289,087	(359,271)	8,929,816	3.9%	9,103,925	(354,170)	8,749,755	3.9%
of which: forbome	1,350,541	(106,591)	1,243,950	7.9%	1,434,986	(100,829)	1,334,157	7.0%
Total loans to customers	102,056,778	(1,622,396)	100,434,382	1.6%	101,441,518	(1,714,244)	99,727,274	1.7%

The net amount indicated corresponds to the item "Loans" reported in table 4.2 of the Explanatory Notes - Part B - Information on the consolidated balance sheet, "Financial assets at amortised cost: breakdown by product for loans to customers".

Net non-performing loans (bad loans, unlikely to pay and past due and/or overdue exposures) amounted to 1.4 billion as at 30 June 2025.

An examination of the components of the aggregate shows the following dynamics:

- net bad loans of 0.4 billion, with a decrease of 14.6% compared to 31 December 2024 and of 30.2% YoY;
- net unlikely-to-pay loans of 1.0 billion, stable both compared to the start of the year and YoY;
- net past-due exposures of 52 million (110 million as at 31 December 2024 and 103 million as at 30 June 2024).

The percentage of non-performing exposures out of total loans, gross of value adjustments came to 2.6%, down compared to 2.8% at the start of the year and 3.3% as at 30 June 2024. Even net of value adjustments, there was a decrease of 1.4% compared to 1.6% as at 31 December and 30 June 2024.

The coverage ratio for the entire non-performing loans aggregate was 45.1% (44.6% as at 31 December 2024 and 51.2% as at 30 June 2024).

More specifically, as at 30 June 2025, the coverage ratio was as follows:¹

- bad loans 58.0% (57.6% and 61.1% as at 31 December and 30 June 2024, respectively);
- unlikely to pay 37.5% (36.9% and 44.0% as at 31 December and 30 June 2024, respectively);
- past due exposures 31.0% (22.8% and 29.4% as at 31 December and 30 June 2024, respectively).

¹ It should be noted that, for the purposes of comparability of hedges on a year-on-year basis, it should be borne in mind that the impact is attributable to the disposals completed in the meantime.

The coverage ratio of performing exposures was 0.45% (0.45% and 0.44% as at 31 December and 30 June 2024, respectively).

Financial assets

(thousands of euro)	30/06/2025	% impact	31/12/2024	% impact	Abs. Change	% Change
Debt securities	49,657,868	80.8%	42,282,230	82.4%	7,375,638	17.4%
Equity instruments	1,951,977	3.2%	2,016,383	3.9%	(64,406)	(3.2%)
UCIT units	1,302,388	2.1%	1,657,907	3.2%	(355,519)	(21.4%)
Total securities portfolio	52,912,233	86.1%	45,956,520	89.6%	6,955,713	15.1%
Derivative trading and hedging instruments	3,190,013	5.2%	2,818,245	5.5%	371,768	13.2%
Loans	5,363,115	8.7%	2,526,336	4.9%	2,836,779	112.3%
Total financial assets	61,465,361	100.0%	51,301,101	100.0%	10,164,260	19.8%

Bank **financial assets** were equal to 61.5 billion, up by 19.8% compared to 51.3 billion as at 31 December 2024. The increase was mainly concentrated in debt securities (+17.4 billion) present in the various accounting categories. As at 30 June 2025, the aggregate in question consisted of debt securities for 49.7 billion, equity instruments and UCIT units for 3.3 billion, derivative instruments and other loans for 8.6 billion.¹ Holdings of debt securities issued by sovereign states were equal to 39.6 billion euro, of which 16.8 billion euro represented by Italian government securities. Investments in Italian government securities are classified under financial assets at amortised cost for 12.1 billion, in the portfolio of financial assets measured at fair value through other comprehensive income for 2.8 billion and under financial assets at fair value through profit and loss for 1.9 billion.

The table below provides the details of financial assets by type and specific portfolio.

Financial assets at fair value through profit and loss and hedging derivatives

(thousands of euro)	30/06/2025	% impact	31/12/2024	% impact	Abs. Change	% Change
Debt securities	2,971,913	21.7%	1,006,677	10.8%	1,965,236	195.2%
Equity instruments	853,564	6.2%	1,309,398	14.1%	(455,834)	(34.8%)
UCIT units	1,302,388	9.5%	1,657,907	17.8%	(355,519)	(21.4%)
Total securities portfolio	5,127,865	37.5%	3,973,982	42.6%	1,153,883	29.0%
Financial and credit derivatives	3,190,013	23.3%	2,818,245	30.2%	371,768	13.2%
Loans	5,363,115	39.2%	2,526,336	27.1%	2,836,779	112.3%
Overall total	13,680,993	100.0%	9,318,563	100.0%	4,362,430	46.8%

Financial assets measured at fair value through other comprehensive income

(thousands of euro)	30/06/2025	% impact	31/12/2024	% impact	Abs. Change	% Change
Debt securities	14,598,491	93.0%	12,572,969	94.7%	2,025,522	16.1%
Equity instruments	1,098,413	7.0%	706,985	5.3%	391,428	55.4%
Total	15,696,904	100.0%	13,279,954	100.0%	2,416,950	18.2%

¹ In greater detail, the decrease observed for UCI units is attributable to the effects of the line-by-line consolidation of the "Anima Valore Obbligazionario" fund for 415 million as of 30 June 2025, with a consequent increase in financial assets, represented by debt securities, held by the fund itself, as illustrated in Part A of the Explanatory Notes, to which reference is made.

Financial assets at amortised cost

(thousands of euro)	30/06/2025	% impact	31/12/2024	% impact	Abs. Change	% Change
Debt securities	32,087,464	100.0%	28,702,584	100.0%	3,384,880	11.8%
Total	32,087,464	100.0%	28,702,584	100.0%	3,384,880	11.8%

Exposure to sovereign risk

The table below provides details of the banking Group's total exposure in sovereign debt securities as at 30 June 2025, broken down by country (amounts in thousands of euro):

Countries	Financial assets measured at fair value through profit and loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	Total debt securities
Italy	1,903,719	2,773,081	12,080,992	16,757,792
Spain	15,747	723,990	4,159,996	4,899,733
Germany	62,696	1,283,365	3,164,633	4,510,694
France	-	3,609,006	5,772,138	9,381,144
Austria	-	-	306,655	306,655
Ireland	-	-	19,921	19,921
Other EU countries	-	165,527	366,769	532,296
Total EU countries	1,982,162	8,554,969	25,871,104	36,408,235
USA	1	2,230,280	654,535	2,884,816
Chile	-	13,622	-	13,622
China	-	60,826	22,271	83,097
Mexico	-	14,485	18,421	32,906
Hong Kong	-	20,082	-	20,082
Other countries	49	116,192	34,784	151,025
Total other countries	50	2,455,487	730,011	3,185,548
Total	1,982,212	11,010,456	26,601,115	39,593,783

Exposure is mainly concentrated within the Parent Company Banco BPM, which as at 30 June 2025 held a total of 36.4 billion, of which 16.8 billion relative to Italian government bonds.

Investments in sovereign debt securities are classified at 67.2% in the portfolio of financial assets at amortised cost, 27.8% in the portfolio of financial assets measured at fair value through other comprehensive income and 5% in the portfolio of financial assets at fair value through profit and loss as they are held for trading.

Out of this exposure, 91.9% refers to securities issued by members of the European Union; notably about 42% by Italy.

It should be noted that the Group has no exposures to debt securities of Russian and Ukrainian issuers; the exposure to Israeli government securities amounts to 45 million, in nominal value, while that in equities and funds with respect to Israeli counterparties amounts to 5.5 million.

The tables below provide, for securities issued by EU countries, more detailed information about the breakdown by accounting portfolio, residual life brackets and fair value hierarchy (in thousands of euro).

Financial assets at fair value through profit and loss

Status	Maturing by end of 2026	Maturing between 2027 and 2031	Maturing between 2032 to 2036	Maturing beyond 2036	Total fair value as at 30/06/2025	Total fair value by hierarchy LEVEL 1 LEVEL 2 LEVEL 3
Italy	345,507	1,189,882	229,199	139,131	1,903,719	1,903,719 - -
Spain	-	-	15,747	-	15,747	- 15,747 -
Germany	-	62,696	-	-	62,696	- 62,696 -
Total	345,507	1,252,578	244,946	139,131	1,982,162	1,982,162 - -

Financial assets measured at fair value through other comprehensive income

Status	Maturing by end of 2026	Maturing between 2027 and 2031	Maturing between 2032 to 2036	Maturing beyond 2036	Total fair value as at 30/06/2025	Net reserve at FVTOCI	Value adjustments	Total fair value by hierarchy LEVEL 1 LEVEL 2 LEVEL 3
Italy	-	1,010,284	1,302,944	459,853	2,773,081	(2,173)	-	2,773,081 - -
Spain	-	134,200	345,294	244,496	723,990	(7,550)	-	723,991 - -
France	-	573,163	2,942,395	93,448	3,609,006	(143,585)	-	3,609,006 - -
Germany	-	335,407	947,958	-	1,283,365	(87,888)	-	1,283,365 - -
Other EU countries	-	65,123	100,404	-	165,527	(1,073)	-	165,526 - -
Total	-	2,118,177	5,638,995	797,797	8,554,969	(242,269)	-	8,554,969 - -

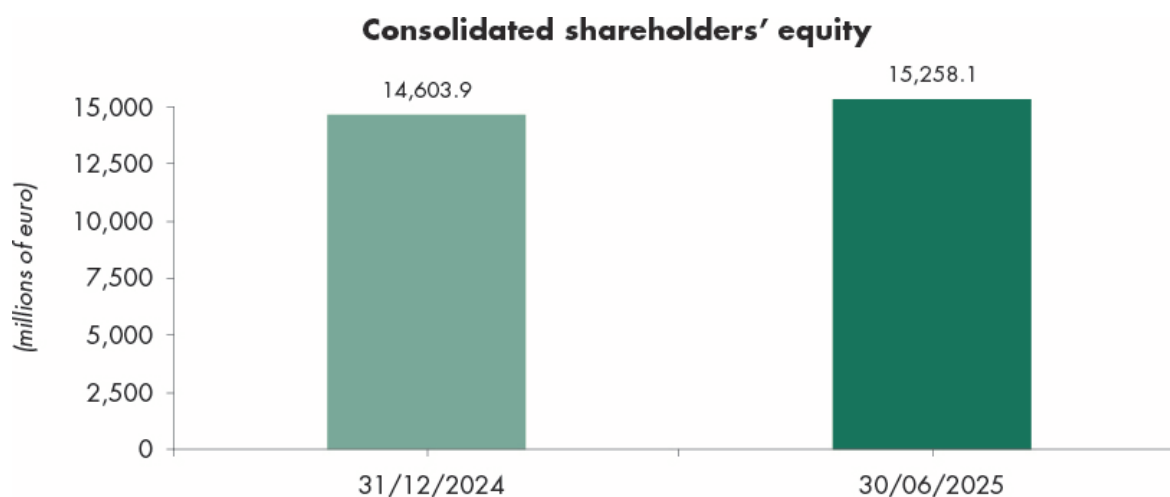
Financial assets at amortised cost

Status	Maturing by end of 2026	Maturing between 2027 and 2031	Maturing between 2032 to 2036	Maturing beyond 2036	Total book value as at 30/06/2025	Total fair value	Total fair value by hierarchy LEVEL 1 LEVEL 2 LEVEL 3
Italy	347,549	4,984,227	6,223,989	525,227	12,080,992	12,293,646	12,293,646 - -
Spain	203,568	1,987,966	1,878,418	90,044	4,159,996	4,121,196	4,121,196 - -
France	49,724	3,083,906	2,539,437	99,071	5,772,138	5,772,138	5,772,138 - -
Ireland	-	19,921	-	-	19,921	19,865	19,865 - -
Germany	199,202	1,280,542	1,610,132	74,757	3,164,633	3,083,326	3,083,326 - -
Other EU countries	-	285,572	222,305	165,547	673,424	657,241	657,241 - -
Total	800,043	11,642,134	12,474,281	954,646	25,871,104	25,828,950	25,828,950 - -

Financial assets pertaining to insurance companies

The item **financial assets pertaining to insurance companies** includes the contribution as at 30 June 2025 of the insurance companies Banco BPM Vita, Vera Vita and BBPM Life for a total of 17.5 billion (16.7 billion as at 31 December 2024).

Shareholders' equity and solvency ratios



The Group's consolidated shareholders' equity as at 30 June 2025, including valuation reserves and profit (loss) for the period, amounted to 15,258.1 million, compared to the figure at the end of 2024 of 14,603.9 million, with an increase of 654.2 million.

The main changes refer to the allocation of the profit for 2024, resolved by the Shareholders' Meeting of 30 April 2025 (-907.3 million, taking into account the advance on 2024 dividends paid, totalling 600.6 million), the payment of coupons on Additional Tier 1 instruments (-42.7 million, net of the related tax effect), the effects on the reserves deriving from the initial consolidation of the Anima Group (-14.5 million), the assignments of own shares carried out during the half-year to service the personnel incentive plans (+14.4 million) and the change in equity instruments recorded during the period (+178.5 million) due to an issue of Additional Tier 1 securities for a nominal amount of 400 million and the early repayment of an Additional Tier 1 issue for a nominal 220.5 million. Lastly, other positive changes were recorded for a total of 1,425.8 million mainly referring to the contribution of the comprehensive income recorded in the period. The latter is positive by 1,438.2 million due to the net profit for the period of 1,214.5 million and the positive change in valuation reserves of +223.7 million, referring in particular to the valuation reserve relating to financial assets measured at fair value through other comprehensive income, as a result of financial market trends observed during the period.

The following table provides a reconciliation between the Parent Company's shareholders' equity and profit (loss) with the corresponding consolidated balances.

<i>(thousands of euro)</i>	Shareholders' equity	Profit (loss) for the period
Balance as at 30/06/2025 as per the Parent Company's financial statements	15,034,267	1,296,153
Impact of the valuation at equity of associated companies	225,005	(6,801)
Cancellation of dividends received during the year by associated companies	-	(120,729)
Other consolidation adjustments	(1,164)	45,842
Balance as at 30/06/2025 as per the consolidated financial statements	15,258,108	1,214,465

Solvency ratios - reference legislation and standards to follow

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

Through communications dated 28 March 2025 and 20 June 2025, the Bank of Italy has confirmed the Countercyclical Capital Buffer ratio for exposures to Italian counterparties at zero percent also for the second and third quarter of 2025.

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

Taking into account the new capital buffer against systemic risk, equal to 0.69%, the minimum requirements to be met on a consolidated basis from 1 July 2025 are as follows:¹

- CET 1 ratio: 9.53%;
- Tier 1 ratio: 11.45%;
- Total Capital ratio: 14.02%.

1 January 2025 saw the entry into force of the amendments to Regulation (EU) no. 575/2013 (CRR) introduced by Regulation (EU) no. 2024/1623 of 31 May 2024.

Starting from the reporting date of 31 March 2025, Banco BPM has also exercised the option envisaged by Art. 468 of the CRR, which makes it possible to sterilise in the calculation of Common Equity Tier 1 (CET 1) the losses and unrealised gains deriving from the fair value through Other Comprehensive Income (OCI) measurement of debt securities issued by Public Administrations and classified under the item "Financial assets measured at fair value through other comprehensive income". This option is granted by the regulations for a transitional period, i.e. 31 December 2025.

In addition, during the second quarter of 2025, the business combination of Anima Holding was completed and the capital ratios as at 30 June 2025 therefore take into account all the impacts deriving from the aforementioned combination and in particular those resulting from the line-by-line consolidation, including from a prudential perspective, of Anima Holding and its subsidiaries Anima SGR, Anima Alternative SGR, Kairos SGR and Castello SGR.

Taking these important changes into account, the Common Equity Tier 1 ratio (CET 1 ratio) as at 30 June 2025 was 14.15%, compared to 15.94% as at 31 March 2025. The CET 1 ratio calculated without applying the aforementioned transitional rules (fully phased CET 1 ratio) is 13.32%.

The phased-in Tier 1 ratio is 16.32% (15.49% fully phased) compared to 18.07% as at 31 March 2025, while the phased-in Total Capital ratio is equal to 19.23% (18.40% fully phased) compared to 20.96% as at 31 March 2025.

The buffer related to the limit envisaged for the distribution of dividends (Maximum Distributable Amount or MDA buffer) calculated considering the transitional regime was 462 bps, while the corresponding fully-phased figure is 379 bps.

Liquidity position and leverage

On 1 October 2015, Delegated Regulation (EU) no. 61/2015 entered into force, which requires that banks maintain a specific level of liquidity measured with regard to a short-term time horizon (Liquidity Coverage Ratio, "LCR"). As at 30 June 2025, Banco BPM Group had a consolidated LCR of 160% with respect to the regulatory limit of 100%.

¹ These requirements are set as follows:

- the Pillar I minimum requirement equal to 8% (of which 4.5% CET 1, 1.5% in terms of AT 1 and 2% in terms of Tier 2);
- the P2R requirement communicated by the ECB equal to 2.25% to be met: i) with CET 1 for 1.266%, ii) with AT 1 for 0.422% and iii) with Tier 2 for 0.563%;
- a capital conservation buffer equal to 2.50%, to be met entirely by CET 1;
- the O-SII buffer equal to 0.50% to be met entirely by CET 1;
- the countercyclical capital buffer equal to 0.071% to be met entirely by CET 1;
- the capital buffer against systemic risk (Syrb) equal to 0.694% to be met entirely by CET 1.

Effective from 30 June 2021, the NSFR, the regulatory structural liquidity indicator, which measures the ratio of stable sources of funding to stable financing requirements, constitutes a regulatory requirement with a minimum of 100%. As at 30 June 2025, Banco BPM Group had a NSFR index of 127%¹.

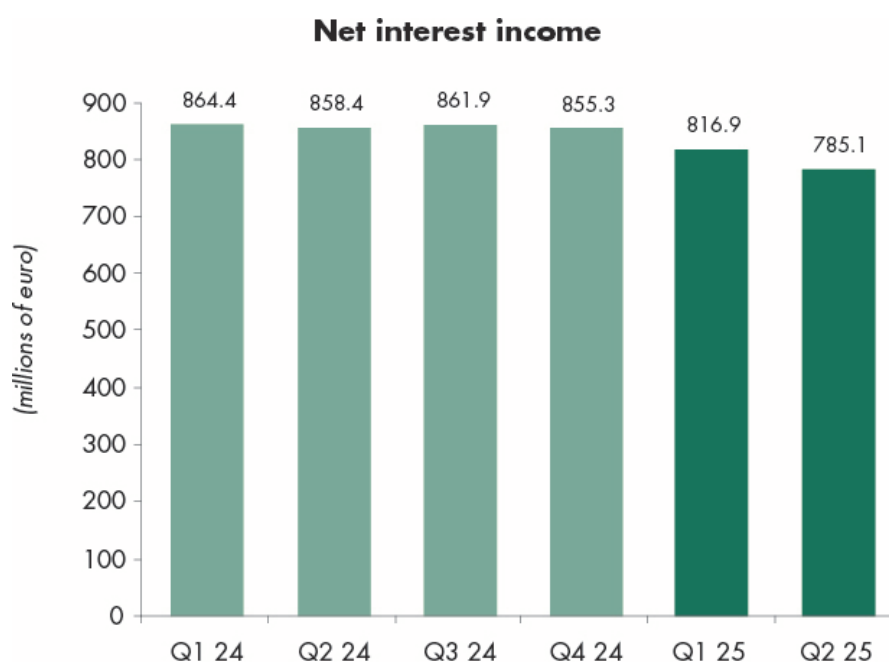
Lastly, as regards the leverage ratio, the value as at 30 June 2025 was 4.64%.

Consolidated income statement figures

Net interest income

(thousands of euro)	I half 2025	I half 2024	Abs. Change	% Change
Financial assets (securities)	631,924	538,056	93,868	17.4%
Net interest due to customers	1,488,596	1,726,264	(237,668)	(13.8%)
Net interest due to banks	5,544	66,948	(61,404)	(91.7%)
Securities issued and other financial liabilities at fair value	(406,611)	(324,866)	(81,745)	25.2%
Hedging derivatives (net balance) (*)	1,411	11,977	(10,566)	(88.2%)
Net interest on other assets/liabilities	(118,782)	(295,593)	176,811	(59.8%)
Total	1,602,082	1,722,786	(120,704)	(7.0%)

(*) The item includes the spreads pertaining to the period on derivative contracts hedging financial assets (securities held) and financial liabilities issued.



The **net interest income** stood at 1,602.1 million, down by 7.0% compared to the first half of 2024 (equal to 1,722.8 million), mainly due to the contraction in the commercial spread, resulting from the interest rate trend which brought the average 3-month Euribor rate from 3.87% in the first half of 2024 to 2.33% in the first half of 2025.

¹ Management figure.

Gains (losses) on interests in associates and joint ventures carried at equity

(thousands of euro)	I half 2025	I half 2024	Abs. Change	% Change
Agos Ducato	38,122	39,121	(999)	(2.6%)
Anima Holding (*)	15,196	25,101	(9,905)	(39.5%)
Banco BPM Assicurazioni	1,236	1,259	(23)	(1.8%)
Vera Assicurazioni	1,101	1,880	(779)	(41.4%)
Other investee companies	7,715	7,553	162	2.1%
Total	63,370	74,914	(11,544)	(15.4%)

(*) Company consolidated on a line-by-line basis from the second quarter of 2025.

The **gains (losses) on interests in associates and joint ventures carried at equity** was equal to 63.4 million, compared to the figure of 74.9 million for the corresponding period of the previous year.

The main contribution to the item in question is provided by consumer credit conveyed by the interest held in Agos Ducato, equal to 38.1 million, compared to 39.1 million in the first half of 2024; as regards Anima Holding, following the acquisition of control in the second quarter of 2025, the item in question includes only the contribution relating to the first quarter of 2025, equal to 15.2 million. In 2024, on the other hand, the contribution of the investee of 25.1 million relating to the first half year was recognised.

Net fee and commission income

(thousands of euro)	I half 2025	I half 2024 (*)	Abs. Change	% Change
Net fee and commission income Savings products	545,697	384,991	160,706	41.7%
- Indirect upfront - management	191,494	150,651	40,843	27.1%
- Indirect running - management	240,249	234,340	5,909	2.5%
- Anima - production margin	113,954	-	113,954	n.s.
Net fee and commission income Other	659,651	660,119	(468)	(0.1%)
Investment Banking	58,797	44,425	14,372	32.4%
Insurance protection (other)	42,363	32,367	9,996	30.9%
Keeping and management of current accounts	112,415	113,952	(1,537)	(1.3%)
Loans (including consumer credit and factoring) and unsecured loans	297,970	278,698	19,272	6.9%
Collection and payment services and e-money	140,263	159,282	(19,019)	(11.9%)
Other business services	49,448	74,106	(24,658)	(33.3%)
Fee and commission expense on synthetic securitisations	(42,410)	(39,992)	(2,418)	6.0%
Other services	805	(2,719)	3,524	n.s.
Total	1,205,348	1,045,110	160,238	15.3%

(*) The figures relating to the previous year have been restated to provide a like-for-like comparison. For more details on data comparability, please refer to the introduction to this "Results" section.

Net fee and commission income

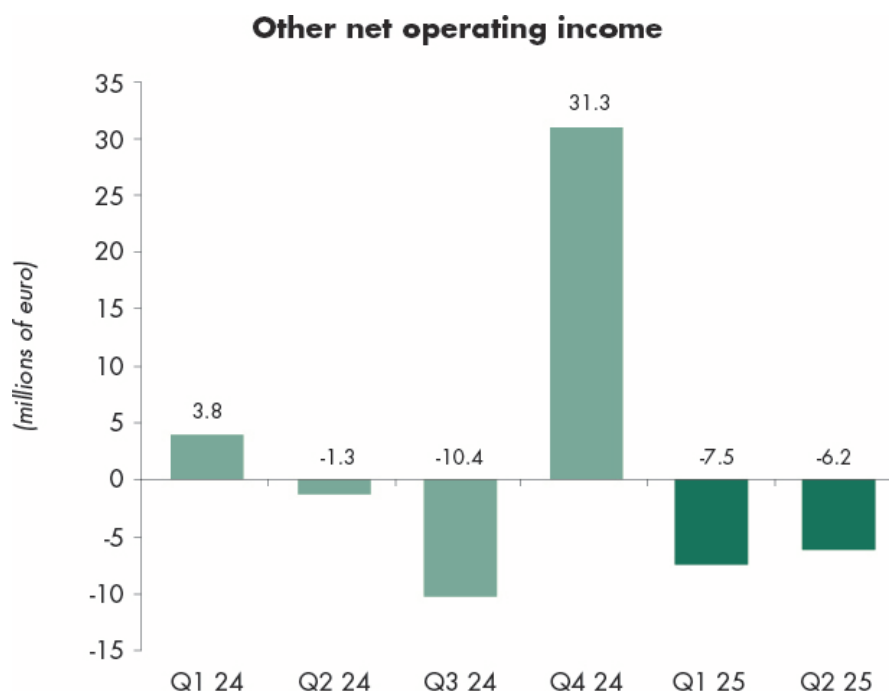


Net fee and commission income in the first half totalled 1,205.3 million, marking an increase of 15.3% compared to the same period of the previous year. On a like-for-like basis, i.e. excluding the contribution of Anima in the second quarter of 2025, net fee and commission income amounted to 1,091.4 million, an increase of +4.4%. In greater detail, commissions on savings and investment products showed an increase, on a like-for-like basis, of 12.1%.

The contribution of the commercial bank and other services was stable (-0.1% compared to 30 June 2024), with an increase in investment banking fees (14.4 million, +32.4%) and insurance products (10.0 million, +30.9%) against the lower contribution of fees from e-money and collection and payment services (-19.0 million, -11.9%) and other business services (-24.7 million, -33.3%), the latter mainly due to the reduction in acquisitions of new tax credits resulting from the limitations envisaged by the current regulations.

Other net operating income

(thousands of euro)	I half 2025	I half 2024	Abs. Change	% Change
Income on current accounts and loans	3,013	3,171	(158)	(5.0%)
Rental income	9,800	17,204	(7,404)	(43.0%)
Expenses on leased assets	(9,789)	(11,467)	1,678	(14.6%)
Other income and charges	(16,718)	(6,414)	(10,304)	160.6%
Total	(13,694)	2,494	(16,188)	n.s.

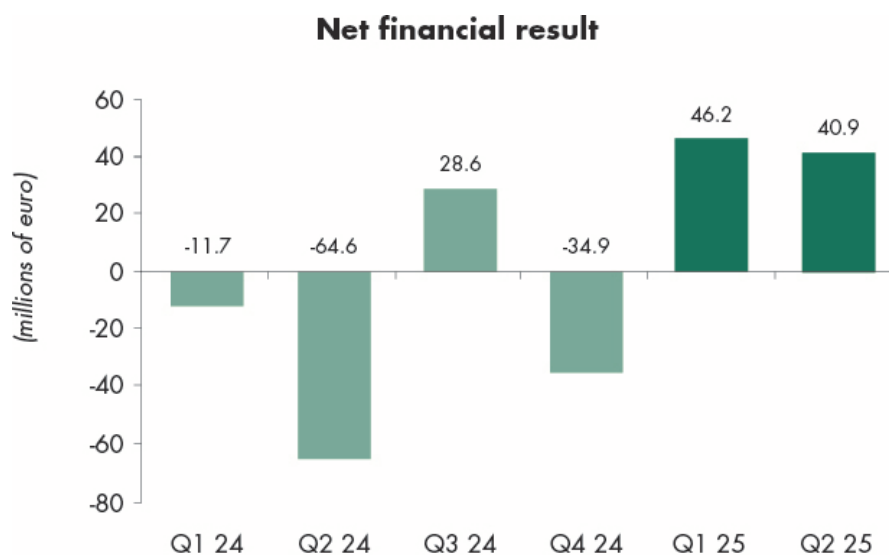


Other net operating income totalled -13.7 million, compared to the figure of +2.5 million for the first half of 2024. The decrease recorded by this aggregate mainly refers to the reduction in rental income (-7.4 million) following the sale of properties completed from December 2024 (Square Project).

Net financial result

(thousands of euro)	I half 2025	I half 2024 (*)	Abs. Change	% Change
Net trading income	176,393	(12,060)	188,453	n.s.
Gains/losses on disposal of financial assets	(33,026)	16,528	(49,554)	n.s.
Dividends and similar income on financial assets	129,553	21,993	107,560	n.s.
Gains/losses on repurchase of financial liabilities	(127)	1,582	(1,709)	n.s.
Fair value gains/losses on hedging derivatives	10,900	(4,748)	15,648	n.s.
Result of assets and liabilities at fair value	(196,631)	(99,542)	(97,089)	97.5%
Total	87,062	(76,247)	163,309	n.s.

(*) The figures relating to the previous year have been restated to provide a like-for-like comparison. For more details on data comparability, please refer to the introduction to this "Results" section.

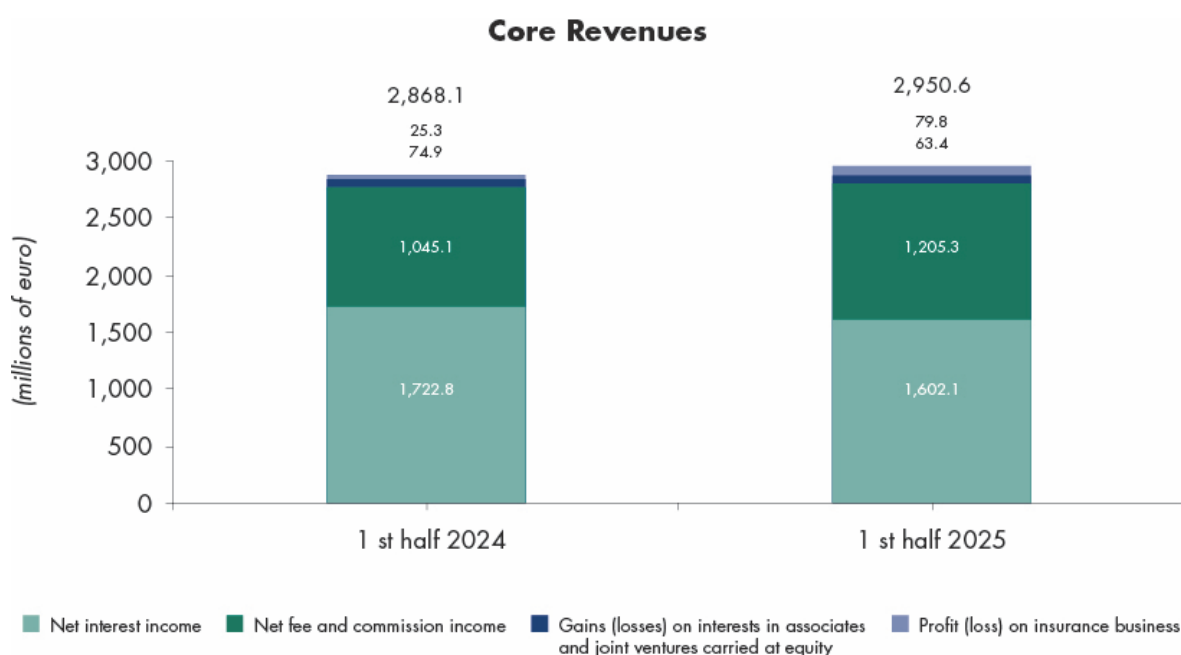


The **net financial result** in the first half was positive and equal to 87.1 million, compared to the figure of -76.2 million recorded as at 30 June 2024.

The aggregate in question includes dividends of 129.6 million¹ (22.0 million in the first half of 2024) and profits from trading for 176.4 million (-12.1 million in the first half of 2024), which were offset by the negative contribution of liabilities designated at fair value and the relative derivatives, equal to -196.6 million (-99.5 million in the first half of 2024) and the negative result of the disposal of financial assets for -33.0 million (+16.5 million during the first half of 2024).

The **profit (loss) on insurance business** in the first half of 2025 amounted to 79.8 million, compared with 25.3 million in the first half of 2024, and included the contribution of the companies Banco BPM Vita, Vera Vita and BBPM Life.

By virtue of the trends described, the total **operating income** therefore amounted to 3,024.0 million, up compared to 2,794.4 million recorded in the same period of the previous year (+8.2%). On a like-for-like basis, operating income amounted to 2,882.9 million, an increase of 3.2% compared to the first half of 2024.

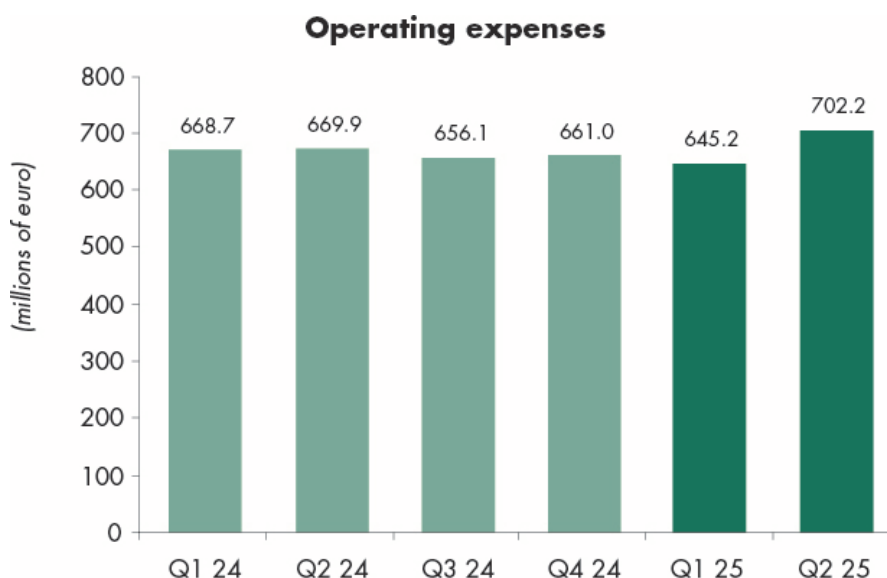


Taking only "core" revenues into account, represented by the sum of the aggregates relating to the net interest income, net fee and commission income, the gains (losses) on interests in associates and joint ventures carried at equity and the profit (loss) on insurance business, the first half of 2025 figure reached 2,950.6 million, up 2.9% compared to the figure for the same period of the previous year.

¹ The item includes 97.4 million relating to the interest held in Banca Monte dei Paschi di Siena (of which 43.2 million for the share held by Anima Holding).

Operating expenses

(thousands of euro)	I half 2025	I half 2024	Abs. Change	% Change
Personnel expenses	(890,190)	(860,561)	(29,629)	3.4%
Other administrative expenses	(321,381)	(348,968)	27,587	(7.9%)
- Taxes and duties	(174,204)	(165,727)	(8,477)	5.1%
- Services and consulting	(195,310)	(179,297)	(16,013)	8.9%
- Property	(34,092)	(34,411)	319	(0.9%)
- Postal, telephone and stationery	(10,982)	(10,935)	(47)	0.4%
- Maintenance and fees for furniture, machines and systems	(56,165)	(52,796)	(3,369)	6.4%
- Advertising and entertainment	(11,167)	(8,624)	(2,543)	29.5%
- Other administrative expenses	(953)	(44,038)	43,085	(97.8%)
- Expense recoveries	161,492	146,860	14,632	10.0%
Value adjustments to property, plant and equipment and intangible assets	(135,799)	(129,068)	(6,731)	5.2%
- Value adjustments to property, plant and equipment	(80,521)	(76,348)	(4,173)	5.5%
- Value adjustments to intangible assets	(54,437)	(52,413)	(2,024)	3.9%
- Net write-downs for impairment	(841)	(307)	(534)	173.9%
Total	(1,347,370)	(1,338,597)	(8,773)	0.7%



Personnel expenses, equal to 890.2 million, increased by 3.4% compared to 860.6 million in the first half of 2024. The item includes the contribution of the Anima Group companies for 26.9 million. On a like-for-like basis, the item amounted to 863.3 million, essentially stable compared to the first half of 2024 (+0.3%).

The total number of employees was 19,304 as at 30 June 2025 (of which 159 pertaining to the insurance companies and 558 to the Anima Group), compared to the figure, on a like-for-like basis, of 20,028 staff employed as at 31 December 2024 (of which 150 pertaining to the insurance companies and 538 to the Anima Group).

Other administrative expenses¹, equal to 321.4 million, showed a decrease of 7.9% compared to the figure for the first half of 2024, equal to 349.0 million, and include the contribution of the Anima Group companies for 14.3 million. On a like-for-like basis, the contraction therefore reached 12.0%.

¹ The aggregate is shown net of some "one-off" operating expenses incurred for the performance of extraordinary transactions that have an impact on the organisational structure of the Group (e.g. acquisition of control of Anima Holding through a tender offer) or are included in the projects aimed at the integration of business combinations completed in previous years (Vera Vita). The item also does not include non-recurring charges incurred to protect the interests of shareholders in relation to the UniCredit Public Exchange Offer. Starting from 30 June 2025, these costs are shown, net of the related tax effect, in a separate item of the reclassified income statement entitled "Charges for company restructuring, net of taxes".

Net value adjustments to property, plant and equipment and intangible assets amounted to a total of 135.8 million, compared with 129.1 million during the first half of 2024, and include the contribution of the Anima Group companies for 2.3 million.

Total **operating expenses** therefore amounted to 1,347.4 million, slightly up (+0.7%) compared to 1,338.6 million in the first half of 2024. The aggregate includes the contribution of the Anima Group companies for 43.6 million. On a like-for-like basis, operating expenses were down by 2.6%.

Adjustments and provisions

(thousands of euro)	I half 2025	I half 2024	Abs. Change	% Change
Net adjustments to loans at AC to customers	(163,696)	(187,568)	23,872	(12.7%)
Stage 3	(157,082)	(172,261)	15,179	(8.8%)
Stage 2	(6,040)	(42,931)	36,891	(85.9%)
Stage 1	(574)	27,624	(28,198)	n.s.
Acquired or originated impaired	-	-	-	
Gains (losses) on disposal of loans	(375)	(7,082)	6,707	(94.7%)
Gains (losses) from contractual modification without derecognition	(142)	598	(740)	n.s.
Total	(164,213)	(194,052)	29,839	(15.4%)

Net adjustments to loans to customers



Net adjustments to loans to customers in the first half of the year, equal to 164.2 million, showed a reduction on the figure as at 30 June 2024 of 194.1 million (-15.4%).

As at 30 June 2025, the annualised cost of credit, measured by the ratio of net value adjustments on loans to net loans, was 33 bps, down with respect to the 46 bps recorded at the end of 2024.

This result was achieved by safeguarding the solid levels of coverage achieved in previous periods.

The Fair value gains (losses) on property, plant and equipment as at 30 June 2024 amounted to -4.2 million (-26.0 million in the first half of 2024), to take into account updates in appraisal values.

The item **net adjustments to securities and other financial assets** includes net gains of +2.3 million (-3.2 million as at 30 June 2024).

The item **net provisions for risks and charges** in the first half of the year included net recoveries of +3.4 million (net recoveries of +8.2 million as at 30 June 2024).

Gains (losses) on interests in associates and joint ventures and other investments¹ as at 30 June 2025 amounted to +1.2 million (+1.0 million as at 30 June 2024).

Due to the trends described, the **profit (loss) before tax from continuing operations** was 1,515.1 million compared to 1,241.8 million in the same period of the previous year (+22.0%). On a like-for-like basis, the profit (loss) before tax from continuing operations stood at 1,417.4 million, an increase of 14.1% compared to the first half of 2024.

Other revenue and cost items

The **taxation charge related to profit or loss from continuing operations** was -446.0 million (-395.9 million as at 30 June 2024).

Profit (loss) after tax from continuing operations therefore was equal to 1,069.1 million, a 26.4% increase compared to 845.9 million in the first half of 2024. On a like-for-like basis, the profit (loss) after tax from continuing operations stood at 997.1 million, an increase of 17.9% compared to the first half of 2024.

The item **charges for company restructuring, net of taxes** includes "one-off" operating expenses as they are specifically incurred for the performance of extraordinary transactions that have an impact on the organisational structure of the Group (e.g. acquisition of control of Anima Holding through a tender offer) or form part of projects aimed at the integration of business combinations completed in previous years (Vera Vita). The item also includes non-recurring charges incurred to protect the interests of shareholders in relation to the UniCredit Public Exchange Offer. The overall impact, net of the related tax effect, amounted to -30.7 million (-45.2 million gross).

The new item **impact of restatement of Anima share, net of taxes**, includes the positive impact deriving from the revaluation of the interest held in Anima Holding before the acquisition of control, resulting from the realignment at fair value at the date of acquisition of control, equal to a total of 201.8 million net of the related tax effect (205.6 million gross).

In the half year, the **change in own credit risk on Certificates issued by the Group, net of taxes**, generated a positive impact of +2.7 million (+4.1 million before taxes), compared to the negative effect recorded in the first half of 2024 of -1.3 million (-1.9 million before taxes).

As at 30 June 2025, the impact of the **Purchase Price Allocation net of taxes** was equal to -20.2 million, against -18.6 million in the first half of 2024. Starting from the second quarter of 2025, the item in question also included the impacts, totalling -6.4 million, linked to the reversal of the PPA correlated with the acquisition of control of the Anima Group completed in April².

As a result of the trends described above and in consideration of the non-controlling share, equal to -8.3 million, the first half of 2025 closed with a **net profit for the period** of 1,214.5 million (750.1 million in the first half of 2024). On a like-for-like basis, the net profit for the period stood at 983.8 million, an increase of 31.2% compared to the first half of 2024.

¹ The item does not include the positive impact deriving from the revaluation at fair value of the interest held in Anima Holding before the acquisition of control, following the realignment to the price of the tender offer, equal to a total of 205.6 million, shown, net of the related tax effect, in a separate item of the reclassified income statement entitled "Impact of restatement of Anima share, net of taxes".

² The PPA relating to the Anima Group combination was provisionally recognised on 30 June 2025. As a result, the reversal effects linked to this PPA are also based on provisional estimates and will be recalculated once the PPA process becomes final as required by IFRS 3, within 1 year of the acquisition date.

Key financial highlights of the main Group companies

A summary of the main interests in Group companies is presented below, with an indication of the most significant balance sheet, income statement and operating balances as at 30 June 2025.

(millions of euro)	Total assets	Shareholders' equity (*)	Direct Funding	Indirect Funding	Net loans	Profit (Loss)
Banks						
Banco BPM	192,816.5	15,034.3	125,321.7	102,689.0	99,914.9	1,296.2
Banca Aletti & C.	1,958.4	383.9	1,423.1	25,070.4	745.6	20.6
Banca Akros	527.4	240.2	156.6	-	54.7	17.8
Banca Aletti & C. (Suisse)	119.2	27.7	80.5	669.1	22.0	(0.1)
Bipielle Bank (Suisse) in liquidation	10.5	8.0	-	-	-	(0.1)
Insurance companies						
Banco BPM Vita	9,440.8	2,832.7	6,496.2	-	-	25.0
Vera Vita	7,199.9	368.1	6,420.6	-	-	5.7
BBPM Life	4,349.9	100.3	4,179.5	-	-	11.4
Financial companies						
Anima Holding	2,571.8	1,950.4	585.9	207,176.9	6.2	64.5
Anima SGR	695.9	387.4	5.0		157.5	50.9
Anima Alternative SGR	10.5	5.6	-		1.7	1.1
Castello SGR	35.4	20.0	-		6.7	0.2
Kairos Partners SGR	59.8	31.0	2.2		7.7	0.9
Banco BPM Invest SGR	4.1	2.4	-	-	-	-
Aletti Fiduciaria	8.5	6.6	-	837.4	0.7	(0.1)
Oaklins Italy	2.2	1.8	-	-	-	(0.2)
Other companies						
Ge.Se.So.	1.7	0.5	-	-	-	0.04

(*) amount inclusive of the profit (loss) for the period.

Banco BPM stock

As at 30 June 2025, the value of Banco BPM shares fluctuated between a minimum closing price of 7.694 euro on 3 January 2025 and a maximum closing price of 10.380 euro on 9 June 2025.

From the beginning of the year, Banco BPM shares recorded a positive performance of +27%. During the period, average daily volumes were approximately 10.5 million shares.

In addition, it should be noted that at the end of June 2025, the Banco BPM share was "covered" by 15 equity research companies (of which: 5 with positive recommendations, 10 neutral and 0 negative), with which continuous dialogue was maintained during the year.

Lastly, the shareholders of Banco BPM have a consultation agreement in place relating to the shares of Banco BPM S.p.A., made public pursuant to Art. 122 of Italian Legislative Decree 58/1998 and Art. 129 of CONSOB Regulation 11971 of 14 May 1999.

This consultation agreement was originally signed on 21 December 2020 between several Italian Foundations, shareholders of Banco BPM for a total share of 5.49% of Banco BPM's share capital. It was subsequently updated following the entry or exit of new shareholders from the agreement itself, or due to changes in the shareholding held by an individual participant in the agreement, on 20 July 2021, 18 October 2022, 31 December 2022, 27 March 2023, 19 December 2023, 16 February 2024 and 31 December 2024.

At the end of the last financial year, this agreement concerned a 6.51% interest in the Bank's share capital.

For further details, please refer to the website www.gruppo.bancobpm.it, Investor Relations - Stock, shareholder base and dividends section, "Consultation Agreements".

Group ratings

Summary table of Banco BPM credit ratings

Rating Agency	Type of Rating	30/06/2025	31/12/2024
Fitch Ratings*	Long-Term Issuer Default Rating (IDR)/Outlook	BBB-/Rating Watch Positive	BBB-/Rating Watch Positive
	Short-term Issuer Default Rating (IDR)	F3/Rating Watch Positive	F3/Rating Watch Positive
	Long-term Senior Preferred Debt (SP)	BBB/Rating Watch Positive	BBB/Rating Watch Positive
	Long-term Deposits	BBB/Rating Watch Positive	BBB/Rating Watch Positive
	Short-term Deposits	F3/Rating Watch Positive	F3/Rating Watch Positive
	Viability Rating (VR)	bbb-	bbb-
Moody's Ratings*	Long-Term on Senior Unsecured Debt and Issuer Rating/Outlook	Baa2/On watch for Possible Upgrade	Baa2/On watch for Possible Upgrade
	Long-Term on Deposits/Outlook	Baa1/Positive	Baa1/Stable
	short-term on Deposits	P-2	P-2
	Baseline Credit Assessment	baa3	baa3
Morningstar DBRS	Long-Term on Senior Debt and Long-term Issuer Rating/Trend	BBB (high)/Stable	BBB/Positive
	Short-term on Debt and Short-term Issuer Rating/Trend	R-1 (low)/Stable	R-2 (high)/Positive
	Long-Term on Deposits/Trend	BB (high)/Positive	BB (high)/Positive
	Short-term on Deposits/Trend	R-1 (low)/Stable	R-1 (low)/Stable
	Intrinsic Assessment	BBB (high)	BBB
S&P Global Ratings*	Long-Term Issuer Credit Rating/Outlook	BBB/Positive	BBB/Stable
	Senior Unsecured	BBB	BBB
	Short-term Issuer Credit Rating	A-2	A-2
	Stand-alone credit profile (SACP)	bbb-	bbb-

* Ratings affected by rating action in July; see the description of events after 30 June below.

Summary table of Banca Akros ratings

Rating Agency	Type of Rating	30/06/2025	31/12/2024
Fitch Ratings*	Long-Term Issuer Default Rating (IDR)/Outlook	BBB-/Rating Watch Positive	BBB-/Rating Watch Positive
	Short-term Issuer Default Rating (IDR)	F3/Rating Watch Positive	F3/Rating Watch Positive
	Shareholder Support Rating	bbb-/Rating Watch Positive	bbb-/Rating Watch Positive

* Ratings affected by rating action in July; see the description of events after 30 June below.

Summary table of Anima Holding credit ratings

Rating Agency	Type of Rating	30/06/2025
Fitch Ratings*	Long-Term Issuer Default Rating (IDR)/Outlook	BBB/Stable
	Short-term Issuer Default Rating (IDR)	F3

* Ratings affected by rating action in July; see the description of events after 30 June below.

The main events concerning the ratings of Banco BPM and Banca Akros are summarised below:

- On 20 January 2025, Fitch Ratings maintained the ratings of Banco BPM and Banca Akros as Rating Watch Positive (RWP);
- On 27 May 2025, Moody's Ratings, as part of a broad rating initiative that concerned the Italian banking system, improved the Outlook of the long-term rating on Banco BPM deposits (Baa1) from Stable to Positive, confirming the Baseline Credit Assessment at baa3;
- On 16 April 2025, Morningstar DBRS upgraded Banco BPM's long-term Issuer rating to BBB (high) from BBB and the short-term rating to R-1 (low) from R-2 (high), with both Trends now Stable. At the same time, the rating on long-term deposits was confirmed at BBB (high) and that on short-term deposits at R-1 (low). Morningstar DBRS also improved the Intrinsic Assessment (IA) to BBB (high);

- On 18 April 2025, Standard & Poor's Global Ratings, as part of a broad rating initiative that concerned the Italian banking system, raised Banco BPM's Outlook from Stable to Positive, confirming the long-term Issuer Credit Rating as BBB and the short-term rating as A-2.

Significant events after the end of the interim period

The main events concerning the ratings of Banco BPM and Banca Akros in July are summarised below:

- On 29 July 2025, Fitch Ratings confirmed Banco BPM's ratings, including the long-term Issuer Default Rating (IDR) at BBB-, the long-term Senior Preferred Rating BBB and the Viability Rating (VR) at bbb- and placed the IDR in Positive Outlook, removing the Rating Watch Positive (RWP) on long- and short-term IDR;
- On 25 July 2025, Moody's Ratings assigned a Positive Outlook to the long-term Issuer Rating and the Senior Unsecured debt rating of Banco BPM, both confirmed at "Baa2". The rating action concluded the review for upgrade launched on 28 November 2024;
- On 25 July 2025, S&P Global Ratings confirmed the ratings of Banco BPM, including the long- and short-term issuer Credit Rating "BBB/A-2" with a Positive Outlook.

Lastly, with reference to the ratings assigned by Fitch Ratings to Anima Holding, it should be noted that, on 4 July 2025, the agency confirmed the company's BBB rating, with a "Stable" Outlook. Fitch has also assigned Anima a Shareholder Support Rating (SSR) of "bbb-", which is guided by the Viability Rating (VR) of Banco BPM (holder of approximately 90% of the shares of Anima Holding since April 2025).

RISK MANAGEMENT

Information on risks is provided in the part E "Information on risks and related hedging policies" in the explanatory notes to the consolidated condensed interim financial statements, to which reference should be made.

DISCLOSURE ON TRANSACTIONS WITH RELATED PARTIES

The information on transactions with related parties is included in part H "Transactions with related parties" of the explanatory notes to the consolidated condensed interim financial statements, to which reference is made.

OUTLOOK FOR BUSINESS OPERATIONS

The scenario for 2025 is still characterised by high geopolitical uncertainty due to ongoing conflicts and the aggressive and unpredictable US trade policy, which has only recently seen the emergence of important agreements on import duties with the EU and Japan. EMU inflation has stabilised around the ECB's target, also thanks to the prices of energy products, with an average CPI figure of 1.7% forecast for our country in 2025. The Italian economy, after a lively first quarter, also due to the advance of US imports to avoid tariffs, settled in the second quarter of 2025 and GDP growth of +0.6% is expected for 2025. The ECB's monetary policy is maintaining an expansionary approach but, after the four 25 bp cuts in official rates in the first half of 2025, it is likely to become less proactive by intervening with only one further cut by the end of the year (reference rate on deposits expected at 1.75% at the end of 2025).

With regard to direct funding, the stock is expected to be substantially stable, consolidating a first half year above expectations, while loans to customers will continue to benefit from a sustained movement in disbursements, more due to a level of interest rates favourable to investments than to the performance of the economy, which is expected to show moderate growth.

Overall, the trend in net interest income is expected to be affected by the gradual easing of monetary policy, the effects of which can be expected to be gradually mitigated by the continuation of managerial actions, in line with the situation in 2024 and the first half of 2025.

In terms of commissions, the excellent half year just ended provides greater support to YoY growth expectations, even on a like-for-like basis (i.e. excluding the contribution of Anima); in particular, the market rate scenario and the strengthened commercial and product synergies deriving from the entry of Anima into the Group's scope will constitute an element of support to the placement dynamics of asset management and administered products, including the insurance component. The commission on loans, expected to rise compared with the previous year, should contribute to the year-on-year growth in overall net fee and commission income, despite the substantial elimination of the contribution of the component relating to the purchase of building bonus tax credits, and of commission on instant bank transfers.

With regard to operating expenses, the component referring to personnel expenses will continue to benefit from a decrease in the workforce as a result of the trade union agreements signed on 19 December relating to the voluntary exit plan; in the second half year, the effects of these reductions are expected to be higher than the residual increases deriving from the renewal of the National Collective Labour Agreement; therefore, on a like-for-like basis (i.e. excluding the contribution of Anima), personnel expenses at the end of the year are expected to improve compared to the previous year. With regard to administrative expenses, the higher burden resulting from the implementation of the initiatives outlined in the updated Strategic Plan, is currently more than offset by the effect of the optimisation measures and the positive trend in operating expenses. With reference to credit, the macroeconomic scenario outlined leads to a prudent projection of the expected default rate (slightly higher than that of 2024). In this context, caution remains high with regard to credit policies, oriented towards a careful selection of customers, just as coverage is expected to remain stable at precautionary levels on both performing and non-performing exposures.

The solidity of the results achieved during the first half year and their resilience, by virtue of the excellent half-yearly results and a business model which, in line with the Strategic Plan, has become even more robust and diversified thanks to the entry of Anima within the scope of the Group, thus fully confirm the net profit guidance for 2025, even considering a further cut in interest rates expected by the end of the year.

Consolidated condensed interim financial statements

FINANCIAL STATEMENTS

Consolidated balance sheet

Asset items	30/06/2025	31/12/2024
10. Cash and cash equivalents	11,732,925	12,124,840
20. Financial assets at fair value through profit and loss	20,607,830	15,570,018
a) financial assets held for trading	10,746,746	6,012,317
c) other financial assets mandatorily measured at fair value	9,861,084	9,557,701
30. Financial assets measured at fair value through other comprehensive income	25,322,580	22,682,060
40. Financial assets at amortised cost	136,710,826	131,794,858
a) loans to banks	6,827,943	5,842,536
b) loans to customers	129,882,883	125,952,322
50. Hedging derivatives	950,378	1,033,292
60. Fair value change of financial assets in macro fair value hedge portfolios (+/-)	(56,691)	(1,450)
70. Interests in associates and joint ventures	1,394,891	1,708,439
80. Insurance assets	7,476	7,219
a) insurance contracts issued - assets	63	63
b) reinsurance assets	7,413	7,156
90. Property, plant and equipment	2,506,715	2,513,905
100. Intangible assets	3,187,324	1,256,612
of which:		
- goodwill	1,618,374	56,709
110. Tax assets	3,049,511	3,372,636
a) current	180,092	253,714
b) deferred	2,869,419	3,118,922
120. Non-current assets and disposal groups held for sale	196,649	444,525
130. Other assets	5,337,852	5,702,133
Total assets	210,948,266	198,209,087

Liabilities and shareholders' equity items	30/06/2025	31/12/2024
10. Financial liabilities at amortised cost	136,464,406	133,165,852
a) due to banks	6,391,443	6,383,938
b) due to customers	105,705,837	103,408,494
c) debt securities in issue	24,367,126	23,373,420
20. Financial liabilities held for trading	28,433,336	22,896,647
30. Financial liabilities designated at fair value	8,358,756	8,287,982
40. Hedging derivatives	789,141	869,068
50. Fair value change of financial liabilities in macro fair value hedge portfolios (+/-)	(340,063)	(403,870)
60. Tax liabilities	577,086	471,782
a) current	62,644	41,692
b) deferred	514,442	430,090
70. Liabilities associated with assets classified as held for sale	-	1,215
80. Other liabilities	7,205,764	4,444,573
90. Provisions for employee severance pay	209,056	237,783
100. Provisions for risks and charges	640,379	750,842
a) commitments and guarantees given	118,334	121,328
b) post-employment benefits and similar obligations	79,105	83,467
c) other provisions	442,940	546,047
110. Insurance liabilities	13,294,656	12,883,201
a) insurance contracts issued - liabilities	13,294,656	12,883,201
120. Valuation reserves	33,839	(188,413)
140. Equity instruments	1,787,274	1,608,773
150. Reserves	5,173,033	4,830,455
155. Advances on dividends	-	(600,553)
170. Share capital	7,100,000	7,100,000
180. Own shares (-)	(50,503)	(66,712)
190. Non-controlling interests (+/-)	57,641	69
200. Profit (loss) for the period (+/-)	1,214,465	1,920,393
Total liabilities and shareholders' equity	210,948,266	198,209,087

Consolidated income statement

Items	I half 2025	I half 2024
10. Interest and similar income	3,030,960	3,789,231
of which: interest income using the effective interest method	2,728,522	3,428,077
20. Interest and similar expense	(1,286,889)	(1,930,993)
30. Net interest income	1,744,071	1,858,238
40. Fee and commission income	1,356,245	1,065,020
50. Fee and commission expense	(234,106)	(105,951)
60. Net fee and commission income	1,122,139	959,069
70. Dividends and similar income	156,282	58,977
80. Net trading income	224,405	(12,959)
90. Fair value gains/losses on hedging derivatives	10,900	(4,748)
100. Gains (losses) on disposal or repurchase of:	(27,883)	10,587
a) financial assets at amortised cost	65,390	(5,537)
b) financial assets measured at fair value through other comprehensive income	(97,795)	14,303
c) financial liabilities	4,522	1,821
110. Net gains (losses) from other financial assets and liabilities measured at fair value through profit and loss	(141,617)	65,634
a) financial assets and liabilities designated at fair value	(107,400)	(75,752)
b) other financial assets mandatorily measured at fair value	(34,217)	141,386
120. Operating income	3,088,297	2,934,798
130. Net credit impairment losses/recoveries relating to:	(162,544)	(190,588)
a) financial assets at amortised cost	(160,866)	(189,164)
b) financial assets measured at fair value through other comprehensive income	(1,678)	(1,424)
140. Gains (losses) from contractual modification without derecognition	(142)	598
150. Net income from financial activities	2,925,611	2,744,808
160. Profit (loss) on insurance services	39,808	(5,102)
a) insurance revenues deriving from insurance contracts issued	94,096	75,223
b) costs for insurance services deriving from insurance contracts issued	(54,024)	(78,893)
c) insurance revenues from reinsurance	947	1,313
d) costs for insurance services deriving from reinsurance	(1,211)	(2,745)
170. Balance of revenues and costs of a financial nature relating to insurance activities	(178,107)	(266,206)
a) net costs/revenues of a financial nature relating to insurance contracts issued	(178,167)	(266,260)
b) net revenues/costs of a financial nature relating to reinsurance	60	54
180. Net income from financial and insurance activities	2,787,312	2,473,500
190. Administrative expenses:	(1,398,628)	(1,453,626)
a) personnel expenses	(870,765)	(860,061)
b) other administrative expenses	(527,863)	(593,565)
200. Net provisions for risks and charges	3,401	8,242
a) commitments and guarantees given	3,020	16,753
b) other net provisions	381	(8,511)
210. Depreciation and impairment losses on property, plant and equipment	(77,988)	(73,921)
220. Amortisation and impairment losses on intangible assets	(77,208)	(68,788)
230. Other operating expenses/income	147,651	167,394
240. Operating expenses	(1,402,772)	(1,420,699)
250. Gains (losses) of associates and joint ventures	268,993	69,926
260. Fair value gains (losses) on property, plant and equipment and intangible assets	(4,250)	(25,989)
280. Gains (losses) on disposal of investments	1,224	1,023
290. Profit (loss) before tax from continuing operations	1,650,507	1,097,761
300. Taxation charge related to profit or loss from continuing operations	(427,717)	(347,642)
310. Profit (loss) after tax from continuing operations	1,222,790	750,119
330. Profit (loss) for the period	1,222,790	750,119
340. Profit (loss) for the period attributable to non-controlling interests	(8,325)	6
350. Parent Company's profit (loss) for the period	1,214,465	750,125
Basic EPS (euro)	0.81	0.50
Diluted EPS (euro)	0.81	0.50

Statement of Consolidated Comprehensive Income

Items	30/06/2025	30/06/2024
10. Profit (loss) for the period	1,222,790	750,119
Other comprehensive income after tax without reclassification to the income statement	50,441	(2,983)
20. Equity instruments designated at fair value through other comprehensive income	75,050	7,800
30. Financial liabilities designated at fair value through profit and loss (changes to its own credit risk)	(20,300)	(17,697)
50. Property, plant and equipment	433	120
70. Defined benefit plans	1,751	3,230
90. Share of valuation reserves related to interests in associates and joint ventures carried at equity	(6,493)	3,564
Other comprehensive income after tax with reclassification to the income statement	178,198	(44,067)
110. Foreign investment hedges	128	1,270
120. Exchange rate differences	247	(1,995)
130. Cash flow hedges	(4,631)	(2,249)
150. Financial assets (other than equity instruments) measured at fair value through other comprehensive income	229,324	(136,900)
170. Share of valuation reserves related to interests in associates and joint ventures carried at equity	792	(1,911)
180. Revenues or costs of a financial nature relating to insurance contracts issued	(47,662)	97,718
200. Total other comprehensive income after tax	228,639	(47,050)
210. Comprehensive income (Items 10+200)	1,451,429	703,069
220. Consolidated comprehensive income attributable to non-controlling interests	13,276	(6)
230. Consolidated comprehensive income attributable to the Parent Company	1,438,153	703,075

Statement of Changes of Consolidated Shareholders' Equity

30 June 2025	Balance as at 31/12/2024	Changes in opening balances	Allocation of profit from previous year		Changes in the period							Shareholders' equity as at 30/06/2025	Group shareholders' equity as at 30/06/2025	Non-controlling interests as at 30/06/2025		
			Balance as at 1/01/2025	Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of own shares	Advances on dividends	Extraordinary distribution of dividends	Changes in equity instruments				Derivatives on own shares	Stock options
Share capital:	7,100,050		7,100,050	-	-	-	-	-	-	-	-	-	-	7,101,761	7,100,000	1,761
a) ordinary shares	7,100,050		7,100,050	-	-	-	1,711	-	-	-	-	-	-	7,101,761	7,100,000	1,761
b) other shares	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	-		-	-	-	-	80,622	-	-	-	-	-	-	80,622	-	80,622
Reserves:	4,830,485	-	4,830,485	1,920,393	(106,181)	(1,780)	(106,181)	-	-	-	-	-	-	5,135,015	5,173,033	(38,018)
a) retained earnings	4,230,603	-	4,230,603	1,920,393	(1,507,902)	(1,780)	(60,966)	-	-	-	-	-	-	4,580,348	4,590,750	(10,402)
b) other	599,882	-	599,882	-	-	(45,215)	(45,215)	-	-	-	-	-	-	554,667	582,283	(27,616)
Valuation reserves	(188,413)	-	(188,413)	-	-	(1,436)	(1,436)	-	-	-	-	-	-	38,790	33,839	4,951
Equity instruments	1,608,773		1,608,773								178,501			1,787,274	1,787,274	-
Advances on dividends	(600,553)		(600,553)		600,553											-
Own shares	(66,712)		(66,712)				-	16,209						(50,503)	(50,503)	-
Profit (loss) for the period	1,920,382	-	1,920,382	(1,920,382)	-									1,222,790	1,222,790	8,325
Shareholders' equity	14,604,012	-	14,604,012	11	(907,349)	(25,284)	14,429	-	-	-	-	178,501	-	15,315,749	15,258,108	57,641
- of the Group	14,603,943	-	14,603,943	-	(907,349)	(69,569)	14,429	-	-	-	-	178,501	-	15,258,108		
- of non-controlling interests	69	-	69	11		44,285	-	-	-	-	-	-	-	57,641		

30 June 2024	Allocation of profit from previous year			Changes in the period										Shareholders' equity as at 30/06/2024	Group shareholders' equity as at 30/06/2024	Non-controlling interests as at 30/06/2024
	Balance as at 31/12/2023	Changes in opening balances	Balance as at 1/01/2024	Operations on shareholders' equity							Changes in equity interests					
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of own shares	Extraordinary distribution of dividends	Changes in equity instruments		Derivatives on own shares	Stock options			
Share capital:	7,100,060		7,100,060	-	-	-	-	-	-	(10)		7,100,050	7,100,000	50		
a) ordinary shares	7,100,060		7,100,060	-	-	-	-	-	-	(10)		7,100,050	7,100,000	50		
b) other shares	-		-	-	-	-	-	-	-	-		-	-	-		
Share premium reserve	-		-	-	-	-	-	-	-	-		-	-	-		
Reserves:	4,507,140	-	4,507,140	416,354	(60,210)	(3,448)	-	-	-	-		4,859,836	4,859,806	30		
a) retained earnings	4,157,010	-	4,157,010	416,354	(50,449)	(3,448)	-	-	-	-		4,519,467	4,519,454	13		
b) other	350,130	-	350,130	-	(9,761)	-	-	-	-	-		340,369	340,352	17		
Valuation reserves	(276,378)	-	(276,378)	-	8,549	-	-	-	-	-		(314,879)	(314,879)	-		
Equity instruments	1,465,843	-	1,465,843	-	-	-	(76,173)	-	-	-		1,389,670	1,389,670	-		
Own shares	(22,936)	-	(22,936)	-	-	6,230	(35,027)	-	-	-		(51,733)	(51,733)	-		
Profit (loss) for the period	1,264,431	-	1,264,431	(416,332)	(848,099)	-	-	-	-	-		750,119	750,125	(6)		
Shareholders' equity	14,038,160	-	14,038,160	22	(848,099)	(51,661)	2,782	(35,027)	-	(76,173)	(10)	13,733,063	13,732,989	74		
- of the Group	14,038,092	-	14,038,092	-	(848,099)	(51,661)	2,782	(35,027)	-	(76,173)	-	13,732,989				
- of non-controlling interests	68	-	68	22	-	-	-	-	-	(6)	(10)	74				

Consolidated Cash Flow Statement

Indirect method

A. Operating activities	30/06/2025	30/06/2024
1. Cash flow from operations	1,659,726	1,372,266
- profit (loss) for the period (+/-)	1,222,790	750,119
- gains/losses on financial assets held for trading and on other financial assets/liabilities at fair value through profit and loss (-/+)	(152,626)	(178,743)
- capital gains/losses on hedging derivatives (-/+)	(10,900)	4,748
- net credit impairment losses/recoveries (-/+)	162,686	189,990
- net impairment losses/recoveries on property, plant and equipment and intangible assets (+/-)	155,196	142,709
- net provisions for risks and charges and other costs/revenues (+/-)	1,968	(2,420)
- net revenues and costs of insurance contracts issued and reinsurance (-/+)	138,299	271,308
- taxes, duties and tax credits not settled (+/-)	205,683	269,469
- net impairment losses/recoveries on discontinued operations net of taxes (-/+)	-	-
- other adjustments (+/-)	(63,370)	(74,914)
2. Cash flow from/used in financial assets	(12,902,153)	(3,022,129)
- financial assets held for trading	(4,543,591)	(1,113,048)
- financial assets designated at fair value	-	-
- other financial assets mandatorily measured at fair value	(311,515)	(416,243)
- financial assets measured at fair value through other comprehensive income	(2,642,198)	(1,364,924)
- financial assets at amortised cost	(5,076,976)	60,270
- other assets	(327,873)	(188,184)
3. Cash flow from/used in financial liabilities	13,319,691	(4,323,804)
- financial liabilities at amortised cost	3,298,554	(5,942,447)
- financial liabilities held for trading	5,536,689	677,280
- financial liabilities designated at fair value	40,694	930,721
- other liabilities	4,443,754	10,642
4. Cash flow from/used by insurance contracts issued and reinsurance	272,899	(169,874)
- insurance contracts issued - liabilities/assets (-/+)	273,156	(170,348)
- reinsurance assets/liabilities (+/-)	(257)	474
Net cash flow from/used in operating activities	2,350,163	(6,143,541)
B. Investing activities		
1. Cash flow from:	1,093	1,294
- sales of interests in associates and joint ventures	-	-
- dividends collected on interests in associates and joint ventures	-	-
- sales of property, plant and equipment	1,093	1,294
- sales of intangible assets	-	-
- sales of subsidiaries and business segments	-	-
2. Cash flow used in:	(1,955,320)	(93,401)
- purchases of interests in associates and joint ventures	(21)	-
- purchases of property, plant and equipment	(67,634)	(34,321)
- purchases of intangible assets	(439,670)	(59,080)
- purchases of subsidiaries and business segments	(1,447,995)	-
Net cash flow from/used in investing activities	(1,954,227)	(92,107)
C. Financing activities		
- issues/purchases of own shares	-	(35,027)
- issues/purchases of equity instruments	119,498	23,301
- dividend distribution and other allocations	(907,349)	(848,099)
- third-party sales/purchases	-	-
Net cash flow from/used in financing activities	(787,851)	(859,825)
Net cash flow from/used during the period	(391,915)	(7,095,473)

Reconciliation	30/06/2025	30/06/2024
- Cash and cash equivalents at the beginning of the period	12,124,840	18,297,496
- Net cash flow from/used during the period	(391,915)	(7,095,473)
- Cash and cash equivalents: foreign exchange effect	-	-
Cash and cash equivalents at the end of the period	11,732,925	11,202,023

EXPLANATORY NOTES

These "Explanatory Notes" have been prepared with reference to the structure of the notes required by Bank of Italy Circular 262 for the financial statements, albeit with limited information, as these are consolidated condensed interim financial statements. For ease of reading, the numbering provided for in the aforementioned Circular has been maintained, although some parts, sections or tables may be omitted for the reasons explained above.

PART A – ACCOUNTING POLICIES

A.1 – GENERAL PART

Statement of compliance with the international accounting standards

These consolidated condensed interim financial statements as at 30 June 2025 have been prepared in accordance with IAS/IFRS issued by the *International Accounting Standard Board* (IASB) and related interpretations of the *International Financial Reporting Interpretations Committee* (IFRIC), endorsed by the European Commission, as established by EU Regulation no. 1606 of 19 July 2002.

For the interpretation and application of international accounting standards, the following documents, although not endorsed by the European Commission, have been referenced:

- Conceptual Framework;
- Implementation Guidance, Basis for Conclusions and any other documents prepared by the IASB or IFRIC to complete the accounting standards issued.

The accounting standards applied in the preparation of these consolidated condensed interim financial statements are those in force on 30 June 2025 (including the SIC and IFRIC interpretations).

For an overview of the accounting standards and the related interpretations endorsed by the European Commission, whose application is planned for 2025 or future years, please refer to the following paragraph "New accounting standards/interpretations or amendments to existing standards approved by IASB/IFRIC", which also illustrates any impacts for the Group.

The communications of the Supervisory Authorities (Bank of Italy, ECB, EBA, CONSOB and ESMA), the interpretation documents on the application of IAS/IFRS prepared by the Italian Accounting Body (OIC) and by the Italian Banking Association (ABI) and the discussion papers of the Italian Valuation Body (OIV), with which recommendations were provided on the information to be included in the Annual Report, on certain important aspects in the accounting field, on the accounting treatment of particular transactions, on uncertainties in the macroeconomic scenario and on the impacts of climate change have also been considered, where applicable.

The accounting standards used for the preparation of the consolidated condensed interim financial statements are those adopted for the preparation of the consolidated financial statements as at 31 December 2024, to which reference should be made for an explanation of the criteria for the recognition, classification, measurement, derecognition and recognition of income components relating to the items in the financial statements.

With reference to the disclosure provided, please note that the consolidated condensed interim financial statements as at 30 June 2025 were drafted in summary form, in compliance with the provisions of IAS 34 "Interim financial reporting".

The consolidated condensed interim financial statements are drawn up clearly and provide a true and fair view of the equity and financial situation and economic result of Banco BPM and its subsidiaries/controlled entities as at 30 June 2025, as illustrated in the paragraph "Scope of consolidation and methods".

General preparation principles

The Consolidated interim financial report (hereinafter also referred to as the "Report"), prepared in accordance with art. 154-ter of Italian Legislative Decree no. 58 of 24 February 1998 (TUF) and subsequent updates, consists of the consolidated condensed interim financial statements and the interim report on operations containing the significant events of the interim period and the outlook for business operations.

The consolidated condensed interim financial statements consist of the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the cash flow statement and the explanatory notes.

The financial statements have been prepared in keeping with the provisions of the Bank of Italy in Circular no. 262 of 22 December 2005 "Bank financial statements: layouts and rules for preparation" and the subsequent updates (most recently, the eighth update published on 17 November 2022, which incorporated the new regulations set forth in IFRS 17 "Insurance Contracts"). Specifically, this was a Circular issued by the Bank of Italy in exercising its powers established by the above-mentioned Legislative Decree 38/2005 (hereinafter also referred to as "Circular no. 262").

The financial statements provide not only the accounting data as at 30 June 2025, but also the comparative balances relating to the same period in the previous year, with the exception of the balance sheet, which is compared with the last financial statements approved as at 31 December 2024.

For a more accurate comparison, it should be noted that the statements as at 30 June 2025 show the balances of the Anima Holding Group line by line, following the acquisition of control which took place on 11 April 2025, as illustrated in detail in the paragraph "Acquisition of control of Anima Holding and related accounting impacts" contained in the section "Other aspects" below.

The Consolidated condensed interim financial statements, approved by the Board of Directors of Banco BPM on 5 August 2025, are subject to a limited audit by independent auditors PricewaterhouseCoopers S.p.A., in application of the engagement assigned to this company with the shareholders' resolutions of Banco Popolare Soc. Coop. and Banca Popolare di Milano S.c. a r.l. of 15 October 2016.

This document has been prepared adopting the euro as its main currency; the amounts are stated, unless otherwise specified, in thousands of euro.

Significant accounting policies and uncertainties regarding the use of estimates in the preparation of consolidated condensed interim financial statements

The application of certain accounting standards necessarily involves the use of estimates and assumptions, which affect the values of the assets and liabilities recorded in the balance sheet and the disclosures made on contingent assets and liabilities provided in the explanatory notes provided.

The assumptions underlying the estimates made take into account all the information available at the date of preparation of the interim financial report as at 30 June 2025, as well as assumptions considered reasonable in light of historical experience.

Due to their nature, it thus cannot be excluded that the assumptions adopted, however reasonable, might not be confirmed by future scenarios in which the Group will operate.

In particular, the macroeconomic scenario continues to present significant elements of uncertainty: the growth prospects of the Eurozone economy are in fact clouded by trade tensions and delicate geopolitical balances at global level.

These uncertainties influence the financial statement estimates, requiring the use of significant elements of judgement when selecting hypotheses and assumptions underlying said estimates.

The results, which will be achieved in the future, could therefore differ from the estimates made for the purpose of the consolidated condensed financial statements and could consequently make adjustments necessary, which at present cannot be foreseen or estimated with respect to the book value of the assets and liabilities recorded.

In that regard, note that it may be necessary to adjust the estimates as a result of changes in the underlying circumstances, following new information or increased experience.

The accounting policies considered most significant for giving a faithful representation of the Group's equity, economic and financial situation, both in terms of the materiality of the values recognised in the consolidated condensed financial statements affected by such policies and the high level of judgement required for assessments entailing the use of estimates and assumptions by the management, are illustrated below with reference to the specific sections of the Notes to the financial statements for detailed information on the assessment processes conducted as at 30 June 2025.

Determining the impairment on loans disbursed recognised in balance sheet assets

Loans represent one of the valuation items that is most exposed to the choices made by the Group in terms of disbursement, risk management and monitoring.

More specifically, the Group manages the risk of default of the borrowing counterparties by continuously monitoring any changes in customer accounts in order to assess their repayment ability, based on their economic-financial situation. This monitoring activity seeks to intercept any signs of impairment of the loans also to promptly classify them as non-performing, and an accurate estimate of the relative total value adjustments. This estimate may be made on the basis of a materiality threshold of the exposure under valuation, on an analytical basis taking account of the recoverable cash flows or on a lump-sum basis, taking into consideration the losses recorded historically on loans with similar characteristics.

With regard to loans for which objective impairment losses have not been identified singularly, namely performing loans, the impairment model, based on expected losses, requires adequate monitoring systems to be implemented to identify the existence or otherwise of significant impairment with respect to the initial date of recognition of the exposure. The IFRS 9 impairment model requires that losses be determined with reference to the time horizon of one year for financial assets that have not suffered a significant deterioration in their credit risk with respect to initial recognition (Stage 1) rather than with reference to the entire life of the financial asset if a significant deterioration is found (Stage 2).

On the basis of the above, it follows that losses on receivables must be recorded with reference not only to the objective evidence of impairment already seen at the reporting date, but also on the basis of expectations of future impairment losses not yet evident, which must be reflected:

- the likelihood of different scenarios occurring;
- the effect of discounting using the effective interest rate;
- historical experience and current and future valuations.

This means that calculating expected losses is a complex exercise that requires a substantial level of judgement and estimation. Specifically:

- the calculation of the significant deterioration in credit risk with respect to the date of initial recognition of the exposure ("SICR") is based on the identification of adequate qualitative and quantitative criteria, which also consider forward-looking information. Therefore, it cannot be ruled out that the use of different criteria may lead to the definition of a different scope of exposures to be classified as Stage 2, with a consequent impact on the expected losses to recognise in the financial statements;
- the outcome of the impairment model must reflect an objective estimate of the expected credit loss, obtained by evaluating a range of possible results. This implies the need to identify possible scenarios, based on assumptions on future economic conditions, to which the relative probabilities of occurrence are associated. The selection of different scenarios and probabilities of occurrence, as well as changes in the set of macroeconomic variables to be considered in the forecast time horizon, could have significant effects on the calculation of expected losses. In order to appreciate the impact on the expected losses resulting from the selection of different macroeconomic scenarios, in the section on credit risk in Part E of these Explanatory Notes, a sensitivity analysis is provided of the expected losses relating to performing loans to customers;
- the calculation of expected losses requires the use of estimation models:
 - for cash flows that individual debtors (or portfolios of debtors that are similar in terms of risk) are expected to be able to generate in order to satisfy, in whole or in part, the obligations undertaken with regard to the Group, also taking into account possible sales scenarios;
 - for recovery time;
 - for the estimated realisable value of property and collateral.

Given the array of possible approaches relating to estimation models permitted by the reference international accounting standards, the use of a methodology or the selection of certain estimative parameters may have a significant influence on the valuation of the loans. These methods and parameters are necessarily updated through a continuous

process also in light of historic data available, in order to best represent the estimated realisable value of the credit exposure.

In addition, in contexts of uncertainty, also relating to the macroeconomic scenario, given the limited availability of reasonable and demonstrable forward-looking information, the measurement of expected losses may be influenced by some managerial adjustments (management overlay/post model adjustment), introduced with the aim of considering those risk factors deemed not adequately captured by the models in use, such as climate and geo-political risks.

For updates introduced in the measurement of expected losses, please refer to the paragraph "Methods for measuring IFRS 9 expected losses for financial reporting purposes" contained in "Part E - Information on risks and related hedging policies" of these Explanatory Notes.

Given the above, it cannot be excluded that alternative monitoring criteria or different methodologies, parameters or assumptions in determining the recoverable value of the Group's credit exposures - influenced, however, also by possible alternative strategies for their recovery approved by the competent corporate bodies as well as by the evolution of the economic and financial context and reference regulations - may result in valuations different from those conducted for the purposes of the preparation of the consolidated condensed interim financial statements as at 30 June 2025.

Incorporation of climate and environmental risks in the calculation of expected losses

To estimate the expected losses of credit exposures, one of the most complex aspects to assess is the effective relevance of climate and environmental risks, given the uncertainty that inevitably surrounds forecasting events which, by nature, may arise in a long-term time horizon.

In greater detail, the impacts related to physical risk - such as fires, floods - or to transition risk - linked to the process of transition to a low-carbon economy - could negatively affect the debtor's ability to fulfil the obligations assumed. In addition, the occurrence of environmental events could lead to a deterioration of the assets guaranteeing the credit (e.g. property, plant), with consequent implications on the estimate of the cash flows recoverable from the enforcement of the collateral.

In addition, in the valuation of expected credit losses, reasonable and supporting information must be taken into account, available without excessive costs, relating to both past events and current conditions and future economic forecasts (forward looking). In this context, factors inherent in climate risks are also relevant, which could influence, for example, future macroeconomic scenarios used for IFRS 9 purposes, the assessment of the significant increase in credit risk (SICR) and, more generally, the calculation of expected credit losses.

Recognising the growing importance of climate factors, in 2022, the Group introduced a method to incorporate climate risks in the measurement of expected losses of performing credit exposures, which has been improved over the following years.

In greater detail, starting from the 2024 financial year, satellite models were introduced to estimate the PD parameter, able to factor in the impacts due to transaction and physical risk, through the introduction of financial KPIs sensitive to climate scenarios.

As at 30 June 2025, the overlays applied to take climate risks into account, further improved, resulted in higher value adjustments of 26.4 million compared to 25.1 million as at 31 December 2024.

With regard to the continuous process of revising models and calculation methods, it cannot be ruled out that the development of models and alternative methods, able to better factor in climate and environmental risks, may lead to different valuations with respect to those conducted for the preparation of the consolidated condensed interim financial statements as at 30 June 2025.

For an illustration of how the Group is encompassing environmental aspects in its credit policies, refer to the content of "Part E - Information on risks and related hedging policies" of these Explanatory Notes.

Determination of the Purchase Price Allocation (PPA) process

The PPA process followed for the recognition of business combinations requires that the difference between the cost of the business combination and the book value of shareholders' equity is attributed to the fair value adjustments of the identifiable net assets acquired. Any residual surplus of the cost of the business combination is recognised as goodwill; otherwise, the lower cost of the business combination is recognised in the income statement as revenue (badwill).

Taking into account the complexity of the PPA process, which requires consideration of all available information referring to facts and circumstances existing at the date of the business combination, IFRS 3 grants a measurement period of one year for its completion.

This process implies, by definition, complex and subjective estimation elements: the recognition of the aforementioned information items, the use of valuation techniques, the selection of unobservable assumptions and inputs for the purposes of measuring the fair value of the identifiable net assets acquired, require in fact, significant judgement, thus influencing the value of the goodwill/badwill resulting from the business combination.

With particular reference to the recent business combination of Anima Holding, which took place in April 2025, please refer to "Part G - Business combinations regarding companies or divisions" in these explanatory Notes.

Estimating impairment losses in relation to intangible assets with an indefinite useful life

Pursuant to IAS 36, all intangible assets with an indefinite useful life must undergo impairment testing at least once a year to verify the recoverability of their value. In addition, the standard establishes that the results of the annual test may be considered valid for subsequent interim tests, provided that the probability, which the recoverable value is less than the book value of the intangible assets, is considered remote. This opinion may be based on the analysis of the events, which have occurred, and the circumstances, which have changed subsequent to the most recent annual impairment test.

Based on the provisions of this standard, Banco BPM Group has chosen to conduct impairment testing on intangible assets with an indefinite useful life as at 31 December of each year: the results of these tests can be considered valid for subsequent interim situations, unless evidence was to emerge that would require impairment testing to be conducted in advance to ascertain the recoverability of the value of said intangible assets with an indefinite useful life.

As described in the section "Intangible assets – Item 100" set forth in "Part B – Information on the consolidated balance sheet" of these Explanatory Notes, to which reference is made for further details, for assets with an indefinite useful life represented by trademarks and goodwill, in line with what is set forth in IAS 36, in the first half of the year an analysis was performed to exclude any existence of impairment indicators that could call into question the recoverability of the relative carrying amounts.

As at 30 June 2025, the assets in question amounted to a total of 2,214.6 million, up compared to 561.0 million as at 31 December 2024 due to the entry into the Group of Anima Holding and refer to:

- goodwill for 1,618.4 million. The assets in question arise from the business combination of Banca Popolare Italiana in 2007 (Bancassurance Protection CGU for 42.9 million), the acquisition of the controlling interest in the company Oaklins Italy S.r.l. in 2021 (3.8 million), the acquisition of control of Banco BPM Vita in 2022 (10.0 million) and the acquisition of control of Anima Holding (1,561.7 million) in April 2025, as reported in "Part G - Business combinations regarding companies or divisions" of these explanatory Notes;
- to business trademarks for 596.2 million, recognised as part of the business combinations with the former Banca Popolare Italiana Group in 2007 (222.2 million), with the former BPM Group in 2017 (282.1 million) and with Anima Holding in 2025 (91.9 million). The assets in question are almost entirely allocated to the Retail CGU, with the exception of 18.6 million, resulting from the valuation of the Banca Akros trademark, and attributed to the Banca Akros CGU and 91.9 million attributed to the Asset Management CGU in relation to the trademarks of Anima Holding and its subsidiaries.

With reference to intangible assets with an indefinite useful life recognised following the acquisition of Anima Holding (1,653.6 million), no impairment test was necessary, as the first recognition for the purposes of preparing this half-yearly report makes it possible to assume that their recoverable value is not lower than the book value.

For the remaining intangible assets mentioned above (561.0 million), already existing as at 31 December 2024, recognition of potential impairment triggers (internal and external) was carried out, based on the verification of the performance of the cash flows and the discount rate, taking into account the hypotheses and assumptions used in the test conducted for the preparation of the 2024 financial statements and the related sensitivity analyses developed; the aforementioned verifications did not reveal any elements such as to cast doubt on the recoverability of the relative book values.

In this regard, it should be noted that the verification of the recoverability of the intangible assets in question is a complex exercise, the results of which are affected by the valuation methods adopted, as well as by the underlying parameters and assumptions, which may need to be modified to take account of new information or developments that could not be foreseen when this Report was prepared. In order to be able to appreciate whether the recoverable value is maintained with respect to alternative assumptions and situations, please refer to the sensitivity analysis contained in the section "Intangible assets - Item 100", of "Part B - Information on the consolidated balance sheet - Assets" of these Explanatory Notes.

Assessment of significant influence and measurement of shareholders' equity

The assessment of significant influence over an entity can be a complex exercise that requires consideration of all relevant facts and circumstances (such as, for example, voting rights, shareholders' agreements, contractual arrangements, business relations) to ascertain the existence of the power to participate in the management and financial decisions of the entity.

Elements of judgement are also necessary to allocate the difference between the purchase cost of the entity and the book value of its shareholders' equity, to be able to recognise of any impairment indicators, as well as to assess the recoverability of value, especially in the presence of significant implicit goodwill.

It is therefore not possible to exclude that a different appreciation of the facts and circumstances analysed for the purpose of verifying significant influence, the internal and external evidence of impairment, the parameters and the assumptions used to estimate the recoverable value, may result in a different perimeter or different valuations with respect to the figures considered for the purpose of the consolidated condensed interim financial statements as at 30 June 2025.

For further details, please refer to the section "Interests in associates and joint ventures – Item 70" contained in "Part B - Information on the consolidated balance sheet – Assets" of these Explanatory Notes.

Determining the fair value of financial assets and liabilities

In the presence of financial instruments not listed in active markets or of illiquid and complex instruments, adequate measurement processes must be undertaken characterised by significant elements of judgement as regards the choice of the measurement models and of the relative input parameters, which on occasion may not be observable in the market.

There are also margins of subjectivity in the measurement as regards the observability or not of certain parameters and in the consequent classification in correspondence of the fair value hierarchy levels.

For qualitative and quantitative information on the method adopted to measure the fair value of financial assets and liabilities, as well as for the sensitivity analysis of the fair value relating to financial instruments measured at fair value and classified as level 3 of the fair value hierarchy, please refer to the contents of part "A.4 – Fair value disclosure" of these explanatory Notes.

Estimating the recoverability of deferred tax assets

The Group has Deferred Tax Assets (DTA) among its significant assets, mainly generated by temporary differences between the income statement recognition date of given business costs and the date when said costs may be deducted, rather than resulting from tax losses carried forward. The recognition of these assets and subsequently maintaining them in the financial statements assumes a judgement of probability as to the recovery of the same, which must also consider the legislative provisions on taxes in force on the date of preparation of the financial statements.

More specifically, the deferred tax assets that meet the requirements of Italian Law no. 214 of 22 December 2011 can be converted into tax credits in the case of a "statutory loss", a "tax loss" for IRES tax purposes and a "net negative value of production" for IRAP tax purposes; their recovery is therefore certain, insofar as it does not depend on the ability to generate future income. The maintenance of convertibility into tax credits is subject to the payment of a fee - introduced with Italian Decree Law no. 59 of 3 May 2016, converted with amendments by Law no. 119 of 30 June 2016 - which the Group decided to make use of by paying an annual consideration until 2030.

For the remaining tax assets that cannot be converted into tax credits, the judgement of their probability of recovery must be based on reasonable income forecasts taken from approved strategic plans and projections, also considering that, for IRES purposes only, tax regulations permit tax losses to be carried forward without any time limit. This judgement is supported by a recoverability assessment exercise (so-called probability test) characterised by a considerable level of complexity, particularly if it regards DTAs on tax losses carried forward, the existence of which could indicate the fact that sufficient taxable income may not be available in the future for their recovery. Based on the provisions of IAS 12 and on the considerations of the ESMA in a document dated 15 July 2019, the above judgement of recoverability requires a careful recognition of all evidence supporting the probability of having sufficient taxable income in the future, also considering the circumstances that generated the tax losses, which must be linked to clearly identified causes, deemed not repeatable in the future on a recurring basis.

In order to take into account the uncertainties of the macroeconomic scenario and the potential repercussions on the estimate of taxable cash flows, for the purpose of these consolidated condensed interim financial statements, the

probability test was carried out, in line with that carried out for the 2024 financial statements, with the "Risk-adjusted profit approach", i.e. discounting the forecasts of future taxable income on the basis of a corrective factor that is expressive of a specific risk, consistent with the methodology for determining the risk premium for the impairment test of intangible assets with an indefinite useful life, which pushes further back the time period of the estimate of taxable income flows.

Again, in order to factor in the unpredictability associated with the evolution in cash flows — in line with what is suggested by generally accepted practice for valuations characterised by uncertainty — the estimation of future taxable income was conducted on the basis of a multi-scenario approach.

In line with the view of the probability test, the forecasts on taxable income were developed on the basis of the latest 2025-2027 income projections approved by the Board of Directors on 11 February 2025 and the related multi-scenario evolutions developed as part of the internal capital adequacy assessment process (ICAAP), with no signs of critical issues with respect to the recoverability of the above-mentioned DTAs.

Lastly, it should be noted that the recoverability of all DTAs could be negatively influenced by changes in the current tax legislation, which cannot be foreseen at the present time.

The section "Tax assets - Item 110 and Item 130 in the assets" contained in "Part B - Information on the consolidated balance sheet" of these Explanatory Notes provides the disclosure on the breakdown of deferred tax assets, on the checks carried out with regard to their recoverability, on the sensitivity analyses conducted to permit an appreciation of the time horizon for the recovery of the same, based on reasonable changes in the main underlying hypotheses and assumptions.

Estimating provisions for risks and charges

The companies that belong to the Group are defendants in a wide range of legal proceedings and tax disputes and are also exposed to numerous types of contingent liabilities. The complexity of the situations and company transactions that underlie the ongoing disputes, together with issues related to the interpretation of the applicable law, require significant judgement to estimate the liabilities that could arise at the time that the pending disputes are settled. The difficulties in assessment regard both the occurrence, the amount and the timing of any emergence of liabilities, and are particularly evident when the proceeding is at the initial stage and/or the relative preliminary investigation is in progress. The specific nature of the matter in dispute and the consequent absence of case law relating to comparable disputes, as well as different approaches taken by the judicial bodies - both at the different levels of the contentious proceeding, and by bodies at the same level at different times - make the measurement of contingent liabilities difficult, even when provisional rulings are available at the first level of judgement. Past experience demonstrates that in various cases, the rulings made by the judges in the courts of first instance have then been completely overturned on appeal or at the Supreme Court, and this may be in favour or not in favour of Group companies. In this context, the classification of contingent liabilities and the consequent evaluation of the provisions needed are based on subjective judgements, which require the use of often extremely complex estimation procedures. Therefore, it cannot be ruled out that following the issue of final rulings, the provisions for risks and charges made against contingent liabilities relating to legal and tax disputes may prove to be lacking or excessive.

For information on the Group's main risk positions in relation to legal disputes (actions to void and pending lawsuits) and tax disputes with the Tax Authorities, reference should be made to the section "Liability provisions - Items 90 and 100" contained in "Part B - Information on the consolidated balance sheet" of these Explanatory Notes.

In addition, the provisions for risks and charges may become necessary following commitments made by the Group at the time of the sale of interests in associates or joint ventures, divisions, portfolios of non-performing loans and related partnership agreements. More specifically, the above-mentioned commitments consist essentially of providing protection and guarantee mechanisms for the investment made by the purchasing counterparties. Said mechanisms envisage the acknowledgement, in favour of the purchaser, of an indemnity in the event that specific sales objectives are not met, or the event of inconsistent declarations as to the quality of the information and the documentation on the loans with respect to that provided at the time of the sale. The likely outlay of financial resources to cover said commitments has to be estimated, based on the reasonable evolution of the sales objectives, also considering the time horizon in which the Group may take corrective action to avoid the payment of penalties. For commitments relating to the sale of non-performing loans, the quantification of the provision must instead consider the expected evolution of the outlays relating to claims received from purchasers for alleged breaches of contractual guarantees.

For a more detailed description, reference should be made to the section "Liability provisions - Items 90 and 100" contained in "Part B - Information on the consolidated balance sheet - Liabilities" of these Explanatory Notes.

Determination of the fair value of property

The Group's accounting policies envisage that real estate assets are measured at fair value, according to the measurement criteria established by accounting standard IAS 40 for investment property or by standard IAS 16 - and in particular by the revalued amount criterion - for properties used in operations, i.e. those used for administrative and/or commercial purposes. The update of the fair value, in compliance with the requirements laid out by IFRS 13, is supported by a dedicated appraisal issued by a leading company, on the basis of the "RICS Valuation" standards¹. In more detail, for properties for investment purposes, the Group's accounting policies require fair value to be updated annually, when the financial statements as at 31 December are drafted, unless there is evidence that an earlier review is necessary or for properties with book value above 10 million, for which the update takes place on a half-yearly basis. Instead, for properties used in operations, the fair value may be restated more frequently than once a year; this frequency may depend on whether there are significant deviations in property market prices, based on a scenario analysis, on its relevance or on the distinctive characteristics of properties. In particular, for properties for business use, the appraisal is updated every two or three years depending on whether the property has a value of more than or less than 3 million, unless the scenario analysis or specific events are such that an earlier revision is required.

For the drafting of this Report, in line with the company policy, the updates concerned all investment properties with a book value of more than 10 million² and those properties affected by certain events occurring during the half year, with a potential impact on fair value (such as, lease revisions, maintenance status assessments, change of the property's intended use, etc.).

In further detail, during the first half of 2025, a total of 49 properties (of which 29 properties relating to the appraisal update campaign as at 30 June 2025) were appraised, for a book value before valuation of approximately 440 million. The appraised properties represent approximately 24% of the Group's real estate assets, also considering properties classified as held for sale, whose value has been revised to align it with any sales prices agreed, as resulting from the resolutions of the Corporate Bodies and/or functions authorised for said sale. If we consider the scope referring solely to properties for investment use, the degree of coverage guaranteed by the expert update is approximately 58%.

These updates, supported by an external appraisal, as well as the adjustments to the presumed sale value inferred from the sale negotiations in progress, resulted in an overall negative economic effect of 4.2 million in the first half of 2024 (the negative effect recorded in the corresponding period of the previous year was 26.0 million).

For properties not classified as held for sale, the updated fair value was calculated by using specific appraisals drawn up by qualified, independent experts, in compliance with the criteria laid out by IFRS 13 for fair value measurement. Given the array of possible valuation approaches permitted by the above-cited standard, the selection of a specific valuation methodology, as well as the selection of the specific estimation parameters and/or assumptions, may have a significant influence on the determination of the fair value, also considering the specific nature and distinctive characteristics of the asset to be valued.

With particular reference to land and real estate development initiatives, their value is traditionally very volatile and subject to rapid change. In fact, a specific type of purchaser is targeted for these assets, and they may suffer significant impacts due to various factors, such as changes in construction costs, availability and cost of loans for their development, fluctuations in product demand and supply, in turn significantly influenced by the volatility of the reference macroeconomic scenario.

One of the significant assumptions, for the purpose of measuring fair value, is the assessment of the highest and best use of the properties, defined as the condition which, of all reasonably feasible uses, is able to confer the highest value to the property. In this regard, the fair value measurement of property used in operations uses the continuity of their use by the Group in the foreseeable future as reference, insofar as strictly dependent on commercial and administrative activities. More specifically, it was assumed that the Group will continue to occupy the properties on the basis of a lease agreement in line with standard market practices, with a duration of 12 years (6+6 years), starting from the valuation date.

¹ Standards set out in the "RICS Valuation – Global Standard 2017" of the Royal Institution of Chartered Surveyors of the United Kingdom (also known as the "Red Book").

² The threshold of 10 million is also applied to properties with mixed use, i.e. for investment and for business use.

Margins of subjectivity are also present when identifying the perimeter of properties used in operations, for which the appraisals need to be updated, based on the ability to identify significant changes in value in property market prices, which make the request for an updated valuation necessary.

In light of the above, it cannot be ruled out that the use of different methods or estimation parameters - influenced by forecasts relating to the reference scenarios of the real estate market pertinent to the Group, as well as the strategies that the Group could adopt to manage real estate assets, also through disposals of portfolios - may lead to different valuations with respect to those conducted for the condensed interim financial statements as at 30 June 2025, with consequent negative impacts on the Group's balance sheet and income statement.

For further details, please refer to the section "Property, plant and equipment - Item 90" contained in "Part B - Information on the consolidated balance sheet" of these Explanatory Notes.

Estimating obligations relating to employee benefits

Determining the liabilities associated to employee benefits, with specific reference to defined benefit plans and to long-term benefits, implies a certain degree of complexity; the outcome of the valuations depends, to a significant extent, on the actuarial assumptions used, both in demographic terms (such as mortality rates and rates of employee turnover) and in financial terms (such as discounting rates and inflation rates). Therefore, the judgement of management is fundamental, when selecting the most suitable technical basis to evaluate the cases, which may be influenced by the socio-economic context in which the Group operates at the time, as well as the performance of the financial markets. In particular, with regard to employee benefits represented by the provisions for employee severance pay and defined benefit pension funds, changes in actuarial assumptions (demographic and financial) in the first half of 2025, as well as the actual experience recognised with respect to initial forecasts, led to an overall reduction in liabilities of 2.4 million (of which 0.6 million for the provisions for employee severance pay and 1.8 million for defined benefit pension funds).

This reduction, which net of the tax effect amounts to 1.8 million, is recognised as a balancing entry to a positive income component in the statement of comprehensive income (item "70. Defined benefits plans"); the corresponding income component recorded in the first half of 2024 was positive by 3.2 million.

The illustration of the main actuarial assumptions, together with the sensitivity analysis of the liabilities with respect to the actuarial assumptions considered most significant, is provided in the section "Liability provisions - Items 90 and 100" contained in "Part B - Information on the consolidated balance sheet" of these Explanatory Notes.

Estimating insurance liabilities for commitments to policyholders

For the Group's insurance companies, the measurement of the technical reserves envisaged by insurance regulations to cover commitments to policyholders requires the development of a series of demographic and financial assumptions capable of significantly influencing the amount of insurance liabilities.

In particular, the valuation of insurance liabilities is affected by the typical risks of the sector, which are duly analysed and assessed according to what is set forth in the Solvency II regulatory framework; the "Solvency and Financial Condition Report", published annually by the Companies, provides a representation of these risks.

In greater detail, the main risks relating to the Life business are represented by the change in mortality and longevity assumptions, the unpredictability of policyholders' choices, as well as uncertainties relating to higher inflation rates and the resulting increase in future expenses. In addition, in order to calculate reserves, the assumptions used to determine the discount rates, as well as the methods to measure the adjustment for non-financial risk are particularly important.

In light of the above, it cannot be ruled out that the occurrence of risk events other than those assumed during the calculation of tariffs and/or preparation of the financial statements may affect the amount of commitments vis-à-vis the policyholders and consequently the estimate of liabilities in the financial statements.

Lastly, the value of the aforementioned liability may be influenced by the valuation approaches adopted in terms of those permitted by IFRS 17 on insurance contracts; therefore, it cannot be ruled out that the use of alternative methods may lead to a different estimate of commitments to policyholders.

Ongoing inspections by the Supervisory Authority

As part of the ordinary inspection cycle by the Supervisory Authority, at the date of this Financial Report, some inspections are underway on specific areas. For completed inspections, in response to the recommendations or decisions set forth in the "Decisions" or "Final follow-up letters", the Group is currently carrying out the appropriate remedial actions. For additional details, please refer to the "Inspections and proceedings of the Supervisory Authorities" section of the Interim Report on Operations.

Although the information elements acquired in ongoing inspections were carefully considered by the Group in order to assess any implications on the financial statement estimates, it cannot be excluded that the changes in the processes that could be implemented in response to any requests or final recommendations issued by the Supervisory Authority and the disclosure of new information not known at the date of this Report may prospectively affect financial statement assessments. The same applies in relation to the remedial actions in progress, as any refinements of valuation methods or processes could prospectively impact financial statement estimates.

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The description of valuation processes shown above is included simply to provide readers with a better understanding of the main areas of uncertainty, and it should in no way be considered as implying that, to date, alternative assumptions can prove more appropriate.

In any event, in order to allow for an appreciation of any negative effects on the financial statements related to the above-mentioned factors of uncertainty, in these Explanatory Notes information for the main items in the financial statements subject to estimates (recoverability of intangible assets with an indefinite useful life, recoverability of deferred tax assets, expected losses on performing exposures, liabilities for defined benefits to employees), the disclosure of the main hypotheses and assumptions used in the estimate, as well as a sensitivity analysis with respect to alternative assumptions, is provided in the specific sections.

Declaration of going concern

With regard to what is required by the Bank of Italy, CONSOB and ISVAP in the Joint Document no. 4 of 3 March 2010, the Consolidated interim financial report as at 30 June 2025 was prepared on a going concern basis.

In this regard, the Directors believe that no risks and uncertainties have emerged such as to give rise to doubts regarding business continuity, considering that the Group has a reasonable expectation of being able to continue to operate in the foreseeable future.

In order to make the above judgement, the Directors also assessed the effects resulting from the uncertainties of the reference macroeconomic scenario, also considering the current geopolitical tensions, which could reasonably have negative repercussions on future company results. However, the extent of these effects is not considered sufficient to create uncertainty on business continuity, also considering the current and future soundness of the Group's equity and financial structure.

For information on Group risks and relative management, refer to the content of "Part E - Information on risks and related hedging policies" of these Explanatory Notes.

Scope of consolidation and methods

(A) Subsidiaries

The consolidated condensed interim financial statements include the balance sheet and income statement results of the Parent Company Banco BPM S.p.A. and its direct and indirect subsidiaries, including structured entities, in accordance with that envisaged by accounting standard IFRS 10.

Based on the cited standard, the requirement of control is the basis for the consolidation of all types of entity, including structured entities, and is met when an investor simultaneously fulfils the following three requirements:

- power to decide on the relevant activities of the entity;
- exposures, or rights, to variable returns resulting from involvement with the entity;

- ability to use its power to affect the amount of said returns, as a result of its involvement with the entity (link between power and returns).

More specifically, IFRS 10 establishes that, in order to possess control, the investor must have the ability to direct the relevant activities of the entity, by virtue of a legal right or of a mere state of fact, and must also be exposed to the variability of the results arising from said power.

In light of the above-mentioned regulatory references, the Group must therefore consolidate all types of entity where all three control requirements are met.

Generally, when an entity is considered direct by virtue of voting rights, control results from holding over half of those rights.

In the other cases, establishing the scope of consolidation requires all factors and circumstances that give the investor the practical ability to unilaterally conduct the relevant activities of the entity (actual control). To this end, a set of factors has to be considered, such as, merely by way of example:

- the purpose and the design of the entity;
- the identification of the relevant activities and how they are managed;
- any right held by means of contractual arrangements which award the power to direct the relevant activities, such as the power to establish the financial and operating policies of the entity, the power to exercise majority voting rights in the decision-making body or the power to appoint or remove the majority of the body with decision-making functions;
- any potential voting rights that can be exercised and are considered substantial (including those embedded in options, way-out clauses or instruments convertibles into shares);
- involvement with the entity in the role of agent or principal;
- the nature and dispersion of any rights held by other investors.

Potential voting rights are considered substantial if all of the following conditions are met:

- they can be exercised immediately or in any case in time for the shareholders' meeting;
- there are no legal or economic barriers to their exercise;
- the exercise is economically viable.

The following paragraphs provide further details on the scope of entities controlled exclusively as at 30 June 2025, broken down into companies controlled through voting rights and structured entities.

Companies controlled through voting rights

With reference to the Group's situation as at 30 June 2025, companies in which a majority of voting rights in the ordinary shareholders' meeting is held are considered to be exclusively controlled, insofar as there is no evidence that other investors have the practical ability to direct the relevant activities.

As regards companies in which half or a lower amount of voting rights are held, as at 30 June 2025, there are no arrangements, statutory clauses, potential rights or other situations able to establish that the Group has the practical ability to unilaterally direct the relevant activities.

Consolidated structured entities

The control of structured entities, namely entities for which voting rights are not considered relevant to establish control, is deemed to exist where the Group has contractual rights to manage the relevant activities of the entity and is exposed to the variable returns of the same.

On this basis, the structured entities that were consolidated in the consolidated condensed interim financial statements as at 30 June 2025 are represented by the special purpose entities created to carry out securitisation transactions originated by the Group for funding purposes (self-securitisation), as illustrated in Part E of these Explanatory Notes, and by some mutual investment funds held and managed by the Group.

In particular, for securitisation SPEs, the elements deemed significant for identifying control and the resulting consolidation are:

- the purpose of said SPEs;
- exposure to the outcome of the transaction;
- the ability to structure transactions and to direct the relevant activities and take critical decisions through servicing contracts;
- the ability to arrange for their liquidation.

For the illustration of the effects of the consolidation of the separate assets of the special purpose entities of the securitisations originated by the Group - in relation to the transactions that did not involve any "derecognition" of the assets transferred from the separate financial statements, please refer to the content of the Annual Financial Report as at 31 December 2024, "A.2 - Key financial statement items", paragraph "16 - Other information, Traditional securitisations - derecognition from financial statements of financial assets sold".

For structured entities represented by mutual investment funds and similar, the Group is considered to act in the capacity of "principal", and therefore controls the fund, consequently consolidating it, if the Group simultaneously meets the following conditions:

- it has the power to direct the relevant activities when:
 - it acts as fund manager and there are no investors with substantial removal rights; or
 - it has a substantial right to remove the fund manager (external to the Group) without just cause or due to the performance of the funds; or
 - the governance of the fund is such that the Group substantially governs the relevant assets;
- it has significant exposure to the variable returns of the fund, as it directly holds a share deemed significant, in addition to any other form of exposure related to the fund's economic results;
- it is able to influence said returns through exercising its powers, when:
 - it is the fund manager;
 - it has a substantial right to remove the fund manager (external to the Group);
 - it has a right to participate in the Committees of the fund, to the extent that the Group has the legal and/or practical ability to control the activities performed by the manager.

In light of the aforementioned policy, the "Anima Valore Obbligazionario" and "Private Equity Opportunities" funds entered the scope of consolidation as at 30 June 2025, as they are funds managed by the Group and held entirely by it.

In greater detail, the "Anima Valore Obbligazionario" fund is an open-ended harmonised fund subscribed by Banco BPM in 2020 and managed by Anima SGR, a company that became a subsidiary from 11 April 2025. As at 30 June 2025, the net assets of the fund amounted to approximately 415 million, mainly represented by government securities and bank bonds. This consolidation had no impact on shareholders' equity and on the overall result; the fund and the related accruals were in fact replaced by the underlying assets and the related economic contributions, for the same amounts overall.

The "Private Equity Opportunities" fund is an alternative investment fund (AIF), fully subscribed by the Parent Company during the second quarter of 2025 and managed by the subsidiary Banco BPM Invest SGR. More specifically, this is a fund of funds subscribed by the Parent Company following the contribution in kind of 25 private equity funds with vintage 2015-2019, already held in the portfolio for a total value of 122.9 million. The consolidation of this fund had no impact on the Group's assets and consolidated position, since it entailed a mere replacement, under the "Financial assets mandatorily measured at fair value through profit and loss" item, of the "Private Equity Opportunities" fund with the underlying funds, for the same values.

With reference to the UCIT units held by the insurance companies as at 30 June 2025, no UCIT over which the Group holds control has been identified, also following the acquisition of Anima Holding and its subsidiaries. In fact, these are assets underlying the insurance contracts issued, for which the profits and losses must be recognised to the policyholders; the Group's exposure is limited to fees and commissions, the weight of which is insignificant with respect to the returns of the fund.

Line-by-line consolidation method

Controlled entities are consolidated from the date on which the Group acquires control, according to the purchase method, and cease to be consolidated from the moment in which a situation of control no longer exists; for details, please refer to the Annual Financial Report as at 31 December 2024, section "A.2 - Key financial statement items" paragraph "16 - Business combinations, goodwill and changes in interest holdings".

Full consolidation consists of the "line-by-line" acquisition of the balance sheet and income statement aggregates of subsidiary entities. For consolidation purposes, the book value of the equity interests held by the Parent Company or by the other Group companies is eliminated against the acquisition of the assets and liabilities of the investees, as a balancing entry to the corresponding portion of shareholders' equity attributable to the Group and the portion held by non-controlling interests, also taking into account the purchase price allocation upon acquisition of control.

For subsidiaries and companies governed by voting rights, the portion of shareholders' equity, profit (loss) for the year and comprehensive income attributable to non-controlling interests is indicated as a separate item in the respective schedules of the consolidated financial statements (respectively in items: "190. Non-controlling interests", "340. Profit (loss) for the year attributable to non-controlling interests", "220. Consolidated comprehensive income attributable to non-controlling interests").

For the structured entity represented by securitisation special purpose entities and consolidated mutual investment funds, as at 30 June 2025 there are no minority interests to be recognised in the liabilities and in the result, as these are entities wholly owned by the Group.

The costs and revenues of the subsidiary entity are consolidated from the date on which control was acquired. The costs and revenues of a subsidiary sold are included in the income statement up until the date of sale; the difference between the sale price and the book value of the net assets of the same is recognised under the income statement item "280. Gains (losses) on disposal of investments". In the event of the partial disposal of a subsidiary entity, which does not result in a loss of control, the difference between the sale price and the relative book value is recognised as a balancing entry of shareholders' equity.

The assets, liabilities, off-balance sheet transactions, income and expenses relating to transactions between consolidated companies are eliminated in full.

The balance sheet and income statement results of the consolidated companies whose operating currency is different from the euro are translated based on the following rules:

- the balance sheet assets and liabilities are converted at the exchange rate in effect at the end of the period;
- the revenues and costs on the income statement are converted at the average exchange rate for the period.

All exchange rate differences originated by the conversion are recognised in a specific valuation reserve under shareholders' equity. Changes in value of the valuation reserve due to exchange rate differences are included in the Statement of comprehensive income. Said reserve is eliminated through a concurrent debiting/crediting of the income statement when the foreign interest is disposed of. The disposal can take place by sale, liquidation or repayment of capital.

In order to prepare the consolidated condensed interim financial statements as at 30 June 2025, all of the exclusively controlled companies have prepared a balance sheet and income statement in accordance with the Group's accounting principles.

Interests in associates and joint ventures held for sale are recorded in compliance with the reference international accounting standard IFRS 5, which regulates the recording of non-current assets held for sale. In this case, the assets and liabilities held for sale are included in the balance sheet items "120. Non-current assets and disposal groups held for sale" and "70. Liabilities associated with assets classified as held for sale".

If the disposal of the associates and joint ventures is classified as discontinued operations (under the terms of IFRS 5), the relative income and expenses are recognised in the income statement, net of taxes, under item "320. Profit (loss) after tax from discontinued operations". Otherwise, the contribution of the investee is shown in the income statement "line by line". For further details please refer to the content of paragraph "8 - Non-current assets and disposal groups held for sale" contained in "A.2 - Key financial statement items" of the Annual Financial Report as at 31 December 2024.

If the fair value of the assets and liabilities held for sale, net of costs to sell, turns out to be lower than the book value, a value adjustment is recognised in the income statement.

(B) Interests in companies subject to joint control and subject to significant influence

Associates, i.e. companies not controlled in which a notable influence is exercised, are considered to be companies subject to significant influence. The company is assumed to exercise a significant influence in all cases where it holds 20% or more of voting rights in the investee, and, irrespective of the shareholding percentage, whenever it has the power to participate in business and financial decisions of the investees, by virtue of specific legal relations, such as shareholders' agreements, the purpose of which is to ensure that the members of the agreement are represented in the management bodies and to safeguard a consistent management approach, without, however, controlling the same. Interests in companies subject to joint control and subject to significant influence are measured according to the equity method, based on the most recent financial statements available of the associated company/company subject to joint control, suitably adjusted to take into account any significant events or transactions; for a description of the classification, recognition, measurement and derecognition criteria, please refer to part "A.2 - Key financial statement items" - "5. Interests in associates and joint ventures" of the Annual Financial Report as at 31 December 2024.

Interests in exclusively controlled companies

The table below lists the interests in exclusively controlled companies. For information on interests in companies subject to joint control and significant influence by Banco BPM Group please refer to the Interests in associates and joint ventures section of these Explanatory Notes.

Company name	Operational headquarters	Registered office	Type of relationship (1)	Investment relationship		Available % of votes (2)
				Holder	% held	
Banco BPM S.p.A.	Verona	Milan		Parent Company		
1. Agriurbe S.r.l. in liquidation Share capital € 10,000.00	Milan	Milan	1	Banco BPM	100.000%	100.000%
2. Aletti Fiduciaria S.p.A. Share capital € 1,040,000.00	Milan	Milan	1	Banca Aletti	100.000%	100.000%
3. Anima Holding S.p.A. Share capital € 7,421,605.63	Milan	Milan	1	Banco BPM Vita	89.949%	89.949%
4. Anima SGR S.p.A. Share capital € 23,793,000.00	Milan	Milan	1	Anima Holding	100.000%	100.000%
5. Anima Alternative SGR S.p.A. Share capital € 3,000,000.00	Milan	Milan	1	Anima Holding	100.000%	100.000%
6. Banca Akros S.p.A. Share capital € 39,433,803.00	Milan	Milan	1	Banco BPM	100.000%	100.000%
7. Banca Aletti S.p.A. Share capital € 121,163,538.96	Milan	Milan	1	Banco BPM	100.000%	100.000%
8. Banca Aletti & C. (Suisse) S.A. Share capital CHF 35,000,000	CH - Lugano	CH - Lugano	1	Banca Aletti	100.000%	100.000%
9. Banco BPM Invest SGR S.p.A. Share capital € 2,500,000.00	Milan	Milan	1	Banco BPM	100.000%	100.000%
10. Banco BPM Vita S.p.A. Share capital € 2,099,125,000.00	Milan	Milan	1	Banco BPM	100.000%	100.000%
11. BBPM Life DAC Share capital € 802,884.81	Dublin	Dublin	1	Vera Vita	100.000%	100.000%
12. Bipielle Bank (Suisse) S.A. in liquidation Share capital CHF 7,550,000	CH - Lugano	CH - Lugano	1	Banco BPM	100.000%	100.000%
13. BPM Covered Bond S.r.l. Share capital € 10,000.00	Rome	Rome	1	Banco BPM	80.000%	80.000%
14. BPM Covered Bond 2 S.r.l. Share capital € 10,000.00	Rome	Rome	1	Banco BPM	80.000%	80.000%
15. BP Covered Bond S.r.l. Share capital € 10,000.00	Milan	Milan	1	Banco BPM	60.000%	60.000%

Company name	Operational headquarters	Registered office	Type of relationship (1)	Investment relationship		Available % of votes (2)
				Holder	% held	
16. BRF Property S.p.A. Share capital € 2,000,000.00	Parma	Parma	1	Banco BPM	99.000%	99.000%
17. Castello SGR S.p.A. Share capital € 4,801,506.000	Milan	Milan	1	Anima Holding	80.000%	80.000%
18. Ge.Se.So. S.r.l. Share capital € 10,329.00	Milan	Milan	1	Banco BPM	100.000%	100.000%
19. Kairos Partners SGR S.p.A. Share capital € 5,084,124.00	Milan	Milan	1	Anima Holding	100.000%	100.000%
20. Lido dei Coralli S.r.l. Share capital € 10,000.00	Sassari	Sassari	1	Banco BPM	100.000%	100.000%
21. Oaklins Italy S.r.l. Share capital € 109,000.00	Milan	Milan	1	Banca Akros	100.000%	100.000%
22. Partecipazioni Italiane S.p.A. in liquidation Share capital € 350,000.00	Milan	Milan	1	Banco BPM	99.966%	100.000%
23. Sagim S.r.l. Società Agricola Share capital € 7,746,853.00	Asciano (SI)	Asciano (SI)	1	Agriurbe	100.000%	100.000%
24. Sirio Immobiliare S.r.l. Share capital € 10,000.00	Lodi	Lodi	1	Banco BPM	100.000%	100.000%
25. Terme Ioniche S.r.l. Share capital € 881,924.00	Cosenza	Lodi	1	Banco BPM	100.000%	100.000%
26. Vera Vita S.p.A. Share capital € 219,600,005.00	Milan	Milan	1	Banco BPM Vita	100.000%	100.000%
27. Vita S.r.l. Share capital € 17,841.00	Milan	Milan	1	Castello SGR	76.050%	76.050%
28. BPL Mortgages S.r.l. (**) Share capital € 12,000.00	Conegliano V. (TV)	Conegliano V. (TV)	4	-	0.000%	
29. ProFamily SPV S.r.l. (**) Share capital € 10,000.00	Conegliano V. (TV)	Conegliano V. (TV)	4	-	0.000%	
30. Anima Valore Obbligazionario (***)	Milan	Milan	4	Banco BPM Anima SGR	99.970% 0.030%	
31. Private Equity Opportunity (***)	Milan	Milan	4	Banco BPM	100.000%	

(1) Type of relationship:

1 = majority of voting rights in the ordinary shareholders' meeting

4 = other forms of control

(2) Availability of votes in the ordinary shareholders' meeting, distinguishing between actual and potential.

(*) Company held for sale pursuant to IFRS 5.

(**) Special Purpose Entity for securitisation transactions originated by the Group.

(***) Funds under management by the Group and wholly owned by it.

Changes in the scope of consolidation

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

Fully consolidated companies	
Revenue:	
Incoming companies due to acquisition of control (Anima Holding Tender Offer)	
Anima Holding S.p.A.	89.949%
Anima SGR S.p.A.	100.000%
Anima Alternative SGR S.p.A.	100.000%
Castello SGR S.p.A.	80.000%
Kairos Partners SGR S.p.A.	100.000%
Vita S.r.l.	76.050%
Funds under management by the Group and wholly owned by it	
Anima Valore Obbligazionario	100.000%
Private Equity Opportunity	100.000%
Expenses:	
Outgoing companies due to sales	
Burgos Leasco S.r.l.	100.000%
Tago LeaseCo S.r.l.	100.000%
P.M.G. S.r.l. in liquidation	84.000%
Companies consolidated with the equity method	
Outgoing company due to acquisition of control (Anima Holding Tender Offer)	
Anima Holding S.p.A.	21.937%
Incoming company due to acquisition (Anima Holding Tender Offer)	
GEM Hospitality S.r.l. (*)	80.000%
Outgoing company due to sale	
SelmaBipiemme Leasing S.p.A.	40.000%

(*) It should be noted that the interest in the company GEM Hospitality S.r.l., established in 2024 by Vita Srl and FIA Immobiliare GEM FUND (managed by Castello SGR) with the aim of managing the ancillary activities of the fund itself, does not fall within the scope of line-by-line consolidation. The analyses of the shareholders' agreements and existing contracts, supported by legal opinions, were concluded due to the absence of the requirement of control but rather of significant influence.

For further details on the transactions shown in the tables above and the entry into the scope of consolidation of the subsidiaries and affiliates of the Anima Group, reference should be made to the section dedicated to significant events during the period in the Interim Report on operations and to "Part G - Business combinations regarding companies or divisions" in these explanatory Notes.

Lastly, starting from 30 June 2025, the structured entities represented by the units held entirely in the "Anima Valore Obbligazionario" and "Private Equity Opportunities" funds, as illustrated above, were also consolidated.

Significant events after the end of the interim period

The significant events that occurred in the period between the reference date of the interim report (30 June 2025) and the date of its approval by the Board of Directors (5 August 2025) are described below. These events did not make it necessary to adjust the balances in the financial statements, pursuant to IAS 10.

Voluntary public exchange offer promoted by UniCredit on Banco BPM shares

The evolution after the end of the half year of the voluntary public exchange Offer promoted by UniCredit on Banco BPM shares is illustrated in detail in the section dedicated to significant events of the Interim Report on Operations, to which reference is therefore made.

Appeal of the State Attorney's Office to the Court of Cassation for the overturning of the ruling on the tax dispute relating to the 2005 tax period

With its ruling filed on 16 January 2025, the Court of Cassation upheld the Bank's original appeal, definitively cancelling the notices of assessment served to the former Banco Popolare in 2011 and relating to the alleged non-deductibility of certain costs for the 2005 financial year (formerly Banca Popolare Italiana).

Since it cannot be challenged by ordinary means, the aforementioned ruling is final and, as a result of the same, the Bank has obtained full repayment of the 199.8 million provisionally paid pending the final judgement, in addition to 35.9 million in interest that was credited to the income statement for the first quarter of 2025.

On 16 July 2025, the Office of the Attorney General, on behalf of the Revenue Agency, notified the Bank of the appeal submitted to the Court of Cassation for the revocation of the aforementioned ruling.

An appeal for revocation of a judgement, provided for by Article 391-bis of the Code of Civil Procedure (CPC), is exceptional and its eligibility is limited to specific cases, including when the judgement is the result of an error as to the facts resulting from the deeds or documents of the case.

Based on the analysis conducted, it is considered that the notified appeal is unfounded and inadmissible.

The Bank will file its counter-appeal within the legal deadline (by 25 September 2025).

Proceedings initiated by the Public Prosecutor's office at the Court of Milan

On 16 July 2025, as part of proceedings initiated by the Public Prosecutor's Office at the Court of Milan (registered under no. 7523/2024 RGNR) against numerous parties with respect to real estate development activities in the Municipality of Milan, it was discovered that a seizure order has been served against Giampiero Schiavo, legal representative of the subsidiary of Anima Holding, Castello SGR, as well as against Castello SGR itself, covering the documentation relating to the "Torre Futura" development underway at Via Calvino 11 in Milan, owned by the alternative closed-end and reserved real estate mutual investment fund entitled "Fondo Iniziative Immobiliari Milano", managed by Castello SGR. This order also constitutes a notice of investigation, as regards the legal representative of Castello SGR, with respect to the charges of corruption for an act allegedly contrary to official duties. As for Castello SGR, as an entity subject to investigation, this regards the alleged administrative offence pursuant to Articles 5(1), 9 and 25(2) of Italian legislative decree 231/2001 — i.e. the possible non-adoption or insufficient implementation of suitable organisation and management models to prevent the alleged offence. The investigations are still ongoing, with the company having confirmed that it had granted a defence mandate to a leading law firm.

Acquisition of 40% of the share capital of BP Covered Bond S.r.l.

On 31 July 2025, following the early dismantling of the BP CB1 Residential CB Issue Programme, with the resulting definitive closure of the separate assets of BP Covered Bond S.r.l., a special purpose entity controlled by Banco BPM with a stake of 60% of the share capital and part of the Banco BPM Banking Group, Banco BPM signed a deed to purchase 40% of the share capital of the special purpose entity, for a symbolic consideration of 1.00 euro, from the shareholder Stichting Barbarossa (foundation under Dutch law). The purchase transaction is aimed at the subsequent liquidation of the special purpose entity.

As a result of the transaction, Banco BPM holds 100% of the share capital of BP Covered Bond S.r.l.

EU-wide stress test 2025

On 1 August 2025, the European Banking Authority ("EBA") communicated the results of the 2025 EU-wide stress test: for Banco BPM the positive trend continues, with better results than in previous years, despite a macroeconomic scenario confirmed as very strict; the Bank's ability to generate value in the baseline scenario and strong resilience to significant shocks in the adverse scenario, with a depletion lower than the European average, was also confirmed.

For other subsequent events, please refer to the Explanatory Notes, particularly with reference to:

- the paragraph "Liability provisions - Items 90 and 100" contained in Part B;
- the paragraph "Covered bond transactions and securitisations" in Part E.

OTHER ASPECTS

Impacts of the Russia-Ukraine and Middle East conflicts

In line with the recommendations of the supervisory authorities (ESMA and CONSOB)¹ aimed at guaranteeing proper oversight over valuation issues impacted by the conflicts in question and a full and transparent disclosure in the financial statements, information is provided below on the Group's credit exposures directly or indirectly impacted by the same; these exposures are entirely marginal and continuously falling, in line with what has already been represented in previous years.

For the Group, the impacts connected with the conflicts in question are therefore attributable to an increase in the risk of a limited predictivity of the reference macroeconomic environment; looking ahead, these uncertainties could lead to a revision of the estimate of financial statement items, based on the availability of new information, which cannot as yet be predicted.

Exposures to Russia and Ukraine

For Banco BPM Group, the impacts directly related to the Russia-Ukraine conflict are entirely marginal, also considering that there are no operating activities located in Russia or Ukraine and that credit exposures to customers residing in these countries or indirectly related to Russian or Ukrainian counterparties are not significant. As at 30 June 2025, these exposures were entirely represented by loans, as illustrated below. Specifically:

- gross exposure to Russian customers and banks amounted to approximately 2.7 million, 1.2 million net of valuation reserve (3.5 million gross and 1.9 million net as at 31 December 2024). In detail, the exposure to customers amounted to 1.9 million gross (0.4 million net), with that to banks 0.8 million;
- the exposures referring to counterparties belonging to groups with direct control by Russian, Belarus or Ukrainian entities are stable compared to 31 December 2024 and refer to a single Italian counterparty, controlled by a Ukrainian group, with an overall authorised credit amount of 0.8 million; the relative utilisation amounts to 0.5 million for unsecured loans;
- gross direct exposures to banks resident in Russia - for letters of credit issued by the same - amounted to a total of 1.3 million, down compared to 1.8 million as at 31 December 2024.

Commercial risks associated with the operations of the Group's main customers and related to ongoing transactions with Russian and Ukrainian counterparties are also limited and amounted to 4.7 million.

Exposures to the Middle East

The impacts related to the conflict in the Middle East are also confirmed to be negligible. As at 30 June 2025, the credit exposure to the counterparties of Israel and the Palestine territories is nil, against an agreement of around 12.0 million (in line with the figure as at 31 December 2024); the exposure in Israeli government securities amounts to 45 million (unchanged with respect to 31 December 2024), in terms of nominal value, while that in equities and funds to Israeli counterparties amounts to 5.5 million (7.5 million as at 31 December 2024). Indirect risks for guarantees issued, referring to Israeli counterparties, amount to 3.6 million (3.4 million as at 31 December 2024).

By expanding the analysis to the surrounding countries potentially involved (Egypt, Lebanon, Iran and Qatar), this highlights an effective, but low risk: the direct exposure to the counterparties of the aforementioned countries, for uses of the credit lines granted, is less than 15 million, while indirect risks for guarantees issued amount to roughly 68.5 million (down compared to the 72.5 million as at 31 December 2024).

¹ In more detail, see the following documents:

- ESMA Public Statement (ESMA71-99-1864) of 14/03/22 entitled "ESMA coordinates regulatory response to the war in Ukraine and its impact on EU financial markets";
- ESMA Public Statement (ESMA32-63-1277) of 13/05/22 entitled "Implications of Russia's invasion of Ukraine on half-yearly financial reports";
- ESMA Public Statement (ESMA32-63-1320) of 28/10/22 entitled: "European common enforcement priorities for 2022 annual financial reports";
- CONSOB notification of 18/03/2022 entitled "Notification on the impact of the war in Ukraine with regard to inside information and financial reporting
- CONSOB notification of 19/05/22 entitled "Conflict in Ukraine - Notification on financial disclosure and obligations relating to compliance with the restrictive measures adopted by the European Union against Russia".

Covid-19 support measures by the Group represented by loans with public guarantee

The report requested by the Bank of Italy in its communication of 14 March 2023 relating to the support measures, still in place, that the Group had granted during the Covid-19 pandemic is provided below.

In this regard, it should be noted that for the moratoria, no support measure is active, as the period of suspension of payments has now elapsed — since the 2023 financial year.

For loans granted with a public guarantee¹, the residual gross exposure as at 30 June 2025 amounted to approximately 6.2 billion (8.5 billion as at 31 December 2024), referring for 5.2 billion to the guarantee received from MCC/Small-Medium Enterprises Management Fund and for 0.9 billion from the SACE guarantee. Overall, the public guarantees received cover 84.4% of the volumes agreed.

In terms of credit quality, the aforementioned exposures are classified for 5.6 billion as performing exposures (of which 1.3 billion in Stage 2) and for 0.6 billion as non-performing. Net of adjusting provisions, the net exposure in the financial statements is reduced to 6.0 billion overall (8.2 billion as at 31 December 2024).

Exposures in crypto-assets

As at 30 June 2025 and 31 December 2024, the Group does not hold any exposure in crypto-assets².

New accounting standards/interpretations or amendments to existing standards approved by IASB/IFRIC

An illustration of the new accounting standards or amendments to existing standards approved by the IASB is provided below, as well as new interpretations or amendments to existing ones, published by the IFRIC, with separate disclosure of those applicable in 2025 and of those applicable in subsequent years.

IAS/IFRS accounting standards and related SIC/IFRIC interpretations endorsed that must be applied when preparing this Interim Financial Report

Regulation (EU) no. 2862 of 12 November 2024 - Amendments to IAS 21 "Effects of Changes in Foreign Exchange Rates"

On 15 August 2023, the IAS published an amendment to IAS 21 with the aim of specifying the situations in which one currency is convertible into another, the methods for determining the exchange rate to be applied when a currency is not exchangeable with the others and the disclosure which must be provided in this case.

The amendment in question had no impact on the Group's assets or financial position.

IAS/IFRS accounting standards and endorsed SIC/IFRIC interpretations, the application of which takes effect after 30 June 2025

Regulation (EU) no. 1047 of 27 May 2025 - Amendments to IFRS 9 and IFRS 7 - "Amendments to the Classification and Measurement of Financial Instruments"

On 30 May 2024, the IASB published some amendments to IFRS 9 (and consequently to IFRS 7), applicable from 1 January 2026, with a view to addressing some critical aspects that emerged from the Post Implementation Review of IFRS 9.

¹ Loans granted as part of the Covid-19 support measures, pursuant to the provisions of Legislative Decree 8 April 2020 converted into Law on 5 June 2020 (which entered into force on 7 June 2020).

² The category of crypto-assets includes i) cryptocurrencies, ii) e-money tokens and asset-referenced tokens as defined by the European Regulation on crypto-assets (Regulation (EU) 2023/1114 — MiCA Regulation), as well as (iii) other types of crypto-assets, even where they do not fall within the scope of application of the aforementioned Regulation.

In particular, the amendments mainly concern:

- the classification of financial instruments, whose contractual cash flows are dependent on ESG clauses. Since the presence of the aforementioned clauses could influence the measurement of loans at amortised cost or at fair value, the amendments in question provide indications and examples to assess whether the contractual cash flows of a financial asset are consistent or not with a basic lending agreement;
- the settlement of a liability through electronic payment systems. The amendment establishes that a liability can be settled in cash, using an electronic payment system, before the settlement date, as an exception to the current rules, if specific criteria are met.

Specific disclosure requirements were also introduced for equity instruments for which the option to recognise changes in fair value in the statement of comprehensive income was exercised, and for financial instruments with contingent characteristics, for example characteristics linked to ESG objectives.

The impacts for the Group relate to the definition of a policy for the classification of products with ESG clauses and the identification of the scope of products whose flows depend on contingent events for disclosure purposes. The above-mentioned amendments are not, however, expected to have significant impacts on the Group's equity, financial and economic position.

Regulation (EU) no. 1266 of 30 June 2025 - Amendments to IFRS 7 and IFRS 9 "Nature-dependent electricity contracts"

On 18 December 2024, the IASB published some amendments aimed at better reporting the effects of nature-dependent electricity supply contracts, often structured in the form of power purchase agreements (PPAs). The amount of electricity generated under these contracts may vary on the basis of uncontrollable factors, such as weather conditions. In fact, current accounting requirements may not adequately capture the ways in which these contracts affect a company's performance. The amendments include: i) clarifications on the application of the requirements for own use; ii) the possibility of using hedge accounting if these contracts are used as hedging instruments; iii) the addition of new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

For the amendments in question, which will be in force for financial statements from 1 January 2026, with the option of early application, no significant impacts are expected for the Group's equity, financial and economic situation.

Regulation (EU) no. 1331 of 9 July 2025 - Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 "Annual improvements to IFRS accounting standards - Volume 11"

On 18 July 2024, the IASB issued the usual annual amendments to the IFRS standards "Annual Improvements to IFRS Accounting Standards - Volume 11". The document contains clarifications, simplifications, corrections and amendments aimed at improving the effectiveness of the existing standards. Specifically, these improvements concern IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.

The amendments are applicable to financial statements from 1 January 2026, and may be applied early.

As these are minor changes, no significant impacts are expected on the Group's equity, financial and economic situation.

IAS/IFRS accounting standards and SIC/IFRIC interpretations issued by the IASB/IFRIC, awaiting endorsement

The following is a summary of the standards, interpretations or amendments that have been approved by the IASB, but are pending endorsement.

IFRS 18 "Presentation and Disclosure in Financial Statements"

On 9 April 2024, the IASB published the new accounting standard IFRS 18 "Presentation and Disclosure in Financial Statements", which replaces IAS 1 "Presentation of Financial Statements".

The new standard aims to improve the way in which companies present financial statement information to the market, with particular attention to that relating to the income statement, and to provide financial statement users with a better basis for analysing and comparing company performance.

Like the current IAS 1, IFRS 18 does not prescribe mandatory financial statement layouts or a specific structure for the information in the notes, but indicates the minimum information required, leaving the party that prepares the financial statements the discretion to decide what information should be provided to best represent the economic, equity and financial situation of an entity.

The new standard, applicable from 1 January 2027, with a request to submit comparative information from the previous year, is based on the following three guiding principles:

- to improve the comparability of income statement information by introducing specific categories for the presentation of results;
- to group financial statement information in a more useful manner;
- to encourage greater transparency of the performance measures defined by the management.

The above-mentioned amendments, which have changed the presentation of the income statement and the disclosure in the financial statements, must be appropriately coordinated with the rules for drafting bank financial statements, governed in Circular no. 262 drawn up by the Bank of Italy.

In addition to the impacts in terms of a different representation of the information, the introduction of the standard in question is not expected to have any impact on the equity, financial and economic situation of the Group.

IFRS 19 "Subsidiaries without Public Accountability: Disclosures"

With the issue of IFRS 19 "Subsidiaries without Public Accountability: Disclosures", published on 9 May 2024, the Disclosure Initiative, a project launched by the IASB in 2014 and addressed, together with that relating to the Primary Financial Statements, to improving financial reporting, was concluded. The objective of IFRS 19 is to simplify the obligations in terms of disclosure, to be included in the notes to the financial statements, for a wide range of companies controlled by groups that apply international accounting standards, thus also encouraging the transition of companies that apply local accounting standards for the preparation of their financial statements to these standards.

This facilitation is applicable only to subsidiaries without "public accountability", i.e. to companies that do not have instruments admitted to trading on a public market or that do not hold assets, on a trustee basis, for a large group of people, as is instead, the case of banks, credit cooperatives, insurance companies, securities brokers, mutual investment funds and investment banks.

Entities that possess the above characteristics may, but are not required to, apply IFRS 19 in their consolidated, separate or stand-alone financial statements.

In relation to the transactions performed by the Group and the composition of the same, no significant impacts are expected following the introduction of the standard in question.

Other significant aspects relating to Group accounting policies

Below is an illustration of several transactions or events occurring during the first half of 2025 or in previous years, deemed significant for defining the related accounting treatment and/or impacts on the balance sheet or income statement.

Acquisition of control of Anima Holding SpA – notes for a correct comparison of the comparative balances

As illustrated in the Report on Operations of the Group, as a result of the Tender Offer, on 11 April 2025 the Banco BPM Group acquired control of Anima Holding and therefore of its subsidiaries.

For the purposes of a correct comparison of the comparative balances, it should be noted that, starting from 1 April 2025, the balance sheet and income statement balances of Anima Holding and its subsidiaries have been included, line by line, in the consolidated financial statements.

In the comparative balance sheet as at 31 December 2024, when the stake in the company was 21.973%, the book value of the interest, measured using the equity method, was represented in item "70. Interests in associates and joint ventures".

The economic contribution for the first quarter of 2025, as well as that for the entire 2024 financial year, was included in item "250. Gains (losses) of associates and joint ventures".

For details on the accounting treatment required in the case of transactions for the acquisition of control according to IFRS 3 and the effects resulting from the Purchase Price Allocation process concerning the acquisition of control of

Animal Holding and its subsidiaries, please refer to paragraph "16 – "Other information, business combinations, goodwill and changes in interest holdings" of part "A.2 - Key financial statement items" of the Annual Financial Report at 31 December 2024 and part "G - Business combinations regarding companies or divisions" in these explanatory Notes.

Tax credits linked to the "Relaunch" Decree obtained following sale by direct beneficiaries or previous purchasers

In order to combat the negative economic effects of the Covid-19 pandemic, Law no. 77 of 17 July 2020, converted with amendments into Decree Law no. 34 of 19 May 2020 ("Relaunch Decree"), a range of tax incentives were introduced which make it possible to benefit from deductions linked to expenses incurred for specific work, for example to increase the level of energy efficiency of existing buildings ("Ecobonus") or to reduce their seismic risk ("Sismabonus").

Subsequently, the government took action on several occasions - first with Decree Law no. 50/2022 (the "Aid Decree"), then with Decree Law no. 39/2024 - with significant restrictions, new obligations and additional limits, such as to significantly restrict access to building bonuses and their attractiveness.

In this context, the Group's operations consist of acquiring tax credits relating to these building interventions, which can be recovered only by offsetting with its own tax payables, in compliance with the timing established on the original tax deduction, rather than through resale transactions.

The peculiarity of the tax credits described above does not make it possible to associate them with any specific international accounting standard; in this case, IAS 8 provides that the company management must independently define the accounting treatment considered the most suitable to guarantee relevant and reliable information to users of the financial statements.

To this end - taking into account the instructions provided on 5 January 2021 by the Bank of Italy, CONSOB and IVASS in document no. 9 of the Coordination Round Table on the application of IAS/IFRS "Accounting treatment of tax credits linked to the "Heal Italy" and "Relaunch" Decree Laws, purchased following the sale by direct beneficiaries or previous purchasers" - Banco BPM Group defined its own accounting policy by making reference to certain accounting provisions under IFRS 9. More specifically, the tax credits in question were deemed to be substantially similar to a financial asset, and therefore the provisions envisaged by the afore-cited standard can, by analogy, be applied, if compatible with the characteristics of the operation.

In particular, for credits acquired according to a "Hold to Collect" (hereinafter also HTC) business model, as they fall within the scope of the Bank's "offsetting capacity", the accounting rules set forth in IFRS 9 for "Financial assets at amortised cost" apply. Therefore, the credits acquired are initially recognised at fair value, equal to the consideration paid to the customer to purchase the tax credit, and subsequently measured at amortised cost, taking into account their value and offsetting timing. Instead, the provisions relating to the calculation of expected credit losses (ECL), pursuant to IFRS 9, are not applicable: the recoverability of tax credits effectively depends on the tax capability of the purchaser, namely the ability to offset tax credits purchased with its tax payables, as they cannot be refunded by the Tax Authority. Said credits are recognised in the residual item "130. Other assets"; the interest accrued based on the amortised cost is recognised in the income statement in item "10. Interest and similar income".

As at 30 June 2025, the nominal value of all HTC tax credits acquired amounted to 4,936.2 million, of which 21.2 million for transactions completed during the first half of 2025 (4,915.0 million in credits acquired as at 31 December 2024). The total receivables recovered through offsetting amounted to 2,828.6 million (of which 976.2 million in the first half of 2025).

The residual face value of HTC receivables outstanding as at 30 June 2025 therefore amounts to 2,107.6 million (3,062.7 million is the value reported at 31 December 2024), approximately 70% of which can be offset by 2027. The corresponding book value, shown in the balance sheet item "130. Other assets" on the basis of the amortised cost, which takes into account the purchase price and the net interest accrued as at 30 June 2025, amounts to 1,939.8 million (2,842.0 million as at 31 December 2024).

As at 30 June 2025, commitments assumed with third parties for future purchases of tax credits which will be managed within the framework of the HTC model, amount to a total of around 8 million.

The amount of the credits purchased and the purchase commitments undertaken as regards the HTC model, as illustrated above, is lower than the estimate of the Bank's prospective offsetting capacity, also considering that the

related purchase ceiling, resolved by the Board of Directors of Banco BPM, was set prudentially, with the aim of considering the uncertainties related to the timing of the actual entry into the tax box and the actual characteristics of the credits purchased, dependent on the assumption of purchase commitments. As at 30 June 2025, therefore, there are no risks of irrecoverability both with reference to the tax credits recognised in the financial statements and in relation to the credits that may be purchased against the commitments to purchase entered into.

As of 2024, Banco BPM activated an alternative method to acquire building bonus tax credits, based on the Hold To Collect and Sell (HTCS) model, with the objective of exploiting the prudent margins considered in the estimate of Banco BPM's fiscal capacity, taken as a reference in determining the ceiling of the HTC model, which is in fact lower than the maximum offsetting capacity of the Bank. The HTCS business model, with respect to the HTC, therefore aims to boost purchases of tax credits, thus making it possible to seize commercial opportunities without, however, assuming the risks of non-recovery due to inadequate offsetting capacity. The HTCS business model undertaken by the Group makes it possible to recover tax credits both through offsetting with the Bank's tax payables, and, if necessary, by transferring the same to other operators interested in their purchase, if deemed advantageous.

For these credits, the provisions of IFRS 9 for the category of "Financial assets measured at fair value through other comprehensive income" are considered applicable; in addition to the observations made above for HTC credits, it is necessary to determine an additional income component equal to the difference between fair value and amortised cost. In this regard, fair value is measured on the basis of the Discounted Cash Flow (DCF) technique, i.e. discounting cash flows on the basis of the zero-coupon yield for the various offsetting maturities, constructed on the basis of 6-month Euribor rates, plus the commercial spread calculated at the initial recognition date. Such fair value is shown in the residual item "130. Other assets"; the interest accrued based on the amortised cost is recognised in the income statement in item "10. Interest and similar income", while fair value adjustments are represented under other income items that may be transferred to the income statement in the statement of comprehensive income.

As at 30 June 2025, the nominal value of the credits acquired based on the HTCS model amounted to 1,325.4 million, of which 357.1 million for transactions completed during the first half of 2025 (968.2 million in credits acquired as at 31 December 2024). The total receivables recovered through offsetting amounted to 320.7 million (320.6 million as at 31 December 2024).

As no assignment of receivables took place, the residual nominal value of the HTCS receivables outstanding as at 30 June 2025 therefore amounted to 1,004.7 million (647.6 million as at 31 December 2024), approximately 90% of which can be offset by 2027.

The corresponding book value, which takes into account the purchase price, the fees accrued on the basis of amortised cost and the fair value adjustment, is equal to 916.5 million (572.2 million as at 31 December 2024). This value is basically in line with amortised cost as the fair value adjustment attributable to the change in interest rates with respect to the purchase date, is 6.6 million (6.0 million as at 31 December 2024).

As at 30 June 2025, commitments assumed with third parties for future purchases of receivables managed within the framework of the HTCS model, amount to a total of around 875 million (667 million as at 31 December 2024).

"Hold to Collect" Business Model – sales

For exposures classified in the "Financial assets at amortised cost" portfolio, i.e. in the portfolio held with the aim of collecting the contractual cash flows (the "Hold to Collect" Business Model - HTC), accounting standard IFRS 9 envisages that their sale is permitted in observance of specific materiality and frequency thresholds, close to maturity, in the event of a significant increase in credit risk or in the case of exceptional circumstances.

In this regard, it should be noted that, in the first half of 2025, the sale of securities classified in the accounting portfolio of "Financial assets at amortised cost" (HTC) amounted to approximately 3 billion, in terms of nominal value, entirely related to the Parent Company. These disposals must form part of a strategy aimed at rebalancing the general profile of the banking book, including HTCS securities; the positive result achieved by the sale of HTC securities (65.4 million) must therefore be read together with an equally negative result on HTCS securities.

The aforementioned disposals are eligible according to the policy indicated above, for 0.6 billion made close to the maturity date and for the remaining 2.4 billion falling within the limits of the significance and frequency thresholds. These latter disposals represent around 8% of the nominal value of the existing securities as at 1 January 2025 and therefore within the significance limit of 10% of the nominal value of the securities portfolio at the start of the year; the annual frequency threshold (4) is also respected, defined in terms of twelve annual transactions, to be understood as

the overall number of sale transactions (of one or more securities) completed within 10 business days of the first sale transaction.

In addition, as part of the derisking process illustrated in the Group Report on operations, the sale of non-performing credit exposures represented by loans to customers, considered eligible regardless of any frequency and materiality thresholds, continued during the first half of 2025, in line with the provisions of IFRS 9 and the Group policy.

For more details on the breakdown of the above-mentioned thresholds, along with the other indicators/limits of eligibility of sales, please refer to the accounting policies illustrated in the Annual Financial Report as at 31 December 2024.

Lastly, it should be noted that the management of debt securities classified in the "HTC" and "Hold To Collect and Sell" portfolios continues to be in line with the choices made in previous years; in fact during the half year, there were no changes to the business model that led to the need to reclassify the securities portfolio, as there were also no changes to accounting policies relating to eligibility criteria for HTC sales.

Additional Tier 1 Issue

The AT1 are subordinated instruments classified in Additional Tier 1 capital, under the terms of Regulation no. 575 of 2013 (CRR), addressed to institutional investors.

Since these are perpetual securities, they envisage the option of early repayment, with any subsequent calls in the event of failure to exercise the call on the first set date.

The coupon, which is paid half-yearly, is not cumulative.

If the option of early redemption is not exercised, a new fixed-rate coupon will be determined adding the original spread to the mid-swap rate in euro at five years to be recorded at the moment of the recalculation date. This new coupon will remain fixed for the next five years and until the next recalculation date.

For the above type of issues, in line with the provisions of the CRR for AT1 instruments, the issuer has full discretion in deciding not to pay the coupons, for any reason and for an unlimited period of time; cancellation is instead obligatory if certain conditions are ascertained, including the occurrence of a trigger event, namely when the Common Equity Tier 1 (CET1) of Banco BPM (or consolidated CET1) is lower than 5.125%. In addition, interest is not cumulative, as any amount that the issuer decides not to pay or would be obliged not to pay will not be accumulated or payable at a later date. It is also envisaged that on the occurrence of a trigger event, the capital would be irrevocably and obligatorily written down by the amount needed to bring the CET1 (of Banco BPM or of the Group) to 5.125%. The capital written down could be reinstated (written up), on fulfilment of certain conditions, and in any event at the issuer's complete discretion, even in the event that Banco BPM decided to repay the issue early.

Based on the above with respect to the characteristics of the loans, the above-cited issues are considered the equivalent of "equity instruments" in terms of accounting standard IAS 32, as illustrated in the accounting policies shown in paragraph "16 - Other information" of "A.2 - Key financial statement items" of the Annual Financial Report as at 31 December 2024, to which reference is made.

As at 30 June 2025, Banco BPM had Additional Tier 1 instruments in place, issued in the 2021-2025 period, for a nominal value of 1,800.0 million; the book value of the aforementioned issues, shown under item "140. Equity instruments" amounted to 1,787.3 million, equal to the consideration collected, less directly attributable transaction costs (12.7 million net of taxes).

The change compared to the figure as at 31 December 2024 (1,620.5 million), positive for approximately 178.5 million, is the result of the joint effect of the new issue carried out during the half year (+400.0 million) and the repurchases made in the period (-220.5 million), also following the exercising of the call option.

In line with the nature of the instruments, the coupons paid in the half year (59.0 million), net of tax effects (16.2 million), were recognised as a balancing entry to the reserves (item "150. Reserves" of balance sheet liabilities).

Contributions to deposit guarantee schemes and resolution mechanisms

The contributions in question are recognised in the income statement item "190. b) Other administrative expenses" in application of IFRIC 21 interpretation "Levies", on the basis of which the liability relating to the payment of a levy —

and the related charge — arises at the time the "obligating event" occurs, namely at the time of the obligation to pay the annual fee or extraordinary contribution.

Charges related to the banking system

Following transposition into the national legislation of Directives 2014/49/EU (*Deposit Guarantee Schemes Directive* – "DGSD") of 16 April 2014 and 2014/59/EU (*Bank Recovery and Resolution Directive* – "BRRD") of 15 May 2014, starting from financial year 2015, credit institutions have been obliged to provide the financial resources necessary for the financing of the Interbank Deposit Guarantee Fund (FITD) and the Single Resolution Fund (SRF) starting from 2016, through payment of ex ante ordinary contributions to be paid annually, until the target level is reached.

Where the available financial resources of the FITD and/or the SRF are insufficient to guarantee the protected reimbursement of depositors or to fund the resolution, respectively, it is set out that banks shall provide such funds via the payment of extraordinary contributions.

In light of the aforementioned regulations, during the first half of 2025, no systemic charges deriving from ordinary and extraordinary contributions were charged, as there were no "binding facts" with respect to the related payment. For the SRF, the contribution period ended in 2023 and no requests for extraordinary contributions were received in the first half of 2025.

For the FITD, the contribution period ended in 2024, where the contribution of 98.7 million was charged during the first half of the year; no request for extraordinary contributions was received during the first half of 2025.

Systemic insurance charges (Life insurance guarantee fund)

Law no. 213 of 30 December 2023 introduced the "Life insurance guarantee fund", a private association between insurance companies and participating intermediaries, through which insurance companies are obliged to provide the necessary financial resources for financing the same, through the payment of ordinary ex-ante contributions to be paid annually, from 1 January 2024 to 31 December 2035, until the target level is reached, i.e. 0.4% of the technical reserves of the life business calculated on the basis of Solvency II.

The annual contribution should be equal to 0.4 per thousand of technical reserves of the Life businesses held by the participating insurance companies as at 31 December of the previous year.

For participating intermediaries, the contribution, when fully operational, will be calculated on the basis of the total volume of life products brokered and the associated revenues; during the transitional regime, it will be 0.1 per thousand of the technical provisions brokered.

In this regard, it should be noted that, for the fund in question, no expense was charged to the income statement for the first half of 2025. The detailed rules regarding the contributions due must in fact be defined by the Fund's Articles of Association, currently being prepared; this regulation, as confirmed by the IVASS communication of 18 December 2024, will make it possible to identify the binding event which, pursuant to the provisions of the aforementioned interpretation IFRIC 21 "Levies", will give rise to an obligation on the part of the Group to pay the contributions, with consequent charging of the portion due to the income statement.

Extraordinary tax on extra profits of banks

Art. 26 of Decree Law no. 104 of 10 August 2023 - converted with amendments by Law no. 136 of 9 October 2023 - introduced in the national tax legislation system, for the year 2023, an extraordinary tax to be paid by banks, commensurate with the increase in net interest income between 2021 and 2023, with a maximum limit calculated according to the risk exposure on an individual basis ("RWA - Risk Weighted Assets") referring to 2022 year-end close.

At the time of the conversion of the aforementioned decree, paragraph 5-bis was introduced, which allowed banks, in place of the payment of the tax by 30 June 2024, to allocate, at the time of approval of the financial statements for the year 2023, an amount not less than two and a half times the tax to a non-distributable reserve identified for this purpose.

If the reserve thus constituted is subsequently used for the distribution of profits, the tax due must be paid in full, increased by the interest accrued on the basis of what is established by law. This reserve could be used to cover losses and can be included in Common Equity Tier 1 capital (CET1), in line with the provisions of Regulation (EU) no. 575/2013.

With reference to the extraordinary tax in question, amounting to 151 million, note that the Annual Shareholders' Meeting of Banco BPM of 18 April 2024 approved the proposal to allocate a portion of the profit for the year 2023 to the establishment of a specific reserve, equal to two and a half times the amount of the extraordinary tax and

therefore 378.3 million. A similar decision was passed by the shareholders' meeting of Banca Aletti, which allocated 2.4 million to a specific reserve.

For the purposes of the preparation of the consolidated interim financial statements as at 30 June 2025, the Board of Directors of Banco BPM resolved to maintain the above-mentioned reserve in full; consequently, there is no "obligating event" against which to recognise, pursuant to IFRIC 21 and IAS 37, a liability and the relative expense, for an amount equal to the tax to be paid.

Stamp duty on insurance contracts

The 2025 Budget Law, approved on 28 December 2024, introduced an important change to the method of payment of stamp duty on periodic communications to customers issued by insurance companies in relation to class III and V life policies. In particular, the regulation provides that, starting from 2025, the stamp duty must be due annually, but the relative amount must be paid every year not by the policyholders, as is the case for all other financial instruments (from bank deposits to mutual funds), but by the insurance companies. Only at the expiry date of the contract or at the time of redemption will the amount advanced — which is interest-free — be recovered by the company, calculated as a decrease in the service provided. For the amount of stamp duty accrued until 31 December 2024 relating to periodic communications on insurance contracts in force at the same date, a payment mechanism is envisaged — again borne by the insurance companies, as illustrated above — according to the following brackets: 50% in 2025; 20% in 2026; 20% in 2027; 10% in 2028.

The peculiarity of the above-described mechanism of advance and recovery of stamp duty does not seem to be directly attributable to any IAS/IFRS accounting standard; pursuant to IAS 8, it is therefore necessary for company management to define the accounting treatment deemed most appropriate to ensure that users of financial statements receive relevant and reliable information.

In this regard, the Banco BPM Group believes that, for contracts falling within the scope of application of accounting standard 17, the new regulations would require estimating a different time distribution of cash outflows within the actuarial engines, with consequent impacts in terms of different discounting of the same. Considering the operational complexity of intervening in a timely manner on the actuarial engines, for the purposes of preparing this half-yearly financial report as at 30 June 2025, in continuity with what was done for the 2024 financial statements, no specific intervention was carried out, with the impacts deemed not material.

In line with the aforementioned budget law, in June 2025 the Group Companies paid 50% of the stock accrued as at 31 December 2024, equal to a total of 19.6 million. The payment referring to contracts measured according to IFRS 17 was shown as a decrease in the item "Insurance liabilities", while that relating to contracts falling under IFRS 9 is included, for its discounted nominal value, in the item "Other assets".

As at the date of drafting of this half-yearly report, no interpretative document has been issued on this topic; nevertheless, it cannot be ruled out that different guidelines may emerge with regard to the accounting treatment to be adopted for the recognition of the case in question with respect to that carried out by the Group as at 30 June 2025, whose impacts are not expected to be significant, including in the light of the payments made to date.

A.2 - KEY FINANCIAL STATEMENT ITEMS

The accounting standards used in the preparation of these consolidated interim financial statements, with particular reference to the criteria for the classification, recognition, measurement and derecognition of assets and liabilities, as well as for the recognition of costs and revenues, are aligned with those followed for the preparation of the Banco BPM Group Annual Financial Report as at 31 December 2024, to which reference is therefore made. With respect to what is reported therein, it should be noted that, during the half year, some refinements were made in the criteria and in the methods of recognition and measurement of some accounting items, as illustrated below.

Criteria for the recognition of intangible assets represented by software

On the basis of the provisions of IAS 38, in order to be recognised in the financial statements, an intangible asset must be identifiable, the entity that intends to recognise it must have control of it, it must be able to generate future economic benefits and it must be possible to reliably determine the related cost.

The cost relating to the intangible asset includes all those expenses that are necessary in order to create, produce and prepare the asset for the use that the entity has established.

For intangible assets represented by software, the costs to be capitalised are attributable to the expenses incurred in the purchase of the materials and services used, as well as the expenses of the personnel involved in the creation project. On the other hand, administrative and general expenses not directly attributable to the creation of the asset and other expenses such as personnel training are excluded.

In light of the above, in 2024 the Group undertook a specific project aimed at defining an organisational and operating framework to extend the capitalisation of software development costs also to the expenses of personnel involved in the design, development and implementation of software, in compliance with the recognition criteria established by the aforementioned IAS 38.

Starting from 1 January 2025, the Group has therefore adopted processes and procedures that can reliably report the times and costs of the Information Technology personnel directly involved in software development activities, through the completion of specific timesheets. As at 30 June 2025, the book value of internal costs capitalised under software, net of amortisation for the year, is 6.3 million, as shown in the table in the Section "Intangible assets — Item 100" of these Explanatory Notes, under the sub-item "Internally generated intangible assets".

Methods for determining impairment losses on IFRS 9 Financial Instruments

In relation to the above, the following paragraph illustrates the methodologies adopted to determine losses on non-performing financial instruments, replacing those reported in the corresponding paragraph of the Banco BPM Group Annual Financial Report as at 31 December 2024.

Impairment losses on non-performing financial instruments

For non-performing financial assets, to which a 100% probability of default is associated, the amount of adjustments for expected losses relating to each loan is equal to the difference between i) its book value at the time of valuation (amortised cost) and ii) the present value of expected future cash flows, calculated by using the original effective interest rate or a reasonable approximation if the original rate is not directly available. Cash flows are estimated on the basis of expected recovery over the entire lifetime of the asset, after taking into account the estimated realisable value of any guarantees.

To estimate the expected cash flows collected and the related time frames, the receivables in question undergo an analytical evaluation process.

In more detail, the recovery value is determined using a going concern approach rather than a gone concern approach, selected according to the non-performing status and the type of exposure.

The going concern approach is implemented if it is considered that the debtor's operating activity may continue to generate, in the foreseeable future, cash flows to be used for the payment of financial debts to all creditors, based on expected repayment schedules. The approach in question establishes, as a source of repayment, the profitability available deriving from the customer's operating activity or from other financial sources, as well as the estimated amount deriving from the enforcement of any collateral or personal guarantees (for the portion not covered by the available profitability). The available profitability assessment must be carried out prudentially using different analyses, depending on the type of customer and the data acquired by it.

The gone concern approach is used when the customer's operating activity is found or is expected to cease and the main source of repayment is the amount deriving from the enforcement of collateral (pledge or mortgage), as is the case for all exposures classified as non-performing. In addition, possible repayment flows from seizable assets owned by the debtor or any guarantor must be evaluated.

For some similar categories of non-performing loans, as better defined below, the assessment processes establish that the loss forecasts are based on a "lump-sum" calculation method, to be applied analytically to each individual position. As at 30 June 2025, in line with 31 December 2024, the scope of exposures subject to a lump-sum valuation process is represented by bad loans, unlikely-to-pay and non-performing past due, which have a gross exposure lower than or equal to a threshold of significance established at 1 million (hereinafter also "below-threshold" scope).

For the aforementioned scope, the "lump-sum" model for estimating losses ("automated gone" model) had highlighted some weaknesses that had required the activation, starting from the 2024 financial year, of an adjustment process with specific value adjustment forcing interventions, in order to replicate the results of the ELBE (Expected Loss Best Estimate) regulatory model duly adapted to IFRS 9 requirements, on the basis of an appropriate scaling factor, pending full development of the methodology.

During the first half of 2025, a specific project was therefore launched to strengthen the overall reference framework for calculating the ELBE accounting loss, also in order to comprehensively address the observations made by the Supervisory Authority and the internal control functions compared to the previous "automated gone" model. Starting from 30 June 2025, a new lump-sum calculation model was therefore defined, entitled "accounting ELBE", the main characteristics of which are summarised below:

- it introduces into the estimate the use of the "single span", i.e. the loss rate is quantified from entry to default until the closure of the cycle;
- it specialises the losses (LGD ELBE) based on the reference vintage of the case to be assessed;
- it integrates the effects of current conditions (point in time), taking as a reference the last five historical years of default closures;
- it factors in forward-looking effects, by applying satellite LGD default models, assuming the same reference macroeconomic scenarios for the quantification of expected losses on performing exposures;
- it considers effects related to the potential losses of the disposals;
- it takes into account the recovery times, by discounting the flows deemed recoverable.

In the new accounting ELBE measurement framework, the effect of the disposals is quantified considering both the "ELBE work out" value, determined by assuming the recovery through internal activities, and the "ELBE disposals" value, calculated by assuming the recovery of the scope of disposals alone.

In greater detail, the aforementioned values are weighted according to the probability that the impaired position is subject to a sale transaction ("*Probability Of Disposal*" or PoD).

As at 30 June 2025, the aforementioned PoD parameter is quantified by equating the historical transfer probability, estimated on the basis of the transfer rate observed over the last three years, with the forward-looking probability, based on the forecasts of the three-year transfer plan approved by the Board of Directors.

This model represents an evolution of the methodology used until 31 December 2024, based on a multi-scenario approach derived from future disposal targets, which is therefore no longer applicable. The latter approach envisaged that the quantification of expected losses on exposures classified as bad loans or unlikely-to-pay, in addition to considering the recovery flows of the workout scenario, should include the flows recoverable from a disposal scenario, weighted according to the respective probabilities obtained from the disposal targets, established from time to time by the Board of Directors.

Based on the above, compared to the methodology used until 2024, the new accounting ELBE model is able to anticipate the effect of disposals, based on historical observations, even if the Group's plans do not envisage any disposals in the short term or the target of the disposals envisaged in the plan should be exhausted.

In line with the methodology choice of "below-threshold" receivables to incorporate the effect of historical disposals, thus marking an evolution of the previous multi-scenario model based solely on the forecasts of the plan, starting from June 2025 a similar framework was also introduced for above-threshold loans, i.e. for non-performing loans with an exposure of more than 1 million but less than 3 million.

For non-performing exposures of more than 3 million, no correction factor is envisaged for the disposals, as these positions will not be reasonably included in the portfolios of mass disposals, but will be managed through internal workouts or single-name disposals.

From a prudential perspective, for all non-performing exposures, in the event of identification of a portfolio likely to be assigned — "planned sales" cluster —, the expected losses will be quantified by giving priority to the forward-looking probability, set at 85 % (instead of equating the historical and prospective probabilities inferred from the plan).

Lastly, it is important to specify that the methodology illustrated above is not applicable to any loans which, at the date of preparation of the financial statements, are already identified in detail as held for sale, which satisfy the conditions set out by IFRS 5 to be classified in the portfolio of assets held for sale. Those loans are measured considering only the sale scenario, assigned a probability of 100% and using as reference the sale prices or information contained in the agreements finalised with the counterparties (binding offers).

For an illustration of the estimate of the impacts related to the methodological revisions described above, please refer to the appropriate paragraph "Expected Credit Loss — Stage 3" contained in "Part E — Information on risks and related hedging policies" of these Explanatory Notes.

A.3 - DISCLOSURE ON TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

During the period there were no transfers between portfolios of financial assets.

In this regard, it should be noted that, during the period, as in the previous ones, there was no change in Banco BPM Group's business model, i.e. the way in which the Group manages financial instruments.

A.4 - FAIR VALUE DISCLOSURE

Methodologies for determining the fair value of financial assets and liabilities measured in the financial statements at fair value

Fair value is defined as the price that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants, at the current conditions on the measurement date in the main market or in the most advantageous market (exit price). Underlying the fair value measurement is the assumption that the entity is a going concern, namely that it is in a fully operational situation and that it does not intend to liquidate or significantly reduce its operations or undertake transactions at unfavourable conditions. Fair value is not therefore the amount that the entity would receive or pay in the event of forced transactions or sales below cost.

Fair value is a market valuation approach not specifically referring to estimates concerning possible future cash flows developed by the individual company; indeed, fair value must be determined by adopting the assumptions that market participants would use in determining the price of assets and liabilities, presuming that they are acting in their own best economic interest.

To measure the fair value of financial and non-financial assets and liabilities, IFRS 13 established a three-level fair value hierarchy, based on the source and the quality of the inputs used:

- Level 1: the inputs are represented by listed prices (unadjusted) on active markets for identical assets and liabilities;
- Level 2: input consists of:
 - prices listed on active markets for similar assets and liabilities;
 - prices listed on non-active markets for identical or similar assets and liabilities;
 - parameters observable on the market or corroborated by market data (e.g. interest rates, credit spreads, implicit volatility, exchange rates) and used in the valuation technique;
- Level 3: the input used is not observable on the market.

For financial instruments, measured in the financial statements at fair value, the Group has implemented a "Fair Value Policy" that assigns the highest priority to prices listed on active markets (level 1) and the lowest priority to the use of unobservable inputs (level 3), as more discretionary, in line with the above-illustrated fair value hierarchy. More specifically, this policy establishes:

- the rules for identifying market data, the selection/hierarchy of the sources of information and the price configurations needed to measure the financial instruments listed on active markets and classified as level 1 of the fair value hierarchy ("Mark to Market Policy");
- the valuation techniques and the relative input parameters in all cases in which the Mark to Market Policy cannot be adopted ("Mark to Model Policy").

Mark to Market

To measure the fair value, the Group uses, whenever available, information based on market data obtained from independent sources, as considered the best evidence of the fair value. In this case, the fair value is the market price of the same instrument being measured, namely without changes or reorganisations of the same instrument, inferable from the prices listed on an active market (classified as level 1 of the fair value hierarchy). A market is considered active when the list prices express actual and regular market transactions and are readily and regularly available through stock markets, brokers, intermediaries, sector companies, listing services or authorised entities.

Mark to Model

If the "Mark to Market Policy" is not applicable, due to the absence of prices directly observable in markets considered active, valuation techniques must be adopted that maximise the use of information available on the market, based on the following valuation approaches:

- **Comparable Approach:** in this case, the instrument's fair value is derived from the prices observed in recent transactions on similar instruments in active markets, suitably adjusted to take into account differences in the instruments and in the market conditions, rather than from the prices of recent transactions on the same instrument as that subject to valuation not listed in active markets;
- **Model Valuation:** if there are no transaction prices observable for the instrument to be measured or for similar instruments, a valuation model needs to be adopted; this model must be of proven reliability in estimating the hypothetical "operating" prices and therefore must be widely acknowledged by market operators.

Specifically:

- debt securities are valued according to the discounted cash flow method, appropriately adjusted to take account of issuer risk;
- loans that do not pass the SPPI test are valued on the basis of the discounting of expected cash flows determined using models that vary according to the status of the counterparty at an interest rate considered representative from the perspective of the potential buyer;
- unlisted equity instruments are measured by referring to direct transactions of the same security or similar securities observed over a suitable time frame as compared to the valuation date, using the market multiples method of comparable companies, and, as an alternative, using financial, income and equity valuation methods;
- investments in UCITs, other than open-ended harmonised UCITs, are measured on the basis of the NAV made available by the fund administrator or by the management company. These investments typically include private equity, private debt and similar funds, property funds and hedge funds;
- Bond Repo contracts are valued by discounting the forward contractual flows expected, determined based on the characteristics of the contract, based on the interest rate curve differentiated according to the issuer of the security underlying the contract (government securities and corporate securities);
- OTC derivative contracts are measured on the basis of multiple models, depending on the type of instrument and input factors (interest rate risk, volatility, exchange rate risk, price risk, etc.) which affect their valuation; for the purpose of discounting future cash flows, the Banco BPM Group uses the OIS ("Overnight Indexed Swap") curve as a reference, considered to be the expression of a risk-free rate. The values thus obtained are then adjusted to take account of all factors considered relevant by market participants, with the aim of best reflecting the realisable price of a potential market transaction (model risk, liquidity risk, counterparty risk). With regard to the counterparty risk of performing derivatives, referring both to the credit risk of the counterparty "Credit Valuation Adjustment" (CVA) and the risk of failure to fulfil its contractual obligations "Debit Valuation Adjustment" (DVA), the corresponding correction factor is determined for each individual legal entity of the Group according to the expected future exposure generated by the contracts, the probability of default of the parties and the related losses. More specifically, the calculation of expected exposure takes into account the effects resulting from the existence of netting or collateral agreements, which are able to mitigate counterparty risk, while the probability of default is estimated using Credit Default Swap pricing, when available, as a priority over internal parameters. The model for the quantification of CVA/DVA adjustments provides that, for each derivative, counterparty risk is equal to the sum of the components:
 - "Bilateral CVA": this is the possible loss if the future exposure is positive for the Group, adjusted to take account of the possibility that the Group may fail before the counterparty;
 - "Bilateral DVA": aimed at appreciating the benefit in the event of breach of contractual obligations, if the expected exposure is negative for the Group. This benefit is then mitigated to take into account the probability that, in the course of the transaction, the counterparty may fail before the Group.

The classification as level 2 rather than level 3 is established on the basis of the market observability of the significant inputs used to determine the fair value. A financial instrument must be classified in its entirety at a single level; therefore, if inputs belonging to different levels are used in the valuation technique, the entire valuation must be classified in correspondence with the level of the hierarchy at which the lowest level input is classified, when deemed significant to the calculation of the fair value as a whole.

The following types of investment are considered level 2:

- financial instruments represented by OTC derivatives and by repurchase agreements on debt securities ("Bond Repo") when the inputs of the pricing models used to calculate the fair value, are observable in the market or, if not observable, are deemed that they do not significantly influence the fair value measurement;
- equity instruments not listed on active markets, measured using the market multiples technique, referring to a selected sample of comparable companies with respect to the subject of the valuation, or measured on the basis of the effective transactions made in a period of time reasonably close to the reference date;
- debt securities of third parties or own issues, not listed on active markets, for which the inputs, including the credit spreads, are taken from market sources;
- UCIT units, not listed on active markets, characterised by significant levels of transparency and liquidity. The above-mentioned units are valued on the basis of the NAV provided by the management company/fund administrator.

As a rule, the following financial instruments are considered level 3:

- hedge funds characterised by significant levels of illiquidity, and for which the process to evaluate the assets of the fund requires a considerable amount of assumptions and estimates. The fair value measurement is made on the basis of the NAV. Said NAV may be appropriately corrected to take the poor liquidability of the investment into account, namely the period of time between the repayment request date and the effective repayment date, as well as to take any exit commissions of the investment into account;
- real estate funds characterised by significant levels of illiquidity and valued on the basis of the last available NAV;
- private equity, private debt and similar funds, measured on the basis of the last available NAV, possibly adjusted to take into account events not included in the valuation of the price or to reflect a different valuation of the assets underlying the fund in question;
- illiquid shares for which no recent or comparable transactions are observable, usually measured on the basis of the equity model;
- debt securities characterised by complex financial structures for which sources that are not publicly available are usually used. These are non-binding prices and are also not corroborated by market data;
- debt securities issued by parties in financial difficulty, for which the management has to use its own judgement to establish the "recovery rate", as no significant prices can be observed on the market;
- financial instruments represented by OTC derivatives, for which the non-observable input parameters used by the pricing model are deemed significant in order to measure the fair value;
- medium-long-term loans (performing and non-performing) valued on the basis of the expected cash flows determined using models that vary according to the status of the counterparty, and discounted at an interest rate considered representative from the perspective of the potential buyer.

For further details on the methods used to measure the fair value of financial assets and liabilities, on the techniques and inputs used, on how to complete the transfer tables between levels, please refer to the Annual Financial Report as at 31 December 2024 ("Part A - Accounting policies", "A.4 - Fair value disclosure").

Sensitivity of the valuations of level 3 financial instruments

Exposures in level 3 financial instruments totalled 2,700.5 million and are mostly represented by equity instruments, UCIT units and loans mandatorily measured at fair value as illustrated below.

Equity instruments and UCIT units

Investments in equity instruments and in UCIT units, classified as level 3, totalled 1,956.4 million (corresponding to 72.4% of level 3 financial assets measured at fair value), as illustrated in more detail in the paragraph below "Fair value hierarchy of financial assets and liabilities measured at fair value in the financial statements".

For the above instruments, it is not usually possible to make any quantitative sensitivity analysis of the fair value, with respect to the change in non-observable inputs, insofar as the fair value was acquired from external sources or was generated by a model with specific inputs (for example, the company's capital values) and for which the necessary information for a sensitivity analysis is not available, with the exception of that stated below.

For the UCIT units held by the Group, following the contribution of non-performing loans not qualified as real estate funds, the measurement at fair value was carried out on the basis of the Discounted Cash Flow technique. The inputs used are as follows:

- cash flows referring to the net distributions envisaged for investors in the business plans of the respective transactions;
- discount rate between 7.4% and 9.5%, depending on the capital structure and the risk premium of the transaction.

¹For these funds, whose book value amounts to 431,3 million, a sensitivity analysis was carried out with respect to the discount rate, determined on the basis of the Weighted Average Cost of Capital ("WACC") model. The above analysis shows that, if the discount rate is changed by +100/-100 bps, the fair value would record a change of approximately +/- 12 million (-/+ 2.8% in percentage terms).

For more details on the contribution funds of non-performing loans, please refer to what is illustrated in "Part E - Covered bond transactions and securitisations" in these Explanatory Notes.

Loans mandatorily measured at fair value

Level 3 financial instruments include loans to customers which, if they do not pass the SPPI test, are classified in the portfolio of assets mandatorily measured at fair value, equal to 587.2 million (corresponding to 21.7% of level 3 financial assets measured at fair value).

For these instruments, the fair value is affected by both the forecasts of recovery of contractual cash flows and by the financial component linked to the selection of discount rates.

In particular, for the main positions, amounting to 230.7 million (39.3% of the book value), a sensitivity analysis was conducted of the fair value with respect to the discount rate.

The above analysis shows that, if the discount rate is changed by +/- 100 bps, the fair value would record a change of approximately +/- 0.6%.

Fair value hierarchy of financial assets and liabilities measured at fair value in the financial statements

Given the above, the table below provides a breakdown of the financial assets and liabilities measured at fair value on a recurring basis, in the fair value hierarchy. As defined by the cited standard IFRS 13, recurring valuations refer to assets and liabilities measured at fair value in the balance sheet, based on that envisaged or permitted by the reference international accounting standards.

Financial assets/liabilities measured at fair value	30/06/2025			31/12/2024		
	L1	L2	L3	L1	L2	L3
1. Financial assets at fair value through profit and loss	10,119,680	8,204,154	2,283,996	8,228,462	5,353,976	1,987,580
a) Financial assets held for trading	3,996,215	6,750,176	355	2,257,856	3,754,277	184
b) Financial assets designated at fair value	-	-	-	-	-	-
c) Other financial assets mandatorily measured at fair value	6,123,465	1,453,978	2,283,641	5,970,606	1,599,699	1,987,396
2. Financial assets measured at fair value through other comprehensive income	24,904,129	1,903	416,548	22,240,017	33,574	408,469
3. Hedging derivatives	-	950,378	-	-	1,033,292	-
Total	35,023,809	9,156,435	2,700,544	30,468,479	6,420,842	2,396,049
1. Financial liabilities held for trading	2,272,535	26,160,801	-	742,916	22,153,731	-
2. Financial liabilities designated at fair value	5,897	8,341,636	11,223	5,759	8,263,928	18,295
3. Hedging derivatives	16	789,125	-	-	869,068	-
Total	2,278,448	35,291,562	11,223	748,675	31,286,727	18,295

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

¹ The total book value as at 30 June 2025 of contribution funds, including real estate funds valued on the basis of NAV, amounted to 530.6 million.

Financial assets measured at fair value on a recurring basis

As at 30 June 2025, financial instruments measured significantly on the basis of non-observable parameters (Level 3) are comprised as follows: 84.6% of instruments classified in the "Other financial assets mandatorily measured at fair value" portfolio and 15.4% of "Financial assets measured at fair value through other comprehensive income", with the remainder concerning "Financial assets held for trading".

More specifically, level 3 financial assets amounted to 2,700.5 million and are represented by the following types of investment:

- unlisted equity instruments of 315.6 million, mostly valued on the basis of internal equity models or with transaction prices, which do not meet the requirements to be assigned to level 2;
- UCIT units of 1,640.8 million; these are funds characterised by significant levels of illiquidity, and for which the process to evaluate the assets of the fund requires a considerable amount of assumptions and estimates. For more details on UCIT units held by the Parent Company in relation to sales of multi-originator loans, refer to that illustrated in "Part E - Covered bond transactions and securitisations";
- loans to customers amounting to 587.2 million, measured at fair value, for failure to pass the SPPI test, as the related cash flows do not exclusively represent the payment of interest and principal;
- debt securities for 156.7 million;
- Over The Counter (OTC) derivatives for 0.2 million.

With regard to derivative financial instruments held for trading and hedging, excluding the share of level 3 illustrated above, the same are classified as level 1 and level 2 in the fair value hierarchy. Specifically:

- level 1 includes listed derivatives (futures and options), measured on the basis of the prices provided by the Clearing Houses, for a total of 306.5 million;
- level 2 includes Over The Counter (OTC) derivatives measured on the basis of models that use observable market parameters to a significant extent, or on the basis of prices originating from independent sources, for 2,883.4 million.

Financial liabilities measured at fair value on a recurring basis

Level 1 financial liabilities refer to listed trading derivatives for 137.5 million and to technical overdrafts listed in active markets for 2,135.0 million.

The remaining financial liabilities are predominantly represented in level 2, and for the most part concern the portfolio of "Financial liabilities held for trading" relating to Bond Repo trading for 23,776.1 million, financial and credit derivatives for 1,544.5 million and issues of unconditionally guaranteed Certificates for 840.2 million.

"Financial liabilities designated at fair value", classified as level 2, include liabilities related to Class III insurance products (unit-linked and index-linked policies), the benefits of which are correlated with the value of market indices and units of investment funds, for 3,709.8 million, and issues of unconditionally guaranteed capital Certificates for a book value of 3,519.1 million and structured debt securities amounting to 1,112.7 million; the remaining 11.2 million, represented at level 3, relate to liabilities recognised against Loans transferred and not derecognised, measured at fair value.

Transfers between fair value levels (Level 1 and Level 2) for financial assets and liabilities measured at fair value on a recurring basis

During the half year, a single debt security was transferred from level 2 to level 1 for 0.7 million.

Impact of Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA) on the determination of the fair value of derivative financial instruments

As at 30 June 2025, cumulative adjustments made to the fair value of derivative instruments, other than issues of certificates, to account for counterparty risk "Credit Valuation Adjustment (CVA) and Debt Valuation Adjustment (DVA)", were positive overall for 0.1 million, and were comprised by:

- adjustments for CVA which resulted in a cumulative loss, in terms of lower assets/higher liabilities, of 4 million;
- adjustments for DVA which resulted in a cumulative benefit, in terms of higher assets/lower liabilities, of 4.1 million.

As at 31 December 2024, cumulative fair value adjustments to take account of counterparty risk (CVA/DVA) were negative overall for 0.3 million, equal to the imbalance between negative adjustments for CVA (-4.4 million) and positive adjustments for DVA (+4.1 million).

The resulting impact on the income statement for the first half of 2025 was therefore a positive 0.4 million.

Period changes in financial assets measured at fair value on a recurring basis (level 3)

	Financial assets at fair value through profit and loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily measured at fair value		
1. Opening balance	2,005,938	184	-	2,005,754	408,469	-
2. Increases	668,868	173	-	668,695	12,080	-
2.1. Purchases	232,317	46	-	232,271	762	-
2.2. Profits charged to:	49,713	1	-	49,712	4,131	-
2.2.1. Income statement	49,713	1	-	49,712	-	-
- of which capital gains	35,023	-	-	35,023	-	-
2.2.2. Shareholders' equity	-	X	X	X	4,131	-
2.3. Transfers from other levels	-	-	-	-	2,721	-
2.4. Other increases	386,838	126	-	386,712	4,466	-
3. Decreases	(390,810)	(2)	-	(390,808)	(4,001)	-
3.1. Sales	(137,189)	(1)	-	(137,188)	(10)	-
3.2. Redemptions	(68,590)	-	-	(68,590)	-	-
3.3. Losses charged to:	(108,991)	(1)	-	(108,990)	(2,388)	-
3.3.1. Income statement	(108,991)	(1)	-	(108,990)	-	-
- of which capital losses	(80,605)	(1)	-	(80,604)	-	-
3.3.2. Shareholders' equity	-	X	X	X	(2,388)	-
3.4. Transfers to other levels	(7,672)	-	-	(7,672)	-	-
3.5. Other decreases	(68,368)	-	-	(68,368)	(1,603)	-
4. Closing balance	2,283,996	355	-	2,283,641	416,548	-

Period changes in liabilities measured at fair value on a recurring basis (level 3)

	Financial liabilities held for trading	Financial liabilities designated at fair value	Hedging derivatives
1. Opening balance	-	18,295	-
2. Increases	-	-	-
2.1 Issues	-	-	-
2.2. Losses charged to:	-	-	-
2.2.1. Income statement	-	-	-
- of which capital losses	-	-	-
2.2.2. Shareholders' equity	X	-	-
2.3. Transfers from other levels	-	-	-
2.4. Other increases	-	-	-
3. Decreases	-	(7,072)	-
3.1. Redemptions	-	-	-
3.2. Buy-backs	-	-	-
3.3. Profits charged to:	-	(7,072)	-
3.3.1. Income statement	-	(7,072)	-
- of which capital gains	-	(7,072)	-
3.3.2. Shareholders' equity	X	-	-
3.4. Transfers to other levels	-	-	-
3.5. Other decreases	-	-	-
4. Closing balance	-	11,223	-

Fair value disclosure on financial assets and liabilities measured at cost

With reference to the fair value disclosure, required by IFRS 7, paragraphs 25 and 26, referred to by standard IAS 34, regarding the fair value of financial assets and liabilities recognised in the financial statements at amortised cost, please refer to the relevant tables showing the breakdown of financial assets and liabilities measured at amortised cost in "Part B - Information on the consolidated balance sheet" (for asset item 40 and liability item 10).

For an illustration of the method used to determine fair value, which is relevant for information purposes only, reference should be made to the Annual Financial Report as at 31 December 2024.

A.5 - DISCLOSURE ON "DAY ONE PROFIT/LOSS"

In accordance with IFRS 7 paragraph 28, in the context of the Group's financial instruments, it should be noted that in the period there were no transactions that led to the recognition of "day one profit/loss" and therefore as at 30 June 2025 and as at 31 December 2024, there were no suspended costs or revenues related to the effect.

Disclosure on structured credit products

As at 30 June 2025, the Group's exposure to structured credit instruments amounted to 2,220.1 million and consisted of 1,788.8 million in asset backed securities (ABS) arising from securitisation transactions and 431.3 million in units in mutual funds held as a result of multi-originator sales of impaired loan portfolios.

The composition of ABSs is as follows:

- 11.7 million relating to securities issued by the entity Tevere SPV, which the Group holds following the securitisation of UTP and bad loans, called "Project Argo", completed in June 2022 (senior tranche of 10.4 million; B1 mezzanine tranche of 0.3 million; B2 mezzanine tranche of 0.5 million and junior tranche of 0.5 million);
- 96.2 million relating to securities issued by the entity Aurelia SPV, which the Group holds following the GACS securitisation of bad loans, called "Project Rockets", completed in May 2021 (senior tranche of 95.5 million; mezzanine tranche of 0.7 million);

- 5.5 million relating to securities issued by the entity Titan SPV, which the Group holds following the securitisation of bad loans, called "Project Titan", completed in December 2020 (senior tranche of 5.4 million; mezzanine tranche of 0.1 million);
- 380.6 million relating to securities issued by the Leviticus SPV, which the Group holds following the GACS securitisation of bad loans, called "Project ACE", completed in February 2019 (senior tranche of 380.1 million; mezzanine tranche of 0.5 million);
- 421 million relating to securities issued by the Red Sea SPV, which the Group holds following the GACS securitisation of bad loans, called "Project Exodus", completed in June 2018 (senior tranche of 420.9 million; mezzanine tranche of 0.1 million);
- 873.7 million for securities relating to third-party securitisations (senior tranche for 856.2 million; mezzanine tranche for 4.9 million; junior tranche for 12.6 million). It should be noted that the junior tranche is attributable in large part (12.5 million) to the security issued by the SPE "BNT Portfolio SPV" established in 2014 to complete the securitisation of agricultural loans of Banca della Nuova Terra, financed by the issue of a single tranche of securities.

For an examination of mutual funds resulting from multi-originator sales transactions, reference should be made to the "Part E - Covered bond transactions and securitisations".

PART B – INFORMATION ON THE CONSOLIDATED BALANCE SHEET

ASSETS

Financial assets at fair value through profit and loss – Item 20

2.1 Financial assets held for trading: breakdown by product

Items/Amounts	Total 30/06/2025			Total 31/12/2024		
	L1	L2	L3	L1	L2	L3
A. On-balance sheet assets						
1. Debt securities	2,907,619	39,176	-	940,308	44,915	-
1.1 Structured securities	229,139	38,997	-	6,622	44,260	-
1.2 Other debt securities	2,678,480	179	-	933,686	655	-
2. Equity instruments	774,124	-	64	1,231,835	-	18
3. UCIT units	7,999	3,135	119	6,812	-	120
4. Loans	-	4,774,875	-	-	2,003,356	-
4.1 Repurchase agreements	-	4,774,875	-	-	2,003,356	-
4.2 Other	-	-	-	-	-	-
Total (A)	3,689,742	4,817,186	183	2,178,955	2,048,271	138
B. Derivative instruments						
1. Financial derivatives	306,473	1,932,986	172	78,901	1,705,562	46
1.1 held for trading	306,473	1,930,470	172	78,901	1,705,413	46
1.2 connected with the fair value	-	2,507	-	-	130	-
1.3 other	-	9	-	-	19	-
2. Credit derivatives	-	4	-	-	444	-
2.1 held for trading	-	4	-	-	444	-
2.2 connected with the fair value	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total (B)	306,473	1,932,990	172	78,901	1,706,006	46
Total (A+B)	3,996,215	6,750,176	355	2,257,856	3,754,277	184

L1 = Level 1

L2 = Level 2

L3 = Level 3

2.5 Financial assets mandatorily measured at fair value: breakdown by product

Items/Amounts	Total 30/06/2025			Total 31/12/2024		
	L1	L2	L3	L1	L2	L3
1. Debt securities	466,388	211,138	20,185	329,783	183,779	21,454
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	466,388	211,138	20,185	329,783	183,779	21,454
2. Equity instruments	226,929	43,513	35,535	217,955	36,347	40,868
3. UCIT units	5,430,148	1,199,327	1,640,663	5,422,868	1,379,573	1,402,094
4. Loans	-	-	587,258	-	-	522,980
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	587,258	-	-	522,980
Total	6,123,465	1,453,978	2,283,641	5,970,606	1,599,699	1,987,396

L1 = Level 1

L2 = Level 2

L3 = Level 3

Financial assets measured at fair value through other comprehensive income – Item 30

3.1 Financial assets measured at fair value through other comprehensive income: breakdown by product

Items/Amounts	Total 30/06/2025			Total 31/12/2024		
	L1	L2	L3	L1	L2	L3
1. Debt securities	24,085,420	1,903	136,512	21,808,097	33,574	133,109
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	24,085,420	1,903	136,512	21,808,097	33,574	133,109
2. Equity instruments	818,709	-	280,036	431,920	-	275,360
3. Loans	-	-	-	-	-	-
Total	24,904,129	1,903	416,548	22,240,017	33,574	408,469

L1 = Level 1

L2 = Level 2

L3 = Level 3

Banco BPM holds, among level 3 equity instruments, 4,541 stakes in the Bank of Italy's share capital, corresponding to 1.5137% of the entire share capital. The book value of 113.5 million is obtained by applying the value of 25,000 Euro to each unit. Note that these shares derive from the capital increase operation carried out by Bank of Italy in 2013 as an effect of Italian Decree Law 133 of 30 November 2013, converted with Italian Law 5 of 29 January 2014, leading to the issuing of new shares, with a value of 25,000 per unit.

Financial assets at amortised cost – Item 40

4.1 Financial assets at amortised cost: breakdown by product for loans to banks

Transaction type/Amounts	Total 30/06/2025				Total 31/12/2024							
	Book value		Fair value		Book value		Fair value					
	Stage 1 and Stage 2	Stage 3	Acquired or originated impaired	L1	L2	L3	Stage 1 and Stage 2	Stage 3	Acquired or originated impaired	L1	L2	L3
A. Loans to Central Banks	1,042,181	-	-	-	-	1,042,181	1,017,014	-	-	-	-	1,017,014
1. Fixed-term deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Minimum reserve	1,042,181	-	-	X	X	X	1,014,224	-	-	X	X	X
3. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
4. Other	-	-	-	X	X	X	2,790	-	-	X	X	X
B. Loans to banks	5,785,762	-	-	1,611,605	1,040,585	3,144,893	4,825,522	-	-	1,571,198	915,838	2,358,953
1. Loans	3,144,892	-	-	-	-	3,144,893	2,345,261	-	-	-	-	2,358,953
1.1 Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2. Fixed-term deposits	255,731	-	-	X	X	X	126,034	-	-	X	X	X
1.3. Other loans:	2,889,161	-	-	X	X	X	2,219,227	-	-	X	X	X
- Reverse repurchase agreements	573,767	-	-	X	X	X	195,841	-	-	X	X	X
- Loans for leases	-	-	-	X	X	X	-	-	-	X	X	X
- Other	2,315,394	-	-	X	X	X	2,023,386	-	-	X	X	X
2. Debt securities	2,640,870	-	-	1,611,605	1,040,585	-	2,480,261	-	-	1,571,198	915,838	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	2,640,870	-	-	1,611,605	1,040,585	-	2,480,261	-	-	1,571,198	915,838	-
Total	6,827,943	-	-	1,611,605	1,040,585	4,187,074	5,842,536	-	-	1,571,198	915,838	3,375,967
L1 = Level 1												
L2 = Level 2												
L3 = Level 3												

L1 = Level 1

L2 = Level 2

L3 = Level 3

4.2 Financial assets at amortised cost: breakdown by product for loans to customers

Transaction type/Amounts	Total 30/06/2025					Total 31/12/2024						
	Book value			Fair value		Book value			Fair value			
	Stage 1 and Stage 2	Stage 3	Acquired or originated impaired	L1	L2	L3	Stage 1 and Stage 2	Stage 3	Acquired or originated impaired	L1	L2	L3
1. Loans	98,921,370	1,426,067	88,852	-	-	99,767,646	98,050,867	1,574,779	104,353	-	-	99,241,638
1. Current accounts	7,614,015	149,604	799	X	X	X	7,726,858	137,446	1,224	X	X	X
2. Reverse repurchase agreements	4,084,421	-	-	X	X	X	2,997,838	-	-	X	X	X
3. Mortgage loans	74,998,039	908,706	30,841	X	X	X	75,157,711	1,043,976	35,298	X	X	X
4. Credit cards, personal loans and salary-backed loans	408,068	4,204	34	X	X	X	465,038	6,351	31	X	X	X
5. Loans for leases	256,524	11,223	-	X	X	X	299,672	11,354	-	X	X	X
6. Factoring	57,470	166	-	X	X	X	70,888	-	-	X	X	X
7. Other loans	11,502,833	352,164	57,178	X	X	X	11,332,862	375,652	67,800	X	X	X
2. Debt securities	29,025,685	420,909	-	27,420,925	183,651	1,808,865	25,758,600	463,723	-	24,023,096	126,434	1,884,866
1. Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2. Other debt securities	29,025,685	420,909	-	27,420,925	183,651	1,808,865	25,758,600	463,723	-	24,023,096	126,434	1,884,866
Total	127,947,055	1,846,976	88,852	27,420,925	183,651	101,576,511	123,809,467	2,038,502	104,353	24,023,096	126,434	101,126,504
L1 = Level 1												
L2 = Level 2												
L3 = Level 3												

L1 = Level 1
L2 = Level 2
L3 = Level 3

As at 30 June 2025, the breakdown into risk stages of loans to customers is provided in the table below (purchased or originated impaired loans were classified in the relative risk stages; the contribution of the insurance companies is included):

Exposure types/risk stages	Stage 1	Stage 2	Stage 3	Total
Bad loans	-	-	419,447	419,447
Unlikely to pay	-	-	959,299	959,299
Non-performing past-due exposures	-	-	51,946	51,946
Non-performing exposures	-	-	1,430,692	1,430,692
Performing exposures	90,075,781	8,929,816	-	99,005,597
of which: purchased or originated credit impaired	-	84,227	4,625	88,852
Total loans to customers	90,075,781	8,929,816	1,430,692	100,436,289

For further details on the credit risk of loans to customers, please refer to the "Results" section of the Interim Report on Operations.

Interests in associates and joint ventures – Item 70

Interest in associates and joint ventures as at 30 June 2025 amounted to 1,394.9 million, compared with 1,708.4 million as at 31 December 2024.

The decrease recorded in the half year of -313,5 million refers to the effects resulting from the measurement at equity of interests in associates, specifically:

- the increase of 64.3 million, which includes the Group's share of the results achieved by the investees during the period (+63.4 million) and the effects pertaining to the Group of valuation reserves and other reserves of associates (+0.9 million);
- the decrease of 377.8 million, mainly due to the effect of the distribution of dividend income (-61.3 million), as well as the effects deriving from the transfer of the book value of the company Anima Holding from the scope of the companies measured at equity to that of the companies consolidated on a line-by-line basis (-316.4 million).

7.1 Interests in associates and joint ventures: information on investment relationships

Company name		Registered office	Operational headquarters	Type of relationship (a)	Investment relationship		Available
					Holder	% held	% votes
A. Companies subject to joint control							
N/A							
B. Companies subject to significant influence							
1.	Agos Ducato S.p.A. Share capital € 638,655,160.00	Milan	Milan	1	Banco BPM	39.000%	39.000%
2.	Alba Leasing S.p.A. Share capital € 357,953,058.13	Milan	Milan	1	Banco BPM	39.189%	39.189%
3.	Aosta Factor S.p.A. Share capital € 14,993,000.00	Aosta	Aosta	1	Banco BPM	20.690%	20.690%
4.	Banco BPM Assicurazioni S.p.A. Share capital € 22,000,000.00	Milan	Milan	1	Banco BPM Vita	35.000%	35.000%
5.	Calliope Finance S.r.l. in liquidation Share capital € 600,000.00	Milan	Milan	1	Banco BPM	50.000%	50.000%
6.	Etica SGR S.p.A. (*) Share capital € 4,500,000.00	Milan	Milan	1	Banco BPM	19.444%	19.444%
7.	Gardant Liberty Servicing S.p.A. Share capital € 150,000.00	Rome	Rome	1	Banco BPM	30.000%	30.000%
8.	GEM Hospitality S.r.l. (*) Share capital € 10,000.00	Milan	Milan	1	Life	80.000%	80.000%
9.	GEMA Magazzini Generali BPV-BSGSP S.p.A. Share capital € 3,000,000.00	Castelnovo Sotto (RE)	Castelnovo Sotto (RE)	1	Banco BPM	33.333%	33.333%
10.	S.E.T.A. Società Edilizia Tavazzano S.r.l. in liquidation Share capital € 20,000.00	Milan	Milan	1	Banco BPM	32.500%	32.500%
11.	Vera Assicurazioni S.p.A. Share capital € 63,500,000.00	Milan	Milan	1	Banco BPM Vita	35.000%	35.000%
12.	Vorvel SIM S.p.A. Share capital € 7,300,000.00	Milan	Milan	1	Banco BPM	20.000%	20.000%
13.	Numia Group S.p.A. Share capital € 140,000.00	Milan	Milan	1	Banco BPM	28.570%	28.570%

(a) Type of relationship:

1 = investment in share capital

(*) Companies subject to significant influence based on partnership agreements or shareholders' agreements with other shareholders.

7.2 Significant interests in associates and joint ventures: book value, fair value and dividends received

Company name	Book value	Fair value	Dividends received
A. Companies subject to joint control			
N/A			
B. Companies subject to significant influence			
Agos Ducato S.p.A.	772,622	-	51,480
Alba Leasing S.p.A.	183,726	-	-
Numia Group S.p.A.	268,951	-	-
Total	1,225,299	-	51,480

Please note that dividends received during the half year were recognised as decreasing the book value of the interest in associates and joint ventures, in that the profits, which gave rise to them, were already indicated in the financial statements as at 31 December 2024, as a result of measuring the investment using the equity method.

As regards the interest in the Numia Group, it should be noted that, in line with the provisions of IAS 28 and IFRS 3, the notional allocation of the cost of the operation to the identifiable assets of Numia, and the consequent determination

of the implicit goodwill, will be determined by 30 September 2025, namely within the measurement period of one year with respect to the date of purchase of the interest.

Interests in associates and joint ventures: impairment testing to determine whether there has been a permanent loss in value

As at 30 June 2025, in accordance with the measurement criteria, assumptions, metrics and methodologies used to conduct the impairment test applicable to the financial statements as at 31 December 2024, there were no indicators of impairment on the interests.

Specifically:

- for the interest in Numia Group, the impairment test conducted as at 31 December 2024 was carried out by estimating the recoverable value through the application of the Discounted Cash Flow (Asset Side). As at 30 June 2025, in accordance with measurement criteria, assumptions, metrics and methodologies, there were no indicators of impairment on the interest;
- for the interest held indirectly in Banco BPM Assicurazioni, the impairment test conducted as at 31 December 2024 was carried out by estimating the recoverable value through the application of the Dividend Discount Model in the Excess Capital variant. As at 30 June 2025, in accordance with measurement criteria, assumptions, metrics and methodologies, there were no indicators of impairment on the interest;
- for the interest in Gardant Liberty Servicing S.p.A., the impairment test conducted as at 31 December 2024 was carried out by estimating the recoverable value through the application of the Dividend Discount Model in the Excess Capital variant. As at 30 June 2025, in accordance with measurement criteria, assumptions, metrics and methodologies, there were no indicators of impairment on the interest that might, at the time, cause further significant write-downs.

Commitments relating to interests in jointly controlled companies and subject to significant influence

Commitments deriving from agreements with Crédit Agricole for consumer loans

On 28 June 2019, in execution of the agreements signed at the end of 2018 by Banco BPM, Crédit Agricole Consumer Finance S.A., Crédit Agricole S.A. and Agos Ducato S.p.A., the reorganisation of the Group's consumer credit segment was completed. The reorganisation, which confirms the partnership between Banco BPM Group and Crédit Agricole for the next 15 years:

- formalised, inter alia: (a) a new Shareholders' Agreement, (b) a new Distribution Agreement, and (c) a new Funding Agreement;
- resulted in the transfer of ProFamily to Agos Ducato, through the finalisation of a demerger of ProFamily's non-captive operations in favour of a newly established company, which retained the name ProFamily, 100%-owned by Banco BPM and subsequently merged into Banco BPM.

On 18 December 2020, an Amendment Agreement between the parties was signed, with a view to further consolidating the existing partnership related to the consumer finance activities in Italy of Agos Ducato, through which some changes were made to the agreements signed in 2018. Those amendments, inter alia, extended by an additional 24 months, and therefore, up to 31 July 2023, the term for the exercise of the put option referring to a 10% investment in the capital of Agos Ducato held by Banco BPM, at the previously agreed strike price of 150 million.

As part of the Banco BPM's bancassurance evolution project, which includes the launch of a 20-year commercial partnership with Crédit Agricole Assurances S.A. in the Non-Life and Protection segment, on 12 May 2023, the term for the exercise of the put option was extended for a further two years, i.e. until 31 July 2025 (this further extension was conditional on the closing of the transaction for the acquisition by Crédit Agricole Assurances of the interests in Banco BPM Assicurazioni and in Vera Assicurazioni, finalised on 14 December 2023).

Lastly, at the Agreement expiry date and, more specifically, on 28 June 2024, the renewal until 28 June 2029 of the Shareholders' Agreement relating to the company Agos Ducato was formalised between Banco BPM on one hand and Crédit Agricole S.A. and Crédit Agricole Consumer Finance on the other. In this context, the right of Banco BPM to exercise the unconditional put option on 10% of the share capital of Agos Ducato was extended by another three years (with an exercise period from 1-31 July 2025 to 1-31 July 2028), at an already agreed strike price of 150 million.

In the new Shareholders' Agreement, the previous change of control clause was also extended, through the recognition in favour of Crédit Agricole Consumer Finance of a call option on the entire 39% share in Agos Ducato held by Banco BPM, in the event of the acquisition of a controlling interest of Banco BPM, through any extraordinary transaction, by certain specifically identified banks that carry out consumer credit activities potentially competing with the business of Agos Ducato. If the call option is exercised by Crédit Agricole Consumer Finance, there will be an automatic termination of both the Distribution Agreement, and therefore Banco BPM may be considered free from the exclusive commitments with Agos for consumer credit products, and the Funding Agreement.

The exercise price will be determined on the basis of the Agos fair market value at the exercise of the option, determined by excluding the distribution agreement with Banco BPM which will be terminated.

In addition, the new Shareholders' Agreement simplified the potential listing process of Agos Ducato, through the establishment of a single procedure to be implemented at the request of Banco BPM starting from 1 July 2025, until the expiry date of the Shareholders' Agreement.

The agreements also envisage, in the event that an extraordinary transaction is finalised (understood as: acquisition of control of Banco BPM by a third party operator or several third party operators in concert; merger of Banco BPM with third party operators; acquisition by Banco BPM of another bank or other distribution channels; or acquisition by Banco BPM of a third party operator in the consumer credit segment), or if the extraordinary transaction qualifies as a "BBPM Change of Control" pursuant to the Shareholders' Agreement and Crédit Agricole Consumer Finance issues a written declaration of its intention not to exercise the purchase option, or Crédit Agricole Consumer Finance fails to exercise the purchase option by the deadlines envisaged in the Agreement, the parties shall discuss in good faith, inter alia, depending on the case: i) the possible acquisition by Agos Ducato, at market value, of the entity which, due to the extraordinary transaction, operates in the consumer credit segment; ii) the extension of the new Distribution Agreement to the third party consumer credit operator's distribution network; or iii) the inclusion of the additional distribution channel acquired in the distribution network of Banco BPM Group.

Commitments deriving from bancassurance agreements with Crédit Agricole Assurances S.A.

On 14 December 2023, the Group completed the sale to Crédit Agricole Assurances of shares representing 65% of the share capital of Vera Assicurazioni S.p.A. (which holds 100% of the share capital of Vera Protezione S.p.A.) and 65% of the share capital of Banco BPM Assicurazioni, previously held by Banco BPM and Banco BPM Vita, respectively.

The sale agreement calls for possible adjustments with respect to the overall consideration collected by Banco BPM, equal to 264.9 million, by way of earn-out and claw-back in the event of situations of "Overperformance" or "Underperformance" of the production levels, respectively, within the terms and conditions set forth in the agreements between the parties.

That being said, the Shareholders' Agreement relating to the aforementioned equity interests held in Banco BPM Assicurazioni S.p.A., Vera Assicurazioni S.p.A. and, indirectly, Vera Protezione S.p.A., contemplated by the partnership with Crédit Agricole Assurances S.A., envisages, among other things, the granting of a Put Option to Crédit Agricole Assurance S.A. and a Call Option to Banco BPM referring to all the equity investments held by Crédit Agricole Assurances S.A., in the capital of the companies, exercisable upon the occurrence of certain exceptional events (so-called "triggering events"). In particular, Crédit Agricole Assurances S.A. and Banco BPM S.p.A. may exercise the Put Option and the Call Option, inter alia, in the following cases:

- change of control of the respective counterparty (and/or, in relation to Crédit Agricole Assurances S.A., of the parent company);
- termination of the Distribution Agreement;
- in the event of significant Underperformance, in relation to which the corrective actions have not led to an improvement in company performance.

The exercise prices of the Put and Call Options will be determined according to pre-established mechanisms linked to the valuation of the residual business of the companies, envisaged by the agreements between the parties.

Commitments arising from agreements with Anima on Asset Management

It should be noted that during 2017 and subsequent years, in execution of the agreements signed on 9 November 2017 between Banco BPM and Anima Holding, a series of agreements were signed to regulate:

- the sale to Anima Holding of Aletti Gestielle SGR;
- the long-term partnership in the asset management sector between Banco BPM Group and Anima Group;
- the sale by Banca Aletti to Anima SGR of the mandates for the exclusive management of certain insurance assets related to the insurance products of the group's Life insurance companies and of the Non-Life bancassurance JVs through the Banco BPM network.

These agreements, which have a total duration of 20 years from their origin, include: (i) exclusive preferential access by the Anima Group to Banco BPM Group's present and future distribution networks, with different characteristics between the "retail" network and the other networks, (ii) the distribution of products such as UCITs and Individual Portfolio Management and other products and services of the Anima Group, (iii) the essential economic terms relating to the Partnership, including the minimum expected levels and objectives and certain protection and guarantee mechanisms related to the failure to achieve them.

On 14 May 2020, Anima Group and Banco BPM Group (Banco BPM and Banca Aletti) renegotiated the framework partnership agreement, concerning both the redefinition of the expected target levels and the deadline for achieving them.

As a result of the voluntary public tender offer pursuant to Art. 102(1) and Art. 106(4) of the Consolidated Law on Finance, promoted by Banco BPM Vita on all Anima Holding shares, concluded on 11 April 2025, as well as the transfer of the investment held by Banco BPM in Anima Holding to Banco BPM Vita, on the same effective date, Anima Holding became part of the Banco BPM Group which, through Banco BPM Vita, holds a stake of 89.949% in the share capital.

Commitments deriving from e-money business agreements with Numia Group S.p.A.

On 30 September 2024, Numia, Banco BPM, BCC Iccrea Group and FSI completed the transaction relating to the strategic partnership, which led to creation of the no. 2 player in the e-money sector in Italy.¹ On conclusion of the transaction, Banco BPM holds an interest of 28.57% in Numia Group S.p.A., a company in turn holding the entire share capital of Numia S.p.A., together with FSI which holds 42.86% and Iccrea Banca S.p.A. the remaining 28.57%.

The partnership in question is governed by the Framework Agreement signed on 24 December 2023 between Banco BPM, Numia Group, Numia, FSI Holding, FSI SGR S.p.A. and BCC Banca Iccrea, as well as by the Agreement for the placement of acquiring and issuing products signed on 30 September 2024 between Banco BPM, on the one hand, and Numia and Tecmarket Servizi, on the other.

The Framework Agreement envisages, inter alia, an adjustment mechanism for the sale price of the interest in Numia, for a total value of 500 million, in favour of Banco BPM (Earn Out), for up to a maximum 80 million, linked to Numia's achievement of certain economic objectives.

The Placement agreement also envisages that, if one or more parties should acquire control of Banco BPM as a result of an extraordinary transaction carried out by other banks, credit institutions or any other entity (Controlling Entity), Banco BPM must ensure that, following completion of the aforementioned transaction, (i) any distribution networks of the Controlling Entity are kept separate, for contractual purposes, from the distribution networks of Banco BPM and therefore operate with the exclusion of any prohibition or limitation on integration of e.g. an administrative or functional nature and (ii) the Controlling Entity and any distribution networks of the Controlling Entity (a) do not in any manner solicit the customers of Banco BPM's distribution networks to terminate the contractual relationship with Numia S.p.A. and (b) do not solicit any customers and/or do not provide any e-money products or services to exclusive customers of the Banco BPM distribution networks as at the date of completion of the related extraordinary transaction.

¹ Under the transaction, Banco BPM transferred the following to Numia S.p.A.: i) the business unit for the performance of activities relating to acquiring and issuing services of electronic payment instruments; ii) a 100% interest in Tecmarket Servizi S.p.A.. At the same time, Numia carried out a share capital increase of 500 million, with the exclusion of the option right, to be released against the above contribution in kind by Banco BPM.

For the provisions for risks and charges to cover commitments arising from the sale of interests in associates and joint ventures and any related partnership agreements, reference should be made to the following section "Liability provisions - Items 90 and 100".

Property, plant and equipment – Item 90

Property, plant and equipment totalled 2,506.7 million as at 30 June 2025, compared with the amount of 2,513.9 million the previous year. In detail, the aforementioned assets are represented by:

- property, plant and equipment used in operations valued at cost of 767,2 million, mainly concerning rights of use relating to property rental contracts;
- property used in operations and valuable works of art measured on the basis of the restatement of values of 1,288.6 million;
- property held for investment purposes measured at fair value of 450.9 million.

For further details on the composition of property, plant and equipment, please refer to the following tables.

As at 30 June 2025, there were no commitments for the purchase of property or other property, plant and equipment of a significant amount.

9.1 Property, plant and equipment used in operations: breakdown of assets at cost

Asset/Amounts	Total 30/06/2025	Total 31/12/2024
1. Owned assets	88,737	77,553
a) land	-	-
b) buildings	-	-
c) furniture	9,869	9,629
d) electronic systems	73,678	62,746
e) other	5,190	5,178
2. Rights of use acquired through leases	678,506	664,807
a) land	-	-
b) buildings	597,088	619,105
c) furniture	70	-
d) electronic systems	71,603	40,584
e) other	9,745	5,118
Total	767,243	742,360
of which: obtained through the enforcement of guarantees received	-	-

9.2 Property, plant and equipment held for investment purposes: breakdown of assets at cost

As at 30 June 2025, as well as at 31 December of last year, the Group does not hold property, plant and equipment for investment purposes valued at cost. Therefore, the related table is omitted.

9.3 Property, plant and equipment used in operations: breakdown of revalued assets

Asset/Amounts	Total 30/06/2025			Total 31/12/2024		
	L1	L2	L3	L1	L2	L3
1. Owned assets	-	-	1,288,607	-	-	1,294,367
a) land	-	-	905,100	-	-	906,292
b) buildings	-	-	330,547	-	-	335,119
c) furniture	-	-	-	-	-	-
d) electronic systems	-	-	-	-	-	-
e) other	-	-	52,960	-	-	52,956
2. Rights of use acquired through leases	-	-	-	-	-	-
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
c) furniture	-	-	-	-	-	-
d) electronic systems	-	-	-	-	-	-
e) other	-	-	-	-	-	-
Total	-	-	1,288,607	-	-	1,294,367
of which: obtained through the enforcement of guarantees received	-	-	18,166	-	-	18,186

The changes that occurred during the half year, aside from the normal deterioration process for 8.1 million, include the following:

- net changes in fair value for a total negative amount of 0.2 million. These effects are recognised for a negative 0.8 million in the income statement item "260. Fair value gains (losses) on property, plant and equipment and intangible assets" and for positive 0.6 million in the statement of comprehensive income;
- transfers of certain properties for business use, no longer used for the business activities of Group companies, to investment properties for 3.0 million;
- acquisitions and capitalised costs for the extraordinary maintenance of properties used for business activities for 5.1 million.

9.4 Property, plant and equipment held for investment purposes: breakdown of assets measured at fair value

Asset/Amounts	Total 30/06/2025			Total 31/12/2024		
	L1	L2	L3	L1	L2	L3
1. Owned assets	-	-	450,865	-	-	477,178
a) land	-	-	259,378	-	-	277,063
b) buildings	-	-	191,487	-	-	200,115
2. Rights of use acquired through leases	-	-	-	-	-	-
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
Total	-	-	450,865	-	-	477,178
of which: obtained through the enforcement of guarantees received	-	-	275,502	-	-	284,452

The changes that occurred during the half year include the following in particular:

- transfers of several properties from assets used in operations for a book value of 3.0 million;
- transfers of certain buildings, with a book value of 25.0 million, to assets held for sale;
- net changes in fair value for a total negative amount of 3.4 million euro recognised under income statement item "260. Fair value gains (losses) on property, plant and equipment and intangible assets".

The remaining changes refer to purchases and sales transactions of insignificant amounts.

For the activities carried out in the first half of the year for the fair value measurement of real estate assets, please refer to what is described in the "Significant accounting policies and uncertainties regarding the use of estimates in the preparation of consolidated condensed interim financial statements" section in "Part A - Accounting policies".

Intangible assets – Item 100

10.1 Intangible assets: breakdown by type of asset

Asset/Amounts	Total 30/06/2025		Total 31/12/2024	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	X	1,618,374	X	56,709
A.1.1 attributable to the Group	X	1,618,374	X	56,709
A.1.2 attributable to non-controlling interests	X	-	X	-
A.2 Other intangible assets	972,771	596,179	695,631	504,272
of which: software	471,260	-	450,759	-
A.2.1 Assets at cost:	972,771	596,179	695,631	504,272
a) Internally generated intangible assets	6,294	-	-	-
b) Other assets	966,477	596,179	695,631	504,272
A.2.2 Assets at fair value:	-	-	-	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	-	-	-	-
Total	972,771	2,214,553	695,631	560,981

Intangible assets with a finite life include:

- capitalised costs for the development/purchase of software for an amount of 471.3 million (450.8 million as at 31 December 2024), which, starting from 2025, also include costs capitalised internally (6.3 million as at 30 June 2025), as specified in section "A.2 — Key financial statement items" of these Explanatory Notes, to which reference is made;
- the valuation of "Client Relationships" acquired as part of the business combinations of BPM Group, Banca Popolare Italiana Group and Anima Holding (for details of the latter acquisition, see "Part G – Business combinations regarding companies or divisions") for a total of 472.3 million (215.2 million as at 31 December 2024);
- the "Value of Business Acquired" (VoBA), resulting from the PPA process of the insurance companies acquired for a total of 27.3 million (29.7 million as at 31 December 2024);
- the valuation of the trademarks of the subsidiaries of Anima Holding, Kairos SGR and Vita Srl, deemed to have a finite useful life (2.0 million);

For the aforementioned assets, the analyses carried out on the evolution of flows and spreads, used as a reference for the verification of the recoverability of value, did not bring to light any critical issues.

As at 30 June 2025, intangible assets with an indefinite life recognised in the financial statements amounted to a total of 2,214.6 million (561.0 million as at 31 December 2024) and referred to:

- 1,618.4 million in goodwill deriving from the business combination with Banca Popolare Italiana (Bancassurance Protection CGU for 42.9 million), the acquisition of the controlling interests in the company Oaklins Italy S.r.l. (Banca Akros CGU for 3.8 million), the acquisition of control of Banco BPM Vita (Banco BPM Vita CGU for 10.0 million) and the recent acquisition of Anima Holding and its subsidiaries for 1,561.7 million (for the details of the latter acquisition, please refer to "Part G - Business combinations regarding companies or divisions" of these Explanatory notes);
- 596.2 million in business trademarks recognised following the business combination transactions with the former Banca Popolare Italiana Group (222.2 million), with the former BPM Group (282.1 million) and with Anima Holding (91.9 million). The assets in question are almost entirely allocated to the Retail CGU, with the exception of 18.6 million, resulting from the valuation of the Banca Akros trademark, and attributed to

the Banca Akros CGU and 91.9 million attributed to the Asset Management CGU in relation to the trademarks of Anima Holding and its subsidiaries.

Intangible assets with an indefinite life: impairment testing to determine whether there has been a permanent loss in value

Reference values for the impairment test

Intangible assets with an indefinite useful life in application of the PPA process conducted following the acquisition of Anima Holding (1,653.6 million) are not subject to an impairment test, since, as detailed in "Part G – Business combinations regarding companies or divisions", this is an initial recognition carried out on a provisional basis. Therefore, as at 30 June 2025, the Group's intangible assets with an indefinite life, for which it is necessary to verify the existence of any impairment indicators, amounted to 561.0 million, represented by 504.3 million from trademarks and 56.7 million from goodwill.

As at 31 December 2024, the recoverability checks relating to the aforementioned intangible assets were conducted on the basis of their allocation to the following Cash Generating Units (CGUs):

- Retail CGU, comprised of Private Customer and Retail Business segments, based on the revision of current customer portfolios in place at the end of 2024, consistent with 2024 Segment Reporting, to verify the trademarks recognised following the business combination with the former Banca Popolare Italiana Group in 2007 (222.2 million) and with the former Banca Popolare di Milano Group in 2017 (263.5 million);
- Banca Akros CGU, consisting of Banca Akros S.p.A., coinciding with the Investment Banking segment of Segment Reporting excluding the Oaklins impact, to test the corresponding trademark following the business combination with the former Banca Popolare di Milano Group in 2017 (18.6 million);
- Oaklins CGU, set up by Oaklins, wholly owned by Banca Akros S.p.A. acquired in 2021 (3.8 million);
- Bancassurance Protection CGU, consisting of the investee Vera Assicurazioni S.p.A. for the purposes of the goodwill impairment test relative to this operating segment, following the business combination with the former Banca Popolare Italiana Group in 2007, which amounted to 42.9 million as at 31 December 2024;
- Banco BPM Vita CGU: coinciding with Banco BPM Vita, for the purposes of impairment testing goodwill (10.0 million) and VoBA (12.0 million) referring to this operating segment, following the outcome of the PPA conducted on the investment following the acquisition of full control by Banco BPM during 2022;
- BBPM Life CGU, coinciding with the perimeter of BBPM Life Dac, for the purposes of the VoBA impairment test (11.1 million).

The impairment test carried out as at 31 December 2024 could benefit from the following valuation margins ("headroom"):

- Retail CGU: 12,596 million, equal to the excess between the recoverable value of the CGU (16,056 million) and the relative book value (3,460 million);
- Banca Akros CGU: 35 million, equal to the excess between the recoverable value of the trademarks (54 million) and the relative book value (19 million);
- Oaklins CGU: 4 million, equal to the excess between the recoverable value of the CGU (10 million) and the relative book value (6 million);
- Bancassurance Protection CGU: 12 million, equal to the excess between the recoverable value of the CGU (169 million) and the relative book value (157 million);
- Banco BPM Vita CGU: 239 million, equal to the excess between the recoverable value of the CGU (549 million) and the relative book value (310 million).
- BBPM Life CGU: 26 million, equal to the excess between the recoverable value of the CGU (137 million) and the relative book value (111 million).

Procedures for verifying the existence of any indications of impairment

On the basis of the provisions of IAS 36, the results of the last annual impairment test can be considered valid for subsequent interim reports if the intervening elements and circumstances (potential impairment triggers) do not cast doubt on the underlying hypotheses and assumptions and therefore the recoverability of the values. Otherwise, should a probable loss in value emerge from this verification, it would be necessary to carry out an actual impairment test.

External factors

With regard to "external" indicators, as at 30 June 2025, Banco BPM's market capitalisation, equal to 15.0 billion, was higher than the tangible shareholders' equity of the same period (12.6 billion).

As at 30 June 2025, the stock listing of Banco BPM was 9.912 euro per share, an increase of 26.9% compared to 7.812 euro as at 31 December 2024; this positive evolution can also be observed in the average, maximum and minimum value configuration, referring to the first half of 2025 compared to the last half of 2024.

As further confirmation of the significant positive performance recorded on the Banco BPM stock, it should be noted that between the listing on 5 November 2024, observable at the start of the launch of the offer on Anima Holding, and that referring to 4 August 2025, available on the date of approval of the half-yearly financial report, the stock recorded a recovery of +70.6% higher than the +40% recorded on the Italian banking sector index (*FTSE Italia All-Share Bank Index*).

Internal factors - flows

For the "Retail" CGU, to which almost the entire value of the trademarks is attributed, the value in use as at 31 December 2024 was determined by applying the Dividend Discount Model (DDM) analytical methodology, in the Excess Capital variant. This model establishes that the economic value of a business is considered equal to the sum of: (i) the present value of future cash flows (expected dividends) generated over the selected planning time horizon and distributable to shareholders, while maintaining an adequate level of capitalisation to guarantee expected development, and (ii) the perpetual capitalisation of the normalised dividend of the last year of the forecast.

Whereas the flows for the purpose of the impairment test for the 2024 financial statements were prepared on the basis of multi-scenario projections developed internally to support the half-yearly capital and liquidity adequacy test (half-yearly ICAAP and ILAAP), approved by the Board of Directors, these flows are consistent for the 2025-2027 three-year period with the Strategic Plan approved in the same session convened to approve the 2024 Financial Statements. To prepare the consolidated interim report as at 30 June 2025, the analyses carried out on the evolution of these income flows during the first half of the year did not highlight elements that could call into question the recoverability of the values subject to formal testing as at 31 December 2024. In fact, the final figures are mostly in line with the forecasts assumed in the cash flow projections used in the 2024 impairment test. Therefore, there are no indications of impairment and it is not necessary to repeat the impairment test for the trademark in question.

With reference to the Banca Akros trademark, the recoverability of which was verified as at 31 December 2024 with the "Royalties Rate" methodology, there are no significant changes in the projections of operating income for the 2025-2027 period, which represent the flows used as a reference for the impairment test with the above-mentioned method. In particular, to prepare the consolidated interim report as at 30 June 2025, the analyses carried out on the evolution of these income flows during the first half of the year did not highlight elements that could call into question the recoverability of the values subject to formal testing as at 31 December 2024. In fact, the available final figures are higher than the forecasts assumed in the cash flow projections used in the 2024 impairment test. Therefore, there are no indications of impairment and it is not necessary to repeat the impairment test for the trademark in question.

With reference to Oaklins goodwill, the recoverability of which was verified as at 31 December 2024 through the application of an analytical income methodology, there are no significant changes in the profit projections for the 2025-2027 period, which represent the flows used as a reference for the impairment test. For future cash flows reference was made to the preliminary estimates contained in the updated Strategic Plan, which are more conservative than the projections supporting the capital adequacy and liquidity test. The performance in the first half of 2025 also marked a slight slowdown for the company, albeit in line with the trend recorded in previous years. In the next half year, the estimate of expected revenues on activities already started should allow a recovery in profitability and bring the result back in line with the budget and Strategic Plan trajectory. The result for the first half of 2025 is therefore not to be considered significant for the purposes of impairment indicators.

With reference to the goodwill of the Banco BPM Vita CGU, the recoverability of which was verified as at 31 December 2024, through the application of the Dividend Discount Model (DDM) analytical methodology, in the Excess Capital variant, there are no significant changes in the profit projections for the 2025-2027 period, which represent the flows used as a reference for the impairment test on 31 December 2024. The results for the first half of this year are in line with the forecasts assumed in the projections used in the 2024 impairment test. Therefore, there are no indications of impairment and it was therefore unnecessary to repeat the impairment test for the goodwill in question.

Lastly, as regards the Bancassurance Protection CGU, the production performance in the first half of 2025 is substantially in line with the business plan approved by the Companies and used for the purposes of the 2024 impairment test; therefore, no negative elements emerge with regard to the recoverability of the values of the CGU.

Internal factors - other valuation parameters

As regards the profile of the valuation parameters, a Cost of Equity was used for the 2024 test consistent with the return required for investments with characteristics similar to that subject to valuation.

The Cost of Equity (K_e) was determined on the basis of the Capital Asset Pricing Model (CAPM), based on which the return of a risk asset should be equal to the sum of a risk-free rate (R_f) and a risk premium (MRP), considering the specific risk of the asset (β) ($K_e = R_f + \beta \times (MRP)$).

In detail, in the impairment test as at 31 December 2024:

- the risk-free (R_f) component, which in any case encompasses the so-called "Country risk", was determined using the 1-year average of the yields of Italian 10-year BTP government bonds;
- the beta coefficient (β), which measures the risk of the specific company or operating sector in terms of the correlation between the actual return of a share and the overall return of the reference market, was determined using: (i) for the Retail CGU: the average indicator relating to a sample of comparable companies (Italian listed banks), (ii) for the Banca Akros and Oaklins CGUs, the average indicator relating to a sample of companies active in Investment Banking, (iii) for the Bancassurance Protection CGU and the Banco BPM Vita CGU, the average indicator relating to a sample of companies active in the insurance sector;
- the market risk premium (MRP) was determined with a methodology aligned with valuation practice.

These parameters were updated with reference to 30 June 2025, using the same methodologies.

It should be noted that, with respect to the impairment test as at 31 December 2024:

- the risk-free component (R_f) went from 3.71% to 3.61%;
- the beta coefficient (β): for the Retail CGU, this went from 1.06 to 1.16; for the Banca Akros and Oaklins CGU, it went from 1.11 to 1.15; for the Bancassurance Protection CGU and the Banco BPM Vita CGU it went from 1.007 to 0.91;
- The market risk premium (MRP) remains unchanged at 5.2%.

With the update of the parameters, as at 30 June 2025, the cost of equity (K_e) relating to the various CGUs therefore changes as follows:

- that relating to the Retail CGU went from 9.22% to 9.66%;
- that relating to the Banca Akros and Oaklins CGUs went from 9.49% to 9.57%;
- that relating to the Bancassurance Protection CGU and the Banco BPM Vita CGU went from 8.95% to 8.36%.

As regards the other valuation parameters, there are no changes with respect to what was approved for the 2024 impairment test.

Conclusions on the existence of potential indications of impairment

In light of the above, taking into account the changes in the "Ke" discount rate and the sensitivity analyses carried out for the 2024 impairment test, no potential indication of impairment was identified.

With regard to the BBPM Life CGU, it should be noted that for the purposes of the 2024 impairment test, the recoverable value of BBPM Life was defined as equal to the Own Funds as at 31 December 2024, equal to 137 million. As at 30 June 2025, the value of BBPM Life's own funds increased to 156 million; therefore there are no signs of impairment.

Below, for the Retail CGU, the Banca Akros CGU, Oaklins, the Bancassurance Protection CGU and the Banco BPM Vita CGU, a mere update is provided of the sensitivity analyses with respect to those indicated in the 2024 financial statements, updating the "Ke" discount rate, with all other factors and parameters remaining the same (for example: income flows, "g" long-term growth rate, time reference).

For the Retail CGU, the following tables show that, with the mere updating of the cost of equity to 9.66%, all other factors and parameters being equal, the positive difference between the recoverable value and the book value would be 11.7 billion, down from 12.6 billion recorded as at 31 December 2024.

The rate of 48.72%, which would lead to the elimination of the margin, remains unchanged, all other factors being equal.

With regard to the sensitivity analyses of changes in income flows, the change in profit leading to an elimination of the margin went from -90.5% to -89.5%; this scenario, combined with a Ke discount rate of 11.71%, would lead to a complete devaluation of the intangibles (trademarks) associated with the CGU.

Sensitivity analysis Ke/g - results of test on Retail CGU

(Ke)					
9.66%				48.72%	
Differential				Differential	
	Absolute value	% impact on recoverable value	Absolute value	% impact on recoverable value	
D	1.00%	10,450	68.7%	-15	-0.1%
	2.00%	11,745	77.2%	0	0.0%
	2.50%	12,528	82.4%	8	0.1%

Sensitivity analysis Ke/profit - results of test on Retail CGU

Ke					
9.66%				11.71%	
Differential				Differential	
		Absolute value	% impact on recoverable value	Absolute value	% impact on recoverable value
Profit	5.00%	12,402	81.6%	9,311	61.2%
	0.00%	11,745	77.2%	8,793	57.8%
	-5.00%	11,089	72.9%	8,274	54.4%
	-89.5%	0	0.0%	-486	-3.2%

For the Banca Akros CGU, the following table shows that, with the mere updating of the cost of equity to 9.57%, all other factors and parameters being equal, the positive difference between the recoverable value and the book value would be 34.5 million, down from 35.1 million recorded as at 31 December 2024.

The rate of 23.28%, which would lead to the elimination of the margin, remains unchanged, all other factors being equal.

Sensitivity analysis Ke/g - results of test on Banca Akros CGU:

(Ke)					
9.57%			23.28%		
Differential			Differential		
	Absolute value	% impact on recoverable value	Absolute value	% impact on recoverable value	
(b)	1.00%	29	54.7%	-0.6	-1.1%
	2.00%	35	65.0%	0	0.0%
	2.50%	38	71.1%	0.3	0.6%

For Oaklins, the following table shows that, with the mere updating of the cost of equity to 9.57%, all other factors and parameters being equal, the positive difference between the recoverable value and the book value would be 3.9 million, down from 4.0 million recorded as at 31 December 2024.

The rate of 14.72%, which would lead to the elimination of the margin, remains unchanged, all other factors being equal.

Sensitivity analysis Ke/g - results of test on Oaklins

(Ke)					
9.57%				14.72%	
Differential				Differential	
		Absolute value	% impact on recoverable value	Absolute value	% impact on recoverable value
(g)	1.00%	3	30.3%	-0.3	-3.4%
	2.00%	4	40.4%	0	0.0%
	2.50%	4	46.5%	0.2	1.9%

For the Bancassurance Protection CGU, the following tables show that, with the mere updating of the cost of equity to 8.36%, all other factors and parameters being equal, the positive difference between the recoverable value and the book value would be 26 million, up from 12 million recorded as at 31 December 2024.

The rate of 9.56%, which would lead to the elimination of the margin, remains unchanged, all other factors being equal.

With regard to the sensitivity analyses of changes in income flows, the change in profit leading to an elimination of the margin went from -8.14% to -15.92%.

Sensitivity analysis Ke/g - results of test on Bancassurance Protection CGU

(Ke)					
8.36%				9.56%	
Differential				Differential	
		Absolute value	% impact on recoverable value	Absolute value	% impact on recoverable value
(g)	1.00%	6	3.4%	-14	-7.7%
	2.00%	26	14.2%	0	0.0%
	2.50%	39	21.1%	9	4.7%

Sensitivity analysis Ke/profit - results of test on Bancassurance Protection CGU

(Ke)					
8.36%				9.56%	
Differential				Differential	
		Absolute value	% impact on recoverable value	Absolute value	% impact on recoverable value
Profit	10.00%	43	23.2%	14	7.4%
	0.00%	26	14.2%	0	0.0%
	-5.00%	18	9.8%	-7	-3.7%
	-15.92%	0	0.0%	-22	-11.9%

For the Banco BPM Vita CGU, the following tables show that, with the mere updating of the cost of equity to 8.36%, all other factors and parameters being equal, the positive difference between the recoverable value and the book value would be 283 million, up from 239 million recorded as at 31 December 2024.

The rate of 16.20%, which would lead to the elimination of the margin, remains unchanged, all other factors being equal.

With regard to the sensitivity analyses of changes in income flows, the change in profit leading to an elimination of the margin went from -49.58% to -53.74%.

Sensitivity analysis Ke/g - results of tests on Banco BPM Vita CGU

(Ke)					
8.36%				16.20%	
Differential				Differential	
		Absolute value	% impact on recoverable value	Absolute value	% impact on recoverable value
(b)	1.00%	220	37.1%	-12	-2.0%
	2.00%	283	47.7%	0	0.0%
	2.50%	323	54.4%	7	1.1%

Sensitivity analysis Ke/profit - results of tests on Banco BPM Vita CGU

(Ke)					
8.36%			16.20%		
Differential			Differential		
		Absolute value	% impact on recoverable value	Absolute value	% impact on recoverable value
Profit	10.00%	336	56.8%	23	3.9%
	0.00%	283	47.7%	0	0.0%
	-10.00%	229	38.7%	-23	-3.9%
	-53.74%	0	0.0%	-120	-20.3%

It should also be noted that if the sensitivity analyses described above had been conducted with the use of a risk-free rate equal to the average over a shorter time horizon, their results would not have led to conclusions different from those reached by the Bank.

Tax assets - Item 110 and Item 130 in the assets

Deferred tax assets

A. Deferred tax assets – breakdown

As at 30 June 2025, total DTAs amounted to 2,869.4 million (3,118.9 million as at 31 December 2024), of which 2,579.8 million had an impact on the income statement, while 289.6 million was recorded as a balancing entry in shareholders' equity, in accordance with the entries referred to. For a review of the breakdown of these DTAs, please see the table "11.1 Deferred tax assets: breakdown".

In greater detail, as at 30 June 2025, the deferred tax assets that meet the requirements of Italian Law no. 214 of 22 December 2011 ("Law 214/2011") for convertibility into tax credit amounted to 1,142.1 million (1,140.8 million as at 31 December 2024). The provisions under this law and, subsequently, under Italian Law 147/2013 (2014 Stability Law), provide for the conversion of DTAs into tax credits in the case of a "statutory loss", a "tax loss" for IRES purposes and a "net negative value of production" for IRAP purposes. For the purposes of these regulations, write-downs on loans not yet deducted based on temporal limits in effect at the time pursuant to Art. 106, paragraph 3 of the Italian Consolidated Tax Law (TUIR) are included, as are negative components relative to goodwill and other intangible assets, not yet deducted according to the temporal limits in effect at the time (known as "eligible DTAs").

Specifically, as at 30 June 2025, the Group's eligible DTAs derive from:

- temporary deductible differences relative to write-downs on loans exceeding immediate deductibility limits envisaged in the tax regulations solely with reference to credit and financial entities for 665.4 million (665.4 million as at 31 December 2024);
- temporary deductible differences relative to goodwill and other intangible assets recognised in previous years for 476.7 million (475.4 million as at 31 December 2024).

It should be specified that, specifically with reference to these DTAs, their continued convertibility to tax credits is subordinate to the payment of the fee pursuant to Decree Law 59 of 3 May 2016, amended and converted into law with Law no. 119 of 30 June 2016. Italian Law no. 15 of 17 February 2017, converting the "Salva risparmio" Decree Law postponed the period for which the fee is due to 31 December 2030. In order to guarantee the convertibility of

DTAs into tax credits and avoid the negative impacts there would otherwise be on Own Funds, Banco BPM Group opted to pay the aforementioned fee, which for 2025 totalled 7.9 million.

As at 30 June 2025, residual deferred tax assets (non-convertible DTAs) amounted to 1,727.4 million (1,978.1 million as at 31 December 2024), of which 737.1 million deriving from IRES tax losses, which can be carried forward (873.3 million as at 31 December 2024) and 990.3 million deriving from costs and value adjustments deductible in years subsequent to those of recognition in the financial statements (1,104.8 million as at 31 December 2024).

Note that not all ineligible DTAs were recognised in the financial statements by Banco BPM and its subsidiaries.

B. Deferred tax assets - recoverability checks

In compliance with the provisions of IAS 12 and the ESMA communication of 15 July 2019, Banco BPM Group recognised Deferred Tax Assets (DTAs), after verifying that the values recognised were supported by judgements that it was probable they could be recovered. In order to make these judgements, the current tax provisions were taken into consideration, in particular with reference to rules regarding whether certain deferred tax assets can be converted into tax credits, and the Group's capacity to generate future taxable income, also taking the "tax consolidation" option into account.

As regards eligible DTAs that can be converted into tax credits, equal to 1,142.1 million - corresponding to 39.80% of the total DTAs posted in the financial statements as at 30 June 2025 - the tax regulations introduced by Italian Law 214/2011, along with the exercise of the option for the annual fee regime illustrated above make their recoverability certain. This treatment is in line with the indications contained in the Bank of Italy/CONSOB/ISVAP document no. 5 of 15 May 2012 "Accounting treatment of deferred tax assets deriving from Italian Law 214/2011".

The recognition and subsequent maintenance in the financial statements of the remaining tax assets (non-convertible DTAs), totalling 1,727.4 million, strictly depends on the ability of the Group and/or the single companies to generate future taxable income ("tax capability").

To that end non-convertible DTAs were subject to three separate recoverability tests, based on a model that predicts future taxable income, as illustrated below:

- IRES taxable income resulting from the consolidated financial statements for the ordinary IRES tax rate (24%);
- IRES taxable income at individual level for Banco BPM, for the purpose of the additional IRES tax rate applicable to banks (3.5%);
- IRAP value of production at individual level for Banco BPM, for the purposes of IRAP.

The recoverability test was conducted based on the following information and assumptions:

- Banco BPM and its subsidiaries that have recorded DTAs reflected in the consolidated financial statements operate in Italy and, as a result, reference was made to the tax regulations in force in that country;
- implementation of the tax changes introduced by the 2025 Budget Law with a block on the deduction of DTAs that can be converted into tax credits and the introduction of a 54% limit for the deduction of previous years' tax losses for the 2025 tax period only; postponement of the 2025 portion of convertible DTAs and ECL quotas from FTAs pursuant to IFRS 9 into 4 straight-line quotas from 2026 to 2029; postponement of the 2026 portion of convertible DTAs and ECL quotas from FTAs pursuant to IFRS 9 into 3 straight-line quotas from 2027 to 2029;
- said tax regulations do not establish time limits on the recovery of the IRES tax loss (Art. 84, paragraph 1 of Presidential Decree 917 of 22 December 1986);
- IAS 12 does not set out a maximum time horizon for forecasting taxable income;
- the estimates of future taxable income have been made using a multi-scenario approach, by taking as a reference the most recent cash flow projections of Banco BPM Group or Banco BPM for the 2025 - 2027 period;
- the estimates referred to in the previous point have been adjusted to take account of the uncertainty that characterises the actual realisation of long-term forecasts, applying a discount factor defined on the basis of a risk premium (so-called Risk-adjusted profit approach), in line with the recommendations set out by ESMA in the aforementioned Communication of 15 July 2019;
- Deferred Tax Liabilities (DTLs) were offset by DTAs in the event that their reversal over time is expected to occur in the same year.

Below is detailed information on the assumptions used for probability testing, their outcomes and sensitivity analysis.

B.1 Estimated future taxable income

The estimate of future taxable income was based on the most recent income projections of Banco BPM and the Group for the years 2025-2027.

Considering the current context of uncertainty, these projections have been made with reference to three separate macroeconomic scenarios at the date on which the above-mentioned scenarios were developed, to which a different probability of occurrence has been attributed. In detail, alongside a baseline scenario, an adverse scenario and a favourable scenario were drawn up, to which probabilities of occurrence of 50%, 30% and 20% respectively were assigned, consistent with the other valuation processes.

For long-term profitability, starting from 2028, we took as reference the expected income in 2027, determined by weighting the three scenarios indicated, appropriately normalised to take account of a number of components considered non-recurring. This income has been projected, starting from 2029, with an annual growth rate (g) of 2%, equal to the nominal growth forecasts for the national economy.

B.2 Adjustment of future taxable income

In order to take into account the uncertainty that characterises the actual realisation of long-term forecasts, a discount factor of 6.05% has been introduced. This factor has been defined as a function of the risk premium required by the market (MRP - Market Risk Premium), equal to 5.2%, multiplied by the Beta coefficient (β), equal to 1.163%, i.e. the coefficient that expresses the specific riskiness of the Group's business.

In more detail, the adjustment of taxable income is obtained by discounting each year's forecasts for the discount factor of 6.05%, applied according to the compound capitalisation formula, from 2028 onwards. This formula therefore makes it possible to adjust future forecasts according to an increasing abatement factor depending on the time horizon of the estimated taxable flows.

The growth rate (g), and the parameters to factor in the uncertainty of forecasts (MRP and β) are consistent with those considered for the impairment test of intangible assets with an indefinite life; related to the Retail CGU, as illustrated in more detail in the previous section "Intangible assets - item 100".

B.3 Outcomes of the probability test and sensitivity analysis

Based on the valuation exercise conducted using the model described in points B.1 and B.2 above, the results are illustrated below, distinguishing between the consolidated IRES DTAs at an ordinary tax rate of 24%, IRES DTAs with an additional tax rate of 3.5% at the individual level of Banco BPM and IRAP DTAs at the individual level of Banco BPM, which represent almost all of the DTAs recognised in the consolidated financial statements.

The IRES DTAs recognised based on the ordinary tax rate of 24% as at 30 June 2025, which can be recovered through the income generated by all the companies belonging to the Group, amount to 1,380.8 million. DTAs from tax losses are estimated to be recoverable within 3 years (2027), a net improvement compared to the results as at 31 December 2024. For the remaining DTAs recognised in the financial statements, deriving from temporary differences and whose recoverability depends on future profitability, full recovery is expected by the end of 2036.

The IRES DTAs recognised based on the additional tax rate of 3.5% as at 30 June 2025, which can be recovered through the income generated in the separate financial statements of Banco BPM, amount to 212.9 million. Full recovery of the DTAs in question is expected by the end of 2036 while the recoverability of the DTAs on the previous years' tax losses is estimated within a time frame of 6 years (2030), 1 year earlier than the forecast as at 31 December 2024.

Lastly, referring to the IRAP DTAs of Banco BPM as at 30 June 2025, which can be recovered through income generated individually by Banco BPM, of 107.3 million, the projections of taxable income show, for each year, full recovery of the DTAs from temporary differences which shall reverse in that year.

Sensitivity analysis of the consolidated IRES DTAs based on the tax rate of 24%

The model used includes assumptions and hypotheses that could significantly affect the assessments of the recoverability of the DTAs, for the IRES DTAs recognised based on the rate of 24% (1,380.8 million, equal to 86.4% of the total non-convertible IRES DTAs).

To this end, a sensitivity analysis was conducted on the main hypotheses and assumptions relating to the recovery time horizon; in particular, the sensitivity analyses were developed on the basis of the following factors, applied to the income projections from the year 2026:

- increase/decrease in the discount rate of future taxable income: any 1.5% increase/decrease in the adjusting factor (7.55% and 4.55% respectively) would result in the confirmation of recovery by the end of 2036;
- expected income growth rate (g): a reduction of 0.5% (from 2% to 1.5%) would not have significant impacts on the horizon for recovery, which would be confirmed as by the end of 2036;
- 15% reduction in income projections: a reduction in future income of 15% would not lengthen the expected return of the DTAs.

Furthermore, in the event that the projection of future taxable income should be developed based on income flows not adjusted using the adjusting factor, the full recovery of the DTAs, including those relating to previous years' tax losses, would be unchanged and confirmed by the end of 2036 (12 years).

For the DTAs in question, the following table summarises the different time horizons for the return of DTAs in the various alternative scenarios illustrated above, compared with the recovery forecasts as at 30 June 2025 drawn up on the basis of the assumptions and hypotheses described in points B.1 and B.2 above.

Expected time horizon of return of the IRES DTAs based on the tax rate of 24%	Risk-adjusted profit approach					Income projections (without discount factor)
	Forecasts as at 30/06/2025	Sensitivity			Expected taxable income at the end of the explicit period	
		Discount factor	Discount factor	Growth factor g		
		(+1.5%)	(-1.5%)	(-0.5%)		
31/12/2026 (2 years)	43.1%	40.9%	41.7%	41.3%	36.1%	43.1%
31/12/2027 (3 years)	64.9%	60.8%	63.4%	62.1%	51.5%	64.9%
31/12/2029 (5 years)	80.3%	80.3%	80.3%	80.3%	80.3%	80.3%
31/12/2032 (8 years)	93.3%	93.3%	93.3%	93.3%	93.3%	93.3%
31/12/2036 (12 years)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The sensitivity analyses show that, even in the event of negative changes in the underlying parameters, the recovery period does not change, as the taxable income in the different scenarios assumed does not generate new DTAs on tax losses, in addition to those already recognised, whose recovery period is envisaged in a time horizon not exceeding the expected repayment plan of the other DTAs (equal to 12 years).

B.4 Considerations on DTAs relating to IRES tax losses that can be carried forward

Note that as at 30 June 2025, the DTAs deriving from IRES tax losses that can be carried forward amount to 737.1 million, compared to the figure of 873.3 million as at 31 December 2024.

With specific reference to said DTAs posted in previous years, they were recorded following the exact identification of the causes that generated the tax losses and the assessment that they would not repeat in the future on a recurring basis, in line with the provisions of IAS 12. The origin of the tax losses recorded up until 2019 is specifically attributable to the significant loan losses deemed extraordinary, recognised as part of the process of reducing the amount of non-performing loans and, to a lesser extent, to the other extraordinary charges attributable to the business combination that gave rise to Banco BPM Group (e.g. charges relating to the reduction of redundant personnel, the integration of IT systems, the rationalisation of the territorial network) or deriving from the need to favour the rescue of other banks external to the Group in order to protect the stability of the banking system. Also the loss recognised in 2020, which originated from the circumstances of the Covid-19 pandemic, was deemed to be extraordinary, as also confirmed by the extraordinary measures set in place as a reaction to said circumstance.

11.1 Deferred tax assets: breakdown

	IRES	IRAP	Other taxes	30/06/2025	31/12/2024
A) As balancing entry in the Income Statement					
A.1) Convertible DTAs pursuant to Italian Law 214/2011	1,005,691	136,370	-	1,142,061	1,140,821
Write-downs of loans deductible in subsequent years	615,187	50,231	-	665,418	665,416
Costs deductible in subsequent years deriving from the tax relief on goodwill and other intangible assets	390,504	86,139	-	476,643	475,405
A.2) DTAs - Other types	1,360,581	77,196	-	1,437,777	1,611,887
Tax losses that can be carried forward	737,108	-	-	737,108	873,323
ECL adjustments of FTAs pursuant to IFRS 9 on loans to customers deductible in the subsequent years	146,336	29,585	-	175,921	175,923
Provisions and value adjustments deductible in subsequent years	72,948	801	-	73,749	85,720
Personnel expenses and provisions for employee severance pay deductible in subsequent years	103,533	19,890	-	123,423	141,682
Value adjustments to real estate deductible in subsequent years	225,401	11,657	-	237,058	264,081
Book values lower than the recognised tax values resulting from value adjustments to goodwill and other intangible assets	25,832	5,553	-	31,385	18,978
Book values lower than the recognised tax values resulting from fair value measurement of financial assets	559	-	-	559	603
Other cases of misalignment between book and tax values	48,864	9,710	-	58,574	51,577
Total A	2,366,272	213,566	-	2,579,838	2,752,708
B) As a balancing entry in Shareholders' Equity					
Book values lower than the recognised tax values deriving from fair value measurement of financial assets measured as a balancing entry in shareholders' equity	188,169	42,213	-	230,382	306,993
Other cases of misalignment between book and tax values	49,636	9,563	-	59,199	59,221
Total B	237,805	51,776	-	289,581	366,214
Total (A+B)	2,604,077	265,342	-	2,869,419	3,118,922

Other information

Group tax situation

For an examination of the risks associated with existing disputes with the Tax Authorities and the relative developments during the first half of 2025 (new disputes arising or disputes concluded and/or settled), please see that found in the section "Liability provisions - Items 90 and 100" of the liabilities, which provide details of provisions carried out against liabilities judged to be probable, pursuant to that required under the reference accounting standard IAS 37.

Global minimum tax

The OECD "Tax Challenges Arising from the Digitalisation of the Economy - Global Anti-Base Erosion Model Rules (Pillar Two)" and Council Directive (EU) 2022/2523 of 14 December 2022 introduced legislation aimed at ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups (global minimum tax).

The global minimum tax consists of 3 taxes:

- top-up taxation by the country in which the companies of the multinational group pay a low tax if that country has chosen to introduce a Qualified Domestic Minimum Top-Up Tax (QDMTT);
- minimum top-up taxation by the country of location of the direct or indirect participant, taking into account any amount withdrawn through a minimum domestic tax (IIR - Income Inclusion Rule);
- minimum top-up taxation (UTPR - Under-Taxed Payments Rule) by countries that adopt the GloBE, in which the multinational group is present with other companies, in the cases in which the top-up taxation due in relation to the companies of the group subject to low taxation was not withdrawn or only partially.

From the 2024 tax period, Banco BPM Group is included in the scope of application of Pillar 2/GloBE rules. In particular, these rules entered into force in Italy on 1 January 2024 through Italian Legislative Decree 209/2023, implementing Directive (EU) 2022/2523.

In a nutshell, the Pillar 2 rules envisage that Group entities (wherever located) are subject to an effective income tax of at least 15%, to be determined on the basis of a complex calculation based on accounting and tax data of such entities, aggregated by country. If the level of taxation in a given country is less than 15%, this results in the application of a "Top-Up Tax" to bring the value up to 15%.

As required by IAS 12 (in particular, by the "*Amendments to IAS 12 Income Taxes - International Tax Reform - Pillar Two Model Rules*") as well as by the amended version of OIC 25, the Group, using data available at the reporting date, carried out an analysis to identify the scope of application and potential impact of the Pillar 2 regulations on countries included in its scope of consolidation, also making use of the transitional safe harbours ("TSH") applicable in the three-year transitional period 2024-2026 as required by relevant regulations.

These rules envisage that no top-up tax is due if one of the following tests is passed (to be carried out in relation to each country in which the Group is present):

- De minimis test: met if revenues in the jurisdiction are less than 10 million euro and the aggregate profit before tax is less than a million euro;
- Simplified effective tax rate test: met if the effective tax rate is at least 16% (for 2025), as determined on the basis of the ratio between the aggregate values of profit (loss) before tax (denominator) and income taxes (numerator). In this regard, the numerator represents the value of current and deferred income taxes (with certain specific adjustments) recognised in the reporting packages of the subsidiaries in a given jurisdiction;
- Routine profit test: met if the aggregate value of the "Substance-based income exclusion" or "SBIE" envisaged in Pillar 2 rules is higher than the aggregate amount of profit (loss) before tax. As required by the OECD guidelines, if a jurisdiction records a loss before tax, the test is considered met.

If none of the tests are passed for a specific jurisdiction, the group is required to calculate the level of effective taxation on the basis of the entire set of Pillar 2 rules, i.e. by making specific adjustments to the accounting data of the entities located in that jurisdiction, also in order to determine - if its effective tax rate is below 15% - the amount of top-up tax due.

Based on current data, Banco BPM assumes the role of Ultimate Parent Entity.

The Group is present in 3 jurisdictions that have implemented Pillar 2 regulations (Italy, Ireland and Switzerland).

The Group carried out an analysis in relation to possible exposure in terms of Pillar 2 taxes in relation to both 2023 data and 2024 data and in relation to 30 June 2025 figures.

Based on data available to date, for the first half of 2025 (in line with 2024) the Group benefits from the TSHs in Italy (where the Simplified ETR Test is verified) and in Switzerland (where the De Minimis Test is verified). As regards Ireland, however, none of the TSH tests were verified. Through its local consultants, the Group therefore performed a calculation to verify whether any Pillar 2 taxes were due in that country. This analysis showed that, as at 30 June 2025, the Group will be required to pay approximately 281 thousand euro as domestic top-up tax.

Exemption from recognition of Pillar 2 deferred tax

Note that Banco BPM Group has applied the temporary exemption envisaged by the amendment to IAS 12, issued by the International Accounting Standards Board ("IASB") on 23 May 2023 (implementing Commission Regulation (EU) 2023/2468 of 8 November 2023), concerning the recognition and related reporting in the financial statements regarding deferred tax assets and liabilities deriving from application of the Global Minimum Tax envisaged in Directive (EU) 2022/2523 of 14 December 2022, as part of the Anti-Base Erosion Global Rules Model (Pillar Two). Consequently, the Group will not recognise or disclose information on deferred tax assets and liabilities relating to pillar 2 income taxes.

Other assets: receivables due from tax authorities

Item "130. Other assets" as at 30 June 2025 includes receivables due from tax authorities of 3,960.7 million (4,647.6 million as at 31 December 2024).

The main component of this aggregate is represented for 2,856.3 million (3,414.2 million as at 31 December 2024) by tax credits related to building bonuses (Superbonus, Sismabonus, etc.) deriving from purchases without recourse completed during the first half of 2025 and in previous years. The portion of the receivables still recognised in the

financial statements can be fully recovered by offsetting against tax payables of Banco BPM S.p.A. or, if necessary, by assignment to subsidiaries or third-party buyers.

Excluding the main component described above, residual receivables from tax authorities amounted to 1,104.4 million (1,233.4 million as at 31 December 2024) and are mainly represented by:

- receivables deriving from excess advance stamp duty payments and substitute taxes applied to customers which will be recovered through offsetting in the total amount of 488,5 million;
- receivables resulting from claims for the refund of direct taxes totalling 240,7 million, mainly represented by:
 - IRES and IRAP receivables of 218.1 million relating to 2018, the refund of which, along with the relevant interest, was requested in 2019;
 - receivables for the higher substitute tax for IRES and IRAP paid to realign the tax value to the book value of the properties for 11.5 million;
 - receivables relating to the 2006 IRAP tax, paid pending a ruling, and with reimbursement requested following settlement of the dispute relating to the Veneto Region tax rate due, for 5.2 million;
 - IRES and IRAP receivables of 3.1 million attributed following the liquidation of Group companies;
 - receivables for interest accrued on provisional registrations for 2.2 million;
 - IRES receivable for IRAP deductibility of 0.4 million;
 - 0.2 in receivables for direct taxes of Anima SGR;
- receivables recognised as a balancing entry for payments made on a provisional basis pending the final judgement in the outstanding tax disputes, for a total of 14 million, of which:
 - 2.1 million relating to the registrations of Banco BPM for disputes relating to the years 2006-2009 strictly related to the 2005 dispute;
 - 1.5 million relating to the provisional registration of Banca Akros for the dispute relating to tax monitoring;
 - 10 million relating to the provisional registrations of Anima SGR for IRES disputes relating to the years 2006-2008;
 - 0.4 million relating to the provisional registration of Banca Aletti for the IRAP dispute for 2018;
- tax credits due to the Group insurance companies against payment of the tax on the life business mathematical reserves (Law no. 265/2002) of 205 million and tax credits on insurance of 3.2 million;
- various receivables due from the Tax Authorities of 69.5 million mainly relating to the payment of the advance of substitute tax on capital gains;
- tax credits connected with the interest accrued on loans disbursed to customers resident in areas hit by earthquakes for 61.8 million;
- receivables resulting from claims for the refund of VAT and indirect taxes totalling 17.8 million concerning:
 - 7.4 million relating to interest due for reimbursements of VAT receivables relating to 1998, 1999 and 2000 of the former Banca Italease S.p.A. obtained following the positive outcome of the dispute brought by the bank. In order to recover the aforementioned receivable, a new dispute was brought before the Court of Cassation, the outcome of which is pending;
 - 7.8 million referring to the dispute of the former Mercantile Leasing S.p.A. relating to the partial refusal of the VAT refund for the first and second quarters of 2007. Of this amount, 4.7 million was requested as a refund in the declaration and is not disputed. For the amount of 6.8 million, against the refusal of the reimbursement by the Tax Authority for the amount of 3.7 million, the Bank prudentially had recognised a specific bad debt provision of the same amount in the financial statements of the year 2021, although filing the dispute in any event;
 - 2.6 million refers to the compliance proceedings against the Municipality of Rome regarding the challenge to a payment injunction for INVIM (tax on increases in value of real estate) purposes relating to a real estate purchase made in 1976; awaiting refund;
- tax credits connected with the VAT payment for 1 million;
- tax credits due from foreign tax authorities on dividends paid of 2.9 million.

Non-current assets and disposal groups held for sale and associated liabilities – Item 120 in the assets and Item 70 in the liabilities

12.1 Non-current assets and disposal groups held for sale: breakdown by type of asset

	Total 30/06/2025	Total 31/12/2024
A. Assets held for sale		
A.1 Financial assets	52,119	101,996
A.2 Interests in associates and joint ventures	-	41,000
A.3 Property, plant and equipment	144,530	301,509
of which: obtained through the enforcement of guarantees received	48,286	113,728
A.4 Intangible assets	-	-
A.5 Other non-current assets	-	20
Total A	196,649	444,525
of which at cost	52,119	143,016
of which at fair value level 1	-	-
of which at fair value level 2	-	-
of which at fair value level 3	144,530	301,509
B. Discontinued operations		
B.1 Financial assets at fair value through profit and loss	-	-
- Financial assets held for trading	-	-
- Financial assets designated at fair value	-	-
- Other financial assets mandatorily measured at fair value	-	-
B.2 Financial assets measured at fair value through other comprehensive income	-	-
B.3 Financial assets at amortised cost	-	-
B.4 Interests in associates and joint ventures	-	-
B.5 Property, plant and equipment	-	-
of which: obtained through the enforcement of guarantees received	-	-
B.6 Intangible assets	-	-
B.7 Other assets	-	-
Total B	-	-
of which at cost	-	-
of which at fair value level 1	-	-
of which at fair value level 2	-	-
of which at fair value level 3	-	-
C. Liabilities associated with assets classified as held for sale		
C.1 Payables	-	(1,209)
C.2 Securities	-	-
C.3 Other liabilities	-	(6)
Total C	-	(1,215)
of which at cost	-	(1,215)
of which at fair value level 1	-	-
of which at fair value level 2	-	-
of which at fair value level 3	-	-
D. Liabilities associated with discontinued operations		
D.1 Financial liabilities at amortised cost	-	-
D.2 Financial liabilities held for trading	-	-
D.3 Financial liabilities designated at fair value	-	-
D.4 Provisions	-	-
D.5 Other liabilities	-	-
Total D	-	-
of which at cost	-	-
of which at fair value level 1	-	-
of which at fair value level 2	-	-
of which at fair value level 3	-	-

As at 30 June 2025, assets held for sale included the following types:

- owned properties for which sales negotiations in progress render probable the completion of the sales during the next year (indicated under item A.3 "Property, plant and equipment"). This sub-item includes the remaining properties sold in the "Square Project" for 49.0 million; in relation to said Project, sales of 169.0 million were completed during the half year;
- financial assets attributable to loans classified as bad loans and unlikely-to-pay for which, during the half year, disposal was approved, equal to 52.1 million, shown in item A.1 "Financial assets"; it should also be noted that, during the half year, the transactions for the disposal of the receivables classified under this item as at 31 December 2024 were completed.

In relation to the interests recorded under assets held for sale as at 31 December 2024, note the finalisation of the disposals of the companies SelmaBipiemme Leasing S.p.A., Burgos Leasco S.r.l. and Tago LeaseCo, as better specified in the paragraph "Streamlining of the Group's activities" of the Group Report on Operations.

LIABILITIES

Financial liabilities at amortised cost – Item 10

1.1 Financial liabilities at amortised cost: breakdown by product for amounts due to banks

Transaction type/Amounts	Total 30/06/2025				Total 31/12/2024			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Due to central banks	2,078,978	X	X	X	1,784,564	X	X	X
2. Due to banks	4,312,465	X	X	X	4,599,374	X	X	X
2.1 Current accounts and demand deposits	929,258	X	X	X	414,165	X	X	X
2.2 Fixed-term deposits	75,918	X	X	X	218,275	X	X	X
2.3 Loans	2,467,118	X	X	X	3,374,393	X	X	X
2.3.1 Repurchase agreements	2,442,223	X	X	X	3,361,454	X	X	X
2.3.2 Other	24,895	X	X	X	12,939	X	X	X
2.4 Payables for commitment to repurchase own capital instruments	-	X	X	X	-	X	X	X
2.5 Lease payables	-	X	X	X	5	X	X	X
2.6 Other payables	840,171	X	X	X	592,536	X	X	X
Total	6,391,443	-	-	6,391,443	6,383,938	-	-	6,383,938

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

"Due to central banks" includes refinancing operations with the European Central Bank. As at 30 June 2025, there were refinancing transactions for a nominal amount of 2.0 billion (for a nominal amount of 750 million in euro and for a nominal amount of 1,073 million in dollars as at 31 December 2024).

1.2 Financial liabilities at amortised cost: breakdown by product for amounts due to customers

Transaction type/Amounts	Total 30/06/2025				Total 31/12/2024			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and demand deposits	100,517,780	X	X	X	98,803,182	X	X	X
2. Fixed-term deposits	1,344,446	X	X	X	1,449,612	X	X	X
3. Loans	2,204,355	X	X	X	1,456,511	X	X	X
3.1 Repurchase agreements	1,704,813	X	X	X	960,343	X	X	X
3.2 Other	499,542	X	X	X	496,168	X	X	X
4. Payables for commitment to repurchase own capital instruments	-	X	X	X	-	X	X	X
5. Lease payables	666,408	X	X	X	648,717	X	X	X
6. Other payables	972,848	X	X	X	1,050,472	X	X	X
Total	105,705,837	-	-	105,705,837	103,408,494	-	-	103,408,494

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

1.3 Financial liabilities at amortised cost: breakdown by product for debt securities in issue

Type of securities/Amounts	Total 30/06/2025				Total 31/12/2024			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. bonds	24,366,181	14,105,386	10,530,485	-	23,372,273	14,279,962	9,311,790	-
1.1 structured	-	-	-	-	-	-	-	-
1.2 other	24,366,181	14,105,386	10,530,485	-	23,372,273	14,279,962	9,311,790	-
2. other securities	945	-	-	945	1,147	-	-	1,147
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	945	-	-	945	1,147	-	-	1,147
Total	24,367,126	14,105,386	10,530,485	945	23,373,420	14,279,962	9,311,790	1,147

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

Debt securities in issue as at 30 June 2025 amounted to 24.4 billion (23.4 billion as at 31 December 2024).

In January, the placement of an issue of Social Senior Preferred securities of 500 million with a 5-year maturity at a price of 99.607% was completed; the bond pays a fixed coupon of 3.375% per year.

In addition, in the first half year, Banco BPM concluded the placement of a new issue of Social Covered Bonds for an amount of 750 million, with a fixed coupon of 2.625% and maturity in September 2029.

It should be noted that, during the period, bonds amounting to an approximate nominal value of 2 billion matured or were repaid.

Financial liabilities held for trading – Item 20

2.1 Financial liabilities held for trading: breakdown by product

Transaction type/Amounts	Total					Total				
	30/06/2025					31/12/2024				
	NV	Fair Value			Fair Value *	NV	Fair Value			Fair Value *
		L1	L2	L3			L1	L2	L3	
A. On-balance sheet liabilities										
1. Due to banks	17,714,712	833,034	15,933,663	-	16,766,697	15,372,855	280,903	13,888,219	-	14,169,122
2. Due to customers	9,266,801	1,301,983	7,842,453	-	9,144,436	6,622,754	372,908	5,921,414	-	6,294,321
3. Debt securities	823,441	-	840,220	-	827,330	953,884	-	956,874	-	938,809
3.1 Bonds	-	-	-	-	-	-	-	-	-	-
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	823,441	-	840,220	-	827,330	953,884	-	956,874	-	938,809
3.2.1 Structured	823,441	-	840,220	-	X	953,884	-	956,874	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total (A)	27,804,954	2,135,017	24,616,336	-	26,738,463	22,949,493	653,811	20,766,507	-	21,402,252
B. Derivative instruments										
1. Financial derivatives	-	137,518	1,541,012	-	-	-	89,105	1,384,585	-	-
1.1 Held for trading	X	137,518	1,541,005	-	X	X	89,105	1,384,583	-	X
1.2 Connected with the fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	7	-	X	X	-	2	-	X
2. Credit derivatives	-	-	3,453	-	-	-	-	2,639	-	-
2.1 Held for trading	X	-	3,453	-	X	X	-	2,639	-	X
2.2 Connected with the fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total (B)	X	137,518	1,544,465	-	X	X	89,105	1,387,224	-	X
Total (A+B)	X	2,272,535	26,160,801	-	X	X	742,916	22,153,731	-	X

NV = nominal or notional value

L1 = Level 1

L2 = Level 2

L3 = Level 3

Fair value * = Fair value calculated excluding changes in value due to changes in the issuer's credit risk with respect to the issue date

Financial liabilities designated at fair value – Item 30

3.1 Financial liabilities designated at fair value: breakdown by product

Transaction type/Amounts	Total 30/06/2025					Total 31/12/2024				
	NV	Fair value			Fair value *	NV	Fair value			Fair value *
		L1	L2	L3			L1	L2	L3	
1. Due to banks	-	-	-	-	-	-	-	-	-	-
1.1 Structured	-	-	-	-	X	-	-	-	-	X
1.2 Other	-	-	-	-	X	-	-	-	-	X
of which:										
- commitments to disburse funds	-	X	X	X	X	-	X	X	X	X
- financial guarantees given	-	X	X	X	X	-	X	X	X	X
2. Due to customers	3,721,005	-	3,709,782	11,223	3,721,005	3,344,058	-	3,325,763	18,295	3,429,418
2.1 Structured	-	-	-	-	X	-	-	-	-	X
2.2 Other	3,721,005	-	3,709,782	11,223	X	3,344,058	-	3,325,763	18,295	X
of which:										
- commitments to disburse funds	-	X	X	X	X	-	X	X	X	X
- financial guarantees given	-	X	X	X	X	-	X	X	X	X
3. Debt securities	4,471,931	5,897	4,631,854	-	4,557,735	4,796,729	5,759	4,938,165	-	4,874,405
3.1 Structured	4,466,034	-	4,631,854	-	X	4,790,882	-	4,938,077	-	X
3.2 Other	5,897	5,897	-	-	X	5,847	5,759	88	-	X
Total	8,192,936	5,897	8,341,636	11,223	8,278,740	8,140,787	5,759	8,263,928	18,295	8,303,823

FV = Fair Value

FV* = FV calculated excluding changes in value due to changes in the issuer's credit risk with respect to the issue date

NV = nominal value

L1 = Level 1

L2 = Level 2

L3 = Level 3

Item "2. Due to customers" refers for 3,709.8 million to insurance company liabilities for the issue of Unit-linked policies (3,325.8 million as at 31 December 2024).

In item "3. Debt securities", structured debt securities refer chiefly to certificates with guaranteed capital.

The use of the fair value option is due to the characteristic of a complex contract containing one or more embedded derivatives capable of significantly modifying the cash flows of said contract.

The remaining positions refer to certain bond issues, also structured, hedged using derivatives, for which recourse to the fair value option was used to eliminate or significantly reduce an accounting asymmetry with respect to the valuation criteria of management hedging derivatives, as an alternative to the accounting treatment of hedge accounting.

It should be noted that, during the half year, certificates for a nominal amount of approximately 0.5 billion arrived at maturity.

Liability provisions – Items 90 and 100

As at 30 June, liability provisions amount to 849.4 million (988.6 million as at 31 December of last year) and include the provisions for employee severance pay of 209.1 million (237.8 million at the end of last year), pension plans of 79.1 million (83.5 million as at 31 December 2024), risk provisions for commitments and guarantees given of 118.3 million (121.3 million as at 31 December 2024) and other provisions for risks and charges of 442.9 million (546.0 million at the end of 2024).

The latter include:

- provisions for legal and tax disputes amounting to 59,2 million;
- provisions for personnel expenses for 313.5 million;
- other provisions for 70.3 million.

as illustrated in detail in the following paragraphs 10.6.1, 10.6.2 and 10.6.3.

10.1 Provisions for risks and charges: breakdown

Items/Components	Total	Total
	30/06/2025	31/12/2024
1. Provisions for credit risk relating to commitments and financial guarantees given	36,636	39,606
2. Provisions for other commitments and guarantees given	81,698	81,722
3. Company pension funds	79,105	83,467
4. Other provisions	442,940	546,047
4.1 legal and tax disputes	59,199	59,858
4.2 personnel expenses	313,467	361,731
4.3 other	70,274	124,458
Total	640,379	750,842

10.6 Provisions for risks and charges - other provisions

10.6.1 Other provisions - legal and tax disputes

The Group operates in a legal and regulatory context that exposes it to a wide range of legal disputes, connected, for example, with the terms and conditions applied to its customers, to the nature and characteristics of the financial products and services provided, administrative errors, bankruptcy clawback actions and labour law disputes.

Banco BPM, the companies whose merger gave rise to the Group, the incorporated subsidiaries and the subsidiaries also underwent various audits by the Tax Authorities. Those activities regarded the determination of the taxable income reported for the purposes of income taxes, VAT, registration tax and, more generally, the methods of applying tax regulations in force at the specific time. As a result of those audits, Banco BPM Group is involved in several disputes.

Legal and tax disputes are specifically analysed by the Group, in order to distinguish those whose settlement is expected to require the use of resources which will generate economic benefits and, as a result, will require the recognition of provisions, from the rest of the "contingent liabilities". "Contingent liabilities" are those disputes which correspond to the following, for which no provisions are recognised:

- possible obligations, meaning that it has not been confirmed whether the entity has a current obligation that may result in the use of resources embodying economic benefits;
- actual obligations which, however, do not meet all the conditions for recognition set out in IAS 37 (because it is not likely that resources embodying economic benefits will be required to settle the obligation, or because no sufficiently reliable estimate may be made of the amount of the obligation).

It is noted that the information provided below regarding the claims connected with the main disputes represent the maximum risk exposure, irrespective of the opinion expressed by the Group regarding the relative degree of adverse outcome. For several of these disputes, the Group deems that there are limited risk profiles and, thus, as these are not probable but just possible liabilities, it has not allocated any provisions.

For disputes for which the entity is retained to have a current obligation that may lead to the use of resources embodying economic benefits, the disclosure on the amount of the allocation to provisions for risks and charges is not provided for single dispute in order not to cause harm to the Group in the evolution of the dispute with the counterparty, either in court or by way of settlement. In any event, the total amount of the allocations broken down by type of dispute is provided where the disputes can be grouped into categories of similar nature.

Furthermore, as permitted by paragraph 92 of the reference international accounting standard (IAS 37), the disclosure set out below does not include the information that could harm the position of the Group banks involved in the actions to protect their position in the case and in the pending disputes.

As indicated in the paragraph "Significant accounting policies and uncertainties regarding the use of estimates in the preparation of consolidated condensed interim financial statements" contained in Part A of these Explanatory Notes,

to which reference is made, the complexity of the situations and corporate transactions that form the basis of the disputes entail significant elements of judgement which may involve the existence and the amount, and the related timing for the liabilities to arise. In that regard, to the extent that the estimates made by the Group are deemed reliable and compliant with the reference accounting standards, it cannot be ruled out that the charges which may arise from the settlement of disputes may differ, also by significant amounts, from the amount of the provisions allocated.

The provisions allocated against all existing legal and tax disputes, including cases associated with clawback actions, total 59,2 million.

Legal disputes with customers

The high number of disputes prevents us from providing a detailed list, while their diverse nature makes it extremely difficult, if not impossible, to group them into categories of similar nature.

Below, a brief description is provided of the main legal disputes pending as at 30 June 2025, whose settlement is deemed could entail a probable or possible use of financial resources:

- On 5 March 2019, Barberini Hotel S.r.l. filed proceedings in order to obtain an order for Banco BPM to pay the amount of 19.5 million, as a result of the termination of some lease agreements on the initiative of the defendant and the obligation to proceed with the repayment of the instalments received and, secondly, the reduction of the contractual penalty. The Milan Court of Appeal confirmed the ruling in favour of the Bank made by the Court of Milan. The case is pending in the Court of Cassation;
- On 20 December 2019, Banco BPM was summoned before the court, together with a pool of banks, by the receivership of the company Privilege Yard for allegedly abusive lending. The receivership requested that the liability of the banks be verified for collusion in the mala gestio (poor management) by the directors of Privilege Yard, ordering them to jointly pay compensation for the damages of around 97 million (Banco BPM share 27 million). With a ruling dated 11 October 2022, the Court of Rome ordered the banks, jointly and severally, to pay 57.1 million. Banco BPM complied with the ruling for its own amount due. The appeal filed by Banco BPM together with the other banks involved is still pending;
- On 4 February 2020, Malenco S.r.l. summoned Banco BPM before the court, together with another bank that led the pooled operations, in relation to the granting of loans for the construction and completion of a property complex. The company requested that the invalidity of the loans be ascertained for allegedly exceeding the usury threshold rate and the invalidity of the derivative contracts taken out to hedge the loans granted, with a request to order Banco BPM to pay the sum of 31 million, 10 million of which together with the other bank. The Court of Rome, with ruling of 21 November 2022, fully rejected the claims of Malenco. The appeal proceedings are pending;
- On 23 December 2022, the extraordinary receivers of Società Italiana per Condotte d'Acqua S.p.A. summoned the members of its Management and Supervisory Boards, the auditing firm and the banking class, including Banco BPM, and some insurance companies to court, to obtain a joint and several sentence of all defendants to pay the sum of over 389 million. The amount is requested by way of compensation for the alleged damages also caused by the abusive granting of credit by the banking class, which would have allowed the company to continue to operate despite the crisis situation, also causing the serious impoverishment of the company's net assets. The lawsuit is still pending in the initial stage before the Court of Rome;
- In 2020 Atlantia S.p.A. and Autostrade per l'Italia S.p.A. initiated a compensation claim against Astaldi S.p.A. on their own behalf and with a mandate to represent a grouping of companies, of the former subsidiary Bipielle Real Estate and of S.C.C. S.r.l. as assignees of the original contractors in the construction of some motorway sections in the province of Genoa by virtue of a contract signed in 1991. The case originates from the sentence of the above plaintiffs in a parallel and still pending dispute brought by the defendants in 1993 for partial non-fulfilment of the contract. The compensation claim, quantified at 33.2 million during the proceedings, was made jointly and severally against only the three defendant companies convened with the exclusion of the other participants in the consortium. The Rome Court of Appeal ruling of 10 January 2025 upheld the claim for reimbursement proposed by Atlantia S.p.A. and Autostrade per l'Italia S.p.A., ordering the defendants, jointly and severally, to reimburse approximately 29.2 million plus interest. The Rome Court of Appeal rejected the application for suspension of the effectiveness of the ruling presented by the Bank while the appeal proceedings before the Court of Milan and the Supreme Court proceedings brought by Banco BPM are still pending;

- On 19 June 2023, AD Casa S.r.l. challenged Banco BPM for its failure to finalise the sale, in its favour, of a real estate complex in Florence, with a consequent request for an order to contract at the lower price of 21.9 million, compared to the 35.1 million agreed, in addition to compensation for damages quantified at 3.8 million. The initial agreement was questioned by the prospective purchaser in light of the new operational plan approved by the Municipality of Florence. The case is pending before the Court of Milan;
- On 11 November 2016, the extraordinary receivers of Impresa S.p.A. summoned the members of its Management and Supervisory Boards, the auditing firm and the banking community, moreover belonging to the pool of the loan granted, with the bank participating to the extent of 8%, including Banco BPM, to obtain a joint and several order for all defendants to pay the sum of over 167 million. The amount is requested by way of compensation for the alleged damages caused by the abusive granting of credit by the banking class, which would have allowed the company to continue to operate despite the crisis situation, causing the serious impoverishment of the company's net assets. The case is pending before the Court of Rome, awaiting the findings of the court-appointed expert witness;
- The subsidiary Partecipazioni Italiane in liquidation, as the former owner of land located in Pavia that was the industrial site of the former Necchi S.p.A., (which ceased business operations many years ago), was the subject of an order of the Province of Pavia which requested that the subsidiary, as the party "historically" responsible, along with another party, carry out the reclamation and containment of that area, which for many years now has been owned by third parties outside Banco BPM Group. The Lombardy Regional Administrative Court rejected the subsidiary's appeal against the provincial order. The ruling was challenged before the State Council which, on 4 September 2024, with an order that became final, rejected the appeal of Partecipazioni Italiane, confirming the legitimacy of the order issued by the Province of Pavia.

With regard to one of the portions of the site, on 7 March 2022, a settlement agreement was finalised with one of the current owners, regarding the reclamation of the portion of the former Necchi area it owns. The agreement envisages, inter alia, the contribution of Partecipazioni Italiane to bearing the reclamation costs for an amount of 1.4 million plus VAT (half of which already paid at the time of finalisation of the agreement and half to be paid to the counterparty on announcement of the start of the reclamation activities), already accounted for in the financial statements as at 31 December 2021. In order to present the risk analysis and the operational project for reclamation and permanent securing by the counterparty, additional checks and additions to the project are underway, also following the launch by the Office for the Protection of Cultural Heritage of a procedure for the declaration of cultural interest for a property located in the former Necchi area.

Lastly, note that in June 2025, the technical consultant WSP Italia S.r.l. provided an update on the estimate of the costs necessary for the reclamation of areas included in the former Necchi site in Pavia, excluding the part for which the aforementioned settlement agreement was finalised. The updated estimate provides for an additional cost that entailed an additional allocation of approximately 0.3 million in the financial statements of the investee company as at 30 June 2025.

In light of the successful outcomes in the courts of first instance and/or the existence of valid grounds on which to challenge the claims made by the claimants with regard to proceedings underway, the claims classified as possible but unlikely amount to a total of 1,042.8 million.

Claims classified as probable amount to a total of 149.7 million, against which 59.2 million has been allocated under the item Provisions for risks and charges.

Tax disputes

The total claims made by the Tax Authorities as part of the tax disputes initiated involving Banco BPM and its subsidiaries amounted to 42.6 million as at 30 June 2025¹ (23.3 million as at 31 December 2024). The increase compared to 31 December 2024 is attributable to the entry of Anima Holding and its subsidiaries into the Banco BPM Group from 11 April 2025.

¹ Note that said amount does not include the disputes with an immaterial unit amount, mainly comprised of local taxes. Also note that the estimate of contingent liabilities relating to the notices of assessment does not include any interest payable in the event of loss. The estimate of contingent liabilities relating to formal reports on findings served or being served other than those classified as probable does not include interest or fines.

There follows a description is provided of the main disputes pending as at 30 June 2025, settlement of which could entail a possible use of financial resources:

- On 16 January the Court of Cassation filed its ruling that ended¹ the dispute initiated by the Bank to obtain cancellation of the notices of assessment issued on 19 December 2011 to the former Banco Popolare soc. coop. and concerning the 2005 tax period of the former Banca Popolare Italiana. The notices of assessment concerned the alleged non-deductibility for IRES and IRAP purposes of costs and value adjustments to receivables relating to facts or actions classified as offences (offences of false corporate reporting, obstructing supervision and market disturbance alleged to have been committed by Banca Popolare Italiana in relation to the attempted takeover of Banca Antonveneta). The appeals against the notices of assessment had been rejected by the Provincial Tax Commission of Milan with a ruling filed on 15 October 2014. The appeal before the Lombardy Regional Tax Commission was also rejected with a ruling filed on 19 May 2015. As a result of the aforementioned rulings, the Bank had already been required to pay the tax demands issued for a total amount, including interest and tax collection fees, of 199.8 million. This amount, given its nature as a security deposit and pending the final ruling on the appeal filed with the Court of Cassation on 18 December 2005, was recorded under the asset item "Other assets". The Court of Cassation, through the aforementioned ruling, acknowledged the validity of the reasons for the appeal filed by the Bank and set aside the ruling of the Lombardy Regional Tax Commission, and upheld the original appeal filed, definitively cancelling the notices of assessment. Following the ruling, the Bank has already obtained full repayment of all the amounts paid during the proceedings in addition to the payment of interest accrued for a total of 35.5 million. The aforementioned interest was credited to the income statement for the half year.
As at 30 June, the only claims still pending are those deriving from the notices of assessment for the 2006-2009 tax periods are also included, these too concerning the alleged non-deductibility for IRES purposes of the costs considered attributable to events or acts qualifying as offences. More specifically, they regard value adjustments on loans already disputed with reference to tax year 2005. Said value adjustments, although recognised by Banca Popolare Italiana in its financial statements for 2005, were deductible on a straight-line basis over the following 18 financial years pursuant to the version in effect at the time of Art. 106, paragraph 3 of Italian Presidential Decree no. 917 of 22 December 1986. Therefore, the notices of assessment challenge the claimed non-deductibility of the portions of those adjustments to loans deducted in 2006, 2007, 2008 and 2009. Total claims amount to 15.8 million. The appeal filed by the Bank before the Provincial Tax Commission of Venice against these notices is still pending, as the aforementioned Commission had suspended proceedings until the final ruling of the Court of Cassation on the notices of assessment relating to 2005. In July, the bank filed a petition aimed at reactivating the judgements. In light of the positive outcome of the dispute relating to the 2005 tax period, it is believed that the risk of a negative outcome of the proceedings relating to subsequent years can be considered remote. In relation to the aforementioned disputes, the amount of 2.1 million already paid as a security deposit against the tax demands issued is recorded under the item "Other assets";
- Banca Akros - formal notification received in December 2021 relating to the alleged infringement of the transmission obligations to the Italian Revenue Agency envisaged by Article 1, of Italian Decree Law 167 of 1990 with the application of the minimum sanction envisaged by Art. 5, paragraph 1, for the amount of 2.3 million. On 30 November 2022, the Office served a decision to impose penalties with which it rejected the defensive arguments made by the Bank and imposed the penalty indicated above. Considering the reasons contained in the decision contradictory and unfounded, on 30 January 2023, the Bank filed an appeal to the Milan Tax Court of first instance. On 16 January 2024, the ruling of the Milan Tax Court was filed, confirming the imposition of sanctions. The Bank, fully convinced that its reasons have not been adequately taken into consideration in the first instance proceedings, filed an appeal on 2 August 2024 with the competent Tax Court of Lombardy requesting annulment of the ruling. In relation to the aforementioned dispute, the amount of 1.6 million already paid as a security deposit against the tax demand issued is recorded under the item "Other assets". In light of the assessments carried out, in the consolidated financial statements as at 30 June 2025, no provision is recognised against a potential negative outcome for the Bank;
- Banca Aletti - on 23 January 2024, the Italian Revenue Agency - Lombardy Regional Department, Large Taxpayers Office - initiated a tax audit of the subsidiary Banca Aletti for IRES, IRAP, VAT and withholding tax obligations for tax year 2018. At the end of the audit, on 30 July 2024, the Italian Revenue Agency served a report on findings that contains a single charge in relation to the IRAP tax treatment of the economic result of the Corporate & Investment Banking business unit, which was spun off in favour of Banca Akros in

¹ Following the end of the half year, on 16 July 2025, the Office of the Attorney General, on behalf of the Italian Revenue Agency, notified the Bank of the appeal submitted to the Court of Cassation for the revocation of the aforementioned ruling. Please refer to the contents of the section dedicated to events after the end of the half year in Part A of the Explanatory Notes.

2018. On 10 September 2024, the Italian Revenue Agency issued the Preliminary Assessment, quantifying the overall claim for higher taxes and penalties as 1.7 million. The Bank, considering the finding to be without grounds, filed its counter-arguments on 18 November 2024. On 3 March 2025, the Italian Revenue Agency issued the notice of assessment requiring the Bank to pay a total of 1.9 million, including interest. In light of the assessments carried out, the Bank filed an appeal to request cancellation of the assessment;

- Anima SGR — the tax disputes still not settled relate to the notices of assessment relating to the years from 2006 to 2008 and referring to the IRES tax issued by the Italian Revenue Agency — Regional Department of Lombardy following the outcome of the audit carried out in 2010 on Prima SGR, later incorporated into Anima SGR. With these notices, the Italian Revenue Agency recovered the amounts paid by Prima SGR to its employees as bonuses in 2006, 2007 and 2008, putting forward an alleged violation of the accrual principle in addition to the alleged lack of pertinence for other costs. The higher taxes claimed amounted to approximately 8.3 million (plus interest) and penalties of 11.5 million.

Anima SGR promptly challenged the notices of assessment before the Milan Tax Commission. After two levels of proceedings concluded differently, in 2018 the proceedings were brought before the Court of Cassation, where they are still filed. In the financial statements as at 30 June 2025, no provision is recognised against a possible unfavourable outcome for the SGR, as, for the years 2006, 2007 and (partially) 2008, the indemnity procedures envisaged by the agreements signed between Banca Monte dei Paschi di Siena and Anima Holding for the purchase of the interest in Prima SGR are applicable. The possible charge, in the event of an unexpected unfavourable ruling by the Court of Cassation for the year 2008, net of the contractual guarantees received, can be quantified at an amount of less than 2 million.

The "Other Assets" item includes 10 million for amounts paid on a provisional basis pending the final outcome of the dispute, while the "Other Liabilities" item includes 5.5 million, equal to the amount provisionally paid by Banca Monte dei Paschi di Siena to Anima SGR in respect of the claims relating to the 2007 financial year.

Auditing activities

On 10 July 2025, an inspection by the Italian Revenue Agency began in Banca Aletti, concerning the verification of the CRS ("Common Reporting Standard") Communication relating to the 2023 communication period. A similar audit began on 19 July 2025 at Banco BPM.

At the date of this report, no findings have been formalised.

10.6.2 Other provisions - personnel expenses

They amount to 313.5 million (down compared to 361.7 million as at 31 December 2024) and include, inter alia: i) the estimated expense deriving from the expected payment of variable remuneration in compliance with the provisions of the Group's incentive systems; and ii) the estimate relating to other disbursements planned in favour of the staff (e.g. welfare bonus, loyalty bonuses, non-competition agreements, etc.).

This item also includes the residual amount of 205.9 million (net of the payments already made) allocated for the charges expected for the use of the extraordinary benefits of the Solidarity Fund and for early retirement incentives following the agreements reached with the trade unions on 19 December 2024 and the residual part relating to previous Solidarity Fund agreements signed on 30 December 2020.

10.6.3 Other provisions - other

This residual category of provisions amounts to a total of 70.3 million and mainly includes allocations against the following liabilities:

- a) risks associated with disputes and claims, both pending and expected, associated with operations with customers and possible developments in the interpretation of certain regulations governing banking activities (13.9 million);
- b) estimate of probable reimbursements of fees consequent to the possible early termination of insurance policies by customers (24.7 million);
- c) risks associated with guarantees given for sales of non-performing loans already finalised as at 30 June 2025 (7.3 million);
- d) estimate of the probable charges deriving from the execution of agreed works on two properties falling within the scope of the project to streamline the investment property portfolio ("Square" project) for an amount of 8.7 million.

Category a) includes the provision made against residual risks associated with reporting activities carried out of customers interested in purchasing diamonds to the specialised company Intermarket Diamond Business S.p.A. ("IDB"). Almost all of those reporting activities were carried out from 2003 to 2016 and, thus, prior to the merger that gave rise to Banco BPM. That activity was suspended in the initial months of 2017 and then definitively stopped.

These operations resulted in the receipt of a high number of complaints from the Group customers involved and the launch of civil court disputes. In this regard, also with a view to standing by to its customers, the Group has implemented a large-scale customer care initiative over the last few years, aimed, if necessary, at finalising transactions by providing a free service for assistance to customers in submitting requests to the bankruptcy receiver for the return of stones and, lastly, for the return of diamonds in custody at the vaults managed by the IDB bankruptcy. As at 30 June 2025, 24,503 claims had been received, and around 1,452 disputes notified (partly preceded by a claim) for total relief sought of around 721.3 million.

At the same date, due to the previously illustrated management and customer care activities, claims and disputes were resolved, through a settlement or the issue of a final ruling, for total relief sought of 677.5 million.

Against the complaints and disputes, both those not yet defined and those potentially estimated, the sub-item in question includes the specific provision recognised against the above disputes with customers amounting to 13.9 million as at 30 June 2025.

The total provision made over the years, from 2017, was 394.6 million, against which drawdowns for refunds to customers of 380.7 million were made.

As at 31 December 2024, the provision amounted to 17.6 million; during 2025, drawdowns for refunds of 5.5 million were made, and a further allocation of 1.8 million was made, to take into account the updated estimates relating to the total relief sought and the percentages of compensation.

Again in relation to these operations, the Bank learned that, as part of the criminal proceedings for alleged collusion in fraudulent bankruptcy relating to the bankruptcy of IDB, pending before the Court of Milan, the Judge for Preliminary Investigations ordered committal for trial of three former corporate officers. At the first discussion hearing, held on 23 January 2025, at the request of the IDB Receivership, the summons of Banco BPM as civilly liable party was ordered with respect to the conduct alleged against the former corporate officers quantified by the Milan Public Prosecutor's Office as a total 5 million. On 14 May 2025, the Bank appeared as a party with civil liability.

Item b) represents the provision allocated in application of that established under accounting standard IFRS 15 against the risk of having to return a portion of commissions received for the placement of insurance policies with customers, in the case that these customers decide to close the insurance coverage in advance.

Item d) refers to the amount allocated to cover probable future financial disbursements for guarantees granted as part of assignments of non-performing loans finalised in previous years.

Item e) refers to the residual amount of the provision allocated during the year 2024 against the estimate of charges relating to renovation works on certain properties falling within the broader scope envisaged as part of the "Square" transaction, aimed at business segment streamlining of the properties owned by the Bank but not for use in operations. Please refer to the 2024 Financial Report for details on the transaction.

It should also be noted that, in the context of the contracts signed at the time of the disposal of interests or business segments finalised in previous years, as well as any correlated partnership agreements, there are investment protection and guarantee mechanisms for the buyer. In detail, those mechanisms provide for the possible payment of indemnities to the buyer/partner in the event that specific business targets are not reached, setting out limits, deductibles, grace periods and exceptions in favour of Banco BPM Group. Certain protection and guarantee mechanisms shall remain in force until the end of the partnership.

A list is provided below of the main operations finalised for which the sale agreements and/or related partnership agreements envisage obligations for Banco BPM Group to pay potential indemnities:

- sale finalised in 2017 of the controlling interest in Aletti Gestielle SGR to Anima Holding;
- the sale finalised in 2018 of the contracts relating to delegated insurance asset management mandates placed through Banco BPM Group network to Anima SGR;
- the sale of a business unit relative to custodian bank business segment to BNP Paribas Securities Services in 2018 and the consequent revision of the obligations established at the time of the sale of the custodian bank business segment of the former Banca Popolare di Milano to the same buyer in 2010;

- sale completed on 14 December 2023 of a 65% stake in the insurance companies Vera Assicurazioni and Banco BPM Assicurazioni to Credit Agricole Assurances;
- transfer to Numia of the E-Money business unit and resulting partnership agreements finalised on 30 September 2024.

Where, based on the objectives reached and reported and the future projections of their evolution, it is deemed probable that indemnity will be paid to the buyer counterparty, the amount of the estimated liability has been allocated to the provisions for risks and charges in question.

With reference to the agreements with Anima Holding (which joined the Group on 11 April 2025), a system of penalties was envisaged in the event of failure to achieve the Net Funding targets set for the period January 2020-February 2025. At the end of the period, based on the failure to achieve the targets set out in the agreement, a charge of 31.8 million was charged to Banco BPM and Banca Aletti. Against this charge, a total risk provision of 39.1 million was allocated as at 31 December 2024; the surplus of the provision with respect to the actual payment was consequently released to the income statement.

Disclosure on provisions for employee severance pay and pension funds

Items/Components	Total	Total
	30/06/2025	31/12/2024
Provisions for severance pay	209,056	237,783
Company pension funds	79,105	83,467
Total	288,161	321,250

Below is an illustration of the main changes that occurred in employee severance pay (balance sheet item 90) and in the pension funds (included in balance sheet item 100 "Provisions for risks and charges", the details of which were illustrated in point 10.1 above).

The provisions for employee severance pay are equal to 209.1 million; 237.8 million was the balance at the end of last year. The overall negative change is a combination chiefly ascribable to negative changes for liquidations (-38.3 million) and the change in actuarial assumptions (-0.6 million), and positive changes due to the entry into the Group of Anima Holding and its subsidiaries (+6 million) and the allocation to the income statement for the half year of 3.7 million.

The changes in the actuarial assumptions that caused a reduction of 0.6 million in the employee severance pay are attributable to changes in the discount rate for a negative 1.5 million, partially offset by the difference between the previous actuarial assumptions used and what actually occurred for +0.9 million.

Pension funds equal to 79.1 million, the balance at the end of the previous year was 83.5 million; as far as the provision for employee severance pay is concerned, the negative change is a combination of negative changes due to settlements (3.9 million) and changes in actuarial assumptions (1.8 million) and positive changes due to provisions recognised in the income statement (1.3 million).

The changes in the actuarial assumptions that caused a reduction of 1.8 million in the pension funds are attributable almost exclusively to the difference between the previous actuarial assumptions used and what actually occurred.

The changes due to modifications in actuarial assumptions set forth above, which overall amount to 2,4 million, are recognised as an increase in the relative valuation reserve of shareholders' equity "Actuarial gains (losses) on defined benefit plans" and are reported in the statement of comprehensive income. Net of the tax effect, the increases in this reserve amount to 1.8 million.

The main actuarial assumptions used as at 30 June 2025, compared with those used as at 31 December 2024, on the funds of the Parent Company Banco BPM (93% of the provision for employee severance pay and 100% of the pension funds) are given below:

Main actuarial assumptions for measuring provisions for employee severance pay

Demographic assumptions

Employee mortality rate	IPS55 with Age-Shifting.
Frequency and amount of advances on employee severance pay	0.5%
Frequency of turnover	1.50%

Financial assumptions

30/06/2025

31/12/2024

Yearly discount rate:	weighted average of the rates in the Eur Composite AA curve ^(*)	
	3.07%	2.97%
Yearly inflation rate	weighted average of the rates in the European Zero-Coupon Inflation-Indexed Swap curve ^(**)	
	1.90%	1.90%

^(*) weighted average of the rates of the Eur Composite AA curve on the reporting date, using as weights the ratios of the amount paid and advanced for each maturity to the total amount to be paid and advanced up to the discharge of the population considered.

^(**) weighted average rate taken as the weighted average of the rates of the European Zero-Coupon-Inflation-Indexed Swap curve on the reporting date, using as weights the ratios of the amount paid and advanced for each maturity to the total amount to be paid and advanced up to the discharge of the population considered (with reference to all the Companies in Banco BPM Group).

Main actuarial assumptions used for measuring pension funds

Demographic assumptions

Employee mortality rate	IPS55 with Age-Shifting
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Financial assumptions

30/06/2024

31/12/2023

Yearly discount rate	weighted average of the rates in the Eur Composite AA curve depending on the duration of the plan ^(*)	
	from 3.61% to 3.15%	from 2.75% to 3.08%
Yearly inflation rate	weighted average of the rates in the European Zero-Coupon Inflation-Indexed Swap curve ^(**)	
	1.90%	1.90%

^(*) Weighted average of the rates of the Eur Composite AA curve on the reporting date, using as weights the ratios of the amount paid and advanced for each maturity to the total amount to be paid and advanced up to the discharge of the population considered.

^(**) Weighted average rate taken as the weighted average of the rates of the European Zero-Coupon-Inflation-Indexed Swap curve on the reporting date, using as weights the ratios of the amount paid and advanced for each maturity to the total amount to be paid and advanced up to the discharge of the population considered (with reference to all the Companies in Banco BPM Group).

Information on amounts, timing and uncertainties of cash flows

As required under IAS 19, a sensitivity analysis was performed for the obligations relative to provisions for employee severance pay and pension funds of the Parent Company Banco BPM, with the hypothesis of a 50 basis point increase or decrease in the discount rate and the inflation rate. The purpose of the analysis is to identify how much the liability would vary in relation to reasonably possible fluctuations in this actuarial assumption.

	Change in employee severance pay in absolute terms ^(*)	Change in employee severance pay in percentage terms
Change in actuarial assumption:		
- Discount rate:		
+0.5%	(5,209)	(2.67%)
-0.5%	5,448	2.79%
- Inflation rate:		
+0.5%	3,672	1.88%
-0.5%	(3,587)	(1.84%)

^(*) the amounts in parentheses indicate a decrease in the provision.

	Changes in defined benefit funds in absolute terms (*)	Changes in defined benefit funds in percentage terms
Change in actuarial assumption:		
- Discount rate:		
+0.5%	(2,181)	(2.76%)
-0.5%	2,268	2.87%
- Inflation rate:		
+0.5%	1,409	1.78%
-0.5%	(1,347)	(1.70%)

(*) the amounts in parentheses indicate a decrease in the provision.

Insurance liabilities - Item 110

As at 30 June 2025, insurance liabilities refer to the subsidiaries Banco BPM Vita, Vera Vita and BBPM Life for a total of 13,294.7 million (12,883.2 million as at 31 December 2024).

Insurance liabilities include insurance contracts issued that are assets and those that are liabilities, whose net balance, equal to 13,294,6 million, is recorded under the items:

- Liabilities 110 a) insurance contracts issued - liabilities for 13,294.7 million;
- Assets 80 a) insurance contracts issued - assets for 0.06 million.

As shown in the table below, almost all insurance liabilities recognised under Liabilities item "110 a) — insurance contracts issued - liabilities" are measured according to the "Variable Fee Approach". With reference to the classification of insurance contracts, for BBPM Vita, the scope of application of the VFA includes all contracts with the direct participation of the insured party (Segregated Funds), with the exception of Class III products represented by Unit Linked products, for which no significant insurance risk has been identified. On the other hand, for Vera Vita and BBPM Life, having identified a significant insurance risk on certain Unit Linked products and Open Pension Funds, they restated this part of the portfolio in the VFA model.

Insurance liabilities - breakdown by measurement model

Items/Components	Total 30/06/2025	Total 31/12/2024
VFA - Variable Fee Approach	13,283,287	12,873,996
GMM - General Measurement Model (Building Block Approach)	9,406	7,242
PAA - Premium Allocation Approach	1,963	1,963
Total	13,294,656	12,883,201

The tables below provide information on the trend in the first half of 2025 in the book value of insurance liabilities relating to insurance contracts issued, measured on the basis of the VFA model (the balance of which was 13,283.3 million as at 30 June, as shown in the table above), highlighting:

- liabilities for remaining coverage and for claims;
- the underlying elements, represented by the present value of cash flows, the adjustment for non-financial risks and the contractual service margin.

Details are not provided relating to contracts measured with the GMM - General Measurement Model (Building Block Approach) and PAA - Premium Allocation Approach methods, due to their low degree of relevance.

11.1 Trends in the book value of insurance contracts issued - GMM or VFA - liabilities for remaining coverage and for claims

11.1 a) Basis of aggregation 1 = Insurance contracts issued with direct participation features - Life business segment

Items/Liabilities	Liabilities for remaining coverage 30/06/2025		Liabilities for claims 30/06/2025	Total 30/06/2025	Liabilities for remaining coverage 31/12/2024		Liabilities for claims 31/12/2024	Total 31/12/2024
	Net of loss	Loss			Net of loss	Loss		
A. Opening book value								
1. Insurance contracts issued - liabilities	12,724,926	1,856	147,277	12,874,059	12,083,176	1,750	146,987	12,231,913
2. Insurance contracts issued - assets	(63)	-	-	(63)	(53)	-	-	(53)
3. Net book value as at 1 January	12,724,863	1,856	147,277	12,873,996	12,083,123	1,750	146,987	12,231,860
B. Insurance revenues	(88,744)	-	-	(88,744)	(180,604)	-	-	(180,604)
C. Costs for insurance services								
1. Claims and other directly attributable costs	2,261	-	47,570	49,831	4,127	-	99,807	103,934
2. Changes in liabilities for claims	-	-	284	284	-	-	1,196	1,196
3. Losses and related recoveries on onerous contracts	-	804	-	804	-	106	-	106
4. Amortisation of contract acquisition costs	2,699	-	-	2,699	7,267	-	-	7,267
5. Total	4,960	804	47,854	53,618	11,394	106	101,003	112,503
D. Profit (loss) on insurance services (B+C)	(83,784)	804	47,854	(35,126)	(169,210)	106	101,003	(68,101)
E. Net costs/revenues of a financial nature								
1. Relating to insurance contracts issued	214,690	-	-	214,690	653,885	-	-	653,885
1.1 Recorded in the income statement	178,066	-	-	178,066	540,433	-	-	540,433
1.2 Recorded in the statement of comprehensive income	36,624	-	-	36,624	113,452	-	-	113,452
2. Effects associated with changes in exchange rates	-	-	-	-	-	-	-	-
3. Total	214,690	-	-	214,690	653,885	-	-	653,885
F. Investment components	(1,033,569)	-	1,033,569	-	(2,317,852)	-	2,317,852	-
G. Total amount recorded in the income statement and the statement of comprehensive income (D+E+F)	(902,663)	804	1,081,423	179,564	(1,833,177)	106	2,418,855	585,784
H. Other changes	(2,478)	-	2,392	(86)	-	-	(25,122)	(25,122)
I. Cash movements								
1. Premiums received	1,341,889	-	-	1,341,889	2,595,127	-	-	2,595,127
2. Payments associated with contract acquisition costs	(12,983)	-	-	(12,983)	(29,719)	-	-	(29,719)
3. Claims paid and other cash outflows	(43,721)	-	(1,050,582)	(1,094,303)	(89,104)	-	(2,393,443)	(2,482,547)
4. Other movements	(4,790)	-	-	(4,790)	(1,387)	-	-	(1,387)
5. Total	1,280,395	-	(1,050,582)	229,813	2,474,917	-	(2,393,443)	81,474

Items/Liabilities	Liabilities for remaining coverage 30/06/2025		Liabilities for claims 30/06/2025		Total 30/06/2025		Liabilities for remaining coverage 31/12/2024		Liabilities for claims 31/12/2024		Total 31/12/2024	
	Net of loss	Loss					Net of loss	Loss				
L. Closing net book value (A.3+G+H+I.4)	13,100,117	2,660	180,510	180,510	13,283,287	13,283,287	12,724,863	1,856	147,277	147,277	12,873,996	12,873,996
M. Closing book value												
1. Insurance contracts issued - liabilities	13,100,180	2,660	180,510	180,510	13,283,350	13,283,350	12,724,926	1,856	147,277	147,277	12,874,059	12,874,059
2. Insurance contracts issued - assets	(63)	-	-	-	(63)	(63)	(63)	-	-	-	(63)	(63)
3. Closing net book value	13,100,117	2,660	180,510	180,510	13,283,287	13,283,287	12,724,863	1,856	147,277	147,277	12,873,996	12,873,996

The book value of liabilities for remaining coverage as at 30 June 2025 was 13,100.1 million (12,724.8 million as at 31 December 2024) and the change during the period is mainly attributable to higher inflows and net financial revenues. Lastly, the book value of liabilities for claims classified using the same model totalled 180.5 million as at 30 June 2025 (147.2 million as at 31 December 2024).

11.3 Trends in the book value of insurance contracts issued broken down by elements underlying the measurement

11.3 a) Basis of aggregation 1 = Insurance contracts issued with direct participation features - Life business segment

Items/Elements underlying measurement	Elements underlying the measurement of the book value of insurance contracts issued			Elements underlying the measurement of the book value of insurance contracts issued		
	Present value of cash flows	Adjustment for non-financial risks	Contractual service margin	Present value of cash flows	Adjustment for non-financial risks	Contractual service margin
	30/06/2025	30/06/2025	30/06/2025	31/12/2024	31/12/2024	31/12/2024
A. Opening book value						
1. Insurance contracts issued - liabilities	12,517,902	28,945	327,212	11,880,105	59,457	292,351
2. Insurance contracts issued - assets	(63)	-	-	(53)	-	-
3. Net book value as at 1 January	12,517,839	28,945	327,212	11,880,052	59,457	292,351
B. Changes relating to current services						
1. Contractual service margin recorded in the income statement	-	-	(39,099)	-	-	(68,408)
2. Change for past due non-financial risks	-	(2,688)	-	-	(9,896)	-
3. Changes related to experience	5,350	-	-	9,030	-	(129)
4. Total	5,350	(2,688)	(39,099)	9,030	(9,896)	(68,408)
C. Changes relating to future services						
1. Changes in the contractual service margin	27,180	20,627	(47,583)	206,314	(20,493)	(185,821)
2. Losses on groups of onerous contracts and related recoveries	775	30	-	805	-	-
3. Effects of contracts initially recognised in the reference year	(48,118)	1,207	46,910	(90,370)	1,816	88,554
4. Total	(20,163)	21,864	(673)	116,050	(18,677)	(97,267)
D. Changes relating to past services						
1. Adjustments to liabilities for claims	284	(1)	-	1,196	-	-
E. Profit (loss) on insurance services (B+C+D.1)	(14,529)	19,175	(39,772)	126,276	(28,573)	(165,804)
F. Costs/revenues of a financial nature						
1. Relating to insurance contracts issued	141,397	14	73,279	460,058	1,128	192,699
1.1 Recorded in the income statement	141,397	14	36,656	464,794	750	74,889
1.2 Recorded in the statement of comprehensive income	-	-	36,623	(4,736)	378	117,810
2. Effects associated with changes in exchange rates	-	-	-	-	-	-
3. Total	141,397	14	73,279	460,058	1,128	192,699
G. Total amount of changes recorded in the income statement and the statement of comprehensive income (E+F)	126,868	19,189	33,507	586,334	(27,445)	26,895
						585,784

Items/Elements underlying measurement	Elements underlying the measurement of the book value of insurance contracts issued				Elements underlying the measurement of the book value of insurance contracts issued			
	Present value of cash flows	Adjustment for non-financial risks	Contractual service margin	Total	Present value of cash flows	Adjustment for non-financial risks	Contractual service margin	Total
H. Other changes	(86)	-	-	(86)	(30,022)	(3,067)	7,966	(25,123)
I. Cash movements								
1. Premiums received	1,341,889	-	-	1,341,889	2,595,127	-	-	2,595,127
2. Payments associated with contract acquisition costs	(12,982)	-	-	(12,982)	(29,719)	-	-	(29,719)
3. Claims paid and other cash outflows	(1,094,304)	-	-	(1,094,304)	(2,482,546)	-	-	(2,482,546)
4. Other movements	(4,790)	-	-	(4,790)	(1,387)	-	-	(1,387)
5. Total	229,813	-	-	229,813	81,475	-	-	81,475
L. Closing net book value (A.3+G+H+I.5)	12,874,434	48,134	360,719	13,283,287	12,517,839	28,945	327,212	12,873,996
M. Closing book value								
1. Insurance contracts issued - liabilities	12,874,497	48,134	360,719	13,283,350	12,517,902	28,945	327,212	12,874,059
2. Insurance contracts issued - assets	(63)	-	-	(63)	(63)	-	-	(63)
3. Closing net book value	12,874,434	48,134	360,719	13,283,287	12,517,839	28,945	327,212	12,873,996

With reference to the present value of cash flows as at 30 June 2025, equal to 12,874.4 million (12,517.8 million as at 31 December 2024), the item includes liabilities for remaining coverage and for claims.

The adjustment for non-financial risks, on the other hand, is equal to 48.1 million, up compared to 31 December 2024, when it was 28.9 million.

Lastly, with reference to the contractual service margin, this amounted to 360.7 million as at 30 June 2025 (327.2 million as at 31 December 2024), up compared to the end of the previous year.

Group Equity - Items 120, 130, 140, 150, 160, 170 and 180

13.1 "Share capital" and "Own shares": breakdown

As at 30 June 2025, share capital was 7,100 million, consisting of 1,515,182,126 ordinary shares subscribed and fully paid up.

The "own shares" item is represented by 10,446,947 shares of the Parent Company, fully held by the same, for a book value of 50.5 million.

13.2 Share capital – Number of shares of the Parent Company: annual changes

Items/Types	Ordinary	Other
A. Outstanding shares at the beginning of the period	1,515,182,126	-
- fully paid-up	1,515,182,126	-
- not fully paid-up	-	-
A.1 Own shares (-)	(13,799,807)	-
A.2 Shares in issue: opening balances	1,501,382,319	-
B. Increases	3,352,860	-
B.1 New issues	-	-
- against payment:	-	-
- business combinations	-	-
- conversion of bonds	-	-
- exercise of warrants	-	-
- other	-	-
- free of charge:	-	-
- to employees	-	-
- to directors	-	-
- other	-	-
B.2 Sale of own shares	3,352,860	-
B.3 Other changes	-	-
C. Decreases	-	-
C.1 Cancellation	-	-
C.2 Purchase of own shares	-	-
C.3 Disposal of companies	-	-
C.4 Other changes	-	-
D. Shares in issue: closing balances	1,504,735,179	-
D.1 Own shares (+)	10,446,947	-
D.2 Outstanding shares at the end of the period	1,515,182,126	-
- fully paid-up	1,515,812,126	-
- not fully paid-up	-	-

Item B.2 includes shares assigned during the period to employees, implementing remuneration and incentive policies.

For further details, please refer to Part I of these Explanatory Notes.

Information relating to issues and purchases/sales of shares issued by the Bank

During the half year, there were no changes in the breakdown of the share capital.

Information relating to issues and purchases/sales of convertible bonds issued by the Bank

As at 30 June 2025, no convertible bond instruments issued by the bank were in circulation.

Equity instruments: breakdown

Equity instruments outstanding as at 30 June 2025 amounted to 1,787.3 million (1,608.8 million at the end of the previous year) and are represented by the following issues of Additional Tier 1 (AT 1) securities for an approximate nominal total of 1.8 billion:

- January 2021 issue for 400 million;
- April 2022 issue for 300 million;
- November 2023 issue for 300 million;
- July 2024 issue for 400 million;
- May 2025 issue for 400 million.

Also note that, in January, the Parent Company exercised the call, proceeding with the early redemption of the second issue of AT 1 securities, which took place in January 2020 for 400 million and was already subject to partial buyback in July 2024 for 179.5 million.

These were, in particular, subordinated instruments classified in Additional Tier 1 capital, under the terms of Regulation no. 575 of 2013 (CRR).

Such issues are classifiable as equity instruments under the terms of the accounting standard IAS 32. The price received from the issue, after deducting the directly-attributable transaction costs net of the tax effect was recognised in the item "140. Equity instruments".

In line with the nature of the instrument, during the year, they were recognised as a decrease of shareholders' equity (item "150. Reserves") the coupons paid for an amount of 59.0 million (42.8 million, net of the relative tax effect of 16.2 million).

For further details on the above-mentioned transactions, refer to the paragraph entitled "Other significant aspects relating to Group accounting policies" contained in "Part A - Accounting Policies" of these Explanatory Notes.

Valuation reserves: breakdown

The following table shows the breakdown of valuation reserves.

(thousands of euro)	30/06/2025	31/12/2024
Financial assets measured at fair value through other comprehensive income	(141,808)	(441,283)
Property, plant and equipment	351,969	351,782
Foreign investment hedges	(1,695)	(1,823)
Cash flow hedges	(5,294)	(663)
Exchange rate differences	12,223	11,976
Financial liabilities designated at fair value through profit and loss (changes to its own credit risk)	(53,563)	(46,559)
Actuarial gains/(losses) on defined benefit pension plans	(57,302)	(59,022)
Share of valuation reserves related to interests in associates and joint ventures carried at equity	(3,402)	16,806
Revenues or costs of a financial nature relating to insurance contracts issued	(67,289)	(19,627)
Total	33,839	(188,413)

As regards financial assets measured at fair value through other comprehensive income of the banking Group, the reserves resulting from the fair value measurement of debt securities totalled a negative 335.4 million euro as at 30 June 2025, net of taxes, with -345.2 million euro referring to government securities (-2.2 million euro relating to Italian government securities and -343.0 million euro to securities of other countries).

Reserves: other information

Group Reserves recognised under item 150 of the Balance sheet liabilities amount to a total of 5,173.0 million, classified as follows:

- profit reserves of 4,590.7 million;
- other reserves of 582.3 million.

Please refer to the Statement of Changes in Consolidated Shareholders' Equity for information on the evolution of the Reserves during the first half of 2025.

Lastly, note that the Parent Company has a "Legal Reserve" within its own capital reserves, established in accordance with the provisions of Art. 2430 of the Italian Civil Code, that corresponds to one fifth of share capital, and amounts to 1,420.0 million.

PART C – INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

Interest – Items 10 and 20

1.1 Interest and similar income: breakdown

Items/Technical forms	Debt securities	Loans	Other transactions	Total I half 2025	Total I half 2024
1. Financial assets at fair value through profit and loss:	40,258	69,815	-	110,073	26,372
1.1 Financial assets held for trading	35,020	63,983	-	99,003	18,823
1.2 Financial assets designated at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	5,238	5,832	-	11,070	7,549
2. Financial assets measured at fair value through other comprehensive income	315,081	-	X	315,081	254,596
3. Financial assets at amortised cost:	421,581	1,989,721	-	2,411,302	3,173,482
3.1 Loans to banks	43,718	160,543	X	204,261	486,632
3.2 Loans to customers	377,863	1,829,178	X	2,207,041	2,686,850
4. Hedging derivatives	X	X	70,936	70,936	268,963
5. Other assets	X	X	123,566	123,566	65,808
6. Financial liabilities	X	X	X	2	10
Total	776,920	2,059,536	194,502	3,030,960	3,789,231
of which: interest income on impaired financial assets	7,567	39,753	-	47,320	60,035
of which: interest income on finance leases	X	7,110	X	7,110	11,890

1.3 Interest and similar expense: breakdown

Items/Technical forms	Payables	Securities	Other transactions	Total I half 2025	Total I half 2024
1. Financial liabilities at amortised cost	(497,231)	(386,027)		(883,258)	(1,290,136)
1.1 Due to central banks	(32,980)	X	X	(32,980)	(211,199)
1.2 Due to banks	(124,699)	X	X	(124,699)	(172,409)
1.3 Due to customers	(339,552)	X	X	(339,552)	(594,288)
1.4 Debt securities in issue	X	(386,027)	X	(386,027)	(312,240)
2. Financial liabilities held for trading	(306,491)	-	-	(306,491)	(373,497)
3. Financial liabilities designated at fair value	-	(22,171)	-	(22,171)	(10,146)
4. Other liabilities and provisions	X	X	(5,440)	(5,440)	(228)
5. Hedging derivatives	X	X	(69,525)	(69,525)	(256,986)
6. Financial assets	X	X	X	(4)	-
Total	(803,722)	(408,198)	(74,965)	(1,286,889)	(1,930,993)
of which: interest expense relating to lease payables	(5,616)	X	X	(5,616)	(4,637)

Item "1.1 Due to Central Banks" refers for 2.2 million to interest on loans in dollars and 30.8 million to MRO/TLTRO transactions (as at 30 June 2024, the balance of 211.2 million was related to interest for the period, negative, relating to the TLTRO III loan transactions with the ECB, which were fully repaid at the end of 2024).

Fees and commissions – Items 40 and 50

2.1 Fee and commission income: breakdown

Service type/Amounts	Total I half 2025	Total I half 2024
a) Financial instruments	118,413	76,286
1. Placement of securities	44,267	9,839
1.1 With underwriting commitments and/or on the basis of an irrevocable commitment	9,692	-
1.2 Without irrevocable commitment	34,575	9,839
2. Receipt and transmission of orders and execution of orders for customers	53,915	49,411
2.1 Receipt and transmission of orders for one or more financial instruments	39,807	35,213
2.2 Execution of orders for customers	14,108	14,198
3. Other fees and commissions relating to activities associated with financial instruments	20,231	17,036
of which: own account trading	-	-
of which: individual portfolio management	17,053	14,325
b) Corporate Finance	2,453	3,488
1. Merger and acquisition advisory services	2,105	2,636
2. Treasury services	348	852
3. Other fees and commissions with corporate finance services	-	-
c) Investment advisory activities	3,074	2,081
d) Offsetting and settlement	-	-
e) Collective portfolio management	339,123	-
f) Custody and administration	7,916	6,858
1. Custodian bank	-	-
2. Other fees and commissions related to custody and administration activities	7,916	6,858
g) Central administrative services for collective portfolio management	-	-
h) Trust activities	799	841
i) Payment services	202,806	272,189
1. Current accounts	112,693	113,993
2. Credit cards	88	12,451
3. Debit cards and other payment cards	89	46,947
4. Bank transfers and other payment orders	89,459	96,398
5. Other fees and commissions relating to payment services	477	2,400
j) Distribution of third party services	338,633	354,006
1. Collective portfolio management	171,586	255,897
2. Insurance products	74,477	47,848
3. Other products	92,570	50,261
of which: individual portfolio management	348	659
k) Structured finance	150	315
l) Servicing for securitisation transactions	-	-
m) Commitments to disburse funds	-	-
n) Financial guarantees given	52,283	46,302
of which: credit derivatives	-	-
o) Financing operations	127,212	134,801
of which: for factoring transactions	-	3,470
p) Foreign currency trading	1,921	1,880
q) Commodities	-	-
r) Other fee and commission income	161,462	165,973
of which: for management of multilateral trading facilities	-	-
of which: for management of organised trading facilities	-	-
Total	1,356,245	1,065,020

2.2 Fee and commission expense: breakdown

Type of services/Amounts	Total I half 2025	Total I half 2024
a) Financial instruments	(9,535)	(4,602)
of which: financial instrument trading	(7,983)	(3,660)
of which: placement of financial instruments	(1,334)	(942)
of which: individual portfolio management	(217)	-
- Own	(217)	-
- Delegated to third parties	-	-
b) Offsetting and settlement	(1,971)	(1,842)
c) Collective portfolio management	(136,627)	-
1. Own	(136,733)	-
2. Delegated to third parties	-	-
d) Custody and administration	(8,044)	(6,995)
e) Collection and payment services	(4,885)	(30,139)
of which: credit cards, debit cards and other payment cards	-	(25,189)
f) Servicing for securitisation transactions	-	-
g) Commitments to receive funds	-	-
h) Financial guarantees received	(55,845)	(45,111)
of which: credit derivatives	-	-
i) Off-site offer of financial instruments, products and services	(2,267)	(2,756)
j) Foreign currency trading	(8)	(1)
k) Other fee and commission expense	(14,924)	(14,505)
Total	(234,106)	(105,951)

The balances of fee and commission income, period on period, are not fully comparable as, starting from the second quarter of 2025, they include the contribution of Anima Holding and its subsidiaries.

For details on the business combination involving the aforementioned companies, please refer to Part "G – Business combinations regarding companies or divisions" in these Explanatory Notes.

Net trading income – Item 80

4.1 Net trading income: breakdown

Transactions/Income components	Capital gains (A)	Trading income (B)	Capital losses (C)	Trading losses (D)	Net result [(A+B) - (C+D)]
1. Financial assets held for trading	57,446	99,487	(20,897)	(73,957)	62,079
1.1 Debt securities	14,293	35,670	(3,597)	(20,156)	26,210
1.2 Equity instruments	42,466	62,807	(17,064)	(53,500)	34,709
1.3 UCIT units	406	433	(175)	(208)	456
1.4 Loans	281	-	(61)	-	220
1.5 Other	-	577	-	(93)	484
2. Financial liabilities held for trading	3,768	21,305	(26,366)	(35,387)	(36,680)
2.1 Debt securities	-	-	-	-	-
2.2 Payables	719	20,601	(4,362)	(24,290)	(7,332)
2.3 Other	3,049	704	(22,004)	(11,097)	(29,348)
3. Financial assets and liabilities: exchange rate differences	X	X	X	X	(113,105)
4. Derivative instruments	419,640	1,658,622	(242,753)	(1,613,100)	312,111
4.1 Financial derivatives:	419,640	1,655,834	(241,500)	(1,610,012)	313,664
- On debt securities and interest rates	111,479	819,835	(34,885)	(811,194)	85,235
- On equity instruments and share indices	307,465	586,869	(205,848)	(550,042)	138,444
- On currencies and gold	X	X	X	X	89,702
- Other	696	249,130	(767)	(248,776)	283
4.2 Credit derivatives	-	2,788	(1,253)	(3,088)	(1,553)
of which: natural hedges connected with the fair value option	X	X	X	X	-
Total	480,854	1,779,414	(290,016)	(1,722,444)	224,405

Fair value gains/losses on hedging derivatives – Item 90

5.1 Fair value gains/losses on hedging derivatives: breakdown

Income components/Amounts	Total I half 2025	Total I half 2024
A. Income relating to:		
A.1 Fair value hedging derivatives	167,392	506,228
A.2 Hedged financial assets (fair value)	1,112,749	560,992
A.3 Hedged financial liabilities (fair value)	46,580	234,854
A.4 Cash flow hedging derivatives	12,718	-
A.5 Assets and liabilities in foreign currency	-	-
Total gains on hedging derivatives (A)	1,339,439	1,302,074
B. Charges relating to:		
B.1 Fair value hedging derivatives	(140,366)	(106,301)
B.2 Hedged financial assets (fair value)	(1,070,886)	(1,062,445)
B.3 Hedged financial liabilities (fair value)	(114,888)	(79,988)
B.4 Cash flow hedging derivatives	(2,399)	(56,819)
B.5 Assets and liabilities in foreign currency	-	(1,269)
Total losses on hedging derivatives (B)	(1,328,539)	(1,306,822)
C. Fair value gains/losses on hedging derivatives (A - B)	10,900	(4,748)
of which: gains/losses of hedging on net positions	-	-

Gains (losses) on disposal/repurchase – Item 100

6.1 Gains (losses) on disposal/repurchase: breakdown

Items/Income components	Total I half 2025			Total I half 2024		
	Gains	Losses	Net result	Gains	Losses	Net result
Financial assets						
1. Financial assets at amortised cost	107,011	(41,621)	65,390	44,554	(50,091)	(5,537)
1.1 Loans to banks	1,804	(805)	999	2,597	(2,176)	421
1.2 Loans to customers	105,207	(40,816)	64,391	41,957	(47,915)	(5,958)
2. Financial assets measured at fair value through other comprehensive income	9,367	(107,162)	(97,795)	34,707	(20,404)	14,303
2.1 Debt securities	9,367	(107,162)	(97,795)	34,698	(20,404)	14,294
2.2 Loans	-	-	-	9	-	9
Total assets (A)	116,378	(148,783)	(32,405)	79,261	(70,495)	8,766
Financial liabilities at amortised cost	-	-	-	-	-	-
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Debt securities in issue	4,748	(226)	4,522	2,032	(211)	1,821
Total liabilities (B)	4,748	(226)	4,522	2,032	(211)	1,821

The result shown under item "1.1 Loans to banks" relates essentially to debt securities.

The result shown under item "1.2 Loans to customers" essentially includes profits and losses deriving from transactions on debt securities for approximately 64.8 million relating to the sale of HTC securities in the half year.

After deducting this component, the net result of the aforementioned item is impacted by the sale of receivables for a net loss of 0.4 million (of which 38.4 million in losses and 38.0 million in profits)

For further details on the disposal of HTC securities, refer to the paragraph entitled "Other significant aspects relating to Group accounting policies" contained in Part A - "Accounting Policies" of these Explanatory Notes.

Net gains (losses) from other financial assets and liabilities measured at fair value through profit and loss – Item 110

7.1 Net change in value of other financial assets and liabilities measured at fair value through profit and loss: breakdown of financial assets and liabilities designated at fair value

Transactions/Income components	Capital gains (A)	Gains on disposal (B)	Capital losses (C)	Losses on disposal (D)	Net result [(A+B) - (C+D)]
1. Financial assets	-	-	(2,270)	-	(2,270)
1.1 Debt securities	-	-	(2,270)	-	(2,270)
1.2 Loans	-	-	-	-	-
2. Financial liabilities	79,524	5,399	(109,604)	(80,449)	(105,130)
2.1 Debt securities in issue	72,452	5,399	(109,604)	(80,449)	(112,202)
2.2 Due to banks	-	-	-	-	-
2.3 Due to customers	7,072	-	-	-	7,072
3. Financial assets and liabilities in foreign currency: exchange rate differences	X	X	X	X	-
Total	79,524	5,399	(111,874)	(80,449)	(107,400)

7.2 Net change in value of other financial assets and liabilities measured at fair value through profit and loss: breakdown of other financial assets mandatorily measured at fair value

Transactions/Income components	Capital gains (A)	Gains on disposal (B)	Capital losses (C)	Losses on disposal (D)	Net result [(A+B) - (C+D)]
1. Financial assets	150,704	34,278	(158,836)	(53,880)	(27,734)
1.1 Debt securities	8,735	3,657	(780)	(2)	11,610
1.2 Equity instruments	8,039	5,289	(1,493)	(1)	11,834
1.3 UCIT units	130,351	25,332	(97,994)	(53,875)	3,814
1.4 Loans	3,579	-	(58,569)	(2)	(54,992)
2. Financial assets in foreign currency: exchange rate differences	X	X	X	X	(6,483)
Total	150,704	34,278	(158,836)	(53,880)	(34,217)

Net credit impairment losses/recoveries – Item 130

8.1 Net credit impairment losses related to financial assets at amortised cost: breakdown

Transactions/ income components	Impairment losses (1)						Recoveries (2)					
	Stage 1	Stage 2	Stage 3		Acquired or originated impaired		Stage 1	Stage 2	Stage 3	Acquired or originated impaired	Total I half 2025	Total I half 2024
			Write-offs	Other	Write-offs	Other						
A. Loans to banks	(553)	(156)	-	-	-	-	269	3	-	-	(437)	(702)
- Loans	(4)	(111)	-	-	-	-	51	-	-	-	(64)	(932)
- Debt securities	(549)	(45)	-	-	-	-	218	3	-	-	(373)	230
B. Loans to customers	(3,149)	(9,536)	(19,825)	(400,248)	-	-	6,199	3,139	262,991	-	(160,429)	(188,462)
- Loans	(2,413)	(8,782)	(19,825)	(400,248)	-	-	1,839	2,742	262,991	-	(163,696)	(187,568)
- Debt securities	(736)	(754)	-	-	-	-	4,360	397	-	-	3,267	(894)
Total	(3,702)	(9,692)	(19,825)	(400,248)	-	-	6,468	3,142	262,991	-	(160,866)	(189,164)

8.2 Net credit impairment losses relating to financial assets measured at fair value through other comprehensive income: breakdown

Transactions/ Income components	Impairment losses (1)						Recoveries (2)				Total I half 2025	Total I half 2024
	Stage 1	Stage 2	Stage 3		Acquired or originated impaired		Stage 1	Stage 2	Stage 3	Acquired or originated impaired		
			Write- offs	Other	Write- offs	Other						
A. Debt securities	(1,934)	(392)	-	-	-	-	440	208	-	-	(1,678)	(1,424)
B. Loans	-	-	-	-	-	-	-	-	-	-	-	-
- To customers	-	-	-	-	-	-	-	-	-	-	-	-
- To banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	(1,934)	(392)	-	-	-	-	440	208	-	-	(1,678)	(1,424)

Profit (loss) on insurance services - Item 160

Insurance revenues and costs as at 30 June 2025 deriving from the insurance contracts issued, broken down by basis of aggregation, are shown below.

Insurance revenues and costs deriving from insurance contracts issued, shown in detail in the table below, are recorded in the Income Statement items:

- 160 a) insurance revenues deriving from insurance contracts issued for +94.1 million (75.2 million as at 30 June 2024);
- 160 b) costs for insurance services deriving from insurance contracts issued for -54.0 million (-78.9 million as at 30 June 2024).

10.1 Insurance revenues and costs deriving from insurance contracts issued: breakdown

Items/Basis of aggregation	Basis A1 30/06/2025	Basis A2 30/06/2025	Basis A3 30/06/2025	Basis A4 30/06/2025	Basis A5 30/06/2025	Total 30/06/2025	Basis A1 30/06/2024	Basis A2 30/06/2024	Basis A3 30/06/2024	Basis A4 30/06/2024	Basis A5 30/06/2024	Total 30/06/2024
A. Insurance revenues deriving from insurance contracts issued valued on the basis of GMM and VFA												
A.1 Amounts associated with changes in liabilities for remaining coverage	86,046	3,722	-	-	-	89,768	67,290	3,895	-	-	-	71,185
1. Claims and other expected costs for insurance services	47,345	2,949	-	-	-	50,294	680,265	3,136	-	-	-	683,401
2. Changes in the adjustment for non-financial risks	2,689	75	-	-	-	2,764	4,900	160	-	-	-	5,060
3. Contractual service margin recorded in the income statement for services provided	39,100	825	-	-	-	39,925	23,195	709	-	-	-	23,904
4. Other amounts	(3,088)	(127)	-	-	-	(3,215)	(641,070)	(110)	-	-	-	(641,180)
A.2 Insurance contract acquisition cost recoveries	2,699	-	-	-	-	2,699	2,954	-	-	-	-	2,954
A.3 Total insurance revenues deriving from insurance contracts issued valued on the basis of GMM or VFA (A.1 + A.2)												
A.4 Total insurance revenues deriving from insurance contracts issued valued on the basis of PAA	88,745	3,722	-	-	-	92,467	70,244	3,895	-	-	-	74,139
- Life business segment	X	X	X	X	X	-	X	X	X	X	X	-
- Non-Life business segment - motor	X	X	X	X	X	-	X	X	X	X	X	-
- Non-Life business segment - non-motor	X	X	X	X	X	1,631	X	X	X	X	X	1,885
A.5 Total insurance revenues deriving from insurance contracts issued (A.3 + A.4)	88,745	3,722	-	-	-	94,098	70,244	3,895	-	-	-	76,024
B. Costs for insurance services deriving from insurance contracts issued - GMM or VFA												
1. Claims and other directly attributable costs	(46,353)	(2,322)	-	-	-	(48,675)	(53,184)	(4,326)	-	-	-	(57,510)
2. Changes in liabilities for claims	(285)	(96)	-	-	-	(381)	(1,160)	1,000	-	-	-	(160)
3. Losses on onerous contracts and recoveries of such losses	(804)	(4)	-	-	-	(808)	(17,653)	(25)	-	-	-	(17,678)
4. Amortisation of insurance contract acquisition costs	(2,196)	-	-	-	-	(2,196)	(2,958)	-	-	-	-	(2,958)
5. Other amounts	(415)	-	-	-	-	(415)	-	-	-	-	-	-
B.6 Total costs for insurance services deriving from insurance contracts issued - GMM or VFA	(50,053)	(2,422)	-	-	-	(52,475)	(74,955)	(3,351)	-	-	-	(78,306)
B.7 Total costs for insurance services deriving from insurance contracts issued valued on the basis of PAA												
- Life business segment	X	X	X	X	X	-	X	X	X	X	X	-
- Non-Life business segment - motor	X	X	X	X	X	-	X	X	X	X	X	-
- Non-Life business segment - non-motor	X	X	X	X	X	(1,551)	X	X	X	X	X	(1,388)
B.8 Total costs for insurance services deriving from insurance contracts issued (B.6 + B.7)	(50,053)	(2,422)	-	-	-	(54,026)	(74,955)	(3,351)	-	-	-	(79,694)
C. Total net revenues/costs deriving from insurance contracts issued (+/-) (A.5 + B.8)	38,692	1,300	-	-	-	40,072	(4,711)	544	-	-	-	(3,670)

Basis A1 = Basis of aggregation referring to insurance contracts issued with direct participation features - Life business segment
Basis A2 = Basis of aggregation referring to insurance contracts issued without direct participation features - Life business segment

Balance of revenues and costs of a financial nature relating to insurance activities - Item 170

The balance of financial revenues and costs relating to insurance activities in the first half of 2025, recorded under Income Statement item 170 a), was a negative 178.2 million (266.3 million as at 30 June 2024).

The financial result as at 30 June 2025 relating to insurance contracts issued, broken down by basis of aggregation, is shown below.

11.1 Net costs and revenues of a financial nature relating to insurance contracts issued

Items/Basis of aggregation	Basis A1		Basis A2		Basis A3		Total		Basis A1		Basis A2		Basis A3		Total	
	I half 2025	I half 2024	I half 2025	I half 2024	I half 2025	I half 2024	I half 2025	I half 2024	I half 2025	I half 2024	I half 2025	I half 2024	I half 2025	I half 2024	I half 2025	I half 2024
1. Interest accrued	-	-	-	-	-	-	-	-	(1,073)	-	-	-	-	-	(1,073)	-
2. Effects of changes in interest rates and other financial assumptions	-	-	(2)	-	-	-	(2)	-	-	-	-	-	-	-	-	-
3. Changes in fair value of assets underlying contracts valued on the basis of VFA	(178,067)	-	-	-	-	-	(178,067)	(265,170)	-	-	-	-	-	-	(265,170)	-
4. Effects of changes in exchange rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Other	-	-	(32)	-	(66)	-	(98)	(7)	-	-	(7)	-	(10)	-	(17)	-
6. Total revenues/costs of a financial nature relating to insurance contracts issued recorded in account	(178,067)	(34)	(66)	(66)	(178,167)	(266,243)	(7)	(10)	(266,260)	(266,260)	(266,260)	(266,260)	(266,260)	(266,260)	(266,260)	(266,260)

Basis A1 = Basis of aggregation referring to insurance contracts issued with direct participation features - Life business segment
Basis A2 = Basis of aggregation referring to insurance contracts issued without direct participation features - Life business segment
Basis A4 = Basis of aggregation referring to insurance contracts issued without direct participation features - Non-Life Non-Motor business segment

Other operating expenses/income – Item 230

16.1 Other operating expenses: breakdown

	Total I half 2025	Total I half 2024
Expenses on leased assets	(9,789)	(11,467)
Other	(32,556)	(16,448)
Total	(42,345)	(27,915)

16.2 Other operating income: breakdown

	Total I half 2025	Total I half 2024
Income on current accounts and loans	3,013	3,171
Tax recoveries	148,656	138,734
Expense recoveries	13,513	9,128
Rental income on real estate	11,611	17,204
Other	13,203	27,072
Total	189,996	195,309

Gains (losses) of associates and joint ventures – Item 250

The item as at 30 June 2025 amounted to 269.0 million (69.9 million as at 30 June 2024) and includes the effect of the revaluation of the stake (21.973%), held in Anima Holding before the tender offer, as part of the *Purchase Price Allocation*, equal to 205.6 million. For more details, please refer to "Part G – Business combinations regarding companies or divisions".

Gains (losses) on disposal of investments – Item 280

During the half year, gains from the sale of property, plant and equipment of 1.2 million were recorded; in the same period of the previous year, losses of 1.0 million were recognised.

Earnings per Share

	30/06/2025		30/06/2024	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average of ordinary shares (number)	1,503,172,265	1,503,172,265	1,507,561,235	1,507,561,235
Attributable profit (loss) (thousands of euro)	1,214,465	1,214,465	749,125	749,125
EPS (euro)	0.808	0.808	0.497	0.497

Please note that, as at 30 June 2025, the Basic EPS matched the Diluted EPS given that there were no financial instruments with potential dilution effects.

PART E - INFORMATION ON RISKS AND RELATED HEDGING POLICIES

Introduction

This Part E provides information on the Group's risk profiles, relating to the management and hedging policies for (credit, market, liquidity and operational) risks implemented by the Group, including those relating to operations in derivative financial instruments and insurance companies.

Risk profile and risk management and measurement systems

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

The framework comprises the following basic elements:

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

The RAF is the tool that makes it possible to establish, formalise, communicate, approve and monitor the risk objectives that the Group and the individual relevant Legal Entities intend to assume. To this end, it is divided into thresholds and risk areas that make it possible to identify in advance the levels and types of risk that the Group intends to assume, stating the roles and responsibilities of the Corporate bodies and functions involved in the process of managing these risks.

The RAF indicators are structured by risk area and make use of the Risk Identification process, taking into account regulatory indications regarding Risk Governance. All significant risks identified during the process are considered when defining the Risk Appetite Framework, and specific indicators are identified for monitoring purposes.

The Group's RAF perimeter made it possible to identify a set of indicators divided into the main risk areas: Capital adequacy, Credit/asset quality & structure, Liquidity/funding & IRRBB, Profitability, Operational/conduct/ICT, cyber, ESG-specific and Other relevant topics.

With regard to the perimeter and risk areas, in 2025 a specific ESG area was introduced referring to ESG indicators linked to the Strategic Plan guidelines and Net Zero Banking Alliance (NZBA) objectives not already attributable to other RAF areas.

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

- Strategic Indicators: a limited and comprehensive number of metrics, which express the risk appetite approved by the Board of Directors and represent the summary performance of the overall risk profile. These indicators, which include most of the indicators used to define the RAF Guidelines, are functional to the definition of the Budget and Business Plan objectives;
- Operational Indicators: metrics that integrate, breaking down the strategic indicators and anticipating the evolution of the risk profile. These metrics enable specific aspects of the main business processes to be encompassed and are usually monitored with greater frequency with respect to the strategic indicators, in line with their task of anticipating critical situations;
- Early Warning Indicators: metrics used for the implementation of strategies and/or predicting signs of deterioration of the strategic and operational indicators.

The system of thresholds is structured as follows:

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

The RAF is updated at least once a year, also in the event of changes in the internal and external conditions in which the Group operates.

From an operating perspective, ex-ante risk management activities are also found in the process to manage the Most Significant Transactions - MST (relating to credit, finance, disposal of loans, etc.), which primarily involve the Risk Function, which must express a prior and non-binding opinion on all transactions categorised as such based on criteria established and regulated internally. In the credit area, the scope of application of the ex-ante opinions of the Risk Function envisages the issue of a prior opinion also for Transactions defined as Significant (ST), allowing the preventive assessment of a significantly higher number of loan transactions, both in the disbursement phase - with reference also to the SME portfolio - and in the phase of classification from higher to lower risk, and vice versa. The scope of the MSTs was expanded during the first half of 2025, including assessments relating to additional transactions that are particularly relevant for the management of reputational and operational risks; in addition, starting from the second quarter of the year, the Risk function expanded the assessments in the area of Leveraged Transactions on credit proposals that provide for the increase, modification or renewal of operating credit lines not already included among the transactions qualified as MST/ST.

The Banco BPM Group promotes the dissemination of a solid risk culture.

In light of the evolution of risks, the regulatory framework and the tools adopted to monitor them, training programmes are activated to support the Group's main projects and the development and updating of personnel skills and/or specific targets.

Every year, in collaboration with the competent Control Functions and Central Structures, the Academy prepares Training Plans on the Administrative Liability of Entities, Privacy-GDPR, Transparency, IVASS, Mifid2 and Anti-Money Laundering, in addition to Physical Security and Cybersecurity.

During the first half of 2025, courses were published on the prevention and governance of the risk of crime (Italian Legislative Decree 231/01), on the attention to be paid to the processing of personal data (Privacy-GDPR) and on ICT risk scenarios and security in the BBPM Banking Group.

With regard to Italian Legislative Decree 231, the training programme on Whistleblowing is continuing to help understand the value of the tool for the person and for the company, and increasingly promoting cultural evolution in terms of risk management and prevention. The programme involved the Branch Managers and will be progressively extended to the entire company population.

As further reinforcement of the risk culture, an initiative began at the end of March dedicated to Middle Management to improve their knowledge and understanding of the RAF and its implications on the Group's operations. Management training activities were also launched to encourage listening and open communication and promote continuous improvement.

With regard to investment services, Banco BPM is continuing with its commitment to guaranteeing transparent and qualified relations with customers and promoting quality of service and the adoption of conduct consistent with investor protection. From this perspective, the courses on the rules governing inducement and good operating normal practice in financial consulting are worth mentioning. A further area of focus was assessing the potential negative effects of some investment decisions on sustainability factors.

The Corporate, Large Corporate and Third-Sector Entities structures were involved in updating activities on the regulatory changes introduced by Basel 3 Final and their impacts on RWA calculation and monitoring. In the ESG

area, in-depth training activities were also provided on SLL - Sustainability Linked Loan products, addressed to the Commercial Network.

Lastly, the launch of de-anonymised simulated phishing campaigns should be noted, followed by training activities dedicated to specific targets, based on the results of the tests.

Monitoring and reporting activities

The risk monitoring and control activities performed by the Risk Function seek to ensure, at Group and individual Legal Entity level, the harmonised supervision of risks, by guaranteeing appropriate and timely information to the Corporate Bodies and Organisational Units involved in managing said risks, as well as ensuring the development and continuous improvement of the methods and models adopted for their measurement.

To this end, the Parent Company prepares periodic reports for the Corporate Bodies in line with the Group's internal policies. As part of integrated risk reporting prepared at Group and individual Legal Entity level, the Risk Function analyses the main risks to which the Group and the individual Legal Entities are exposed, and conducts a periodic assessment of the risk profile of the RAF indicators on the basis of the indicator's positioning with respect to the thresholds defined in the framework and/or the trend recorded, highlighting any areas for attention and improvement, for which specific analyses are provided which explain the relative trend. It should be noted that, at Insurance Company level, monitoring is carried out directly by the Company's Risk Function; the Parent Company's Risk Function integrates this information in its periodic reporting, in order to provide complete information on the Group's performance.

Positioning analyses (benchmarks) provide the Corporate Bodies of the Parent Company and top management with an at least six-monthly update on the Group's positioning, representing different comparisons on the main indicators with respect to the banking system identified by the EBA Risk Dashboard, or a significant European sample comparable with Banco BPM Group, making use of the main findings and the risk metrics reported in the EBA Risk Dashboards, ECB Supervisory Banking Statistics and in the information contained in the Market Disclosure (Pillar 3) documents, therefore enabling any opportunities for improving risk management to be identified.

In order to provide a dashboard that provides an overview on the evolution of the positioning of the Group and the reference samples (EBA Italy and Europe), an overall score is also calculated based on the main 10 risk indicators of the EBA heatmap and the relative reference thresholds (indicated by the Authority in the Risk Dashboards). In the insurance sector, positioning analyses consider the main solvency metrics posted in the Solvency and Financial Condition Reports (SFCR) published annually by insurance companies and groups, in line with Pillar 3 of the Solvency II regime, as well as the data in the Quantitative Reporting Templates (QRTs), produced by the companies and available on the ANIA InfoQRT portal.

A verification of current and forward-looking capital adequacy, both from a Pillar I (regulatory) perspective and from a Pillar II (economic) perspective, in accordance with the provisions of the ECB ICAAP Guidelines, is also reported periodically to the Committees and Corporate Bodies.

Pillar I and Pillar II capital adequacy

To provide its management team and the Supervisory Authority with a complete and informed disclosure, which confirms the adequacy of its own funds, the first defence against the risks assumed, Banco BPM Group assesses its capital situation from a current and future perspective, both as regards Pillar I and Pillar II, based on Basel III rules (which are applied through CRR/CRD IV) and the specific guidelines that the banks receive from the Supervisory Authority.

As regards Pillar I, the Group's capital adequacy entails continuously monitoring and managing the capital ratios, calculated on the basis of the information provided by the Administration and Budget Function through the application of the rules established by Supervisory Regulations, in order to verify compliance with regulatory limits and to ensure that the minimum capitalisation levels required are maintained.

As regards Pillar II, the Risk Function is tasked with coordinating the internal process to determine the Group's capital adequacy, in accordance with regulatory provisions, and with making estimates, reported to the Corporate Bodies and included annually in the ICAAP (Internal Capital Adequacy Assessment Process) package submitted to the Supervisory Authorities.

Within ICAAP, capital adequacy is assessed by verifying compliance with both Pillar I and Pillar II capital constraints (capital reserve calculated as the ratio between Available Financial Resources (AFR) and capital requirements - Economic Capital (ECAP), calculated using advanced methods developed internally and validated by the competent corporate function), using the Risk Appetite Framework, as well as qualitative elements.

The capital adequacy assessment, reported formally each year for supervisory purposes, is updated every six months, in compliance with external legislation and regulations (EBA SREP guidelines, ECB ICAAP guidelines) and internal reference regulations.

Such activity guarantees the continuous performance of the autonomous assessment process required by the Supervisory Authority, enabling any vulnerable areas and/or elements relating to the Group to be identified, and at the same time defining the potential actions deemed most appropriate, with a view to maintaining adequate capital buffers to guarantee that the medium/long-term company strategies and objectives can be pursued. The main results emerging from this specific monitoring exercise are periodically reported to the Bank's Corporate Bodies.

Outcomes of internal validation activities

The Internal Validation Function conducts qualitative and quantitative analyses to assess the soundness and accuracy of Pillar I and Pillar II risk estimates.

It expresses an opinion on the regular functioning, on the predictive capacity, on the performance and on the prudence of the internal risk measurement methods.

From the analyses conducted during the first half of 2025, no significant gaps emerged in the methodologies used by the Group for risk measurement.

Other risks considered by the Group

The process of identifying risks (Risk Identification) represents the starting point for the Group's main strategic processes (RAF, ICAAP, Strategic Plan, Recovery Plan). This represents a structured and dynamic process that is carried out annually at Group level by the Risk Function, with the involvement of top management and business and control functions, including the main Group companies, and makes it possible to identify the main risk factors and emerging risks to which it is or could be exposed. The output of the process takes the form of the preparation and/or updating of:

- Long-list: represents the list of potential risks and risk factors to which the Financial Conglomerate is or may be exposed;
- Risk Inventory: represents the list of major risks to which the Financial Conglomerate is or could be exposed, including those that can be quantified and those managed through organisational controls;
- Risk Map: represents the list of only the major risks for the Financial Conglomerate, quantified through internal models or quantifiable with other regulatory measures.

The outcome of the process represents the basis for defining the RAF indicators and the risks to be measured as part of the ICAAP process. For ILAAP purposes, the risk factors underlying liquidity and funding risk are outlined through a materiality analysis, assessing them with respect to criteria defined internally through the use of consistent metrics and time frames. This materiality analysis is carried out at least once a year for ILAAP purposes and, if necessary, as support for the above-mentioned Risk Identification analysis.

The Parent Company, Banco BPM, guarantees the measurement, monitoring and management of the capital requirements for each type of significant risk and guarantees the supervision and quantification of the capital resources available to the Group to cover risk exposure, in order to fulfil the regulatory obligations of the First and Second Pillar. More specifically, the centralised management of Group capital adequacy, which entails a comparison between the amount of available capital resources and the capital requirements resulting from the risks to which the Group is exposed, from a current and forward-looking perspective, in normal and stressed conditions, is performed by implementing the internal capital adequacy assessment process (ICAAP).

In addition to Pillar I risks (credit risk, counterparty risk, market risk, operational risk), the risks identified by Banco BPM Group following implementation of the Risk Identification process (Risk Inventory) are listed below.

RESIDUAL	This is the risk that generally accepted techniques to mitigate credit risk used by the Group may be less effective than expected. To quantify it, the significance of the various types of Credit Risk Mitigation (CRM) tools is assessed in terms of reducing the capital requirement resulting from their use
CREDIT CONCENTRATION	Risk that derives from credit exposures to counterparties, groups of counterparties that are connected to one another or belong to the same economic sector or carry out the same business or belong to the same geographical area
BB MARKET	This is the risk of loss due to transactions on the market of financial assets classified in the banking book
CREDIT SPREAD RISK IN THE BANKING BOOK	Risk of potential adverse movements in credit risk not already encompassed in migration or default risk
INTEREST RATE RISK IN THE BANKING BOOK	Risk of changes in the net interest income (Funding Cost Risk) and the economic value of Banco BPM Group as a result of unexpected changes in interest rates which affect positions classified in the banking book for regulatory purposes. The risk arises mainly from acting as intermediary in the process of transforming maturities. In particular, the following constitute sources of interest rate risk: the fair value risk associated with fixed-rate financial instruments, such as securities issued, lending and commercial loans (in this case, changes in market rates affect the economic value of the instruments, generating potential negative economic impacts); cash flow risk, linked to floating rate instruments, such as funding through current accounts (here the risk derives from the variability of future cash flows of assets and liabilities, depending on the performance in interest rates). This risk also includes the basic risk component, which arises when the reference rates used to determine cash flows do not move in a perfectly correlated manner, generating misalignments in risk management.
REAL ESTATE	Current and future risk resulting from changes in the value of the properties held by the Group caused by fluctuations in the Italian real estate market
EQUITY INTEREST	This is the risk resulting from changes in the value of interests in associates and joint ventures held in the banking book due to market volatility or the status of the issuer
STRATEGIC	This is the current or future risk associated with a potential decrease in profits or capital due to an inadequate market positioning or flawed managerial decision making. More specifically, it represents the risk that the competitive/strategic positioning choices do not produce the expected results, penalising the achievement of short and medium/long-term economic and capital objectives, or even provoking unwanted decreases in profitability levels and capital soundness. In this view, strategic risk related to the possibility of failure of company projects, which results in disruption to Bank management and inertia when faced with unforeseen market dynamics
EXECUTION	Risk of losses due to shortcomings in the settlement of transactions or in process management, as well as losses due to relations with commercial counterparties, sales agents and suppliers
REPUTATIONAL	Risk associated with a negative perception of the Bank's image by its customers, shareholders, investors, financial analysts and the Supervisory Authorities, which could have a negative influence on the Bank's ability to maintain or develop new business opportunities or to continue to have access to funding
CONDUCT	Current and future risk of losses caused by the inadequacy of the financial services provided, including the risk of misconduct and incorrect treatment of customers
TAX	Risk of operating in violation of tax regulations or contrary to the principles or purposes of the tax system
NEW PRODUCTS	Risks arising from the development, implementation and investment in new products
OUTSOURCING	Risk deriving from service outsourcing contracts with partners outside the Group
ICT, CYBER AND SECURITY	This is the risk of financial, reputational and market share losses due to the use of information and communication technology (ICT) and cyber and security controls
AI	Risk related to the use of AI systems
COMPLIANCE	Risk of incurring legal or administrative sanctions, significant financial losses or reputational damage as a result of the violation of binding rules (regulations) or self-regulatory systems (e.g., articles of association, codes of conduct, corporate governance codes)
AML	Risk of money laundering and terrorist financing
EXCESSIVE FINANCIAL LEVERAGE	Risk that a particularly high level of debt with respect to own funds could make the Bank vulnerable, encouraging the adoption of corrective measures in its business plan, including selling assets at a loss, which could require recognising value adjustments on other assets as well
LIQUIDITY AND FUNDING	Risk that the Group is unable to meet its payment commitments, which are certain or envisaged with reasonable certainty due to the inability i) to raise funds without compromising its core business activities and/or its financial situation (funding and liquidity risk) ii) to liquidate specific assets without incurring losses on the capital account due to the poor depth of the reference market and/or due to the timing with which the transaction must be performed (market liquidity risk)
MODEL	Risk that the model used in a measurement process or which strategic decisions are based on gives an erroneous output due to an imprecise specification, flawed processing or the improper use of the model
REGULATORY	Risk resulting from current regulatory developments which could influence the pursuit of the strategies identified by the Group
INSURANCE RISKS	Risks of the life insurance portfolio related to underwriting risks of a biometric nature (risks of uncertainty of assumptions in the valuation of insurance liabilities) and operational risks (risks of uncertainty of the amount of expenses and the exercise of contractual options by policyholders). Risks of the non-life business insurance portfolio relating to underwriting risks, which may depend on an inadequate estimate of the frequency and/or severity of the claims considered in the tariff-setting and reserving phase, the risk of early surrender by policyholders and losses deriving from extreme or exceptional events. Financial risks deriving from the investment of premiums collected and other risks of the insurance business (e.g. operational, liquidity) are also included

For more details, please refer to the document "Disclosure to the Public by Entities - Pillar III", prepared in accordance with the applicable external and internal regulations and made available, in accordance with the law, in the Investor Relations section of the website www.gruppo.bancobpm.it.

Climate and environmental risks are considered risk drivers with an impact on various risks.

Climate and environmental risks

As part of the periodic update of the Risk Identification process, Banco BPM Group has identified and analysed the various ESG risk factors, classifying them between those specifically linked to climate/environmental aspects and those concerning governance and social sustainability.

Risk management is one of the fundamental components of Banco BPM Group's operating activities. The approach to risk management has evolved considerably in recent years, when the risk related to the effects of climate change was fully integrated as a driver for the development of medium/long-term business strategy, stimulating the various interested parties, including Banco BPM, to take proactive steps to meet the growing interest of the various stakeholders in this issue.

This need emerged in particular following the international commitment stated with the 2015 Paris Climate Agreement and with the European Climate Law (EU Regulation no. 1119 of 30 June 2021), which sets out a binding objective of climate neutrality in the European Union by 2050 and an interim target for reduction of greenhouse gas emissions by at least 55% by 2030 with respect to the levels recorded in 1990, extended in July 2025 to the further objective of a reduction of at least 90% in greenhouse gas emissions by 2040 compared with the levels recorded in 1990.

In addition to all of the other activities undertaken as regards the analysis, management and mitigation of the risks relating to climate change, Banco BPM's decision to join the Task Force on Climate-Related Financial Disclosures (TCFD) and the Net zero Banking Alliance (NZBA) further confirms the Group's awareness of playing a prominent role in action taken against climate change. For further details on the management and mitigation of climate and environmental risks, please refer to the content of Sustainability reporting, included in the Report on operations of the annual consolidated financial statements, and in the Pillar 3 Disclosure, published on 31 December 2024.

Integrated approach to the measurement of climate and environmental risk drivers

The Bank's approach to the measurement of climate and environmental risk drivers is in line with the expectations of the European Central Bank, which has a prominent role in guiding the players in the banking and credit sector towards the management and disclosure of risks related to climate change.

Specifically, environmental factors and risks have been integrated into the following macro-areas, the main elements of which are summarised below:

- **Business Model and Strategy:** to take strategic decisions that are consistent with and respect the context in which it operates, the Banco BPM Group needs to understand the impact of climate-related and environmental risks. To this end, in the Group's Strategic Plan, the main strategic objectives as regards the management of climate and environmental risks are indicated, as well as the ways they can be integrated into the business and operations;
- **Governance and Risk Appetite:** when drawing up business strategy and when establishing business objectives, the Banco BPM Group considers the impact of climate and environmental risks, by including specific indicators that summarise the exposure to the risk in these areas in its Risk Appetite Framework (RAF), to allow the Corporate Bodies, Management Committees and the main company functions involved, to take informed decisions relating to the management of these risks;
- **Risk Management:** to be able to consider climate-related and environmental risks in the risk management framework, the physical and transition risks that the loan and security portfolio of Banco BPM Group is exposed to were identified, for example by integrating such factors also within the definition and assessment of customer creditworthiness and in loan origination, monitoring and pricing processes. The environmental and climate-related risk components are also adequately considered in processes for defining business continuity plans and in the implementation of operational, reputational, market and liquidity risk management frameworks;
- **Disclosure:** the Banco BPM Group publishes the information and results related to climate and environmental risks deemed relevant by developing reporting in line with the expectations established by specific legislation on the subject.

The main initiatives implemented in the first half of 2025

During the first half of 2025, the Banco BPM Group continued the development and implementation activities of the many initiatives aimed at analysing and managing climate and environmental risks, connected with the expectations of the ECB Guidelines on the subject, in line with the detailed operational plans defined by the Group and updated as part of the overall thematic review process (Thematic Review) on climate and environmental risk drivers.

With regard to risk management, climate risk drivers have been formalised in the risk inventory since 2021 and have been fully integrated into the RAF, which includes a new area dedicated to ESG from this year, ICAAP and stress tests. Climate and environmental factors were also considered for the purpose of calculating the expected credit loss of the IFRS 9 model. In addition, activities were launched aimed at adjustment with respect to the requirements of the EBA guidelines on ESG risk drivers published in January 2025.

After joining the Net Zero Banking Alliance (NZBA) in March 2023, the Group undertook to support its customers in complying with a robust and scientific transition plan, aligning credit and investment portfolios on the most material carbon-intensive sectors for Banco BPM in order to achieve the Paris Climate Agreement goal of zero net emissions by 2050. In August 2024, the 2030 reduction targets for the most material sectors for Banco BPM (Automotive, Cement, Coal, Oil & Gas and Power Generation) were announced, while in May 2025 the transition plans outlining the short-term actions already in place and medium-/long-term actions to be activated to achieve targets were published. In the meantime, Banco BPM is also working on other "carbon-intensive" sectors with a view to setting internal objectives to define and apply the net zero strategy.

By virtue of the entry into force of the Corporate Sustainability Reporting Directive (CSRD), the Banco BPM Group prepared and published its first Sustainability Report ("Sustainability Statement") in April 2025 as an integral part of the consolidated report on operations. As illustrated in more detail in the Sustainability Report, the Banco BPM Group has developed a double materiality analysis to assess the impacts, risks and opportunities associated with ESG sustainability issues.

During the first part of the year, the Group continued to support companies and individuals in their climate change mitigation and adaptation activities, guaranteeing the necessary liquidity to those counterparties that need financial support to bear costs and/or make investments required by the climate transition and/or to contain the effects of adverse climate phenomena; at the same time, ESG consultancy was provided for the purpose of integrating credit policies, as well as providing concrete training initiatives for both current and potential customers.

For an illustration of the impacts of ESG factors on credit processes, please refer to the following section on Credit risk.

Credit risk

Banco BPM Group pursues lending policy objectives that seek to:

- support the growth of business activities in the areas it operates in, with the goal of overseeing and managing the development of the Group's positioning, in line with RAF policies and budget and business plan objectives, focusing on the support and development of customer relationships;
- diversify its portfolio, limiting loan concentration on single counterparties/groups and on single sectors of economic activity or geographical areas;
- adopt a uniform and unique credit management model based on rules, methods, processes, IT procedures and internal regulations harmonised and standardised for all Group banks and companies.

To optimise credit quality and minimise the global cost of credit risk for the Group and the individual companies, under the organisational model the Parent Company's Loans Function is in charge of lending policy guidelines for both the banks and companies of the Group.

Guidelines have also been set at Group level, defining conduct with respect to assuming credit risk, to avoid excessive concentrations, limit potential losses and guarantee credit quality. In particular, in the loan approval phase, the Parent Company exercises the role of management, direction and support for the Group.

The above Function monitors the loan portfolio, and focuses on analysing the risk profile performance of economic sectors, geographical areas, customer segments and types of credit lines granted, as well as on other dimensions of analysis, which enable any corrective actions to be defined at a central level.

The role of the Parent Company's Risk Function is to support Top Management in planning and controlling the risk of exposure and capital absorption, in order to maintain the stability of the Group, verifying forward-looking capital adequacy and under stressed conditions, as well as compliance with the RAF thresholds, the Group's risk limits and its risk appetite. In particular, the Function's task is to develop, manage and optimise internal rating models (Pillar I), the loan portfolio model (Pillar II) over time, and to supervise - as part of second level controls - the calculation of risk-weighted assets using advanced methods.

Credit risk monitoring at portfolio level is based on an internal portfolio VaR risk estimation model that is applied on a monthly basis to credit exposures of Banco BPM Group.

For an examination of the main initiatives and adjustments made to factor in uncertainties in the reference macroeconomic context and other risk factors not intercepted by expected loss calculation models, please refer to the section "Methods for measuring IFRS 9 expected losses for financial reporting purposes" as well as the Annual Financial Report as at 31 December 2024.

Credit quality

Banco BPM Group uses an elaborate set of instruments to grant and manage credit and to monitor portfolio quality. Rating plays a key role in loan granting, credit product disbursement, monitoring and performance management processes. In particular, it plays a role in defining guidelines for credit policies, in deciding which bodies are competent to approve loans, as well as on the mechanism for the automatic renewal of uncommitted credit facilities, and it contributes to determining automatic interception of the monitoring and management process (Watchlist).

To proactively manage counterparties that show signs of a deterioration of credit risk, the Group utilises a specific platform to intercept, monitor and manage anomalous exposures, as well as a performance scoring model to intercept the first signs of deterioration of the counterparty, before the default event. Considering the new EBA guidelines on the definition of default, applied by the Group from 1 January 2021, the above-cited monitoring platform incorporates the new rules relating to overdue exposures, making provision, from the first few days in which the overdue event materialises, for intervention processes differentiated by counterparty type and level of exposure, according to a management approach which is as business-oriented as possible, to prevent deterioration in credit risk and the consequent restoration of the ordinary management of the relationship. More specifically, the process currently in place envisages the interception of overdue positions on a daily basis, and their subsequent management according to a structured procedure, which entails clustering the portfolio with anomalies and the subsequent definition of interventions according to a defined scale of priorities.

The methodologies underlying the risk parameters PD (Probability of Default), LGD (Loss Given Default) and EAD (Exposure at Default), are used not only to assess the counterparty when granting, monitoring and renewing credit lines, but also to collectively write down receivables in the financial statements, in compliance with IFRS 9.

The credit assessment to calculate the amount of expected losses of non-performing loans differs according to the status and size of the exposure. The expected credit losses valued analytically by the manager are periodically reviewed.

For prudential purposes, credit risk monitoring at portfolio level is also based on the use of a default model that is applied on a monthly basis to credit exposures of Banco BPM Group. For more information on the general features of this model, please refer to the following paragraph "Models for measuring credit risk for prudential purposes".

For other exposures - other than performing loans with ordinary and financial resident customers - risk is controlled through the use of supervisory regulatory metrics (Standard).

Information on the inclusion of ESG factors in credit processes

The main objective of the credit policies of Banco BPM Group is to guide the growth of volumes, with a view to optimising the risk-return ratio and to containing the future cost of credit risk, by already incorporating various clear ESG-related aspects from 2021, particularly as regards the Real Estate and Agrifood sectors. These aspects have been implemented in the loan application process through dedicated tools, which envisage acquiring information also relating to factors more linked to the environment and the climate during the proposal and approval stage.

Since 2023, ESG factors have been included in the Group's credit processes; during the first half of 2023, the assessment of ESG factors and the impacts of potential risks linked to climate change on the economic and financial outlooks of the companies to which Banco BPM Group is exposed were integrated within the Credit Policies framework. In this regard, the assessment was extended to all Bank segments, including Small Business (through a simplified

model), and the assessment of physical risk was integrated, with reference to both counterparties and collateral. The risk mitigation actions implemented by the counterparty to which the Group is exposed were also evaluated. Again in the first half of 2023, also after the Bank joined the *Net Zero Banking Alliance*, stricter credit policies were introduced for those sectors defined as "priority" in that they are characterised by a higher level of emissions. Lastly, project activities continued as part of the implementation of the "EU Taxonomy", with the aim of integrating the alignment of exposures of financed counterparties with the taxonomy into processes and products.

Starting from December 2022, in the estimate of expected credit losses (ECL) on performing credit exposures, the Group introduced a specific adjustment to factor the risks deriving from the exposure of debtor counterparties to climate and environmental factors. In particular, the impacts on the PD and LGD risk parameters of the counterparties were estimated, assuming a transition risk and a physical risk developed on the basis of the scenarios illustrated below.

With reference to transition risk, the Orderly Transition scenario was considered, based on the assumptions of the Net Zero 2050 scenario of the Network for Greening the Financial System (NGFS) issued in November 2023. With respect to the possible alternative scenarios (Disorderly Transition and Hot House World), the selection of the Orderly Transition scenario was the most prudent with reference to the time horizon of the credit exposures to be assessed, as it assumes an immediate and stringent intervention of climate policies, as described in more detail below.

This scenario was incorporated into PD parameters by assessing its impact on the financial statements items of corporate customers, on which the sectoral KPIs are calculated, which are then used as inputs to the satellite PD models, applied to estimate the forward-looking PDs. In addition, the physical risk was also considered in the PD parameter through the flood risk shock (flood scenario of the CST2022) as the share of devaluation that impacts the price index of residential and non-residential properties. These also act as drivers of the PD satellite models for the projections of the parameter. In this way, all customers, with the exception of the Public Administration, are impacted by climate risk (both transition and physical).

Conversely and using the same climate scenarios, the LGD parameter is also stressed from a forward-looking perspective through the LGD satellite models. The transition risk is in fact embodied through the sectoral KPIs that impact the migration to bad loan component, while the physical risk is introduced as for the PD, intervening on the property price index, as a driver to stress the LGD component. For further details on the methodology for calculating the adjustments in question and the relative impacts, please refer to the paragraph below "Use of post-model adjustment and management overlays".

For a better understanding of the assumptions underlying the transition scenario considered by the Group with respect to the alternative scenarios, an illustration of the main assumptions of each scenario is provided below.

The Orderly Transition scenario is based on the NGFS Net Zero 2050 scenario, which envisages a maximum increase in global temperature of 1.5 °C, achieved through the immediate and gradually more stringent introduction of policies to reduce carbon dioxide emissions, which are considered zero in 2050. In this type of scenario, the transition risk and the physical risk are limited: in fact, the gradual transition ensures that the necessary costs and investments in innovation are minimised. At the same time, the increase in the maximum global temperature of 1.5 °C reduces the risk of extreme events.

The Disorderly Transition scenario, which is instead based on the NGFS Delayed Transition scenario, assumes a delayed and net introduction of climate policies starting from 2030, in order to limit the increase in global temperature to below 2 °C; carbon dioxide emissions are therefore higher than in the previous scenario to comply with the objectives of the Paris agreement. The scenario therefore entails a higher transition risk, due to the higher costs required by the delayed introduction of climate policies, while the increase in global temperature increases physical risk in terms of greater frequency and importance of extreme events.

Lastly, the Hot House World scenario is calibrated on the NGFS Current Policies scenario, which captures the long-term impact of physical risk on the economic and financial system resulting from the failure to introduce emission reduction measures. Although emissions at European level are gradually decreasing, global emissions continue to grow until 2080 with an increase in global temperature of around 3 °C. This will lead to greater and more significant natural catastrophes, with a considerable increase in insurance and reconstruction costs linked to these events. In this scenario, there is therefore no transition risk, but the transition costs that would have occurred in previous scenarios are more than offset by the strong impact of extreme physical risk in the economy.

With regard to non-performing loans to be assessed analytically, the risks related to climate and the environment are taken into consideration in the estimate of the present value of forecasted future cash flows, on an essentially discretionary basis and together with other pieces of information.

During 2022, the aforementioned Financial Forecast Studio was also implemented, a modular platform to support the forward-looking assessment of a company by the manager. The instrument works on the platform supplied by the provider Cerved.

The elements characterising this instrument are:

- accurate data sets:
 - a least every six months, Cerved prepares forecasts for approximately 400 sectors, which can be used as a standard basis for the prospective simulation of the financial statement figures of the individual company;
 - the historical financial statements of the last few years are made available;
 - the CeBi reclassification scheme of Cerved's Financial Reporting Office was adopted;
- *assumptions and business simulations*:
 - starting from the standard simulations proposed by the provider, an infinite number of alternative scenarios can be replicated by changing the initial assumptions;
 - more than 20 parameters (financial statement items) are available that can be used as modifiable assumptions of the model;
 - through simple data-entry, start-ups/financial statements of partnerships can also be evaluated;
 - an additional ESG module is included for the accurate estimate of the impacts on credit risk of the variables linked to environmental, social and governance risks;
 - the tool provides a wide range of forecast outputs to support the manager and the decision-maker in the evaluation and granting phase; it also makes it possible to compare multiple scenarios relating to the same company or to different companies (for example, a "best in class" or specific competitor).

The evolutionary directions of the Lending Policies framework that were introduced starting from 2023 are shown below:

- ESG:
 - assessment of transition risk based on the economic sector of activity (NACE) in which the counterparty operates and on precise assessments, where present, on the basis of their contribution to climate change;
 - physical risk assessment based on the geographical areas in which the collateral assets and the production assets of the counterparties are located;
 - introduction of specific lending guidelines based on the assessment of ESG factors;
 - extension to all customer segments with prioritisation for the highest climate risk levels;
 - definition of specific guidelines dedicated to counterparties operating in the sectors within the NZBA perimeter, through the assessment of the transition and decarbonisation plans of the individual counterparties in relation to the reduction targets defined by the Bank as part of the NZBA membership;
 - extension of the mandatory scope of completion of the ESG Questionnaire to counterparties with medium-high risk levels, in order to collect the strategic plans in the ESG area, consequently structured in the forward-looking analysis FFS (Financial Forecast Studio), functional to the calculation of the financial sustainability;
- Real Estate:
 - assessment of specific KRIs (Key Risk Indicators) for assessing the sustainability of property initiatives (Commercial Real Estate);
 - ESG assessment based on energy class/performance and on physical risk relating to real estate initiatives subject to financing;
- Evolution of the current framework:
 - integration of credit guidelines as part of higher risk strategies (stabilisation, containment and disengagement);
 - refinement and revision of the decision-making engines necessary for assessing the sustainability of the Retail segment.

Models for measuring credit risk for prudential purposes

When measuring the credit risk of portfolios, the Bank uses an econometric model for management purposes, supported by an extensive set of data and risk variables, known as the Portfolio Model.

Through the use of Credit-VaR metrics, this model enables the distribution of the probability of losses of the loan portfolio to be defined, taking into account the different concentration, migration and default risk components, also in the event of a joint non-fulfilment of counterparties, in a predefined context of correlations between exposures in portfolio. This distribution is used to measure the maximum potential loss over a yearly time period and with a specific level of confidence of 99.9%.

More specifically, in order to obtain this distribution, the model's processing engine uses a Monte Carlo simulation approach, which simulates a sufficiently high number of scenarios so as to provide a good empirical approximation of the theoretical distribution of loan portfolio losses.

The maximum potential loss of the portfolio is calculated in terms of the change in the fair value of loans in the event of both the migration and default of customers.

For other residual exposures that are not part of the portfolio model, economic capital is calculated for the purpose of management control of risk through the use of supervisory regulatory metrics.

Lastly, the portfolio model periodically undergoes stress testing to evaluate the credit risk sensitivity of the Group's portfolio to extreme changes in economic-financial and climate factors.

As at 30 June 2025, the expected credit loss, calculated on the Basel III validation perimeter (for which Banco BPM was authorised by the Regulator to use internal rating systems to calculate the capital requirements on credit risks), was 0.46% of the exposure to default, while the unexpected operational loss (calculated as the change in fair value in the 99.9th percentile according to the C-VaR method, the most recent figure available on the performing portfolio model perimeter) amounted to 2.8% of the fair value of the exposure.

The internal models for estimating PD, LGD and EAD are subject to an internal validation process by the Internal Validation Function and to a third-tier control by the Audit Function. The outcome of these processes is outlined in special reports submitted to the Corporate Bodies and sent to the European Central Bank/Bank of Italy.

Methods for measuring IFRS 9 expected losses for financial reporting purposes

With regard to the calculation of expected credit losses (ECL), in 2025, the process of revising and fine-tuning the current models, which started in 2020, continued, with a view to more accurately reflecting the expected losses of performing exposures, also as a consequence of the economic disruption caused by the situation of international political instability. This process moreover envisaged a series of post model managerial adjustments, in order to factor in certain measurement elements not adequately intercepted by current models. The paragraphs below provide an illustration of the changes introduced to models and to the criteria to calculate expected credit losses following imbalances linked to the economic situation, as well as the changes introduced in 2025 as part of the continuous process of revising models, depending on the type of intervention. Note that, given the complexity and the pervasiveness of the changes made to the estimation models, it was not possible to isolate the impacts that the same generated in terms of quantifying the expected credit losses, with respect to the estimation models used previously. With regard to the main methodological developments, for Post Model Adjustments, please refer to the following section "Use of post model adjustments and management overlays"; the other main developments, on the other hand, concerned the introduction, in the current year, of the new satellite models for PD and LGD, for which reference is made to the following section "Inclusion of forward-looking factors".

According to IFRS 9, all financial assets not measured at fair value through profit and loss, represented by debt securities and loans, and off-balance sheet exposures (commitments and guarantees given) must be subject to the impairment model based on expected credit losses (ECL - Expected Credit Losses).

Specifically, the IFRS 9 impairment model is based on the concept of forward-looking valuation, i.e. on the concept of Expected Credit Loss, whether calculated at 12 months (Stage 1) or for the entire residual lifetime of the instrument (lifetime loss for Stage 2 and Stage 3). In particular, the model establishes that financial assets should be classified into three separate stages, corresponding to different measurement criteria:

- Stage 1: to be measured on the basis of expected credit loss over a time horizon of one year. Stage 1 includes performing financial assets for which no significant impairment of credit risk has been observed with respect to the date of initial recognition;
- Stage 2: to be measured on the basis of expected credit loss over the entire residual life of the financial asset. Stage 2 includes financial assets that have undergone significant impairment of credit risk with respect to initial recognition;
- Stage 3: to be measured on the basis of an estimate of expected forward-looking loss, based on a 100% probability of default. Stage 3 includes financial assets considered non-performing.

According to the Expected Credit Loss calculation model, losses must be recorded not only with reference to objective evidence of impairment losses that had already occurred at the reporting date, but also on the basis of expectations of future impairment that is not clear yet, which must reflect:

- the likelihood of different scenarios occurring;

- the effect of discounting using the effective interest rate;
- historical experience and current and future valuations.

Detailed information is provided below on the model used by the Group to verify whether there is a significant deterioration of credit risk (known as "Framework Stage Assignment") and to calculate the forward-looking expected credit loss.

Framework stage assignment

Illustration of the staging model

In order to allocate exposures to the various stages, Banco BPM Group has classified them as follows:

- performing loans in Stages 1 and 2;
- non-performing loans in Stage 3. The analyses conducted led to the conclusion that the relative scope is aligned to that of non-performing exposures, determined in accordance with the definitions contained in current supervisory provisions¹ (bad loans, unlikely to pay, past due exposures), as they are deemed to be consistent with accounting regulations in terms of objective evidence of impairment.

With regard to credit exposures to Group customers (cash loans and unsecured loans), an illustration is provided below of the quantitative and qualitative criteria defined by the Group in order to classify a performing exposure in Stage 1 or Stage 2.

With reference to quantitative criteria, the model developed by the Group uses as reference the parameter of lifetime probability of default (LPD), measured at the reference date, and the same parameter measured at the origination date. The ratio between said parameters is defined as the "Lifetime PD Ratio" (LPDR). More specifically, the chosen metric is based on the "Forward" PD concept. This approach entails identifying the forward PD curve on the Lifetime PD curve observed at the origination date, with the reference date as a node and the residual duration as holding period.

The development of the model has also led to the identification of specific internal thresholds of variation between the two aforementioned probabilities, which are differentiated by the following drivers:

- risk segment (Businesses/Private Customers)²;
- rating class;
- residual life;
- ageing of the position (distance between the origination date and the reporting date).

Thus, the change in credit risk is measured by comparing the parameter defined as a logarithm of the "Lifetime PD Ratio - LPDR" of individual exposures, as defined above, and the specific estimated internal thresholds. Exceeding the above thresholds, with the exception of cases in which the annualised PD observed at the reference date is lower than the threshold of 0.30% (threshold considered to express a low credit risk - Low Credit Risk Exemption) and in cases where the corporate counterparty is within the investment grade threshold, represents a significant increase in credit risk and the consequent transfer of the individual credit line from Stage 1 to Stage 2. That methodology is thus based on a relative approach, as the allocation between Stage 1 and Stage 2 is guided by the change in credit risk since the origination date.

In developing its operating model, after calculating the logarithm of the LPDR for each position included in the estimate sample, the Group selected the optimal threshold for each cluster (given by the intersection of the risk driver methods considered relevant) that would allow it to optimise the model's performance measured using the Matthews correlation coefficient (MCC). The performance aims to describe the ability of the model to correctly anticipate, with a Stage 2 classification, the positions that, within 12 months from the reference date, show signs of risk represented not only by default but also by additional elements that denote a high level of risk (the presence of a number of consecutive days past-due/overdue exceeding the 30-day threshold, the granting of a forbearance measure, the presence of the counterparty within exposures subject to strict monitoring).

With reference to exposures to banks, the methodology developed is also based on the calculation of the LPDR parameter, using the thresholds developed for the Businesses segment.

¹ Definitions contained in the Bank of Italy Circular no. 272 of 30 July 2008 and subsequent updates, on the basis of which the scope of non-performing loans corresponds to that of the Non-Performing Exposures of Implementing Regulation (EU) 680/2014, with which the EBA's ITS was incorporated (EBA/ITS/2013/rev1 of 24/07/2014).

²With reference to exposures belonging to the scope of "Structured Finance Operations - SFO" (Income Producing Real Estate, Real Estate Development and Project Financing), the same thresholds developed for the Businesses segment are applied.

Moreover, it should be noted that exceeding of the SICR threshold - which determines a Stage 2 classification - is observed on positions that show, with respect to the origination date, a relative increase in PD Lifetime included on average in a range from +100% to +200% depending on the risk segment.

In addition to the quantitative criterion illustrated above, the stage allocation model adopted by the Group is also founded on qualitative criteria and backstops. In greater detail, the following entails classification in Stage 2:

- the presence of a number of consecutive days past-due/overdue exceeding the threshold;
- the granting of forbearance measures. In greater detail, this includes all exposures affected by forbearance measures which have this attribute still active, regardless of whether the current probation period is regular;
- the inclusion of the counterparty in watchlist exposures subject to strict monitoring, in the presence of situations that suggest high risk (e.g. synthetic judgement of the degree of risk of the individual customer above a certain threshold, prejudicial events);
- the classification of the counterparty in the "High" risk band¹, save for the option of override by the competent company functions, which must be suitably justified;
- lack of rating at the origination date, save for the case where the counterparty was assigned a rating on the measurement date that classifies the exposure in the "Low", "Medium-low" or "Medium" risk band.²

With regard to the functioning of the model, Banco BPM Group has decided to adopt a symmetrical model of reclassification from Stage 2 to Stage 1: in cases in which the conditions triggering the significant deterioration of credit risk cease to exist on a later valuation date, the financial instrument returns to being measured on the basis of the expected credit loss measured on a time horizon of twelve months. It should also be noted that in the event of a return from Stage 3 to performing exposure status, there is no mandatory transfer of the counterparty's relationships to Stage 2. The classification of performing exposures into stages (Stage 1 or Stage 2) will depend on the automatic application of the stage assignment framework.

In the case of forborne exposures, any return to the calculation of the expected credit loss at one year is made in accordance with the probation period, in line with the time frames set out in the supervisory provisions.

The stage allocation methodology described above is applied to all exposures to customers, excluding debt securities.

Downstream of the stage assignment and ECL calculation process, some Stage manual adjustments were carried out, leading to the classification in Stage 2 of individual positions whose classification deriving from the application of staging allocation methodology (SICR + Backstop) was considered inappropriate by the Loans function. The intervention involved a total exposure migrated to Stage 2 of 0.06 billion, corresponding to a simultaneous ECL increase of 0.3 million;

It should be noted that the following evolutions, previously managed through manual adjustments, were introduced directly into the calculation engine:

- classification in Stage 1 of relationships, not classified as revolving credit, with residual maturity within the year classified in Stage 2 exclusively due to threefold increases;
- introduction of a quantitative assessment of the SICR on non-segmented (unratable) positions by exploiting the recovery of additional information (e.g. ECAI rating) in order to address a specific ECB request as part of the OSI-IFRS9 SME inspection;
- introduction of a recalculation of the classification criteria at Stage 2, represented by SICR and threefold increase following the updating of the lifetime PD values measured at the origination date of the reports; the updating of the lifetime PD curves made it possible to eliminate the potential distorting effects resulting from the introduction of modelling fine-tuning only on the PDs at the reference date.

Regarding debt securities, the Group applies the Low Credit Risk Exemption, i.e. the practical expedient of assuming that credit risk has not increased significantly compared to the initial recognition of the instrument, classifying it at Stage 1. This exemption applies to securities rated as investment grade at the valuation date, in compliance with IFRS 9.

If on the valuation date, the securities have a rating level that is lower than investment grade - and therefore the "Low Credit Risk Exemption" is not applicable - the method developed by the Group is also based on the calculation of the LPDR³. More specifically, the SICR threshold values identified for this specific scope were retrieved through a distributive

¹Note that, for loan granting processes, the rating classes envisaged by the internal model are grouped into 5 homogeneous risk bands ("Low", "Medium-low", "Medium", "Medium-high" and "High").

² See previous note.

³ Data from the CreditEdge platform of the Moody's rating agency.

approach and correspond to the 95th percentile of the LPDR distribution observed in the portfolio in question as at June 2025.

Considering the presence of several purchase transactions occurring on different dates for the same fungible security (ISIN), for the purposes of the SICR, the risk at the origin is measured separately for each tranche purchased. It was thus necessary to specify a method for identifying the tranches sold and, as a result, the remaining quantities to which to assign the credit quality at the date of initial recognition, to be compared with that at the measurement date: that movement methodology is based on the FIFO method (First In - First Out).

An inhibition of the quantitative criteria of staging allocation is also applied to the loans perimeter, which exclusively concerns counterparty businesses with low risk, similar to the "investment grade" risk measured in proxies by internal ratings and associated PDs. The inhibition occurs only in cases of classification in Stage 2, limited to Delta PD and/or Threefold triggers. All other triggers are assessed without exception and can determine the classification of the counterparty in Stage 2.

The table below shows the percentage breakdown of exposures allocated to Stage 2 on the basis of various classification triggers, which shows that the breakdown of the exposures classified therein is equally influenced by both quantitative criteria based on the change in the probability of default and qualitative criteria, including positions classified in Stage 2 through Manual Adjustment. Exposures classified as Stage 2 solely due to the presence of a number of past-due days in excess of the threshold represent a negligible percentage.

Type ¹	Stage 2	of which: Large Corporate	of which: Mid Corp.Plus	of which: Mid Corporate	of which: Small Businesses	of which: Private Individuals	of which: Banks	of which: other exposures ^(*)
Quantitative criteria	65.06%	53.57%	70.47%	74.28%	68.01%	32.46%	100.0%	6.90%
Qualitative criteria	27.60%	44.18%	22.23%	18.16%	21.85%	63.23%	0.00%	90.68%
Past-due exposures over the threshold	0.41%	0.00%	0.22%	0.21%	0.55%	1.08%	0.00%	2.41%
Manual Adjustment (MA)	0.96%	0.00%	3.84%	0.12%	0.24%	0.00%	0.00%	0.00%
Post Model Adjustment (PMA)	5.97%	2.25%	3.24%	7.23%	9.36%	3.23%	0.00%	0.01%

(*) Non-segmented counterparties or those belonging to the ProFamily portfolio.

Expected Credit Loss - Stage 1 and Stage 2

The model for calculating Expected Credit Loss (ECL) to measure the impairment of performing instruments, differentiated based on the classification of the exposure in Stage 1 or Stage 2, is based on the following formula:

$$ECL = \sum_{t=1}^T PD_t * EAD_t * LGD_t * (1 + r)^{-t}$$

Where:

PD _t	represents the probability of default at each cash flow date. This is the probability of moving from performing status to non-performing status over the course of a year (1-year PD) or over the entire lifetime of the exposure (lifetime PD)
EAD _t	represents the counterparty's exposure at each cash flow date
LGD _t	represents the associated loss by counterparty at each cash flow date. This is the percentage of loss in the event of default on the basis of historical experience over a given observation period, as well as the forward-looking evolution over the entire lifetime of the exposure;
r	represents the discount rate
t	represents the number of cash flows
T	represents the total number of cash flows, limited to the following 12 months for accounts in Stage 1, and referring to the entire residual life for those in Stage 2

¹ In the case in which a position is classified as stage 2 due to different types of criteria, its exposure has been allocated to the first cluster according to the order in which the classification criteria were presented.

The models used to estimate said parameters leverage the equivalent ones used for capital requirements for credit risk, making specific adaptations to take account of the different requirements and purposes of the IFRS 9 impairment model and the prudential impairment model.

The definition of said parameters, compared to the regulatory parameters, considered the following objectives:

- removal of the downturn component considered in calculating the regulatory LGD to take account of the adverse economic cycle;
- removal of the MoC (Margin of Conservatism) component considered in the regulatory LGD calculation to take further margins of conservatism into account as requested by the EBA Guidelines;
- adjustment of loss rates to manage the difference between the discount rate used for the regulatory LGD estimate¹ and the Effective Interest Rate (EIR) used to calculate losses at amortised cost;
- inclusion of the conditions of the current economic cycle (Point-in-Time risk measures) instead of the measurement of the parameters through the economic cycle (TTC - Through the cycle), which is required for regulatory purposes;
- introduction of forecast information regarding future trends in macroeconomic factors (forward-looking risk) considered potentially capable of influencing the debtor's situation;
- extend risk parameters to a long-term perspective, accounting for the lifetime of the credit exposure to be assessed.

As noted, the definition of default adopted is in line with that used for regulatory purposes.

Please recall that in the course of 2020 and 2021, in response to the health crisis, to mitigate its impact, the Government implemented substantial policies to sustain the economy (for example, Heal Italy decree, Relaunch decree, Liquidity decree, etc.). In this context, the competent authorities (ECB, EBA, ESMA, BIS) invited the banks to take into consideration the mitigation measures set in place by the public authorities and to limit the impact of the macroeconomic shock when calculating provisioning containing the elements of procyclicality implied in IFRS 9.

To this end, Banco BPM included the government measure in its ECL calculation. The method adopted therefore enabled the share of exposure covered by these guarantees with relation to the total exposure of the transaction to be identified. The LGD associated with the transaction was therefore eliminated on said portion and a "Stato Italia" (Italian State) average coverage assigned.

The provisions are therefore calculated as the sum of the expected credit loss on the share of the exposure not guaranteed by the State, plus an ECL calculated through the application of the "Stato Italia" coverage to the share of the exposure guaranteed by the State.

More detailed information on the way in which the Group has determined the aforementioned IFRS 9 compliant risk parameters, with specific reference to forward-looking factors, is provided below.

In that regard, furthermore, it must be noted that the update of the time series of the parameters and, as a result, their recalibration, is carried out on an annual basis. In particular, in December 2024, in line with the provisions of internal processes, the risk parameters were updated to incorporate in their estimation the effect of updating the time series on the PD, LGD, EAD risk parameters and thresholds to identify the SICR.

Estimating the PD parameter

The PD values are obtained on the basis of regulatory ones, which are anchored to the average level of risk observed in the long-term, suitably calibrated to reflect the current conditions of the economic cycle (Point in Time approach). Subsequently, the PD values are adjusted, from a Forward Looking perspective, through the application of the sector satellite models developed by the Group. Said values must be estimated not only with reference to the time horizon of the twelve months following the reporting date, but also in the future years, for the purpose of calculating lifetime provisions. The lifetime PD curves were constructed by multiplying, using a Markov approach, the migration matrices of the rating at 12 months, separately by risk segment (Large Corporate, Mid Corporate, Mid Corporate Plus, Small Business, Private) impacted by the forward-looking macroeconomic scenarios. Each rating class assigned to the counterparties using the AIRB internal models is associated with its related lifetime PD curve. The main methodological steps used to estimate the lifetime PD parameter are provided below:

¹ The discount rate used for regulatory LGD estimates, in compliance with EBA Guidelines (EBA/GL/2017/16), corresponds to the 3-month Euribor with a prudential add-on of 5%.

- the construction of historical Point in Time (PiT) migration matrices for each risk segment defined by the rating models and on the basis of the average of these matrices and the attainment of the long-term Through The Cycle (TTC) migration matrices for each risk segment;
- the determination of future PiT matrices for the first three years following the reporting date, obtained on the basis of PiT matrices conditioned on the basis of macroeconomic scenarios;
- obtaining cumulative PDs by rating class and scenario, via a matrix product (Markov chain techniques) of the future PiT migration matrices for the first three years, as previously calculated, while from the fourth year onwards so-called smoothed matrices are used, which allow for the gradual smoothing with the TTC migration matrix;
- the generation of the cumulative lifetime PD curve as the average of the cumulative PD curves of each selected macroeconomic scenario weighted by the respective probability of occurrence.

With regard to "Structured Finance transactions - SFT" (Income Producing Real Estate, Real Estate Development, Project Financing and Object Finance), it should be noted that, starting from June 2024, the simulation models were discontinued, with the resulting transition to the slotting criteria methodology, in line with the formal regulatory model change request sent to the ECB. The dedicated slotting criteria method involves the assignment of a category defined in a range from 1 to 4, subsequently transformed, through conversion tables, into rating classes and the relative PD value of the Mid Corporate model (segment with more similar size characteristics) relating to the new A-IRB rating system.

The PD values thus obtained are then conditioned to the economic cycle in a forward-looking perspective through the use of internal PD satellite models.

Refer to the paragraph "Inclusion of forward-looking factors", below, for more details on the method of constructing the PD.

Estimating the LGD parameter

LGD values are assumed to be equal to the regulatory recovery rates calculated through the economic cycle (TTC) and suitably adjusted in order to remove some of the prudential elements established by the regulatory models, which are represented by indirect costs, the MoC (Margin of Conservatism) and the component associated with the adverse economic cycle (the downturn component), as well as to reflect the most current recovery rates (PiT), the difference between the discount rate used to estimate the regulatory parameters¹ and the Effective Interest Rate (EIR), and expectations concerning future (forward-looking) trends. In detail, the forward-looking estimate of the parameter takes account of the impact on the economic cycle of the components represented by the probability of non-performance (Psoff) and the Loss Given Non-Performance (LGNP) using specific forward-looking scaling factors to obtain point in time and forward looking LGDs. More specifically, the forward-looking effects are channelled to LGD estimates through the application of specific satellite models for the main components of the LGD model (Psoff and LGNP), which compare the changes in macro factors with the residual estimations of the two above-cited parameters on the historical horizon.

As set forth in the paragraph dedicated to the PD estimation, as regards "Structured Finance Transactions - SFT" (Income Producing Real Estate, Real Estate Development, Project Financing and Object Finance), starting from the interim report in June 2024, the simulation models were discontinued, with the resulting transition to the slotting criteria methodology, in line with the formal regulatory model change request sent to the ECB.

The slotting criteria method involves the assignment of specific LGD values depending on SFT segment, defined on the basis of specific analyses performed on specific portfolios by adopting the fixed values provided by Supervisory Regulations.

The LGD values thus obtained are then conditioned by the economic cycle in a forward-looking perspective through the use of internal LGD satellite models.

EAD Estimation

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

¹ The discount rate used for regulatory LGD estimates, in compliance with EBA Guidelines (EBA/GL/2017/16), corresponds to the 3-month Euribor with a prudential add-on of 5%.

For off-balance sheet exposures, represented by guarantees and irrevocable or revocable commitments to disburse funds, the EAD is equal to the nominal value weighted by a specific credit conversion factor (CCF), determined in compliance with the previously validated and appropriately calibrated internal models and using the standardised approach for the remaining exposures.

Inclusion of forward-looking factors

In accordance with IFRS 9, when estimating expected credit losses it is necessary to take forward-looking information into account, conditioning the risk parameters according to the different macroeconomic scenarios in which it is expected to operate, through satellite models.

With a view to overcoming potential inconsistencies in the results determined by the satellite models ordinarily used before the impact of the Covid-19 emergency, sector satellite models were adopted from 2020 with a view to evaluate the diverse consequences on the different sectors of the Italian economy.

Starting with the financial statements as at 31 December 2024, new satellite models have been developed which, in addition to macroeconomic factors, consider financial KPIs as risk drivers, with the objective of better grasping climate effects relating to physical and transition risk.

Lastly, as set forth in internal regulations, to calculate the ECL as at 30 June 2025, the macroeconomic scenarios and the relative probabilities of occurrence were updated, based on the analyses conducted by the Scenario Council¹. To this end, the macroeconomic forecasts supplied by the leading provider were considered, with reference to three different scenarios: "baseline", "adverse" and "favourable", with some fine-tuning to adapt them to the rapidly changing economic scenario. With reference to the previous "adverse" scenario, starting from the processing of December 2024, some changes were introduced to take into account a more prudential assumption of the macroeconomic outlook and a lower level of interest rates ("adverse plus" scenario). In order to allocate probabilities of occurrence to the above-mentioned scenarios, those implicit in the construction of the same were used as a basis of reference, as supplied by the provider. Taking into account the characteristics of the three scenarios and the uncertainty connected with geo-political developments - in line with what was done for the previous year - to maintain the probability of occurrence of the "adverse" scenario at 30%. The probabilities of occurrence of the three macroeconomic scenarios considered are indicated below:

- "Baseline": 50%;
- "Adverse": 30%;
- "Favourable": 20%.

Please note that the model for the governance of the process of updating the macroeconomic scenarios for IFRS 9 purposes, establishes that the same are updated at least every six months (for the closure at year-end and at the first half of each year). The update may be made more frequently (quarterly), if the monitoring of the forecasts relating to GDP, with respect to those implied in the scenarios utilised, indicates that a specific threshold² has been surpassed.

¹ The Scenario Council consists of a team responsible for defining and updating or confirming the macroeconomic scenarios adopted in the Group's strategic processes in light of external events or specific vulnerabilities of the Bank. It is also responsible for identifying the processes impacted and their potential updating. The team is comprised by the Chief Financial Officer, the Chief Lending Officer and the Heads of the Planning and Value Management, Risk and Administration and Budget Functions, with the participation of the Head of the Audit Function as auditor.

² Threshold established as a change in GDP of over 0.5%.

The following table shows the annual average values (expressed in terms of annual percentage changes/absolute values for rates of return and the unemployment rate) of the main macroeconomic indicators for the 2025-2028 period for each of the three scenarios considered in the satellite models for the conditioning of the risk parameters to be used to calculate ECL:

Scenario	Macroeconomic indicators	2025	2026	2027	2028
adverse	GDP Italy	-0.2	-0.6	0.1	0.3
baseline	GDP Italy	0.6	0.7	0.6	0.6
favourable	GDP Italy	0.8	1.6	1.1	1.1
adverse	GDP EMU	0.3	-0.1	0.9	0.9
baseline	GDP EMU	0.8	1.1	1.1	1.1
favourable	GDP EMU	1.0	2.3	1.7	1.5
adverse	Unemployment rate	6.67	7.24	7.90	8.37
baseline	Unemployment rate	6.42	6.30	6.19	6.05
favourable	Unemployment rate	6.39	6.03	5.53	4.98
adverse	Index of residential property prices	1.8	-0.1	0.7	0.6
baseline	Index of residential property prices	2.2	1.9	2.1	1.9
favourable	Index of residential property prices	2.5	3.5	3.2	2.1
adverse	Household consumption	0.0	-0.5	0.2	0.3
baseline	Household consumption	0.7	0.8	0.9	0.8
favourable	Household consumption	0.9	1.5	1.4	1.5

Scenario	Macroeconomic indicators	2025	2026	2027	2028
adverse	Total investments	-1.2	-5.9	-2.7	-1.7
baseline	Total investments	0.3	-0.8	-1.3	-0.4
favourable	Total investments	0.8	2.1	0.7	1.1
adverse	Construction investments	-3.5	-10.5	-7.0	-5.6
baseline	Construction investments	-2.1	-5.9	-6.0	-4.4
favourable	Construction investments	-1.6	-3.3	-4.5	-3.6
adverse	3-month Euribor	1.98	1.73	2.11	2.22
baseline	3-month Euribor	2.17	2.01	2.40	2.51
favourable	3-month Euribor	2.17	2.22	2.53	2.51
adverse	ECB rate	2.09	1.90	2.34	2.40
baseline	ECB rate	2.27	2.15	2.59	2.65
favourable	ECB rate	2.28	2.34	2.65	2.65
adverse	Return on Italian 10-year government bonds	4.02	4.56	4.90	4.95
baseline	Return on Italian 10-year government bonds	3.94	4.21	4.42	4.46
favourable	Return on Italian 10-year government bonds	3.91	4.22	4.32	4.27
adverse	BTP/Bund Spread	1.43	2.02	2.12	2.09
baseline	BTP/Bund Spread	1.17	1.30	1.27	1.22
favourable	BTP/Bund Spread	1.09	1.09	0.92	0.78
adverse	Italian consumer price index	2.1	2.2	2.3	1.6
baseline	Italian consumer price index	1.7	1.8	2.1	2.1
favourable	Italian consumer price index	1.6	1.7	1.6	1.7
adverse	Imports	0.5	-2.0	0.3	1.2
baseline	Imports	1.4	2.0	1.9	2.3
favourable	Imports	1.5	4.7	4.0	4.3
adverse	Exports	-0.3	-0.4	0.9	1.5
baseline	Exports	0.7	1.6	1.8	2.0
favourable	Exports	0.8	3.4	2.9	3.1
adverse	Public administration expenditure	0.5	0.2	0.2	0.1
baseline	Public administration expenditure	0.4	0.1	0.2	0.1
favourable	Public administration expenditure	0.5	0.3	0.3	0.1

During the first half of 2025, the global economy was affected by concerns related to ongoing conflicts and uncertainties connected with the trade policy plans of the new Trump administration in the USA. In the United States,

consumption is driving GDP growth, penalised by a drop in capital investments. Recent developments have kept inflation expectations high, unlike what is expected for Europe. In the old continent, growth was more contained; however, expectations are for improvement, thanks to the recovery in household consumption, favoured by the drop in inflation, and the consistent public spending programmes announced. The Chinese economy, despite fears of a trade clash with the US, shows signs of progress, especially on the production side, while investments and consumption remain weak.

Considering these premises, the "baseline" scenario does not envisage a short-term resolution of the wars in Ukraine and Gaza. The geopolitical tensions are accompanied by trade tensions, with the imposition of tariffs by the United States, the related countermeasures by China and the more negotiated approach by Europe. In the short term, this will result in a drop in oil and gas prices, while uncertainty remains for other raw materials. In this context, the US will see a slowdown in growth and inflation stable at above 3%. Together with the cuts in public spending and the plans for the repatriation of immigrants, this will have negative impacts on consumption and exports. In Europe too, the negative effects of tariff tensions will have to be addressed; however, inflation, which remains under control, the recovery in spending by individuals, the RearmEU plan and, starting from 2026, the German fiscal impetus will support the continent's growth. The price dynamics under control will allow an expansive monetary policy to be maintained. The modest growth path for Italy is confirmed also for the three-year forecasting period; in particular the uncertainty on the implementation of the NRRP and the repercussions of the evolution of tariff tensions are having an impact, partly offset by the benefits coming from the stimulus to demand in Germany. The evolution of the factors presented in the baseline scenario corresponds to the following:

- limited growth in Italian GDP of around +0.6% is observed for the entire forecasting period; the EMU GDP is more dynamic, starting from +0.8% in 2025 and growing by more than 1% in subsequent years;
- the unemployment rate in 2025 stood at 6.42%, gradually falling over the following three-year period to reach 6.05% in 2028;
- since 2025, inflation has progressively increased from 1.7% to then settle at 2.1% in 2027 and 2028;
- household consumption grew steadily during the forecasting period by approximately 0.8% per year;
- exports, despite tariff tensions, will grow progressively starting from 2025, reaching +2.0% in 2028;
- the return on 10-year Italian government bonds grows progressively over the forecasting period, starting from 3.94% in 2025 to reach 4.46% in 2028;
- the average annual BTP/Bund spread in 2025 decreases to 117 bps, before returning to growth in 2026 to 130 bps and to around 120 bps in the following years.

As regards the "adverse" scenario, the global geopolitical situation does not provide any indication of possible positive developments. Armed conflicts are not resolved. It is also assumed that the United States will reintroduce the tariffs announced on 2 April and that the countries affected will respond; this will cause a new increase in uncertainty and a marked slowdown in trade. Europe is unable to reach an agreement to deal with the difficulties. There are wide divergences in terms of rearmament policies, tariff policies are completely uncoordinated and there is no shared vision on the expansionary tax policies necessary to support the continent's economy. Eurozone inflation is expected to remain low thanks to the stability of commodity prices due to lower demand and pronounced uncertainty on the markets. The economic slowdown will make it possible to meet the inflation target of the ECB mandate by accelerating the interest-rate reduction process. The greater uncertainty linked to trade tensions is a brake on the growth of Italian GDP, which declines in the first two years of the forecast time frame, mainly due to a contraction in investments and exports. The debt/GDP ratio is expected to rise, with an average level of over 140% until 2028. This performance is also reflected in the yields of ten-year BTPs and in the BTP/Bund spread. The slowdown in economic activity, the reduction in investments and the stagnation of household consumption lead to a contraction in demand for loans despite a lower cost of credit.

In detail, the following developments are envisaged:

- Italy's GDP contracted both in 2025 (-0.2%) and in 2026 (-0.6%), and then reversed the trend with a weak recovery in 2027 (0.1%) and in 2028 (0.3%); this trend is also explained by the difficulty in implementing the investments financed by the NRRP in the required time frame;
- investments in construction decreased significantly over the entire time frame, recording a decline of 3.5% in 2025, which worsened in the following years observed (-10.5% in 2026, -7% in 2027 and -5.6% in 2028);
- in an unfavourable macroeconomic scenario, household consumption remains substantially stagnant, with zero change in 2025, a slight decline in 2026 (-0.5%) and a slight recovery in 2027 (0.2%);
- the return of the 10-year BTP rises to 4.02% in 2025 and then increases in the following three-year period to 4.95% in 2028;

- in parallel, the BTP/Bund spread grows to 143 bps in 2025, increasing further to 202 bps in 2026 and to 212 bps in 2027.

Lastly, the "favourable" scenario assumes the achievement of trade agreements for a level of US tariffs lower than that initially threatened, enabling a reduction of international trade tensions, with positive effects on the economic situation. The international framework is further favoured by diplomatic interventions to achieve a truce in Ukraine and Gaza. At European level, the German public investment programmes, together with the enforcement of the RearmEU plan, favour the economic recovery of Germany and European countries. This trend is combined with a stabilisation of prices that favours the restart of a robust cycle of household consumption and investments in capital goods, also for a renewal of production from an eco-sustainable and technological perspective. Italy is among the most favoured countries and would benefit from the boost from foreign markets and the mitigation of geopolitical and trade conflicts. The economic recovery would also favour the performance of public accounts and the reduction of the BTP/Bund spread. Specifically:

- the more favourable international context and a stabilisation of inflation favour economic growth, with Italian GDP seeing a change of 0.8% in 2025 and then increasing by 1.6% in 2026, before subsequently settling at 1.1% until 2028;
- as a result of the mitigation of international trade tensions, a recovery in exports is expected after a reduction of -0.3% in 2024, with growth of 0.8% in 2025, increasing to 3.4% in 2026 and remaining at around 3% in subsequent years;
- total investments, despite the sharp decline in the construction component, are positively affected by the climate of recovery, and after a stagnant 2024 they return to growth by 0.8% as early as 2025, confirming the positive trend also for the following three-year period;
- the return on 10-year Italian government bonds shows an increase from 2025 (3.91%) to 2027 (4.32%) and then settles down;
- The BTP/Bund spread is expected to be stable in 2025 and 2026 (109 bps) and then fall in 2027 and 2028 (92 bps and 78 bps, respectively).

Use of post model adjustments and management overlays

In addition to the amendments illustrated above, when the consolidated condensed interim financial statements as at 30 June 2025 were prepared, it was deemed appropriate to proceed, as was done in previous periods, with the application of additional top-down corrections ("post-model adjustments/management overlays").

These management overlays, which in fact significantly reduce the positive economic impacts that would otherwise have been recorded by applying the models in use, are mainly justified by the fact that the aforementioned models may not capture all the phenomena considered relevant for the purpose of determining the expected losses on performing credit exposures to customers (cash loans and unsecured loans).

In greater detail, for the above-mentioned exposures, the application of the overlays in question entailed the recognition of higher value adjustments for a total of around +158 million, compared to the expected credit losses quantified on the basis of the models in use, which amount to around 313 million.

The quantification of these amounts was determined by conducting specific analyses, in a laboratory environment, based on the following interventions:

- in line with previous years, assessment of the potential ESG effects on staging allocation and ECL, resulting from the inclusion of physical and transition risk on the forward-looking evolution of PD and LGD parameters, on the assumption of adopting, respectively, the Orderly Transition and Flood scenarios, using short, medium and long-term financial projections as inputs to the satellite PD models, managing any overlapping with the climate management ratings introduced directly into the calculation engine, in compliance with the ESG operating plans communicated by the Group to the Regulator as part of the Targeted Review on Climate-related and Environmental Risks ("Inclusion of ESG effects"), obtaining an impact in terms of higher ECL of +26.4 million against an increase in Stage 2 exposures of +0.34 billion. In greater detail, for transition risk, the Orderly Transition scenario was considered, based on the assumptions of the Net Zero 2050 scenario of the Network for Greening the Financial System (NGFS); for physical risk, the impact on mortgage collateral was assessed following a possible write-down of properties based on flood risk, as per the NGFS Flood 2022 scenario. Specifically, real estate depreciation was measured through changes in residential and commercial property price indices inferred from the above-mentioned scenario, assuming a proportional impact on the recovery rates underlying the LGD calculation. For further details on the scenarios used and how they are incorporated for the purposes of calculating the PD and LGD risk parameters, please refer to the previous paragraph "Information on the inclusion of ESG factors in credit processes";

- following the ECB OS-IFRS 9 inspection, from 31 December 2023, the impacts deriving from the application of the behavioural maturity instead of the contractual maturity, on the technical forms of revolving credit (known as "Behavioural Maturity Application"), were applied, obtaining an impact in terms of higher ECL of +47.8 million against an increase in Stage 2 exposures of +0.24 billion. Said impact also considered the increase in ECL deriving from the possible transition to Stage 2 resulting from a recalculation of the SICR due to the new maturity;
- given the intrinsic uncertainty in the geopolitical context, the PMA introduced in December 2024 was maintained, to gauge the potential effect of emerging risks not yet manifested. The intervention is based on the use of the Severe scenario, an alternative to the multi-scenario, with a 50% probability of occurrence and the remaining 50% at the Baseline. The use of the Severe scenario is aimed at identifying an estimated adjustment against possible risk scenarios currently not captured by the IFRS 9 framework. In fact, in the presence of specific economic circumstances characterised by high volatility and/or risks of significant departure from the expected scenarios, it has been decided to introduce further conservatism to the ECL. This intervention captures the potential risk that the forward-looking scenario may diverge from the range represented by the scenarios adopted for the quantification of the ECL. It should be noted that the new macroeconomic scenarios used as a reference for the calculation of this PMA, as well as for the calculation of the ECL, objectively integrate the effect of US tariff policies.
It should be noted that the purpose of this PMA is to intercept scenarios characterised by extreme volatility, and which may be - even significantly - different from the expected scenarios, i.e. to mitigate the risk that the forward-looking scenario may diverge, in extreme cases, from that resulting from the weighting of the three scenarios (favourable, baseline and adverse plus). Consequently, this overlay does not, by its nature, also represent a SICR indicator for the purposes of defining staging allocation in the IFRS 9 framework, as the definition of an extreme scenario is unrelated to a concept of precise measurement of the forward-looking risk of the individual credit positions of the Group's performing portfolio. The impact in terms of higher ECL is +70.2 million;
- lastly, following the ECB OS-IFRS9 inspection, starting from March 2025, in order to introduce greater conservatism in the determination of the credit rating (rating) of the forbearance positions, a notch down of one rating class was applied, obtaining an impact in terms of higher ECL of +13.5 million.

With respect to what was done in preparing the 2024 financial statements, following the application of the post-model adjustments illustrated above, no additional PMAs were introduced; in detail, the PMA relating to the collective approach of classification in Stage 2 of the positions affected by the emerging risk linked to the tensions recorded in the Suez Canal following the attacks of the Yemeni rebels ("Houthis") on merchant vessels that have started to take alternative routes, docking in more favourable foreign ports and, therefore, penalising activities at Italian ports, is no longer applied. In view of the recent evidence of a net improvement in port activities, during the Scenario Council of 1 April 2025, it was decided to discontinue the PMA.

This is without prejudice to the transitory nature of the post-model adjustments linked to the adoption under IFRS 9 of fine-tuning to the modelling framework, to the progressive rejuvenation of the estimated time series, in addition to the consideration that the results deriving from the models to calculate expected credit losses are influenced by macroeconomic scenarios largely dependent on phenomena not fully consolidated and in any case still subject to extreme variability and uncertainty.

Sensitivity analysis of expected credit losses

In accordance with the provisions of paragraph 125 of IAS 1, the Notes must provide information on the key factors of uncertainty that characterise financial statement estimates. Paragraph 129 envisages that this disclosure must be provided in a manner that helps users of financial statements to understand the judgements that management makes about the future and the relative impacts. The examples mentioned to pursue this objective include sensitivity analyses, through which the reader is able to appreciate the impacts on financial statement estimates of alternative calculation models, reasonably foreseeable changes in inputs and assumptions underlying said estimates.

The adjusting provisions of performing credit exposures (ECL) are an example of financial statements values whose estimation process is characterised by the presence of substantial factors of uncertainty.

As described in "Part A - Accounting policies", the inclusion of forward-looking factors for the measurement of expected losses is a particularly complex exercise, insofar as it requires macroeconomic forecasts to be made, scenarios and relative probabilities of occurrence to be selected, as well as defining a model able to represent the relationship between the cited macroeconomic factors and the default rates of the exposures measured.

For this reason, to be able to appreciate the impacts on expected losses resulting from the selection of different macroeconomic scenarios and in compliance with ESMA recommendations, most recently set forth in the document of 13 May 2022, specific sensitivity analyses are provided below in terms of ECL as well as stage allocation. These analyses were performed by attributing 100% weighting to each individual macroeconomic scenario ("baseline", "adverse", "favourable") with respect to the multi-scenario approach adopted for the preparation of these financial statements which, as described above, consider three different alternative scenarios. Alongside the "baseline" scenario, retained the most likely - 50% is the relative probability of occurrence - an "adverse" scenario was considered, which was attributed a 30% probability of occurrence, and a "favourable" scenario with a 20% probability of occurrence.

The selection of a multi-factor sensitivity, obtained by varying more than one parameter simultaneously and implicit in the decision to consider alternative macroeconomic scenarios, is justified by the fact that there are numerous interrelations between the different macroeconomic factors so as to render a sensitivity analysis based on a single factor less representative (by way of example, a change in GDP would effectively be related to changes in many other macroeconomic variables).

The reference basis for the sensitivity analyses is represented by the ECL provision, before the application of management overlays and determined by the models in use, which amounts to approximately 313 million, referring to credit exposures to the Group's customers (cash loans and unsecured loans). However, it is believed that these adjustments have the same sensitivity to changes in the scenario and, for this reason, the results shown below can be extended to the total of the ECL including post model adjustments/management overlays.

In light of what has been described, the main results of the sensitivity analyses are summarised below:

- assignment of a 100% probability of occurrence to the adverse scenario: in this case, the ECL would increase by +82.6 million with respect to that calculated by adopting the multi-scenario approach (around +26.4% in percentage terms), against an increase in the percentage of exposures classified in Stage 2 of +1.32%;
- assignment of a 100% probability of occurrence to the baseline scenario: in this case, the ECL amount would decrease by -18.0 million with respect to the amount of ECLs calculated by adopting the multi-scenario approach (around -5.8% in percentage terms), against a decrease in the percentage of exposures classified in Stage 2 of -0.32%;
- assignment of a 100% probability of occurrence to the favourable scenario: in this case, the ECL amount would decrease by -60.5 million with respect to the amount of ECLs calculated by adopting the multi-scenario approach (around -19.3% in percentage terms), against a decrease in the percentage of exposures classified in Stage 2 of -1.16%.

Expected Credit Loss - Stage 3

With regard to the models used to determine the expected losses on exposures classified under Stage 3, i.e. non-performing exposures, reference should be made to the section "A.2 - Key financial statement items - Methods for determining impairment losses on IFRS 9 Financial Instruments" in these Explanatory Notes. As indicated in the previous paragraph, the expected losses on non-performing loans were determined analytically, based on the recovery forecasts formulated by the manager or resulting from the application of the "lump-sum" calculation method, discounted based on the original effective interest rates and the relating timing of recovery.

For non-performing loans with an exposure of less than 3 million (bad loans, unlikely-to-pay, non-performing past due), the quantification of expected losses also takes into account the effect of disposals; for each position, in fact, a probability of disposal is assigned, based on the historical observations of the last three years, which integrates what is already present in the multi-scenario model used until 31 December 2024¹, exclusively linked to the disposal objectives approved by the Board of Directors as part of the Group's three-year plan for the management of non-performing loans.

In greater detail, the losses are obtained by weighting the expected losses in the work-out scenario with respect to the disposal scenario, as a function of the probability of disposal (POD). As at 30 June 2025, this last probability of disposal is quantified by equating the historical probability with the prospective probability inferred from the plan.

¹ Multi-scenario model for the sale of the NPL plan applicable until 31 December 2024 only to the scope of loans represented by bad loans and unlikely-to-pay.

For credit exposures exceeding 3 million, the expected losses do not factor in any disposal corrective; taking into account the low number of these positions and the historical observations, it is reasonable to expect that their recovery will take place through work-outs or through non-massive (or single-name) transfers.

With particular reference to the scope of non-performing loans below the materiality threshold, set as 1 million euro, subject to write-down through a lump-sum approach, in June 2025 the CRO function completed a project to revise the methodology for estimating the accounting hedges.

The new modelling system, approved by the Board of Directors on 22 July 2025, leverages the IRB ELBE (Expected Loss Best Estimate) LGD regulatory calculation framework, appropriately adapted to the requirements set forth in the IFRS 9 accounting framework ("accounting ELBE"). The revision of the model makes it possible to address a large part of the gaps identified in the assessments of the internal and external control functions compared to the previous model (defined as "automated gone"), which had required, since the 2024 financial year, the introduction of some corrective measures, in an attempt to anticipate the results of the envisaged "accounting ELBE" model.

Specifically, the new ELBE accounting model introduces into the estimate the use of the single span (loss rate quantified from entry to default until the end of the cycle), specialises the LGDs by reference vintage of the assessed case, and integrates the point-in-time, forward-looking (by applying the default LGD satellite models already in use in stress testing), disposal and discounting effects.

The application of this framework resulted in an increase in the provisions (compared to the gone model subject to forcing) of approximately 18 million on the accounting results of June 2025 (pro-forma portfolio for disposals resolved on 30 June 2025). The average in-scope coverage rose from 38.8% to 40.2%.

In relation to receivables above the threshold but with exposure of less than 3 million, the new valuation framework introduced in June 2025 to factor in the effects of historical assignments, in addition to those already considered in the plan - which as at 30 June 2025 was zero due to the effects of the transfers approved or finalised - resulted in higher value adjustments of 13.8 million being charged to the income statement.

Credit risk mitigation techniques

The Group has always kept a watchful eye on the acquisition of loan collaterals and securities, i.e. the use of applications and techniques that mitigate credit risk. When deemed necessary, the typical bank guarantees are acquired, namely mortgages on properties, collaterals on securities in addition to personal guarantees issued by the guarantors and state guarantees.

In general, the decision on the acquisition of a guarantee is based on the customer's creditworthiness and on the characteristics of the transaction. Following this analysis, it may be deemed appropriate to obtain additional guarantees to mitigate credit risk, considering the estimated recoverable value offered by the collateral.

The system for the recording of collateral property used to guarantee lending transactions enables an automatic periodic assessment of the property's value and identifies which properties require updated appraisals, in line with the criteria established by current legislation.

The value of the financial collaterals is constantly and automatically monitored, enabling a comparison between the present value of the collateral and the initial one, and to allow the manager to act promptly in the event that the collateral incurs a significant impairment loss.

As regards collateral represented by a pledge on securities, an automatic warning system is in place, which is triggered when impairment goes beyond a certain threshold value, highlighting the critical issue to the customer relationship manager so that prompt action may be taken.

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

Outcomes of internal validation activities

In order to calculate capital requirements against Credit Risk and only on the scope of the Parent Company, Banco BPM Group adopts internal estimates of PD and of LGD for Corporate and Private Customer portfolios.

The comparison between estimates and empirical data is made separately for PD, LGD and CCF, by means of backtesting conducted by the Internal Validation function.

With reference to the PD models, Banco BPM Group adopts performance measurements to check the accuracy ratio (AR) of the estimates and calibration tests ("classical" binomial tests on a multi-period and single period basis) to compare the default rates (DRs) recorded over an annual time horizon with the estimated PD values.

Regarding the Business customer segment, the latest backtesting showed a good discriminatory power of models, both in terms of single modules and final integrated scores, which produced values comparable and at times superior to those obtained during the development phase. With regard to the calibration, satisfactory values were found for all models.

Overall, the model performed well for the Private customer segment. With regard to calibration, the results of the binomial tests were satisfactory.

With regard to the LGD parameter, testing was conducted on both the performing and in default components. Internal Validation did not reveal significant shortcomings with the estimates generated for the private and business models. However, aspects of further improvement on the default scope remain to be explored, especially with reference to unlikely to pay exposures.

Testing was conducted in relation to CCFs. Internal Validation did not detect significant issues with the estimates generated for both the Retail and Corporate models.

In general, the models were fine-tuned, mainly with a view to making the models more compliant with legislative requirements.

The Internal Validation function also continuously validates changes to the internal management model for calculating economic capital for Pillar II purposes (Capital Portfolio Model). In particular, during the half year, Internal Validation verified the robustness of the correlation assumptions underlying the Monte Carlo simulation.

Counterparty Risk

With regard to counterparty risk, defined as the risk that the counterparty in a transaction defaults before the final settlement of the cash flows of such transaction (EU Regulation no. 575/2013), the Group uses, both for supervisory reporting purposes and for internal management purposes, standardised methods to calculate exposures on the entire reference scope relating to derivatives and securities financing transactions (repurchase agreements and securities lending).

As regards derivative transactions, exposure to counterparty risk is calculated on the basis of the SA-CCR approach (Standardised Approach for Counterparty Credit Risk) (Ref. EU Regulation 2019/876), which makes it possible to better reflect the risks associated with derivative transactions.

Starting from March 2023, the internal method (Shortcut Method), previously used for management purposes to estimate risk exposures in OTC derivatives subject to Collateral Agreements (CSA), was prudentially replaced by the standardised approach (SA-CCR) also adopted in the Supervisory reporting area, which entered into force in June 2021 and applied to the entire scope of derivative transactions.

The above cited internal method continues to be implemented in the Parent Company for transactions in OTC collateralised derivatives, together with a daily monitoring and reporting system.

Membership of Clearing Houses for transactions in OTC Derivatives and Credit Derivatives has enabled the mitigation of risks.

In compliance with European Regulation 2024/1623 in force since 1 January 2025, the additional capital requirements on Own Funds for the Credit Valuation Adjustment (CVA Risk) are also calculated, through the adoption of the Basic Method referred to in Art. 384 of the aforementioned Regulation. Trading exposures and contributions to the guarantee fund towards a central counterparty are also calculated, through the adoption of the methods envisaged in Articles 306-308 of EU Regulation no. 575/2013.

Total counterparty risk is determined by applying the credit parameters (PD, LGD, weightings) established (AIRB or Standard internal model) to the exposure measures defined above.

Compliance with the RAF limit set by the Board of Directors is verified on a monthly basis on the entire scope.

With regard to fair value measurement for the purposes of the accounting valuation of financial instruments, the Parent Company also estimates fair value adjustments (Valuation Adjustments) in order to reflect counterparty risk on OTC derivative exposures.

The above adjustments are made with reference to both credit exposures (CVA - Credit Valuation Adjustment) and debt exposures (DVA - Debit Valuation Adjustment), to take into account the probability of bankruptcy of the counterparty and the Reporting Bank, respectively. In order to determine the exposure, an advanced simulation approach (Monte Carlo) is adopted for the quantification of the CVA and DVA, in line with market best practices.

The Group has met the obligation envisaged by European Legislation (EU Delegated Regulation 2016/2251), by exchanging, based on the relative contracts (CTA - Collateral Transfer Agreement), the initial margins of OTC derivatives not cleared by a central counterparty, which provide additional protection in the event that one of the two counterparties is not able to meet its commitments over the life of the contract.

Banco BPM Group uses the SIMM (Standard Initial Margin Model) method, whose calculation is mostly risk-sensitive, and is based on aggregate sensitivities by risk and product category.

Financial risks

Trading book

The organisational model adopted by Banco BPM Group for the trading books exposed to interest rate risk and price risk requires the centralisation in the Parent Company's Finance Department of the management of Treasury positions and the proprietary portfolio.

With reference to the internal model for the calculation of capital absorption against market risk, it should be noted that, starting from the 31 December 2020 reporting date, Banco BPM Group has used the model extended to all risk factors to calculate the Market Risk capital requirement. Said requirement is therefore calculated on the basis of the VaR, Stressed VaR - including the specific risk of debt securities - and of the IRC.

On 14 April 2023, the ECB also granted authorisation to extend the approach of the IMA model to the exchange rate risk of Banking Book positions.

Following the finalisation of the demerger of the Global Markets business unit of Banca Akros to Banco BPM, effective for legal purposes as of 1 January 2024, the new operating model centralised capital markets activities that involve the assumption of market risk in the Parent Company.

Parent Company's Portfolio

The Parent Company holds a trading book, the main risk exposures of which concern transactions on both money markets and the associated hedging derivatives, as well as those on the markets for OTC derivatives and structured products and listed derivatives.

Transactions are connected to both plain vanilla and structured instruments and listed and unlisted derivatives, including trades on the secondary market of structured products issued by the Group. The deconstructing of complex transactions based on the underlying enables the centralised management of the interest rate, exchange rate and price risks within the specific offices of the Bank's Finance Department, which use sophisticated position keeping systems.

Trading in interest rate derivatives mainly consists of optimising the flows generated by the need to hedge interest rate risk by institutional customers (for example, Banks, Funds and Insurance companies), and corporate customers of the Bank, taking on the risk as its own and managing it using dynamic hedging strategies. The Parent Company operates as a market maker on OTC derivatives, mainly on the Euro interest rate curves. The process of rebalancing risks on an ongoing basis entails, also based on market liquidity, the use of trading in regulated futures and the related options on short and medium/long-term interest rates.

Trading in bonds issued by financial companies or corporates, traded on the secondary market (Eurobonds) derives from the need to meet customer requests, mainly from institutional customers. On the secondary market, the Bank operates as a market maker on bonds from corporate, financial and supranational issuers, primarily denominated in Euro, through trading on multilateral trading facilities or OTC.

Since November 2024, the Bank has also acted as market maker as a specialist in Government Bonds on behalf of the Ministry of the Treasury.

The main exposures to equity risk are related to trading on cash markets and associated listed or plain vanilla derivatives on the derivatives and OTC structured products market and the listed derivatives market.

Specifically, the scope includes portfolios of equities and related listed derivatives, held for trading purposes, for market making transactions on individual stock futures and options and for activities related to specialist services (continuous exposure of proposals to buy/sell), as well as transactions in structured instruments and listed derivatives. The deconstructing of complex operations based on the underlying enables the centralised management of the interest rate, exchange rate and price risks within the specific offices, which use a sophisticated position keeping system specialised in interest rate and credit spread, exchange rate and price risks. The system is integrated with pricing models and risk measurement (Greeks) developed in-house by the Financial Engineering function and validated by the Parent Company's Risk Function.

With regard to the composition of the portfolio, at the end of June, net bond exposure, excluding Banco BPM issues, amounted to a nominal value of around 507 million, represented by 184 million in Italian Financial securities, 64 million in Corporate bonds, 53 million in foreign government bonds (54 million German, 12 million US and a short position of 29 million in French government securities), 2 million in Supranational bonds, a position of 218 million in Italian government bonds and a short position in foreign Financial bonds (-13 million), the latter mainly comprised of financial CDS Itraxx (-33 million), used to hedge the positions in financial securities.

The exposure to credit spread risk totalled approximately -30 thousand euro (net of Banco BPM issues), considering a shock of 1 basis point, deriving mainly from financial securities (credit spread sensitivity: approximately -22 thousand euro), chiefly Italian (-34 thousand euro), foreign government (around -5 thousand euro).

The sensitivity (delta) to the overall interest rate risk at the end of June, netting long and short exposures on the various currencies and yield curve nodes, was +56 thousand euro, assuming a parallel change in the interest rate curve of 1 basis point. The greatest exposure to interest rate risk was recorded on the EUR (+51 thousand euro, positive rho), USD (+3 thousand euro) and CHF (+2 thousand euro) curves.

The overall exposure to the price risk of the equity portfolio equals a delta equivalent long position of around +7.2 million, divided between the Eurozone (+5.1 million) and the USA (+1 million). With regard to the indicator Vega (sensitivity to changes in the implicit volatility of the underlying), relating to the equity risk class, at the end of June the exposure was a positive roughly 1.8 million euro, considering a parallel shock of 1% on volatility levels. That exposure mainly originates from liquid share indices and "Large Cap" single stocks.

Lastly, the sensitivity to the dividend risk factor, considering a parallel shock of 10% on the levels of this parameter, was approximately +329 thousand euro as at 30 June, concentrated mainly in the Ftse Mib and Stoxx Utilities indices and in large caps.

The above-mentioned risk exposures are monitored daily to ensure that the operating limits, for the entire portfolio and for the individual underlying assets, established in accordance with the RAF limits set by the Board of Directors are complied with.

Interest-rate risk and price risk management processes and measurement methods

The task of controlling the financial risk management, with a view to identifying the different types of risk, defining the methods to measure the same, to controlling limits at strategic level and verifying the consistency between the operations of the same and the risk/return targets assigned, is centralised in the Parent Company under the responsibility of the Risk Function.

Financial risks are monitored on a daily basis, both through the use of deterministic indicators (sensitivity to market risk factors and indicators referred to the issuer) and probabilistic indicators (Value at Risk - VaR). The VaR, which indicates the maximum potential loss associated with market movements in unexceptional conditions, over a certain time horizon and with a certain confidence interval, represents a synthetic risk measurement.

The approach used to calculate the VaR is based on historical simulation. The values calculated are provided with a confidence interval of 99% and a time horizon of one day. The correlations used are those implicit in the historical scenarios of risk factors applied to estimate the empirical distribution of values in the trading book.

With regard to the Internal model (IMA) used to quantify the Regulatory Capital Requirement, in addition to the Ordinary VaR calculated under current conditions, a VaR under stressed conditions (Stressed VaR) is calculated, which adopts the period between August 2008 and August 2009 as the most severe scenario. The period of stress is monitored with a frequency and a method defined by internal regulations, which enable it to be promptly identified when changes in the composition of the portfolio occur, at the same time guaranteeing a certain degree of stability.

The Historical Simulation VaR model is used both to calculate the capital requirement, as envisaged by prudential requirements for market risk, and for operational purposes.

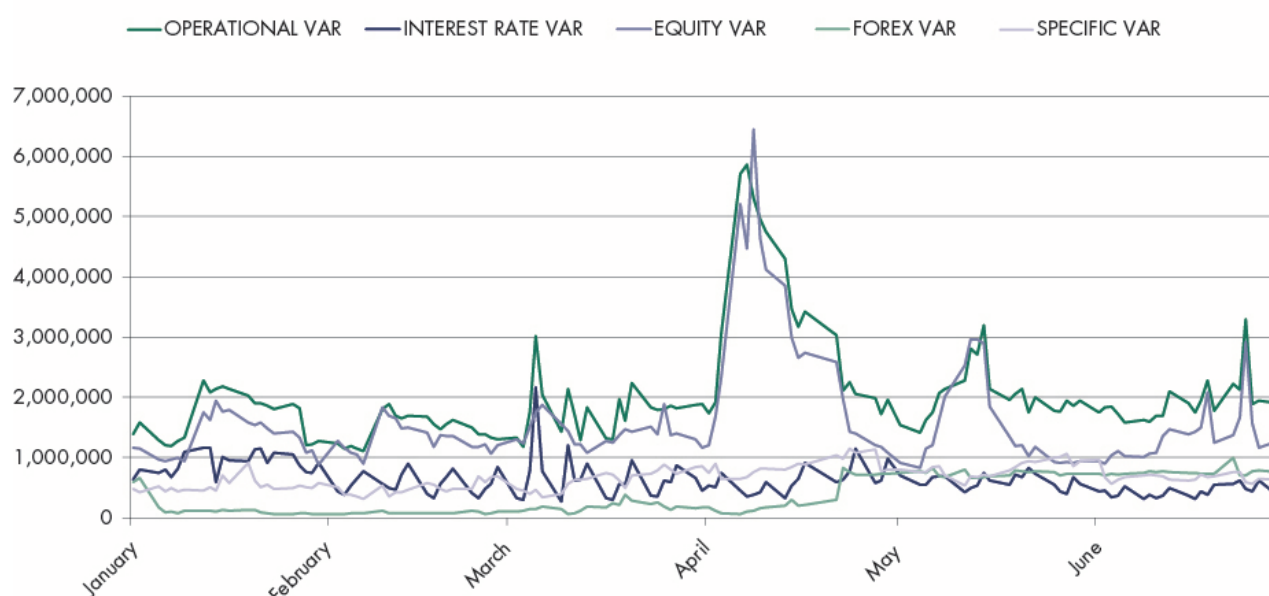
Regulatory trading book: internal models and other sensitivity analysis methods

A table containing the operational VaR figures is shown below for the first half of 2025, along with a historical graph, referring to the regulatory trading book of Banco BPM.

Regulatory trading book (in millions of euro)	1st half 2025			
	30 June	average	maximum	minimum
Interest Rate Risk	0.361	0.634	2.167	0.270
Trading and banking book exchange rate risk	0.758	0.372	0.989	0.055
Equity Risk	1.269	1.597	6.446	0.821
Dividend and Correlation Risk	0.264	0.378	1.198	0.000
Specific Debt Securities Risk	0.637	0.664	1.147	0.305
Total uncorrelated	3.290			
Diversification effect	-1.384			
Combined risk (*)	1.907	2.010	5.867	1.112

(*) Overall operational VaR.

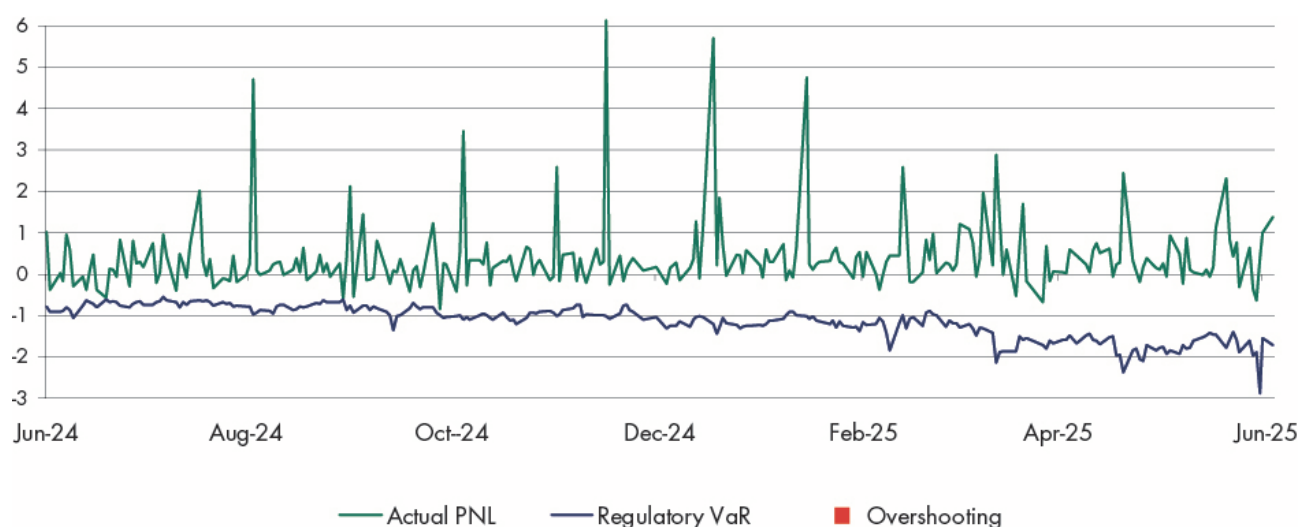
Daily VaR and VaR by risk factor



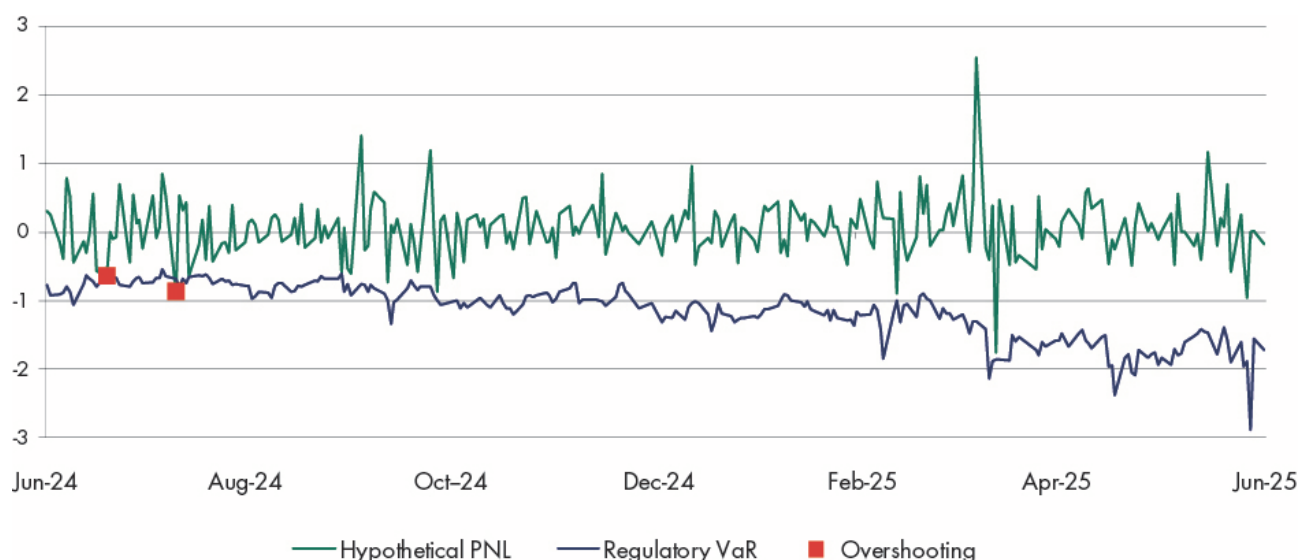
The prevailing risk component in the first half of 2025 is that relating to equity risk (levels and volatility), followed in order of importance by specific debt security risk.

Consistent with the validation of the internal model for the calculation of the capital requirement relating to market risks, backtesting is conducted on the regulatory trading book on a daily basis, with a view to verifying the solidity of the VaR model adopted. The graphs below show the backtesting relating to the VaR method, calculated on the generic and specific risk components of debt securities and equity securities, interest rate risk and trading and banking book exchange rate risk.

Actual Backtesting



Hypothetical Backtesting



In the last 250 observations, Banco BPM recorded 2 hypothetical backtesting overruns (15 July 2024 and 5 August 2024), generated by adverse market movements.

FRTB (Fundamental Review of the Trading Book)

To address the numerous critical issues that emerged during the global financial crisis of 2008, the CRR (Capital Requirements Regulation) came into force in 2013, a European regulation that adopts Basel II and III standards in order to guarantee the financial stability of institutions by defining robust capital requirements for credit, operational and market risks.

Since then, banking regulations on market risk management have been further revised, with a first implementation of the FRTB (Fundamental Review of the Trading Book) framework within CRR II in 2019, the introduction of requirements of incremental reporting starting from 2021, and a subsequent integration of the FRTB standards with the entry into force in July 2024 of the new CRR III regulation. In particular, the new framework introduced the following changes:

- definition of more stringent rules for the classification and change in instruments within the trading book and banking book; the metrics for measuring the capital requirement for market risk using the standardised approach, have been made more prudential and sensitive to market movements;

- internal models continue to be allowed, but must meet more stringent requirements and are subject to approval by the Regulator.

In order to ensure a level playing field between EU financial institutions and other jurisdictions, the Commission delayed twice, by means of a delegated act, the date of application of the regulatory text, postponing it to 1 January 2027.

In this regard, Banco BPM Group is actively working on the development and alignment of the systems, structures and activities with the new regulations introduced. In particular, it should be noted that:

- as regards the Standard model (FRTB SA), the request for the use of alternative sensitivities (as made possible by Art. 325f) was approved by the Regulator, as they are considered more precise than those required by the regulation;
- as regards the Internal Model (FRTB IMA), given the complexity of calculating the new measures and the recent organisational reorganisation of the trading book structures, Banco BPM Group decided not to request authorisation for the application of the model (it may request it subsequently, if necessary).

Outcomes of internal validation activities

Banco BPM Group adopts internal models to quantify capital requirements for Market Risk, on which the Internal Validation function conducts qualitative and quantitative analyses to assess their soundness and the accuracy of the estimates for all significant risk components. Furthermore, it expresses an opinion on the regular functioning, on the predictive capacity, on the performance of internal risk measurement methods and on the adequacy of operating processes to ensure, on a continuous basis, the compliance of internal methods with company needs and the evolution of the reference market.

With reference to backtesting, the data produced to support overruns is analysed, as well as specific statistical tests (Proportion of Failures test, Time Until First Failure test, Christoffersen Interval Forecast test, Mixed Kupiec test and Conditional Coverage test) that are conducted in regard to different portfolio hierarchical levels and time frames. The results of the analysis showed that the model has a good capacity to predict the number of backtesting overruns.

Additionally, the adequacy of the scaling method used to quantify the capital requirement, as required by regulations, was reviewed.

To verify the severity of the stressed period used in the Stressed VaR risk measurement, appropriate analysis is carried out to assess any alternative periods that are more conservative than the one currently used to quantify the risk. The analyses showed the adequacy of the stressed period used in the quantification of risk.

Lastly, the Internal Validation function validates sample pricing models and performs benchmark models in order to evaluate the robustness of those in production.

On a periodic basis Internal Validation also verifies the robustness of the non-modelled risk framework (RNIME), as required by supervisory regulations.

Pursuant to the MiFID 2 regulations, Internal Validation carried out preparatory activities for the production of the annual Validation Reports on Algorithmic Trading for own account activities (Parent Company) and on behalf of third parties (Banca Akros) to be sent to Consob (subject to assessment by the Audit and Compliance functions).

Banking book

The interest rate risk relating to the banking book is mainly associated with the core activity performed by the bank acting as an intermediary in the process of transformation of maturities. In particular, the issue of fixed-rate bonds, the granting of fixed-rate commercial and mortgage loans, and funding from demand current accounts represent a fair value interest rate risk, while floating-rate financial assets and liabilities represent a cash flow interest rate risk.

The Asset & Liability Management unit of the Parent Company's Finance Function is responsible for managing interest rate risk and operates in compliance with the limits for exposure to interest rate risk defined by the RAF and/or the framework of operating limits and the indications of the Finance Committee.

The Parent Company's Risk Function is in charge of monitoring and controlling the interest rate risk of the banking book, also for the financial subsidiaries. This activity is performed on a monthly basis to verify that the limits in terms of changes in net interest income or the economic value of the banking book are complied with.

During the first half of 2025, the usual periodic activities were carried out to maintain and update internal models.

It should also be noted that the Supervisory reports (ad hoc data collection) required by the EBA guidelines of 2022, launched on 31 December 2023 have been regularly transmitted: CSRBB and NII+FV Changes in the area of STE, SOT EV and SOT NII. In addition, starting from September 2024, ITS supervisory reports were introduced not only at consolidated level but also at individual level (including the individual legal entities), as required by the Regulator.

Furthermore, starting from December 2024, within the STE exercise, the Regulator requested the CSRBB_STD metric (standard), with shocks on credit spread curves provided by ESMA and with a scope extended to Deposits and Loans and advances.

As part of the monitoring of interest rate risk, the main risk measures used within the RAF are:

- the change in expected net interest income over a twelve-month time horizon, in accordance with both a static and a dynamic balance sheet perspective, following a sudden parallel shock of the spot rate curves of +/- 100 bps for static monitoring and +/- 200 bps for dynamic monitoring, equating the measure to the static SOT NII, in relation to Tier 1 (income perspective);
- the change in economic value following a parallel shock of the spot rate curves of +/-200 bps in the Balance Sheet Run-Off scenario in relation to Tier 1 (capital perspective);
- the value at risk of the banking book through the VaR (Value at Risk) methodology over a 12-month time horizon and with a confidence interval of 99.9% monitored as a RAF early warning indicator (capital perspective);
- the change in economic value as a result of calibrated credit spread shocks (CSRBB sensitivity), in relation to Tier 1.

With regard to economic value analyses, Banco BPM Group maintained the monthly frequency of application of stress tests on the relevant currencies, reporting the results to the Finance Committee, in any case also following normal operating practice, as well as internal regulations, to carry out the same stress tests by applying sudden shocks, parallel or non-parallel, on the rate curves to all currencies in which banking book items are denominated.

Additionally, during the ICAAP exercise, the impact of extreme yet plausible changes in risk factors on VaR is assessed from a capital adequacy perspective.

The table below shows exposure to interest rate risk at the end of the first half of 2025 in accordance with operational risk measures.

Risk ratios (%)	2025				2024	
	30 June	average	maximum	minimum	31 December	Average
For shift + 100 bps						
Financial margin at risk/Financial margin	4.80%	6.00%	7.00%	4.80%	6.30%	6.40%
For shift - 100 bps						
Financial margin at risk/Financial margin	-4.80%	-6.40%	-4.80%	-7.60%	-6.70%	-7.00%
For shift + 100 bps						
Economic value at risk/Tier 1 Capital	-7.10%	-6.30%	-5.70%	-7.10%	-6.40%	-5.00%
For shift - 100 bps						
Economic value at risk/Tier 1 Capital	5.90%	4.70%	5.90%	4.00%	3.30%	0.90%

The Banking book risk also includes the specific risk on debt securities and equities measured with the FHS-VaR Historical Simulation model, for all financial statement items measured at fair value.

Outcomes of internal validation activities

Banco BPM Group adopts behavioural models in order to capture idiosyncratic elements of customer segments and produce rate risk estimates that are more appropriate to the characteristics of the banking book. In this context, Internal Validation carries out reperforming, benchmarking and backtesting analyses in order to verify the robustness of rate risk estimates. The analyses carried out during the first half of 2025 did not reveal critical issues.

Operational Risk

Type of risk

Operational risk is defined as the risk of losses suffered as a result of inadequacy or malfunction of procedures, human resources and internal systems, or of external events. Losses resulting from fraud, human error, interruption of

operations, non-availability of systems, contractual breaches and natural disasters are included in this type of risk. Operational risk also encompasses legal risk, while strategic and reputational risks are not included.

Risk sources

The main sources of operational risk are: the low reliability of operational processes - in terms of effectiveness/efficiency - internal and external frauds, operational mistakes, the qualitative level of physical and logical security, inadequate IT structure compared to the size of operations, the growing recourse to automation, the outsourcing of corporate functions, a limited number of suppliers, changes in strategies, incorrect personnel management and training policies and finally social and environmental impacts.

Risk management model and organisational structure

Banco BPM Group fully adopts the Standardised Measurement Approach to calculate capital requirements for all companies that make up the Supervised Group, while with regard to the other qualitative-quantitative elements envisaged by Supervisory Regulations, as requested by the ECB, it meets all of the requirements of the CRR (Regulation (EU) no. 575/2013 as subsequently amended) for the SMA method.

Also in compliance with the relevant regulations, the Group adopted an operational risk management model that illustrates the management methods and the people involved in risk identification, measurement, monitoring, mitigation and reporting. In particular, the model refers to centralised oversight functions (governance and control functions) and decentralised oversight functions (coordinators and ORM contacts, which are specifically involved in the key processes of collecting operating loss data, continuously assessing the operating scenario and forecasting exposure to risk). This model is governed by a specific Group Regulation approved by the Corporate Bodies.

Banco BPM Group adopts a reporting model, consisting of a management IT system for the Corporate Bodies and Top Management (significant losses and related recoveries, overall assessment of the risk profile, RAF indicator profile, capital absorption and risk management policies implemented and/or planned) and an operational reporting system, for the purposes of an adequate risk management in the relevant areas.

In line with the mission of Banco BPM Group, the main risk impacts regard the "Processes" and "Commercial practices" categories, which together represent the predominant portion of total risk and which, for the most part, arise in the Group's commercial networks. With reference to the category of "External Fraud", given the trend of increasingly sophisticated techniques (e.g. identity theft, cyber risk phenomena, etc.), the Group is constantly reinforcing physical and logical security, therefore containing these phenomena both in terms of frequency and the average impact on loss events of this kind. The Group takes the appropriate mitigating measures (e.g. training, implementation of application processes/procedures) as protection against the main risk factors that arise.

Liquidity risk

Challenges and impacts related to the current macroeconomic context

Although the macroeconomic scenario has been characterised recently by periods of high volatility given the geopolitical tensions, the Group's risk profile showed robust levels of liquidity and funding, well above the regulatory thresholds and internal limits. In addition, the scenario and the relative impacts on the Group's liquidity and funding position are constantly monitored and reported to the competent corporate bodies.

General aspects, management processes and measurement methods for liquidity risk

Liquidity risk means the risk that the Group is not able to meet its payment commitments, which are certain or envisaged with reasonable certainty. Two types of liquidity risk are normally identified:

- Liquidity and Funding Risk, i.e. the risk that the Group may not be able, in the short-term (liquidity) and/or in the long-term (funding), to efficiently meet its payment commitments and obligations;
- Market Liquidity Risk, i.e. the risk that the Group may not be able to liquidate an asset without incurring capital losses due to the limited depth of the reference market and/or as a result of the timing with which it is necessary to carry out the transaction.

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

Liquidity risk is managed and monitored as part of the Internal Liquidity Adequacy Assessment Process (ILAAP), which is the process the Group uses to identify, measure, monitor, mitigate and report its liquidity risk profile. As part of this process, the Group makes an annual self-assessment regarding the adequacy of the overall liquidity risk management and measurement framework, which also covers governance, methodologies, information systems, measurement tools and reporting. The results of the risk profile adequacy assessment and the overall self-assessment are reported to the Corporate Bodies and submitted for the attention of the Supervisory Authority.

Liquidity governance is centralised within the Parent Company. Liquidity risk monitoring and control is conducted on a daily (short-term liquidity) and a monthly basis (structural liquidity); its objective is to monitor the evolution of the risk profile by verifying its adequacy with respect to the Risk Appetite Framework and the operational limits envisaged. Stress tests are conducted on a monthly basis, in order to test the Group's ability to withstand unfavourable scenarios and the estimates of the liquidity that can be generated with the countermeasures (so-called action plan, an integral part of the Liquidity Contingency Plan) that can be activated when a stress scenario occurs, are updated.

More specifically, the Group uses a monitoring system that includes short-term liquidity indicators (with a time horizon from intraday to twelve months) and long-term ones (beyond twelve months). To this end, both regulatory metrics (LCR, NSFR, ALMM) and metrics processed internally, which include the use of estimation models of behavioural and/or optional parameters, are adopted.

In the first half of 2025, the liquidity and funding profile of the Banco BPM Group was found to be adequate, complying with both internal and regulatory risk limits. The monitoring of all ordinary activities related to the measurement, monitoring and reporting of the Group's exposure to liquidity and funding risks was maintained, including Supervisory Reporting and periodic dialogue with the JST. During the first half of 2025, once the Final Report was received from the ECB, the Group planned and followed up on the resolution plan, still in progress, of the findings that emerged during the on-site inspection OSI-2024-ITBPM-0241688.

Outcomes of internal validation activities

The Internal Validation Function conducts qualitative and quantitative analyses to assess the soundness and accuracy of liquidity risk estimates. Furthermore, as regards ILAAP, the Function expresses an opinion on the regular functioning, on the predictive capacity, on the performance and on the prudence of the internal methodologies for measuring liquidity and funding risks. The analyses carried out during the first half of 2025 did not reveal critical issues.

Covered bond transactions and securitisations

Covered bonds

Significant events during the interim period

With reference to the CB Programmes of the Banco BPM Group, as part of the BPM Covered Bond Programme ("BPM CB1"), the expiring CB Series was renewed; in particular, the Final Terms were modified (i) of the CB Eleventh retained Series with a face value of 650 million in order to provide for an extension of the maturity of the security from 25 March 2025 to 25 March 2030, (ii) of the Ninth retained CB Series with a face value of 1,900 million in order to extend the maturity of the security from 26 April 2025 to 26 April 2029 and (iii) of the CB Fourteenth retained Series with a face value of 1,000 million in order to extend the maturity of the security from 30 June 2025 to 30 June 2029.

As part of the BPM Covered Bond 2 Programme ("BPM CB2") (i) at the maturity of 23 January 2025, Banco BPM fully repaid, after it reached its natural maturity, the CB Fourth Series issued for a nominal value of 750 million and proceeded with the adjustment in the same amount of the Converted Loan as a balancing entry to the Term Loan and (ii) on 6 March 2025, Banco BPM issued the CB "Twelfth Series" (Premium) for a nominal value of 750 million, listed on the Luxembourg Stock Exchange, placed with institutional investors, coupon at a fixed rate of 2.625% per annum, maturity on 6 September 2029 and the subordinated Term Loan was converted to the Converted Loan for the same amount. This is the first issue of European Covered Bonds (Premium) in 2025 and the first Social Covered Bond placed by the Group as part of the Green, Social and Sustainability Bonds Framework.

In May 2025, as part of both Covered Bond Issue Programmes of the Group, Banco BPM repurchased "en bloc" (i) the positions that as at 30 April 2025 were classified as bad loans, (ii) a portion of loans previously transferred to the SPEs and no longer classifiable as "eligible", as they had mortgage collateral that was expiring by 30 June 2025 and (iii) some positions classified as unlikely to pay or past-due. In May 2025, Banco BPM settled the consideration for the repurchase of bad loans and mortgages in favour of the SPEs.

As part of the Group's CB programmes, on the Guarantor Payment Dates during the first half of the year, the subordinated loan granted by Banco BPM to the SPE BPM Covered Bond S.r.l. was repaid for a total of 730 million and the one granted to the SPE BPM Covered Bond 2 S.r.l. was repaid for a total of 500 million.

Significant events after the end of the interim period

On the occasion of the Guarantor Payment Dates in July 2025, the SPEs BPM Covered Bond S.r.l. and BPM Covered Bond 2 S.r.l. repaid the subordinated loan to Banco BPM for 400 million and 450 million respectively.

Securitisations originated by the Group

Traditional securitisations acting as originator

With reference to the securitisations in question, the Group completed 7 transactions, of which one transaction (Tiberina) almost fully repaid in 2025. As at 30 June 2025, the book value of the exposures held was equal to 1,084.6 million.

With reference to securitisations subject to full derecognition from the financial statements:

- the exposures classified in the portfolio of "Financial assets at amortised cost" amount to 912.4 million and are represented entirely by the senior tranches. Almost all positions are backed by the GACS state guarantee;
- exposures classified in the portfolio of "Financial assets mandatorily measured at fair value through profit and loss" amount to 2.7 million and are represented by the mezzanine and junior tranches, subscribed in compliance with the prudential retention rule.

With reference to securitisations not derecognised from the financial statements, the exposure of 169.6 million refers to the Wolf transaction carried out in 2022, through the SPE Lilium, with the aim of restructuring the receivables due from the Statuto Group. Since this is a transaction without derecognition, the exposure is equal to the difference between the assets sold and not derecognised, recorded in the portfolio measured at fair value and the corresponding liabilities, also measured at fair value, net of the securities subscribed.

The following table lists the securitisation transactions in place as at 30 June 2025, showing the relative accounting treatment - derecognition or not from the financial statements of the assets sold to the SPE - depending on the significant transfer of the risks and rewards.

SPE (figures in millions of euro)	Transaction	Type of securitisation	Exp. AC Book value as at 30/06/2025	Exp. P&L fair value Book value as at 30/06/2025	Total
Securitisations not derecognised from the financial statements					
Lilium SPV S.r.l.	Project Wolf	UTP loans	-	169.6	169.6
Securitisations fully derecognised from the financial statements					
Red Sea SPV S.r.l. (*)	Project Exodus	Bad loans	420.9	0.1	421.0
Leviticus SPV S.r.l. (*)	Project Ace	Bad loans	380.1	0.5	380.6
Tiberina SPV S.r.l.	Project Django	UTP and Bad loans	-	-	-
Titan SPV S.r.l. (*)	Project Titan	Bad loans	5.4	0.1	5.5
Aurelia SPV S.r.l. (*)	Project Rockets	Bad loans	95.5	0.7	96.2
Tevere SPV S.r.l.	Project Argo	UTP and Bad loans	10.4	1.3	11.7
Total			912.4	172.3	1,084.6

(*) Securitisation transactions backed by government guarantee (GACS).

Significant events during the interim period

Regarding the "Red Sea SPV" securitisation transaction, on 1 April 2025, the rating agency Moody's downgraded the rating of the Class A Senior Securities from "BA2" to "B2".

With regard to the "Leviticus SPV" securitisation transaction, on 25 March 2025 Banco BPM signed an amendment to the contracts relating to the transaction that essentially concerns a change in the method for calculating the securitisation performance indicators to make it more prudential. In addition, on 16 April 2025, the rating agency DBRS downgraded the rating of the Class A Senior Securities from "B" to "CCC+".

With regard to the "Aurelia SPV" securitisation, on 28 May 2025, the rating agency DBRS increased the rating of the Class A Senior Securities from "A-" to "A".

Significant events after the end of the interim period

With regard to the "Titan SPV" securitisation transaction, on 11 July 2025, the rating agency DBRS increased the rating of the Class A Senior Securities from "BBB+" to "A".

With reference to Project Lilium, the Payment Report of 31/07/2025 showed the full payment of note B1 (17.68 million) and the partial payment of note C1 (5.97 million).

Synthetic securitisations acting as originator

Synthetic securitisations envisage, through the contracting of collateral arrangements, the purchase of protection from the credit risk underlying a portfolio of loans, of which the Originator retains full ownership. Thus, the purpose of those transactions is to transfer the credit risk from the Originator to an external counterparty, without derecognising the assets, which are therefore kept in the Originator's financial statements.

Transaction	Guarantor	Originator	Transaction date	Type of securitisation
Project Greta	Market investors and insurance company	Banco BPM	December 2022	Performing loans
Project Sofia	Market investor	Banco BPM	December 2022	Performing loans
Project Grace	Market investors	Banco BPM	June 2023	Performing loans
Project Marlene	Market investors	Banco BPM	December 2023	Performing loans
Tranched Cover - 2001	Guarantee Fund for Small and Medium Enterprises	Banco BPM	December 2023	Performing loans
Project Aretha	Market investors	Banco BPM	August 2024	Performing loans
Tranched Cover - 2002, 2003 & 2004	Guarantee Fund for Small and Medium Enterprises	Banco BPM	August November December 2024	Performing loans
Project Clint	Market investors	Banco BPM	March 2025	Performing loans
Project Gregory	Market investors	Banco BPM	March 2025	Performing loans
Tranched Cover 2005 & 2006	Guarantee Fund for Small and Medium Enterprises	Banco BPM	March 2025 June 2025	Performing loans

*Significant events during the interim period***Synthetic securitisations 2021 - Project Audrey and Project Brigitte**

As part of the synthetic securitisations finalised in previous years, in January and April, two transaction finalised in 2021 were closed, with the Bank exercising the early termination option.

Synthetic securitisation Large 2025 - Project Clint

During the month of March, Banco BPM concluded a synthetic securitisation transaction with the involvement of two market investors.

The securitised portfolio consists of approximately 3.0 billion in performing loans granted to more than 200 Corporate companies.

The structure of the transaction envisages, net of retention, the risk of which remains with the Bank in order to meet the requirement of maintaining a net economic interest of at least 5% (retention rule), the subdivision of the portfolio into two tranches with an increasing level of risk, with the junior risk hedged by the investors.

Synthetic securitisation SME 2025 - Project Gregory

During the month of March, Banco BPM concluded a synthetic securitisation transaction with the involvement of three market investors.

The securitised portfolio consists of approximately 2.3 billion in performing loans granted to over 7,000 Mid Corporate Plus, Mid Corporate and Small Business companies.

The structure of the transaction envisages, net of retention, the risk of which remains with the Bank in order to meet the requirement of maintaining a net economic interest of at least 5% (retention rule), the subdivision of the portfolio into three tranches with an increasing level of risk, with the mezzanine risk hedged by the investors.

Synthetic securitisation Tranchet Cover - 2005 & 2006

In March 2025 and June 2025, Banco BPM concluded two Tranchet Cover synthetic securitisation transactions, characterised by the release by the Guarantee Fund for small and medium enterprises of a direct personal guarantee to cover the initial losses of two portfolios of around 300 million each in new disbursements to SMEs and Mid Caps.

Significant events after the end of the interim period

Synthetic securitisation Tranchet Cover - 2007

In July 2025, Banco BPM concluded a Tranchet Cover synthetic securitisation transaction, characterised by the release by the Guarantee Fund for small and medium enterprises of a direct personal guarantee to cover the initial losses of a portfolio of around 300 million in new disbursements to SMEs and Mid Caps.

Investments in third-party securitisations

The exposures in question are almost entirely attributable to the investment made by the Group in the securitisations of corporate and institutional customers, in which the Group also acts as arranger. This is an operation that started in 2021.

For these transactions, the Group is active as an investor of the senior securities as well as a Sponsor, through the subscription of at least 5% of the junior securities and, if present, mezzanine securities to meet the requirement of the so-called "Retention Rule", envisaged by the prudential provisions related to the role of sponsor.

As at 30 June 2025, Banco BPM's exposure concerns 21 transactions for a total exposure of 849.1 million, namely:

- the exposures classified in the portfolio of "Financial assets measured at amortised cost" amount to 848.6 million and are entirely represented by the senior tranches;
- exposures classified in the portfolio of "Financial assets mandatorily measured at fair value through profit and loss" amount to 0.5 million and are represented by the mezzanine and junior tranches, subscribed in compliance with the prudential retention rule.

Investments in traditional securitisations acting as sponsor

The Group is active in the market of financing the receivables of its corporate customers through the securitisation of trade receivables in which the Group acts as sponsor, pursuant to Art. 6, paragraph 3(a) of Regulation (EU) no. 2017/2402, and/or as senior investor.

As at 30 June 2025, Banco BPM's exposure concerns two transactions for a total exposure of 50.6 million, namely:

- the exposures classified in the portfolio of "Financial assets measured at amortised cost" amount to 50.1 million and are entirely represented by the senior tranches;
- exposures classified in the portfolio of "Financial assets mandatorily measured at fair value through profit and loss" amount to 0.5 million and are represented by the mezzanine and junior tranches, subscribed in compliance with the prudential retention rule.

Type of involvement of the Group Companies (figures in millions of euro)	Type of customers	Number of transactions	Exp. AC Book value as at 30/06/2025	Exp. P&L fair value Book value as at 30/06/2025	Total
"Investment with the role of sponsor" transactions	Corporate	2	50.1	0.5	50.6
Total			50.1	0.5	50.6

Significant events during the interim period

No significant events to be reported for the two transactions outstanding as at 30 June 2025.

Significant events after the end of the interim period

No significant events to report.

Investments in traditional securitisations

The Group also holds ABS securities relating to securitisation transactions structured between 2021 and 2024, for which Banca Akros acted as Arranger. These were joined by three new senior funding transactions in the first half of 2025.

As at 30 June 2025, Banco BPM's exposure concerns nineteen transactions for a total exposure of 798.5 million; the exposures, classified in the portfolio of "Financial assets measured at amortised cost" are represented entirely by the senior tranches.

Type of involvement of the Group Companies (figures in millions of euro)	Type of customers	Number of transactions	Exp. AC Book value as at 30/06/2025	Exp. P&L fair value Book value as at 30/06/2025	Total
"Investment" transactions	Corporate	8	333.8		333.8
	Institutional	11	464.8		464.8
Total		19	798.5	-	798.5

New transactions during the period

BPP DF SPV S.r.l.

The transaction relates to a portfolio of performing loans deriving from residential mortgage loans granted to natural persons and originated by Banca Popolare Pugliese S.C.p.A..

The purchase price was financed with the issue of two tranches of securities: a Senior class and a Junior class. Banco BPM acts as senior noteholder, swap counterparty and account bank.

Banco BPM subscribed 100% of the Senior class for a value of 77 million. Banco BPM's investment as at 30 June 2025 amounted to 77 million. The Junior securities were subscribed by the originator.

Cresco SPV S.r.l.

The securitisation transaction relates to portfolios of loans to SMEs originated by Cofidi.it, Confidi Systema!, Garanzia Fidi, guaranteed by Confidi and counter-guaranteed by the Central Guarantee Fund.

The purchase price was financed with the issue of two tranches of securities: a Senior class and a Junior class. Banco BPM acts as senior noteholder and account bank.

Banco BPM subscribed 100% of the Senior security for a total value of 64 million. The securitisation is currently in the ramp-up phase, and the investment as at 30 June 2025 is equal to 2.4 million. The Junior Securities were subscribed by a specialised investor.

Alba 15 Spv S.r.l.

The transaction concerns a portfolio of performing loans granted to SMEs originated by Alba Leasing S.p.A., a company specialised in lease loans, 39.19% owned by Banco BPM S.p.A., and deriving from real estate, operating and registered movable asset lease contracts.

The purchase price was financed with the issue of three tranches of securities with a different degree of subordination in the absorption of any portfolio losses, with ratings assigned by Fitch, Moody's and Dbrs, excluding the junior class. Banco BPM acquired a portion of the senior class for a total value of 80 million. Banco BPM's investment as at 30 June 2025 amounted to 80 million.

Significant events during the interim period

During the half year, full repayment of the Class A1 securities of the "Alba 13 SPV" transaction was reported.

Significant events after the end of the interim period

No significant events to report.

Self-securitisations acting as originator

These are transactions carried out merely for funding purposes without any derecognition of the transferred assets. In this case, the assignment of the loans to a securitisation SPE has the sole purpose of enabling disposal of securities, fully subscribed by the originator Group, which are used for refinancing transactions in the ECB or for repurchase agreements with market counterparties. These securities are not represented in the assets, but are recorded as a reduction of financial liabilities against assets sold and not derecognised.

The following table provides evidence of the outstanding transactions as at 30 June 2025: the senior exposure usable for funding transactions has a value of 4.5 billion:

SPE	Originator	Securities issue date	Transaction	Type of securitisation
Self-securitisation transactions not derecognised from the financial statements				
BPL Mortgages S.r.l.	Banco BPM	December 2012	BPL Mortgages 5	Performing residential mortgage loans
BPL Mortgages S.r.l.	Banco BPM	April 2022	BPL Mortgages 8	Mortgage, landed, agricultural and other loans granted to small and medium-sized enterprises performing

Significant events during the interim period

With regard to self-securitisation transactions, as part of an initial restructuring of the "BPL Mortgages 8" transaction, to finance the purchase of the subsequent portfolio in December 2024, the SPE, on 10 February 2025 (the "Additional Issue Date") issued a further Series ("2025 Series") of Asset-Backed securities with limited recourse, with two classes: (i) 2025 Class A Securities ("Senior Securities") for a face value of 2,851.7 million, legal maturity 25 October 2064, with a rating (opening rating "A1" by the rating agency Moody's Investors Services and "A" by the rating agency DBRS) and listed on the Euronext Access Milan Professional segment of the Italian Stock Exchange and (ii) Class J 2025 Securities ("Junior Securities"), legal maturity on 25 October 2064, unrated and unlisted, for a face value of 234.2 million. All classes of securities were subscribed by Banco BPM and the Senior Securities are used by Banco BPM as collateral in (i) long-term repo transactions, (ii) collateral switch with market counterparties and (iii) monetary policy with the ECB.

Payment of the purchase price of the subsequent portfolio by the SPE to Banco BPM as Transferor Bank was offset, partially and for a corresponding amount, against the amount due by Banco BPM to the SPE, by way of subscription of the 2025 Series Securities and, for the remainder, with the amount owed by Banco BPM to the SPE as the buyback price of the loans repaid in December 2024.

On the occasion of the issue of the new 2025 Series Securities, in February 2025 (i) the 2022 Class A Senior Security was also subject to an update of the "A1" rating (pre-restructuring "Aa3") by the rating agency Moody's Investors Services and "A" (pre-restructuring "AA (low)") by the rating agency DBRS and (ii) the cash reserve was increased by 111.3 million through disbursement by Banco BPM for a mortgage with limited collectability of the same amount, bringing the balance of the Cash Reserve Account to the new level of approximately 129.7 million.

With regard to the "BPL Mortgages 8" securitisation, in June 2025, the rating agency Moody's Investors Services increased the rating of the 2022 Class A Senior Securities and 2025 Class A Senior Securities from "A1" to "Aa3".

In March 2025, the early closure of the securitisation transaction finalised by the SPE Profamily SPV S.r.l. in February 2021 took place. In particular, (i) given the occurrence of the condition useful for the exercise of the "Clean-Up Call Options" by the Originator Banco BPM, on 10 March 2025, with the signing of the retrocession agreement, Banco BPM repurchased "en bloc" and without recourse the entire residual portfolio of receivables underlying the securitisation transaction and (ii) at the time of the Final Payment Date of 20 March 2025, the SPE closed the transaction and the prepayment of the securities still outstanding, as well as the full payment of interest on these securities due pursuant to the contractual documentation. On 25 March 2025, the "Termination Agreement" was signed, whereby the early closure of the securitisation was finalised and the contracts signed and the existing relationships in the context of the transaction were closed.

Multi-originator sales of loans to mutual investment funds

During the first half of the year and in previous years, the Banco BPM Group concluded several sales of multi-originator credit exposures, primarily non-performing, to mutual investment funds in exchange for units of those funds.

As at 30 June 2025, the value of mutual investment funds in the financial statements deriving from the transactions in question totalled 530.6 million (480.2 million as at 31 December 2024), fully referring to the Parent Company.

The change in the first half, a positive 50.4 million, is attributable to the net balance between new subscriptions (91.9 million), to distributions received by the SGRs (-44.7 million), as well as valuation effects, which overall were a positive 3.2 million.

The following table summarises some detailed information relating to the transactions outstanding as at 30 June 2025, indicating the respective book value.

Fund name	Book value as at 30/06/2025(*)	Asset Management Company	First closing date/subsequent contributions	Fund investment policy
IDeA Corporate Credit Recovery I	127	Dea Capital Alternative Funds SGR	23 June 2016 27 June 2017 4 July 2019	Past due loans, unlikely to pay or corresponding or similar categories of loans and/or loans subject to restructuring disbursed to target companies, participating financial instruments or shares issued by the above and any short-term loans deriving from self-liquidating credit lines granted to said target companies.
IDeA Corporate Credit Recovery II	71,524	Dea Capital Alternative Funds SGR	28 December 2017 18 February 2019 4 April 2023 23 December 2024 24 March 2025	Past due loans, unlikely to pay or corresponding or similar categories of loans and/or loans subject to restructuring disbursed to target companies, from participating financial instruments or shares issued by the above and any short-term loans deriving from self-liquidating credit lines granted to said target companies.
IDeA Corporate Credit Recovery II - USD Shipping segment	1,213	Dea Capital Alternative Funds SGR	21 December 2018	Past due loans, unlikely to pay or corresponding or similar categories of loans and/or loans subject to restructuring disbursed to target companies operating in the field of shipping and maritime transport, without specific sector restrictions, from participating financial instruments or shares issued by the above and any short-term loans deriving from self-liquidating credit lines granted to said target companies.
Clessidra Restructuring Fund	23,123	Clessidra SGR	25 September 2019	Past due loans, unlikely to pay, forborne performing and non-performing loans, performing high risk loans disbursed to target companies, from participating financial instruments/shares/convertible bonds issued by said companies, loans disbursed in the form of debtor-in-possession financing transactions to support the target companies in restructuring the debt disbursed.
Back2bonis	60,025	Prelios SGR	23 December 2019 20 December 2021 27 December 2023	Untranchised asset backed securities issued as part of securitisation transactions carried out pursuant to Law 130/99, whose underlying is represented by receivables mainly classifiable as "unlikely to pay" loans, not due from consumer debtors, as well as loans disbursed to those debtors as part of debt restructuring transactions, recovery and/or turnaround and/or similar operations or as part of repossessions and similar actions on collateral.
ICCT Fund - Accelerated Segment	17,120	Illimity SGR	3 October 2022 26 June 2024	Unlikely to Pay loans disbursed to "Corporate Large & Medium Size" customers deriving from loans granted to companies in financial distress. The purpose of the transaction is to ensure a more proactive and effective management of secured loans, through i) the disbursement of new loans where deemed necessary to develop the business and/or rebalance the corporate debt, ii) the possibility of intervening directly in the equity of the target companies, changing their governance and guiding restructuring processes, and iii) a better and more effective restructuring of the company, exploiting the specific skills of the Group of the assignee SGR.
Efesto Fund	74,265	Finint SGR	6 July 2022 16 November 2022 26 June 2024 20 December 2024 17 March 2025	Unlikely to Pay and non-performing loans disbursed to "Corporate Large & Medium Size" customers deriving from loans granted to companies in financial distress. The purpose of the transaction is to ensure a more proactive and effective management of secured loans, through i) turn-around activities and extraordinary distressed M&A transactions, disbursement of new finance and private equity-style management, ii) settlement activities out-of-court and in the structuring of composition procedures.
UTP Italia Fund	26,177	Sagitta SGR	11 November 2022	Unlikely to Pay and, to a lesser extent, non-performing loans disbursed to "Small-Medium" customers deriving from loans granted to retail entities and SMEs in financial distress. The aim of the transaction is to ensure a more proactive and effective management of secured loans, through i) the disbursement of new loans where deemed necessary to develop the business and/or rebalance the counterparty's indebtedness, ii) a better and more effective restructuring of the borrower, taking advantage of the specific skills of the Group of the assignee SGR and iii) proactive management of the loan portfolio according to the principles of ethical management of exposures inspired by the ESG framework.

Fund name	Book value as at 30/06/2025(*)	Asset Management Company	First closing date/subsequent contributions	Fund investment policy
UCR Fund	27,663	Sagitta SGR	15 July 2024 23 December 2024	Past due loans, unlikely to pay or corresponding or similar categories of loans and/or loans subject to restructuring disbursed to target companies, from participating financial instruments or shares issued by the above and any short-term loans deriving from self-liquidating credit lines granted to said target companies.
Lendlease Msg Heartbeat - Class B2 (**)	40,842	Lendlease Italy Sgr	30 June 2023	Unlikely to Pay loans disbursed to the Risanamento group. The purpose of the transaction is to unblock the implementation of the real estate project in the Santa Giulia area owned by Risanamento. The MSG project promoted by Risanamento is one of the main urban redevelopment initiatives and involves the development of buildings for different uses, with the involvement of the Lendlease Group (LL).
Eleuteria Fund	12,988	Prelios SGR	18 November 2023 19 January 2024	Unlikely to Pay loans disbursed to "Small-Medium" customers deriving from loans granted to retail entities and SMEs in financial distress. The aim of the transaction is to ensure a more proactive and effective management of secured loans, through i) the disbursement of new loans where deemed necessary to develop the business and/or rebalance the counterparty's indebtedness, ii) a better and more effective restructuring of the borrower, taking advantage of the specific skills of the Group of the assignee SGR and iii) remediation of the economic conditions, thanks to support in the turnaround of the company.
Retail & Leisure Fund	96,967	IQ EQ	15 April 2024 10 June 2025	Unlikely to Pay loans disbursed to "Corporate Large & Medium Size" customers deriving from loans granted for the development and marketing of large Retail or Leisure spaces. The purpose of the transaction is to ensure a more proactive and effective management of secured loans, also through advisors specialised in the sector, through i) the disbursement of new loans where deemed necessary to develop the business and/or rebalance the corporate debt, ii) the possibility of intervening directly in the equity of the target companies, changing their governance and guiding restructuring processes, and iii) a better and more effective restructuring of the company, exploiting the specific skills of the exclusive advisor Pillarstone.
City Regeneration Fund - Class B (**)	45,600	Redo SGR Società benefit	10 November 2023	This is an alternative closed-end real estate investment fund reserved to qualified investors, with the aim of making sustainable investments pursuant to Art. 9 of Regulation (EU) 2019/2088 (so-called "Fund pursuant to Art. 9 SFDR"), in real estate initiatives aimed at urban regeneration and which have a social impact. The management is entrusted to Redo SGR Società benefit (benefit corporation), a leading company in affordable housing and in urban regeneration with a social impact.
City Regeneration Fund - Class C (**)	12,847	Redo SGR Società benefit	11 June 2024	This is an alternative closed-end real estate investment fund reserved to qualified investors, with the aim of making sustainable investments pursuant to Art. 9 of Regulation (EU) 2019/2088 (so-called "Fund pursuant to Art. 9 SFDR"), in real estate initiatives aimed at urban regeneration and which have a social impact. The management is entrusted to Redo SGR Società benefit (benefit corporation), a leading company in affordable housing and in urban regeneration with a social impact.
ICCT Fund - Core Segment	20,153	Illimity SGR	1 January 2025	Unlikely to Pay loans disbursed to "Corporate Large & Medium Size" customers deriving from loans granted to companies in financial distress. The purpose of the transaction is to ensure a more proactive and effective management of secured loans, through i) the disbursement of new loans where deemed necessary to develop the business and/or rebalance the corporate debt, ii) the possibility of intervening directly in the equity of the target companies, changing their governance and guiding restructuring processes, and iii) a better and more effective restructuring of the company, exploiting the specific skills of the Group of the assignee SGR.

(*) Assets included in the financial statement item "20 c. Financial assets at fair value through profit and loss - other financial assets mandatorily measured at fair value".

(**) Real estate funds based on the real estate development underlying the completion of the transaction.

New transactions during the period

As previously described, the initial recognition value of the subscriptions made during the first half of the year was 91.9 million, referring for 19.8 million to new funds and the remaining 72.1 million to additional shares received for contributions made in funds already held.

More detailed information is provided below on the new funds subscribed during the half year.

Illimity Corporate & Turnaround Fund - Core Segment

In January 2025, the Illimity Corporate & Turnaround Fund (iCCT) - managed by Illimity SGR - completed a "stock split" whereby the Fund's assets were divided into two Segments: Core Segment and Accelerated Segment.

The transformation of iCCT into an umbrella fund allows unitholders to: (i) benefit from an immediate reduction in management fees and an accelerated liquidation of a part of the portfolio and the related units subscribed; (ii) take advantage of potential more substantial cash flows deriving from strategic positions with more deferred collection times, (iii) benefit from a segment with a longer investment period to seize additional market opportunities.

The Accelerated Segment consists of a portfolio of selected positions whose exit is expected in the short term, while the Core Segment consists of the residual portfolio and is characterised by a longer investment, subscription and maturity period which also makes it possible to seize new market opportunities. This transaction was carried out through (i) the assignment of the Core portfolio from iCCT (later renamed the Accelerated Segment) to the Core Segment, which purchased it at a price equal to the NAV; (ii) distribution of the iCCT Accelerated receivable from iCCT Core ("Core Receivable") to the current iCCT shareholders; (iii) offsetting of the Core Receivable against newly issued units of the Core Segment. As a result of this transaction, the banks are listed in both segments (iCCT Accelerated Segment with maturity in 2027 and iCCT Core Segment with maturity in 2032) and benefited from a reduction in the management fees of the iCCT Accelerated Segment from 125 bps to 85 bps.

Risk management for the Anima Group

Following the acquisition of control of the Anima Group, the risk identification project was launched in the second quarter of the year, aimed at integrating the activities and controls for risk management with the structures of the Parent Company Banco BPM.

The risk management processes carried out during the first half of 2025 by the competent structures within the Anima Group are therefore illustrated below.

The risk management process for the Anima Group is structured in a differentiated manner depending on the subsidiary, but is reduced to a unitary approach at Group level for the coordinated management of transversal and/or interdependent profiles.

External shocks, such as the instability of the geopolitical context with the related consequences, could have significant impacts on the Group's profitability, especially in terms of reduced revenues. The reduction in revenues may result from: (i) the devaluation of the Assets under Management ("AuM") on which commissions are calculated, (ii) the greater difficulties in generating commissions linked to the performance of the products, if contractually envisaged, (iii) the reduction in net funding due to the climate of uncertainty generated by both the shock and the reaction of the financial markets.

The characteristics of the business, company size and technologies in use also enable an agile, fast and effective response even in the event of particular emergency situations; the presence of a broadly diversified range of products in terms of both markets and strategies, with a significant presence of absolute return/flexible and low-risk solutions, makes it possible to reduce the impact of any market shocks on the stock of AuM. In addition, the high presence of institutional investors, typically oriented towards medium-low risk products, helps to protect the AuM stock from potential market shocks. Lastly, the commercial business model focused on proximity and continuous support to placement agents and customers makes it possible, even in situations of particular uncertainty, to have direct contact with them, for the purpose of providing rational support to their decision-making processes.

The new Risk Department has been operational since the first quarter of 2025, reports directly to the Chief Executive Officer and is coordinated by the Group Chief Risk Officer ("CRO"). The Risk Department carries out a methodological coordination of the risk controls adopted by the various Group companies and monitors that the business risks are compatible with the achievement of the objectives of the Long-Term Plans and the annual budgets and consistent with the risk appetite expressed by the Board of Directors of each Group company for the different categories of risk exposure (financial, operational, reputational, compliance, legal risks, etc.). Since March 2025, there has been monthly monitoring of the indicators relating to the various corporate risks included in the Enterprise Risk Framework, as well as the related reporting and management of any escalation processes aimed at continuously bringing the risks back within the risk appetite limits defined by the Anima Group.

Financial risks

Financial risks include:

- liquidity risk, connected to the difficulty of selling an asset quickly and at a market price, or of promptly accessing the financial resources needed by the company at sustainable costs;

- credit risk, i.e. the risk of incurring losses due to counterparty default or insolvency;
- market risk, linked to fluctuations in the value of assets/liabilities following changes in market conditions (price, interest rate, exchange rate, commodity).

The Group is exposed to all three risks mentioned above. In particular, this exposure is essentially attributable to the management of the liquidity of the Group companies, both in relation to the repayment of the debt subscribed by the company, and to the surplus financial resources with respect to the expected liquidity requirements generated by ordinary operations, or the Group's own portfolio.

With regard to the management of company liquidity, the Group companies invest surpluses of financial resources in (i) UCI, mainly in UCITS and reserved closed-end AIFs established and/or managed mainly by companies belonging to the Group; (ii) in short-term government issues in euro and (iii) in bank deposits and time deposits.

The financial risks of the proprietary portfolio are managed through the imposition of operating limits aimed at mitigating the risk that this portfolio may assume. These limits are expressed (i) in terms of the types of investments permitted, (ii) in terms of amount and (iii) in terms of the maximum limit of risk (identified as volatility) that can be assumed.

The Boards of Directors of the Group companies resolve annually on the characteristics and operating limits regarding investments in financial instruments and in bank and/or postal deposits. Supervision is the responsibility of the Risk Management functions in charge.

Investment in UCITS are represented by products established and/or managed by the Group, selected according to the return objectives and risk limits established by the respective Boards of Directors. This type of investment is characterised by a high level of liquidity and reduced direct credit risk, as the UCITS held have their own separate assets.

The financial risks deriving from this type of investment are essentially attributable to the market risk of the investments made, which is, in any case, compatible with the prudent profile that characterises the Group's corporate liquidity investment strategy.

The risks deriving from investment in UCITS are monitored by verifying compliance with the limits resolved upon by the respective Boards of Directors. In particular, the risk limits established in terms of volatility are monitored according to the risk model used by the subsidiary Anima SGR. With regard to the above, together with the diversified nature of investments in UCITS, the Group does not consider the sensitivity analysis with respect to the market risks to which it is exposed to be representative.

Investments in government issues in euro are represented by securities issued by the Italian State (BOT) with a maximum duration of 12 months. The risks deriving from this investment are monitored by verifying compliance with the limits resolved by the Board of Directors. In particular, the risk limits established in terms of volatility are also monitored in this case with the risk model used by Anima SGR.

The Group may also invest in reserved closed-end real estate AIFs mainly established and/or managed by companies belonging to the Group. Given the characteristics, especially in terms of illiquidity, of this type of investment, the amount allocated is specifically authorised by the respective Boards of Directors. From the perspective of liquidity, this type of investment is characterised by a long-term time frame, with no possibility of requesting early repayment with respect to the maturity of the fund. In terms of market risk, for these instruments the minor exposure to equity investments and the long-term investment strategy, which is also reflected in the valuation of the underlyings, represent a mitigating element. The presence of credit risk with respect to companies financed by these investment instruments may be material: mitigation takes place mainly through diversification techniques implemented by the manager of the AIFs and a thorough prior analysis phase.

Lastly, investments in bank deposits and in time deposits (the latter can be subscribed with a maturity of no more than 12 months) are, by their nature, characterised by a high level of liquidity and absence of market risk. The financial risks deriving from this type of investment are substantially attributable to credit risk and are regularly monitored as well as mitigated, including through limits aimed at splitting the risk.

As mentioned above, a corporate risk monitoring system is active, which also provides for the monthly monitoring of financial risks deriving from investment in UCITS and AIFs, by sharing the best methodological practices in use at the subsidiaries (Anima SGR, Anima Alternative SGR and Castello SGR).

Operational Risk

The control and detailed monitoring of operational risks are envisaged within the asset management companies of the Anima Group. Individual exposures to operational risks are then linked at Group level by the Risk Department, as part of its Enterprise Risk Management activities.

With regard to services entrusted to third parties, in compliance with the rules on the outsourcing of essential or important operating functions envisaged by the Bank of Italy Regulations, the Anima Group outsourced to third-party companies, on the basis of specific contracts, the performance of some significant services that mainly concern back-office administrative/accounting activities and IT activities relating to the products managed.

In order to monitor the maintenance of high standards of efficiency of the outsourced processes, specific Service Level Agreements ("SLA") were entered into with the outsourcers; these agreements indicate the checks put in place by the supplier and the qualitative/quantitative levels of service that the outsourcer must guarantee through the achievement of specific objectives (KPIs). With reference to outsourced IT services, specific clauses are envisaged with regard to the Disaster Recovery and Business Continuity Plans implemented by outsourcers, in order to guarantee service continuity, data storage, security and integrity.

With reference to IT risks, the Cyber Security service monitors and analyses the systems in order to detect, protect and, in the event of an incident, restore operations, mitigating IT risks as much as possible. These activities are assigned to the Chief Information Security Officer ("CISO"), who operates at the Risk Department of Anima Holding and carries out his/her monitoring activities in favour of the Company and all the Group's management companies under an outsourcing arrangement. The IT Security service also has the task of proposing strategies to the company's top management and periodic reporting to the Group's corporate bodies and structures.

Climate risks

The Group is aware of the potential direct and indirect impacts that its sustainability activities can have and has therefore implemented a series of internal measures to enable strategic prior evaluation of such risks. To this end, it also assessed and integrated those relating to Environmental, Social, Governance ("ESG") within its risk management model. In this context, the risks deriving from climate change are becoming increasingly important.

Risks to insurance companies

The main risks to which the Group's Italian insurance companies are exposed are discussed below.

Insurance risks

During the first half of 2025, the integration of Vera Vita within the Banco BPM Vita Group continued. The migration of the portfolio, in reference to both investment and savings products and to social security products, was successful, with the transfer of all data as at 30 April 2025 to the target management platforms. The results of the implementation of the main processes adopted by the Company's Structures were also overall positive.

The migration therefore completed a key step in the insourcing programme planned for the first half of 2025. To ensure the completion of the activities aimed at the implementation of all the defined processes, project monitoring was maintained also during the first few months after the migration.

In addition, it should be noted that 31 May saw the expiry of the service contract with Generali Italia in favour of Vera Vita, signed on 14 December 2023, in order to allow the Company to continue its activities. Also thanks to the positive performance of the insourcing activities of Vera Vita within the Banco BPM Vita Group, in November 2024 a notice of withdrawal was provided to Generali Italia, bringing forward to 31 May the initial expiry date of the contract, originally set at June 2025. It should be noted that, in accordance with the contract, as envisaged between the parties, the services provided by Generali Italia to Vera Vita were subject to periodic quarterly checks to assess compliance, in terms both of quality and volumes, with the contractual service levels. During the first half of 2025, checks continued on compliance with the contractual service levels, the results of which have been brought to the attention of the corporate bodies over time and, apart from certain minor deviations, did not reveal any significant critical issues, while also highlighting that the service provided by Generali is essentially compliant with the minimum service levels agreed.

LIFE BUSINESS

The main risk factors of the life insurance portfolio (Banco BPM Vita and Vera Vita) are linked to underwriting risks. Underwriting risk is the risk relating to underwriting insurance contracts, associated with the events covered, the processes followed for the pricing and selection of risks, the unfavourable performance of the actual loss ratio

compared to that estimated (underwriting risk) and the quantification of insufficient technical reserves with respect to the commitments undertaken towards policyholders and injured parties (reserve risk).

This risk can be divided into the following types:

- Mortality risk, namely the risk of losses or unfavourable changes in the value of insurance liabilities, deriving from a change in the level, trend or volatility of mortality rates, in the event that an increase in mortality leads to an increase in technical reserves;
- Longevity risk, which concerns the risk of losses, or adverse changes in the value of insurance liabilities, deriving from a change in the trend or volatility of mortality rates, where a decrease in mortality leads to an increase in reserves;
- Disability/morbidity risk, which is the risk of losses, or adverse changes in the value of insurance liabilities, deriving from a change in the level, trend or volatility of disability and morbidity rates. The Insurance Group is not exposed to this type of risk;
- Lapse risk, namely the risk of loss or change in insurance liabilities due to a change in the exercise rates of this option by the policyholders;
- Expense risk, which regards the risk of loss or unfavourable change in the value of insurance liabilities, resulting from changes in the level, trend or volatility of the expenses incurred with relation to the management of insurance contracts;
- Revision risk, which represents the risk of an unfavourable change in the value of liabilities, deriving from fluctuations in the level, trend or volatility of the annuity revision rates. The Insurance Group is not exposed to this type of risk;
- Catastrophe risk, namely the risk of loss or unfavourable change in the value of insurance liabilities, deriving from the significant uncertainty of the assumptions relating to the determination of premiums and the establishment of reserves in relation to the occurrence of extreme and exceptional events linked to natural events or those caused by man.

With regard to the calculation of the solvency capital requirement, the risks at Company level are quantified on the basis of the standard formula, according to the methodology defined by the reference regulations. More specifically, the capital requirement for life underwriting risk is calculated by aggregating, using the correlation coefficients, the Solvency Capital Requirements (SCR) determined for each risk sub-module described above (mortality, longevity, surrender, expense and catastrophe).

Life underwriting risks are monitored through the calculation and subsequent control of specific risk indicators defined in the Risk Appetite Framework (RAF). In particular, the exposure to life underwriting risks is mainly linked to the trend of surrender risk, which is also monitored through the monthly calculation of a specific indicator, namely the surrender rate.

The insurance companies are also exposed to the health subscription risk, connected with the obligations envisaged in insurance policies against accidents and health; however, this is marginal.

Financial risks - insurance business

LIFE BUSINESS

When conducting its Life business, the Insurance Group is required to invest the premiums collected in a variety of financial assets, mostly long-term, with the main objective of guaranteeing the return expected by policyholders, honouring its future commitments. The main risks to which the various companies are exposed, therefore, derive from market risks, which may result in losses or unfavourable changes in the financial situation due to fluctuations in the market value of the assets in the financial statements.

Market risk concerns the risk of losses caused by changes in interest rates, share prices, exchange rates and property prices.

This risk can be divided into the following types:

- Interest rate risk: derives from unfavourable changes and the volatility of interest rates;
- Equity risk: reflects possible unfavourable changes in the level and volatility of the market value of financial instruments and capital;
- Real estate risk: reflects possible adverse changes in the level and volatility of real estate market prices;
- Currency risk: derives from adverse changes in the level and volatility of currency exchange rates;

- Spread risk: depends on the sensitivity of the value of the assets to changes in the level or volatility of corporate securities, covered bonds, structured bonds, derivatives or bonds issued by sovereign countries with respect to the structure at maturity of risk-free interest rates;
- Concentration risk: derives from an expected change in the value of exposures towards issuers, on which there is an accumulation of exposure with the same counterparty or with a group of interconnected parties belonging to the same sector or to the same geographical area.

With regard to market risks, the various companies do not use any specific mitigation techniques, but rather monitor these risk factors through the calculation and subsequent control of risk indicators defined in the Risk Appetite Framework (RAF).

In particular, given the breakdown of the assets portfolio, the Insurance Group is mainly exposed to Equity risk, Spread risk and exposure to Italian government bonds.

Other risks - insurance business

Liquidity risk

Liquidity risk is the risk deriving from the inability to efficiently meet expected and unexpected cash commitments, or to be able to meet them only through access to the credit market at adverse conditions or by liquidating financial assets at a considerable discount.

The governance of liquidity risk, over a short/medium-term time horizon, ensures that an adequate level of resources is maintained, with a view to guaranteeing all the commitments to which the Insurance Group is called upon to meet, also through risk maintenance policies and appropriate mitigation techniques for the same.

Liquidity risk management includes the assessment of the various elements that influence the liquidity requirement, including any misalignment of cash inflows and outflows of both assets and liabilities, including expected cash flows for direct insurance transactions and for reinsurance, the quantification of potential costs or financial losses deriving from a forced transaction, etc. The continuous monitoring of the various cases makes it possible to identify the global liquidity requirement in the short and medium-term, with the aim of guaranteeing the necessary requirement, including a liquidity reserve that is well matched with relation to total assets, able to meet any possible unforeseen events.

The governance of liquidity risk therefore takes into consideration both the needs related to core and non-core operating processes and investments. The analysis and monitoring of this risk is carried out periodically, taking into consideration liquidity needs in the short-term (three months after the monitoring date) and in the medium-term (beyond the following three months). Liquidity risk is one of the significant risk areas in the Company's Risk Appetite Framework (RAF), for which a monitoring is carried out periodically that envisages tolerance and capacity thresholds to which well-defined governance processes are linked within the RAF towards the internal bodies, including the Board of Directors. The Company also monitors liquidity risk also through periodic reporting to the Supervisory Authority, where required by ad hoc surveys.

Operational risk

Operational risk is the risk of losses deriving from inefficiencies of people, processes and systems, including those used for online sales, or from external events, such as fraud or the activity of external suppliers. In general, operational risks may also have effects on reputational aspects, therefore the management of operational risks is also considered to potentially impact the mitigation of reputational risks.

Operational risk management at Company level is carried out through the identification and qualitative and, if possible, quantitative assessment, on an annual basis, of the various categories of operational risks (e.g. shortcomings linked to outsourcing of activities, violations of the security of IT systems by third parties, insufficiency of internal or external human resources, non-fulfilment of regulatory obligations, errors or omissions in accounting or financial transactions, violation of the obligation of data quality, theft, fraud and improper use of assets by third parties).

Depending on the frequency and impact of the event, the various operational risk factors identified are quantified on the basis of a standardised scale of values, envisaging the implementation of appropriate risk mitigation activities where necessary.

The monitoring of operational risks is also carried out through the collection of data on the operating losses of the Company. This activity and the data collected therein contribute to the corresponding monitoring activities carried out at Group level.

The monitoring of operational risks also includes IT and security risks, carried out through methods shared with the Group and tailored to the operating specificities of the Insurance Companies in compliance with the required regulatory standards.

The aim is to contain operational risk through the adoption of adequate operating processes and through the rapid enforcement of any recommendations deriving from the review activities carried out by the control functions.

Credit risk

Credit risk is the risk that an insurance company may incur a loss or an unfavourable change in its financial situation deriving from fluctuations in the creditworthiness of issuers of securities, counterparties and debtors to which the Group is exposed, in the form of counterparty default risk and spread risk.

The impairment of the credit position is mainly associated with the quality of the issuer or the counterparty but may also derive from a deterioration in the economic/financial conditions of the debtor on which the ability to meet the financial commitments assumed depends, as well as from causes independent of the economic or financial situation of the debtor counterparty, such as political-military factors.

In relation to the risk category in question, the Solvency Capital Requirement is calculated as the combination of the capital requirements calculated for the two categories of exposures identified in the Delegated Acts (Type 1 Exposures and Type 2 Exposures). The respective capital requirements that determine the exposure to credit risk are calculated according to the Factor-Based approach defined by the standard formula. The approach, albeit simplified, was deemed adequate at this stage for the quantification of this risk and in-depth analyses are underway to refine the methodology.

With regard to credit risk, the Companies do not make use of any risk mitigation or transfer techniques.

Sustainability risks

The exposure of Life insurance companies to sustainability risks, in particular climate risks, is not very significant and is mainly due to potential Transition risks on the asset portfolio.

PART G – BUSINESS COMBINATIONS REGARDING COMPANIES OR DIVISIONS

Section 1 - Transactions carried out during the year

1.1 Business combinations

Anima Holding purchase transaction

As described in the section dedicated to the significant events of the period in the Interim Report on Operations, following the tender offer for Anima Holding S.p.A. (hereinafter also Anima Holding), launched in November 2024 by the Banco BPM Group, through Banco BPM Vita, on 11 April 2025, the transaction was completed for the purchase of 221,067,954 shares forming part of the aforementioned tender offer, representing 67.976% of the share capital of Anima Holding. The total disbursement was equal to 1,547.5 million.

This transaction therefore entailed the acquisition of control of Anima Holding, pursuant to accounting standard IFRS 10, with the consequent line-by-line consolidation, starting from the second quarter of 2025, of the aforementioned company and its subsidiaries.

Taking into account the interest already held in the share capital of Anima Holding, as at 30 June 2025 the Banco BPM Group - through the subsidiary Banco BPM Vita, to which the 21.973% stake previously held by Banco BPM S.p.A. was also assigned - holds a total of 292,527,616 Shares, representing a stake of 89.949% in the share capital of Anima Holding.

The scope of consolidation of the acquired company includes, in addition to the parent company Anima Holding, the following companies:

- Anima SGR S.p.A. ("Anima SGR"): 100% direct subsidiary;
- Anima Alternative SGR S.p.A. ("Anima Alternative"): 100% direct subsidiary;
- Castello SGR S.p.A. ("Castello SGR"): 80% direct subsidiary;
- Vita S.r.l. ("Vita Srl"): 60.84% subsidiary, indirectly through Castello SGR, which holds 76.05%;
- Kairos Partners SGR S.p.A., ("Kairos SGR"): 100% direct subsidiary.

This section illustrates the accounting aspects of the business combination regarding the acquisition of full control of Anima Holding and its subsidiaries.

Accounting treatment pursuant to "IFRS 3 - Business combinations"

For accounting purposes, the purchase of Anima Holding, and indirectly of its subsidiaries, is classified as a business combination, according to the provisions of IFRS 3, which provides for the application of the purchase method.

Pursuant to the above-cited standard, the entity must identify the acquirer and the acquisition date, determine and allocate the cost of the business combination to the identifiable assets acquired, including any intangible assets previously not recognised by the acquired company, and the identifiable liabilities assumed, including contingent ones, which are measured on the basis of the fair value (so-called "Purchase Price Allocation" - "PPA") with the exception of non-current assets (or disposal groups) classified as held for sale in accordance with IFRS 5. In fact, the latter are accounted for at fair value net of costs to sell. The minority interests in the acquired company may alternatively be recognised in proportion to the share of the minority interest in the identifiable net assets of the acquired company rather than to the relative fair value.

In addition, at the acquisition date, for business combinations carried out in several phases - i.e. those in which the acquirer already held a minority interest in the acquired company before carrying out the transaction, so-called "step acquisitions" - the acquirer must recognise the minority interest that it already held at fair value, recognising the difference with respect to the previous book value in the income statement. For the above-mentioned share, the transition from the equity accounting method to line-by-line consolidation is considered to be an economic event, to be recognised as if the shareholding previously held were sold at fair value and immediately repurchased at the same value.

The surplus between the consideration transferred for the acquisition of control - integrated with the value of the minority interests, as illustrated above, and the fair value of the interest already held by the acquirer - and the fair value of the

assets and liabilities acquired must be recognised as goodwill. Otherwise, the surplus of the fair value with respect to the cost of the combination must be recognised in the income statement as badwill, after the conducting of a new measurement aimed at ascertaining the correct identification process of all the assets acquired and liabilities assumed. Lastly, IFRS 3 provides that the accounting of the transaction must be completed within twelve months from the acquisition date¹.

For further details on the accounting treatment of business combinations, please refer to paragraph "16 - Other information, business combinations, goodwill and changes in interest holdings" contained in "A.2 - Main financial statement items" of the Financial Report as at 31 December 2024.

Date of the business combination of Anima Holding

After identifying Banco BPM Vita as the acquirer, the standard requires that the acquisition date be determined, i.e. the date on which the acquirer actually obtains control of the acquired party.

The date of acquisition of control represents the initial date of recognition of the business combination, and consequently the date from which the economic results of Anima Holding and its subsidiaries must be included, line by line, in the consolidated financial statements of the Group. It is therefore an essential element for the accounting of the transaction, as it represents the reference both for the determination of the fair value of the assets and liabilities acquired, and for the acquisition of the economic results.

With reference to the purchase transaction in question, its completion took place on 11 April 2025, which therefore represents the date on which the Group - through its subsidiary Banco BPM Vita - acquired control of Anima Holding and its subsidiaries Anima SGR, Anima Alternative, Kairos SGR, Castello SGR e Vita Srl, pursuant to IFRS 10.

With reference to the transaction in question, the date of the combination is 11 April 2025, i.e. the date on which the acquisition was completed.

However, considering the unavailability of an asset-based and economic position of Anima Holding and its subsidiaries as at 11 April 2025 and the short period of time with respect to the end of the first quarter, for accounting purposes it was assumed that the accounting position as at 31 March 2025 represents the opening consolidation position, appropriately adjusted to take into account the significant changes in value in the equity of the acquiree from 1 April to 11 April 2025. The only significant change in value, which occurred during the first eleven days of April, is attributable to the interest held in Monte dei Paschi di Siena (50,290,691 shares), classified in the accounting portfolio of "Financial assets measured at fair value through other comprehensive income". For the aforementioned investment, the update of the fair value, based on the Stock Exchange listing of 11 April, led to a negative change in valuation reserves of 56.5 million (52.7 million net of the related tax effect), which was therefore considered for the purposes of determining shareholders' equity at the date of the combination.

In light of the above, the contribution to the income statement of Anima Holding and its subsidiaries is represented in the consolidated financial statements, line by line, starting from 1 April 2025. With regard to the first quarter of 2025, the related economic contribution - when the interest of 21.973% was qualified as an interest in associates - is instead included in the income statement item "250. Gains (losses) of associates and joint ventures".

Overall cost of the combination (including minority interests)

The total cost of the combination of Anima Holding (and subsidiaries) is equal to the sum of the fair value of the consideration transferred, the fair value of the interest already held and the minority interests.

Consideration transferred for the purchase of the shares participating in the Tender Offer

With reference to the interest acquired (67.976%), the consideration to be considered for the purposes of the PPA process amounts to 1,448.0 million, equal to the price paid for the 221,067,954 shares that participated in the tender offer (1,547.5 million), net of the dividend resolved upon by the shareholders' meeting of Anima Holding on 31 March 2025 and recognised as a receivable intended for immediate recovery on the payment date (99.5 million).

¹ IFRS 3, par. 45, provides that the measurement period within which to obtain the information needed to carry out the fair value measurement of the net assets acquired - and therefore to complete the process of allocation of the business combination - ends as soon as the acquirer has received all the necessary information at the acquisition date, or has ascertained that it is not possible to obtain further information for the measurement at fair value of the assets acquired. In any event, the measurement period may not exceed one year from the acquisition date.

Revaluation at fair value of the interest previously held by the Group

In light of the accounting treatment illustrated in the previous paragraph, the transaction in question qualifies as a "step acquisition", as the Group already held 21.973% of the capital of Anima Holding.

The measurement at fair value of the interest held, equal to 468.1 million, resulted in the recognition of a positive economic effect of 205.6 million shown in the income statement item "250. Gains (losses) of associates and joint ventures" (201,8 million net of the tax effect). This effect is shown in the non-recurring item of the reclassified income statement "Impact of restatement of Anima share, net of taxes". In this regard, it should be noted that the measurement at fair value took place at the price of the Tender Offer (7 euro per share) net of the dividend (0.45 euro per share), in line with the carrying amount in the consolidated financial statements, determined based on the equity method, already reduced by the effect resulting from the distribution of the dividend resolved by the investee; in the consolidated financial statements, the profits that have contributed to the formation of dividend income have already been used to increase the value of the interest in previous years, through the recognition of the relevant economic result.

Measurement of minority interests

As required by IFRS 3, para. 19, for each business combination, the minority interests in the acquired company may be recognised either:

- at fair value: in this case, the goodwill recognised in the financial statements will also reflect the minority interests ("full goodwill"); or
- in proportion to the share of the minority interest in the identifiable net assets of the acquired company: in this case, the goodwill recorded in the financial statements will reflect only the portion pertaining to the Group ("partial goodwill").

The aforementioned choice can be made on a transaction-by-transaction basis, without the need to ensure consistency with other transactions carried out by the Group.

With reference to the Anima Holding combination, the Group has chosen to measure the third-party assets on the basis of the respective minority interests in the identifiable net assets of Anima Holding (and its subsidiaries). Consequently, the goodwill recorded in the consolidated financial statements of the Banco BPM Group refers only to the portion of Anima Holding (and its subsidiaries) held by the Group.

Specifically, the valuation of the minority interests, equal to 44.3 million, is represented by the minority interest in the fair value of the identifiable net assets of Anima Holding (10.051%) and of the subsidiaries Castello (20%) and Vita S.r.l. (39.16%).

Purchase Price Allocation (PPA) process

The process in question envisages that the cost of the combination must be allocated to the net assets of the acquiree, measured on the basis of their fair value, with the aim of determining a residual unallocated difference, to be recognised as goodwill (in the presence of a surplus of the cost of the combination) or as badwill (in the presence of a surplus of the fair value of the net assets acquired).

In greater detail, IFRS 3 envisages that, at the acquisition date, the difference between the overall cost of the business combination - which, as illustrated in the previous paragraph, is equal to the sum of the fair value of the consideration paid, the fair value of the interest already held and the minority interests - shall be determined, along with the fair value of the identifiable net assets acquired, including contingent liabilities.

As shown in the following table, the Purchase Price Allocation process showed goodwill of 1,561.7 million, obtained as the difference between the total cost of the acquisition (1,960.3 million), including the minority interest, and the fair value of the identifiable net assets of Anima Holding (and its subsidiaries) measured at the acquisition date (398.7 million).

In this regard, it should be noted that the pre-existing receivables and payables of Anima Holding (and its subsidiaries) to/from the Banco BPM Group, included in the identifiable net assets acquired, will be subject to effective settlement according to the original contractual terms; they had no impact on the measurement of goodwill, as their fair value was aligned with their book value.

Provisional allocation of the cost of the combination (PPA)	
Price of the acquisition transaction (67.976%) - ex-dividend	1,447,995
Fair value of the share already held (21.973%) - ex-dividend	468,061
Minority interests in equity of Anima Holding (10.0512%) and subsidiaries (Castello and Vita S.r.l.)	44,284
Cost of the combination including minority interests (A)	1,960,340
Adjusted book value of equity of Anima Holding as at 31 March 2025(*)	1,556,950
- Anima Holding goodwill reversal	(1,168,200)
- Anima Holding client relationship reversal	(356,651)
- Anima Holding trademarks reversal	(15,715)
- reversal of taxation on the aforementioned intangible assets (goodwill, trademarks and client relationships)	63,682
Adjusted book value of tangible equity of Anima Holding as at 31 March 2025(*)	80,066
+ valuation attributable to intangible assets represented by trademarks	93,900
+ valuation attributable to intangible assets represented by client relationships	276,659
+ adjustment to the lower fair value of the debt represented by bond issues	15,887
- tax effects	(67,838)
Fair value of the acquired identifiable net assets of Anima Holding (B)	398,674
Goodwill (A-B)	1,561,666

(*) adjusted to take into account the fair value adjustments of the interest held in MPS on the basis of the prices as at 11 April 2025 (52.7 million net of tax effect).

For the purposes of measuring the fair value of the net assets acquired, the intangible assets recorded by Anima Holding (and its subsidiaries) in its financial statements, equal to 1,540.6 million (1,476.9 million net of tax effects), were reversed from the book value of equity of the same, with the fair value adjustments recognised with respect to the book values of the net assets, based on the conditions in place at the date of the combination, including the identifiable intangibles not recognised by the investee. For more information, please refer to the section "Intangible assets - Item 100" in Part B of these Explanatory Notes.

In greater detail, the main changes made to the tangible equity of Anima Holding (and its subsidiaries), determined with the support of a leading independent expert, are represented by:

- trademarks for 93.9 million, of which 91.9 million recognised under intangible assets with an indefinite useful life attributable to the Anima trademark. The remaining 2.0 million is attributable to the valuation of the trademarks of the subsidiaries Kairos SGR and Vita Srl, deemed to have a finite useful life;
- client relationships for 276.7 million, to enhance customer relationships, also taking into account the duration of the distribution agreements;
- adjustment to the fair value of some financial liabilities represented by bond issues, which resulted in a lower value of 15.9 million with respect to the carrying amount at amortised cost;
- tax effects related to the remeasurements referred to in the previous points (-67.8 million).

The impact on the consolidated income statement in the second quarter of 2025, deriving from the reversal effect of the value adjustments of the net assets acquired, as listed above, was negative for -6.4 million, net of taxation.

With regard to the costs related to the acquisition in question, which, according to the rules laid down in IFRS 3 must be recognised as charges in the periods in which these costs were incurred (with the exception of the share issue costs, which must be recognised on the basis of the provisions of IAS 32), these amount to 12.4 million and are recognised in the income statement under item "190. b) Other administrative expenses".

It should be noted that this allocation must be understood as provisional, as permitted by IFRS 3, given that in the short period of time from the date of the business combination, all the necessary information may not have been considered. In line with the aforementioned standard, the above difference, and more generally the financial statements, will be finalised within one year from the date of the combination. If the final recognition deviates from the provisional one, the provisional amounts recognised as at 30 June 2025, and on the subsequent quarterly reporting dates, will have to be retroactively adjusted.

For the sake of completeness, the asset-based position of Anima Holding (and its subsidiaries) at the acquisition date is shown below, adjusted to take account of the evolution of the reserves of the interest held in MPS, compared, by financial statement item, with the values expressed at fair value, based on the PPA process.

	Book value at the acquisition date	PPA allocation to identifiable net assets	Fair value of the net assets acquired
Assets			
Cash and cash equivalents	468,539		468,539
Financial assets at fair value through profit and loss	97,301		97,301
- c) other financial assets mandatorily measured at fair value	97,301		97,301
Financial assets measured at fair value through other comprehensive income (*)	310,696		310,696
Financial assets at amortised cost	257,636		257,636
Interests in associates and joint ventures	21		21
Property, plant and equipment	26,215		26,215
Intangible assets	1,545,542	(1,170,007)	375,535
- of which goodwill recognised by Anima Holding	1,168,200	(1,168,200)	-
- of which client relationships recorded by Anima Holding	356,651	(356,651)	-
- of which trademarks registered by Anima Holding	15,715	(15,715)	-
- client relationship registration		276,659	276,659
- registration of trademarks		93,900	93,900
Tax assets:	25,987		25,987
- current	6,522		6,522
- deferred	19,465		19,465
Other assets	85,001		85,001
Total assets	2,816,938	(1,170,007)	1,646,931
Liabilities			
Financial liabilities at amortised cost	807,209	(15,887)	791,322
- due to customers	219,397		219,397
- debt securities in issue	587,812	(15,887)	571,925
Tax liabilities:	144,090	4,156	148,246
- current	75,086		75,086
- deferred	69,004	4,156	73,160
- of which reversal of tax liabilities on Anima Holding intangible assets	63,682	(63,682)	-
- of which tax liabilities on recognition of new intangibles		63,140	63,140
- of which tax liabilities - fair value adjustments of debt securities in issue		4,698	4,698
Other liabilities	291,984		291,984
Provisions for employee severance pay	6,732		6,732
Provisions for risks and charges	9,973		9,973
- commitments and guarantees given	27		27
- other provisions	9,946		9,946
Total liabilities	1,259,988	(11,731)	1,248,257
Shareholders' equity	1,556,950	(1,158,276)	398,674
Total liabilities and shareholders' equity	2,816,938	(1,170,007)	1,646,931

(*) adjusted to take into account the fair value adjustments of the interest held in MPS on the basis of the prices as at 11 April 2025 (52.7 million net of tax effect).

In accordance with the provisions of Bank of Italy Circular no. 262, the table below includes data relating to the entity subject to the business combination (figures in millions of euro), the main items of which are determined on the assumption that the transaction took place at the beginning of the current year:

Company name	Transaction date	(1)	(2)	(3)	(4)
Anima Holding S.p.A. (*)	11/04/2025	1,448.0	67.976%	3,149.6	1,253.4

(*) It should be noted that Anima Holding controls Anima SGR, Anima Alternative SGR, Kairos Partners SGR, Castello SGR, Vita S.r.l. (through Castello SGR).

Key:

(1) = Transaction cost. For the relative details, please refer to the above.

(2) = Percentage of interests acquired with voting right in the ordinary shareholders' meeting.

(3) = Total Group revenues: represents the total consolidated "Operating income" of the Reclassified Income Statement determined on the assumption that the business combination of the Anima Holding Group took place on 1 January 2025.

(4) = Group net profit/loss: represents the consolidated net profit determined by assuming that the business combination of the Anima Holding Group took place on 1 January 2025.

Business combinations between companies in the Group (business combination between entities under common control)

During the half-year, no business combinations occurred involving companies belonging to the Group.

Section 2 - Transactions carried out after the end of the year

No business combination transactions were carried out outside the Group after the end of the half-year.

Business combinations between companies in the Group (business combination between entities under common control)

No business combination transactions between companies in the Group were completed after the end of the half-year.

Section 3 - Retrospective adjustments

It was not necessary to recognise any retrospective adjustments.

PART H – TRANSACTIONS WITH RELATED PARTIES

In accordance with the requirements established by accounting standard IAS 24, the paragraphs below illustrate the criteria applied by Banco BPM Group to identify related parties, expressed in specific company regulations:

- a) companies subject to significant influence and joint control: namely the entities in which the Parent Company Banco BPM or the Subsidiary entities exercise significant influence pursuant to IAS 28 or joint control pursuant to IFRS 11. In particular, these are the "Investments in companies subject to joint control and subject to significant influence" indicated under Part B - "Interests in associates and joint ventures - Item 70" of these Explanatory Notes;
- b) executives with strategic responsibilities: the members of the Board of Directors, the acting members of the Board of Statutory Auditors, the General Manager and the Co-General Managers of the Parent Company and the Group companies are classified as such, as well as the senior operational and executive managers of Banco BPM, identified by a dedicated board resolution, the Financial Reporting Manager, the Head of the Compliance function, the Head of the Internal Audit function of Banco BPM, any additional structure heads identified by the Board of Directors of Banco BPM and any extraordinary liquidators;
- c) close family members of executives with strategic responsibilities: only family members that are able to influence (or be influenced by) the party concerned in the relationship between the latter and Banco BPM or Group companies. The following are presumed to be as such, unless otherwise declared in writing by the executive, under the latter's own responsibility and containing adequate and analytical justification of the reasons that exclude any possible influence: spouses, common law spouses (including cohabitants whose status is not indicated in the family status certificate), offspring of the party, of the spouse or common law spouse, individuals dependent on the party, the spouse or common law spouse. Any other individual, which the party believes may influence them (or be influenced by them) in their dealings with Banco BPM or the other Group companies, is also a related party;
- d) equity interests attributable to executives with strategic responsibilities and their close relatives: the following entities are considered to be related parties, those in which executives with strategic responsibilities or their close relatives have control pursuant to Art. 2359, paragraph 1 of the Italian Civil Code, or joint control or exercise significant influence which is presumed when they hold, directly or indirectly, at least 20% of the voting rights which can be exercised during ordinary shareholders' meetings, or 10% if the company has shares listed on organised markets;
- e) Group pension funds: the Pension Funds for employees of the Group and of any other related entity;
- f) holders of a significant interest: shareholders and the relative corporate groups (legal entities which are parent companies, subsidiaries or subject to joint control) which control the Parent Company, even jointly, or which exercise significant influence over Banco BPM, are considered related parties. As a minimum, a situation of significant influence is deemed to exist when the shareholder holds an interest with voting rights exceeding 10% of the share capital of Banco BPM. Parties not belonging to the Group who hold an interest in other Group companies greater than 20% of the voting rights that may be exercised in the ordinary shareholders' meeting, or 10% if the company has shares listed in organised markets, are also considered to be related parties;
- g) parties who themselves are in a position to appoint members of the Board of Directors by virtue of the articles of association or shareholders' agreements.

Financial and commercial transactions with related parties

Financial and commercial transactions with related parties fall within the sphere of ordinary operations and have been conducted as arm's length transactions.

Based on the scope of related parties, as identified on the basis of the criteria listed above, the tables below show the financial and economic relationships as at 30 June 2025 separately between:

- entities that exercise significant influence (point f) of the previous list);
- associated companies (point a) of the previous list);
- joint ventures (point a) of the previous list);
- executives with strategic responsibilities (point b) of the previous list);
- other related parties (points c), d), e) and g) of the previous list).

In this regard, it should be noted that the consolidated financial statements do not provide evidence of the relationships between the various Group companies (Parent Company and subsidiaries), as they are subject to cancellation at the time of consolidation.

Development of relations with related parties during the half year

By virtue of the interest that Crédit Agricole S.A. acquired in Banco BPM during the first half of the year, starting from 30 June 2025, the financial and economic relationships with "Entities that exercise significant influence over the Banco BPM Group" have also been valued. On 11 April 2025, Crédit Agricole S.A. reported that it had increased its stake in the share capital of Banco BPM to 19.8%, by virtue of the authorisation received from the ECB at the beginning of the same month.

In this regard, it should be noted that relations with the Crédit Agricole Group companies, which are in turn associates for the Banco BPM Group, are shown, in continuity with previous years, in the column "Associated companies". In detail, these are relations with the companies Agos Ducato, BPM Assicurazioni and Vera Assicurazioni.

In addition, with the positive conclusion - on 4 April 2025 - of the voluntary tender offer promoted by the subsidiary Banco BPM Vita S.p.A. on all the shares of Anima Holding S.p.A., as a result of which the insurance company holds, since 11 April 2025, a total of 89.949% of the share capital of Anima Holding, the latter - already a related party, together with its subsidiaries, by virtue of the associate shareholding held by Banco BPM S.p.A. - became a subsidiary of Banco BPM S.p.A. through Banco BPM Vita S.p.A.

The consequent entry of Anima Holding (and its subsidiaries) into the scope of consolidation means that the balance sheet and income statement balances of the Banco BPM Group with respect to Anima Holding (and its subsidiaries) were no longer valued as at 30 June 2025, as they were cancelled in the consolidated financial statements. Until the financial statements as at 31 December 2024, these balances were instead shown with regard to associated companies.

On the other hand, the transactions that Anima Holding and its subsidiaries have with related parties other than Group companies, not valued until the financial statements as at 31 December 2024, as a company not belonging to the Group at that time, are included.

(thousands of euro)	Entities exercising significant influence (1)	Associated companies	Joint ventures	Executives with strategic responsibilities	Other related parties	Total	% of consolidated total
Cash and cash equivalents	20,405	-	-	-	-	20,405	0.17%
Financial assets held for trading	4,420	674	-	-	3	5,097	0.05%
Other financial assets mandatorily measured at fair value	49,379	-	-	-	-	49,379	0.50%
Loans to banks	819	-	-	-	-	819	0.02%
Loans to customers	-	1,061,417	-	10,085	132,784	1,204,286	1.20%
Other asset items	808	3,755	-	-	-	4,563	0.03%
Due to banks	118,235	-	-	-	-	118,235	1.85%
Due to customers	-	121,815	-	11,063	54,674	187,552	0.18%
Debt securities in issue	727,365	-	-	-	-	727,365	2.99%
Financial liabilities held for trading	893	-	-	-	1	894	n.s.
Financial liabilities designated at fair value	-	-	-	1,035	596	1,631	0.02%
Other liability items	2,741	3,838	-	182	-	6,761	0.03%
Guarantees given and commitments	19,316	364,607	-	3,055	8,102	395,080	0.50%

(1) Authorised parties who possess a shareholding greater than 10% of the share capital.

(thousands of euro)	Entities exercising significant influence (1)	Associated companies	Joint ventures	Executives with strategic responsibilities	Other related parties	Total	% of consolidated total
Net interest income	(7,649)	46,436	-	94	(126)	38,755	2.22%
Net fee and commission income	(16,710)	129,465	-	4	430	113,189	10.09%
Administrative expenses/recoveries of expenses	-	(6,063)	-	(7,945)	(81)	(14,089)	1.01%
Other costs/revenues	145	3,257	-	-	-	3,402	(0.85%)

(1) Authorised parties who possess a shareholding greater than 10% of the share capital.

Other related party transactions

The table below discloses other transactions (supplies of goods and services and transactions on real estate) entered into with the related parties shown in the above table under "executives with strategic responsibilities" and "other related parties".

	Purchases and sales of goods and services	Rental income	Rental expense
a) Directors	-	-	-
b) Executives with strategic responsibilities	-	-	-
c) Close family members of the parties in letters a) and b)	-	-	-
d) Subsidiary, associated company or subject to significant influence by the parties in letters a) and b)	306	105	-

Other information

In regard to paragraph 8 of art. 5 "Disclosures to the public on related party transactions" of the CONSOB Regulation containing provisions for related party transactions (adopted by CONSOB with resolution no. 17221 of 12 March 2010 as amended), the following paragraphs illustrate the most important transactions conducted during the first half of 2025, as well as those that are less important yet particularly significant.¹

Contribution for future share capital increases to Banco BPM Vita S.p.A. as part of the voluntary public tender offer by Banco BPM Vita S.p.A. aimed at acquiring all of the shares of Anima Holding S.p.A.

The Boards of Directors of Banco BPM and Banco BPM Vita, at meetings held on 6 November 2024, approved the terms and conditions of the voluntary public tender offer, pursuant to and for the purposes of Articles 102, paragraph 1 and 106, paragraph 4 of the Consolidated Law on Finance (hereinafter, the "Offer" or "Anima Tender Offer") by Banco BPM Vita (hereinafter "Banco BPM Vita" or the "Offeror"), aimed at acquiring all of the ordinary shares of Anima Holding S.p.A., less the shares held by Banco BPM, and including own shares, as well as any shares issued, by the end of the period of subscription to the Offer, as part of the remuneration plans in place based on financial instruments. In this regard, in order to provide Banco BPM Vita with the financial resources needed to complete the transaction, Banco BPM irrevocably committed to making a payment, also in several tranches, of a maximum total amount of 2,026.1 million, to the subsidiary Banco BPM Vita, corresponding to the sum of: (i) the maximum outlay that Banco BPM Vita would have incurred if all the shares under the Offer were subscribed (1,583.1 million); and (ii) the outlay that Banco BPM Vita would have incurred for the purchase of the Anima Holding shares held by Banco BPM, assuming a consideration per share equal to the consideration paid to the shareholders of Anima under the Offer (443.0 million). The financial resources would have been provided by means of a contribution for future share capital increases, to be allocated, in whole or in part, to the release (for both the capital portion and the share-premium portion) of one or more tranches of a future share capital increase of Banco BPM Vita, to be resolved in the context of the offer, no later than 31 December 2025.

Subsequently, at the meeting of 11 February 2025, the Board of Directors of Banco BPM approved - subject to adoption by the Offeror's Board of Directors, which met on the same date, of a favourable decision regarding the proposals to be included in the relevant agenda, also for the purposes of the management and coordination of the Bank with respect to the Offeror pursuant to Articles 2497 et seq. of the Italian Civil Code - the call of the Ordinary Shareholders' Meeting of Banco BPM, during which the shareholders were called upon to give their opinion, in accordance with Article 104 of the Consolidated Law on Finance, on the authorisation to ensure that the Offeror could resolve upon (i) an increase in the consideration per Anima share offered in the context of the Anima public tender offer from 6.20 euro (cum dividend) to 7.00 euro (cum dividend); and (ii) any waiver, in whole or in part, of one or more of the Conditions of Effectiveness of the Anima Tender Offer not yet met at the date of the Shareholders' Meeting. The Board of Directors also approved the amendment to the commitment letter signed between Banco BPM and Banco BPM Vita on 6 November 2024, in order to make available to the latter, subject to authorisation from the Shareholders' Meeting to

¹ This section shows the transactions of lesser significance resolved by the Board of Directors, for the first half of 2025, concerning: (i) framework resolutions with/between subsidiaries/associates on finance/commercial matters; (ii) mergers/demergers/transfers of divisions with/between subsidiaries; (iii) transactions other than those of the previous points (i) and (ii) for an amount equal to or greater than 300 million.

increase the consideration for the Anima Tender Offer, the funds necessary to achieve the New Maximum Disbursement.

In implementation of the above resolutions, on 10 March 2025, Banco BPM, in order to make available to Banco BPM Vita the financial resources necessary for payment of the consideration for each Anima Holding share used to subscribe to the Offer and the purchase of the interest held by Banco BPM in Anima Holding, at the end of the adherence period, made a payment to the Offeror for a future share capital increase for an aggregate amount of 2,276.5 million.

Following the conclusion of the Anima Tender Offer, which took place on 11 April 2025 with the acquisition of 89.95% of the share capital of Anima Holding, Banco BPM Vita, on 17 June 2025, proceeded with the return to Banco BPM of the amount of 356.5 million, corresponding to the surplus between the amount of the payment of 2,276.5 million received on 10 March 2025 and the amount of the share capital resolved upon by the shareholders' meeting of Banco BPM Vita on 27 May 2025 equal to 1,920.0 million, corresponding to the total financial and asset-based requirements of Banco BPM Vita as a result of the Offer, also taking into account the dividend distributed by Anima Holding, also necessary to maintain an adequate level of individual and consolidated paying capacity.

Issue by Banco BPM S.p.A. of investment certificates to be placed with third-party networks: (i) allocation of a maximum ceiling; (ii) commission flow for promotion and marketing activities to Banca Akros

The Board of Directors' meeting on 26 November 2024, resolved the approval, for the period 1 January 2025 - 31 December 2025, of the allocation of a ceiling to be used for the issue of certificates to be placed with third-party networks outside the Group, also as private placements, addressed to customers of Banca Akros, for a maximum total amount of up to 300 million, recognising a commission flow to Banca Akros, for the same time interval, as a framework resolution pursuant to the rules on conflicts of interest, of a total amount of up to 2 million, in relation to the promotion and marketing activities: for the period January-June 2025, the ceiling was used for approximately 0.3 million.

Allocation of a maximum ceiling for the issue of "Skew Notes" to be placed with institutional investors, for the period from 1 January 2025 to 31 December 2025; commission flows to be paid to the subsidiary Banca Akros S.p.A. for its role as lead manager

At its meeting on 17 December 2024, the Board of Directors of Banco BPM resolved to (i) approve the allocation of a maximum ceiling of up to 300 million, intended for the issue of "Skew Notes" to be placed with institutional investors, for the period from 1 January 2025 to 31 December 2025; (ii) to approve the publication of a Drawdown Prospectus for each issue of the securities, and to avail itself of the assistance of the necessary counterparties, subject to the submission of the Drawdown Prospectus referred to above to the approval of the Luxembourg Supervisory Authority - Commission de Surveillance du Secteur Financier (CSSF); (iii) to grant, for the same time period, to the subsidiary Banca Akros, which will play the role of lead manager of the securities, with the function of identifying potential investors, a commission flow, as a framework resolution pursuant to the rules on conflicts of interest, equal to a maximum of 15 million; it should be noted that, for the period January-June 2025, the ceiling was used for approximately 6.1 million.

Commission flows relating to the performance of trading on own behalf, order execution on behalf of customers, receipt and transmission of orders between Banco BPM, Banca Aletti S.p.A. and Banca Akros S.p.A.

The Board of Directors of Banco BPM, at its meeting on 17 December 2024, authorised the renewal for the period 1 January - 31 December 2025, of the framework resolution concerning the performance of trading activities by Banca Akros S.p.A., for which (i) Banco BPM estimated to pay the above-mentioned subsidiary a maximum commission flow of 14 million; (ii) Banca Aletti S.p.A., in turn estimated to pay Banca Akros S.p.A. a maximum commission flow of 3.3 million. It should be noted that, for the period January-June 2025, the ceilings were used for approximately 7.4 million and approximately 1.4 million, respectively.

Banco BPM portfolio management contract with Banco BPM Invest SGR S.p.A.: determination of the management fees

At the meeting on 17 December 2024, the Board of Directors of Banco BPM renewed the framework resolution relating to the award to Banco BPM Invest SGR S.p.A. for the year 2025 of a consideration for the management of Banco BPM's portfolios equal to approximately 3.1 million; it should be noted, that for the period January-June 2025, the ceiling was used for approximately 1.5 million.

Updating of the outsourcing agreement with Gardant Liberty Servicing S.p.A. for the management and recovery of loans classified as bad loans (ACE Project)

At the meeting on 21 January 2025, the Board of Directors of Banco BPM resolved to approve: (i) the updating of the outsourcing agreement in place with Gardant Liberty Servicing S.p.A., by signing the New Contractual Amendment; (ii) the recognition for the period 1 January 2025-31 December 2025, against a portfolio of approximately 9,530 positions, for a nominal receivable of 1.1 billion, of a commission flow in favour of the investee Gardant Liberty Servicing S.p.A. estimated at 15 million, as a framework resolution pursuant to the rules on conflicts of interest. It should be noted that, for the January-June 2025 period, the ceiling was used for approximately 7.6 million.

Group's Covered Bond ("CB") issue programmes: (i) renewal of the expiry of annual ceilings for the periodic repurchase of assets sold; (ii) repurchase of unsuitable assets by the SPE within the context of the Group's issue programmes

At the meeting on 21 January 2025, the Board of Directors of Banco BPM resolved on the renewal of the annual ceilings for each CB issue programme, in order to carry out, for the period 1 January 2025-31 December 2025, on the basis of the criteria established in the relative programmes: (i) periodic repurchases, up to a maximum of 100 million, of receivables sold to the SPE BPM Covered Bond S.r.l.; (ii) periodic repurchases, up to a maximum of 100 million, of receivables sold to the SPE BPM Covered Bond 2 S.r.l. Please note that, for the period January-June 2025, the annual ceilings, as framework resolutions in accordance with rules on conflicts of interest, for the periodic repurchases of assets sold, were used for 12.1 million and 4.6 million, respectively.

Furthermore, the Board of Directors, in its meeting on 7 May 2025, in terms of the repurchase from the respective special purpose entities of ineligible loans, approved (i) the return to Banco BPM of the loans not eligible under the BPM CB1 Programme for a maximum amount of 50 million, excluding the UTP and Bad Loan positions already considered in the annual ceiling, with the payment of the related sale price to the SPE; (ii) the return to Banco BPM of the loans not eligible under the BPM CB2 Programme for a maximum amount of 10 million, excluding the UTP and Bad Loan positions already considered in the annual ceiling, with the payment of the related sale price to the SPE; (iii) the negotiation and signing of the repurchase documents.

In implementing this resolution, in May 2025, as part of both Covered Bond Issue Programmes of the Group, Banco BPM repurchased "en bloc", inter alia, a portion of loans previously transferred to the SPEs and no longer classifiable as eligible (as they had mortgage collateral that was expiring by 30 June 2025) and paid the relevant considerations to the SPEs.

Issue of investment certificates and/or bonds by Banco BPM: (i) issue ceiling; (ii) commission flows for placement activities through the Banca Aletti Network

At the meeting on 21 January 2025, the Board of Directors of Banco BPM resolved to approve the renewal of the total ceiling at Group level of the maximum amount of 1,200 million, for the period 1 February 2025-31 January 2026, for the purposes of the issue, by Banco BPM, of investment certificates and/or bonds to be placed through (i) the Parent Company's Sales Network for a maximum of 1,050 million and (ii) the Banca Aletti S.p.A. Network for a maximum of 150 million (of which 50 million intended for Private Placement aimed exclusively at professional customers), recognising a commission flow, in favour of the subsidiary, estimated at a maximum of 3.8 million, as a framework resolution pursuant to the regulations on conflicts of interest, for placement activities carried out. It should be noted that for the February-June 2025 period, the ceiling was used for approximately 0.8 million.

Issue and placement of certificates and/or bonds issued by Banco BPM and by third parties and placed with the Group's Commercial Networks

At the meeting on 21 January 2025, the Board of Directors of Banco BPM resolved to approve, for the period 1 February 2025-31 January 2026, a commission flow of up to 5 million, as a framework resolution pursuant to the regulations on the conflicts of interest, to be paid to Banca Akros for support activities in the product governance and marketing process in the context of the placement, structuring and hedging costs relating to the issue and placement of certificates and/or bonds issued by Banco BPM and by third-party issuers; it should be noted that, for the period February-June 2025, the ceiling was used for approximately 2.6 million.

Determination of the ceiling of fees to be paid to Banca Akros for the performance of activities concerning securitisation transactions in favour of Institutional and Corporate Customers, as part of the existing outsourcing agreement.

At its meeting on 27 May 2025, the Board of Directors of Banco BPM resolved to authorise, as a framework resolution pursuant to the rules on conflicts of interest, the allocation for the year 2025, and more specifically for the period 1 January-31 December 2025, of a ceiling of 2.1 million per year to be used for the payment to the subsidiary Banca Akros S.p.A. of the consideration due to the same for the performance of securitisation activities in favour of the Bank's Institutional and Corporate Customers, under the Outsourcing agreement in place between the Parent Company and the aforementioned subsidiary. It should be noted that, for the January-June 2025 period, the ceiling was used for approximately 1.1 million.

New securitisation of loans to Small and Medium-Sized Enterprises guaranteed by the State Guarantee Fund managed by Mediocredito Centrale with BPL Mortgages S.r.l. (BPL 9 Securitisation)

At the meeting of 27 May 2025, the Board of Directors of Banco BPM resolved on (i) the sale to the special purpose entity BPL Mortgages S.r.l. (SPE) of the BPL9 Portfolio, for an amount estimated at a maximum of 6.5 billion, by the end of October 2025; (ii) the issue, by the end of the fourth quarter of 2025, of the Senior Securities and Junior Securities and their subscription by Banco BPM (with it being understood that the Senior Securities may also be partially subscribed by institutional investors), the total maximum amount of which is estimated at 6.5 billion, also in compliance with the risk retention obligations pursuant to the SECR; (iii) the payment to Banco BPM by the SPE of the servicing commissions estimated at an annual amount of less than 4 million and of the fees for the performance of administrative services, estimated in total at an annual amount of approximately 25 thousand euro; (iv) the execution of any interest rate swap to partially or fully hedge the interest rate risk of the Senior Securities and the simultaneous subscription of a back-to-back swap between the counterparty and Banco BPM; (v) the signature of a mandate to the counterparties involved in the BPL9 securitisation for the performance, for various reasons, of all the activities necessary for the structuring of the transaction; (vi) the negotiation and subscription of all BPL9 contracts to which the Bank is a party, as well as any other contract, deed, document and certificate necessary or appropriate for the purposes of carrying out the BPL9 Securitisation.

Alba Leasing risk group: (i) confirmation of the ceiling; (ii) confirmation of the amount of credit facilities; (iii) new review date

At its meeting held on 10 June 2025, the Board of Directors of Banco BPM resolved to approve in favour of Alba Leasing S.p.A.: (i) the confirmation of the lending ceiling for direct risks at 1,100 million; (ii) the confirmation of the amount of credit facilities of 1,060.2 million, in addition to evidence risks for 15 million; (iii) the new review date as at 30 June 2026.

PART I - SHARE-BASED PAYMENT AGREEMENTS

A. QUALITATIVE INFORMATION

1. Description of share-based payment agreements

1.1 Remuneration linked to incentive systems: compensation plans based on shares

As the Parent Company, Banco BPM S.p.A. prepares the annual Policy-on-remuneration report and payouts awarded pursuant to the provisions in force on remuneration and incentive policies and practices of the Bank of Italy (Circular no. 285/2013, 37th update of 24 November 2021, Part I, Title IV, Chapter 2 "Remuneration and incentive policies and practices"), of Art. 123-ter of Italian Legislative Decree 58/1998 ("Consolidated Finance Law" or "CFL") as amended and of Art. 84-quater of CONSOB resolution no. 11971/1999 as amended ("Issuers' Regulation").

The remuneration policy ("Policy") represents an important management lever to attract, motivate and retain management and staff. This steers behaviour towards reducing the risks taken on (including legal and reputational), protecting customers and increasing loyalty while also being careful to manage conflicts of interest. The Policy also pursues sustainable success, which produces long-term value for the benefit of shareholders in the interest of the Group's stakeholders.

The 2025 Policy defines the guidelines of the remuneration systems to pursue long-term strategies, objectives and results, in line with governance and risk management policies. The correlation between variable remuneration of personnel and ESG factors is one of the elements of the 2025 Policy. Variable remuneration is therefore related to strategic actions concerning environmental issues, health and safety and human resource management. The remuneration policy for staff is gender neutral.

In accordance with the 2025 Policy, the remuneration of Group employees includes a variable component (incentive) linked to the annual incentive system (Short-Term Incentive Plan). The receipt of an incentive is subject to the verification that the predefined access conditions (gates) have been met, consisting of indicators of capital adequacy and adequacy of liquidity and profitability. After verification of the gates, but before any payment, the amount of the economic resources actually available is determined on the basis of the economic results recorded (financial adjustment factor), as well as qualitative indicators of a non-financial nature (non-financial adjustment factor), in line with the Group risk appetite framework.

The incentive for identified staff¹ established in the year 2025, is paid over a period of six or five years, and is divided into an up-front portion and five or four annual deferred portions, subject to the successful fulfilment of future conditions.

The up-front portion, regardless of beneficiary, amounts to:

- 60% of the incentive awarded, in cases where the annual individual variable remuneration is less than 455 thousand euro;
- 40% of the incentive awarded, in cases where the annual individual variable remuneration is equal to or greater than 455 thousand euro.

The figure of 455 thousand euro represents for the Group the level of variable remuneration of a particularly high amount, determined in keeping with the criterion established by the Bank of Italy Supervisory Regulations².

50% of the up-front portion of the incentive is awarded in Banco BPM ordinary shares.

The deferred portions consist of:

- five annual instalments of the same amount deferred in the five-year period following the year of vesting of the up-front portion, for 55% in Banco BPM ordinary shares, for the senior identified staff, regardless of the amount of the annual individual variable remuneration awarded, and for the heads of the main business lines of Banca Akros or Banca Aletti who report directly to the Chief Executive Officer or senior management

¹ Parties whose professional activity has or may have a significant impact on the risk profile of the Group or the individual Legal Entity.

² See Part One, Title IV, Chapter 2, Section III, Paragraph 2: "Particularly high variable remuneration amount means the lower of: i) 25 percent of the total average remuneration of the Italian high earners, resulting from the most recent report published by the EBA; ii) 10 times the total average remuneration of the bank's employees".

of Banca Akros or Banca Aletti, in the event that the amount of the annual individual variable remuneration paid is equal to or greater than 455 thousand euro;

- four annual instalments of the same amount, deferred in the four-year period following the year of vesting of the up-front portion, for 50% in Banco BPM ordinary shares, for identified staff not included in the previous point.

As required by the Supervisory Provisions of the Bank of Italy, in cases where the annual individual variable remuneration is lower than or equal to the significance threshold of 50 thousand euro, and, at the same time, lower than or equal to one third of the total annual individual remuneration, the relative amount is paid out in cash and in a lump sum.

The Shareholder's Meeting of 18 April 2024 approved a Long-Term Incentive Plan related to the performance to be achieved in the 2024-2026 three-year period.

On 11 February 2025, the update of the Strategic Plan to 2027 was approved.

To support the Strategic Plan and pursue results that create long-term value for shareholders and all relevant stakeholders, the Bank decided to submit a Long-Term Incentive Plan (2025-2027 LTI) to the Shareholders' Meeting of 30 April 2025 related to the performance to be achieved in the 2025-2027 three-year period.

The scope of the beneficiaries of the LTI plans includes around 85 positions (excluding those belonging to functions with control tasks), selected on the basis of the level of the position, the impact on the business or for retention purposes. The beneficiary roles include the Chief Executive Officer and executives with strategic responsibilities of the Parent Company.

The incentive correlated with the LTI plan (LTI incentive) is fully assigned in Banco BPM ordinary shares and is proportional to the level of achievement of the conditions and performance objectives.

The LTI incentive is paid in an up-front portion of 40% and in annual deferred portions of the same amount, in accordance with the provisions of the Short-Term Incentive Plan (respectively, 2024 for the 2024-2026 LTI incentive and 2025 for the 2025-2027 LTI incentive), subject to the successful fulfilment of future conditions.

With reference to the Short-Term Incentive and Long-Term Incentive Plans, for vested shares (up-front and deferred), a one-year retention period (selling restriction) is established, which starts from their vesting.

Both the up-front portions and the deferred portions are subject to malus and claw-back mechanisms, as set forth in the Policy.

In addition to the compensation plans based on Banco BPM S.p.A. shares relating to the 2025 Short-Term Incentive Plan and the 2025-2027 Long-Term Incentive Plan, the Ordinary Shareholders' Meeting of Banco BPM held on 30 April 2025 approved:

- the 2025 remuneration policy - Section I of the Policy-on-remuneration report and payouts awarded of Banco BPM Group's staff - 2025;
- the report on payouts awarded in 2024 - Section II of the Policy-on-remuneration report and payouts awarded of Banco BPM Group's staff - 2025 (advisory vote);
- adjustment, within the framework of the remuneration policy, of the maximum amount to be granted in the event of early termination of employment or early departure from office;
- the request for authorisation to purchase and dispose of own shares in service of the Banco BPM S.p.A. share-based payment plans.

For further information refer to the content of the following documents: 2025 Policy-on-remuneration report and payouts awarded of Banco BPM Group's staff (Section I and Section II), Information Document on the Banco BPM Share-based compensation plan - 2025 Short-Term Incentive Plan, Information Document on the Share-based compensation plan - 2025-2027 Long-Term Incentive Plan, available on the website www.gruppo.bancobpm.it (Corporate Governance - Remuneration Policies section).

1.2 Share-based compensation plans of previous years

On 11 February 2025, the Banco BPM Board of Directors acknowledged the vesting in the year 2025 of the equity component of the deferred short- and long-term incentives referring to the share-based compensation plans currently valid and approved on the basis of previous shareholders' resolutions.

For more details on the procedures and the terms for the allocation of the shares under the above-illustrated Plans, please refer to the respective information documents drawn up in accordance with Art. 84-bis of the Issuers' Regulation, deposited at the registered office, at Borsa Italiana S.p.A. and also available to the general public on Banco BPM S.p.A.'s website at www.gruppo.bancobpm.it (Corporate Governance — Remuneration Policies section).

1.3 Amounts for early termination of employment

In compliance with regulations in force over time, the Parent Company has the unilateral right to agree — subject to the conditions and in accordance with the methods defined in the Policy — possible amounts for the early termination of employment (for identified staff, golden parachutes), which may be awarded up to the maximum extent of twenty-four months of fixed remuneration (excluding indemnity for lack of notice, determined by legislative provision) and up to the maximum limit of 3.4 million euro (employee gross amount).

The recognition of the amounts for early termination of the employment relationship takes place on termination and is subject to the positive verification of conditions, related to the previous financial year, of capital adequacy and liquidity. The amount is determined considering each relevant element, and in any event:

- the positive results achieved over time;
- the circumstances that led to the termination, taking into account the interests of the company also to avoid an error of judgement;
- the tasks performed and/or positions held in the course of the employment relationship, also in the sense of risks assumed by the subject;
- the duration of the employment relationship and of the job;
- savings as a result of early termination of employment.

Payment thereof occurs according to the same methods provided for by the Short-Term Incentive Plan, defined in the remuneration policy in force on the date of termination, with reference to the last position for which payment of the amount was assessed, without prejudice to specific conditions envisaged by the Bank of Italy Supervisory Regulations. The amounts for early termination of the employment relationship, both for identified staff and the remaining personnel, shall only be disbursed in the absence of fraudulent conduct or gross negligence committed by the person who has terminated his/her employment. Confirmation of such conduct entails the cancellation of the portions not yet disbursed (malus) and the return of those already disbursed (claw-back). The assessment of the degree of negligence is carried out by the Board of Directors of the Parent Company and/or the subsidiaries and/or the Chief Executive Officer of the Parent Company (or his/her delegate), each to the extent of their responsibility; this assessment takes place from the moment of vesting of units and for the next five years.

The remuneration components for the identified staff described above, which establish the payment based on shares of Banco BPM, are "equity-settled" plans in accordance with the provisions in IFRS 2. These share-based payments are recorded in the income statement under the item "Personnel expenses" as a balancing entry to an increase in the "Reserves" of consolidated shareholders' equity and the Parent Company's shareholders' equity.

Subsidiaries, on the other hand, in their separate financial statements, record the cost for the period in the income statement item "Personnel expenses" as a balancing entry of an increase in the balance sheet liability item "Provisions for risks and charges", in that the incentive plans for identified staff establish payment based on the shares of the Parent Company, which will be settled by the individual subsidiaries and, therefore, are considered cash-settled transactions.

B. QUANTITATIVE INFORMATION

1. Annual changes

The balance of the stock of shares at 1 January 2025, entirely held by the Parent Company Banco BPM, consisted of 13,799,807 ordinary shares of Banco BPM.

In 2025, in implementation of the remuneration policy, a total of 3,352,860 ordinary shares of Banco BPM S.p.A. were delivered to 85 beneficiaries.

During the first half of 2025, Banco BPM did not carry out any programmes for the purchase of own shares in support of the short- and long-term incentive plans in place that provide for deferred portions.

Taking into account the previous stock of own shares in addition to the share deliveries made in 2025 which took place as part of the implementation of the remuneration policies, as at 30 June 2025 Banco BPM directly owns 10,446,947 own shares.

2. Other information

With reference to the resolution passed by the Banco BPM Board of Directors on 13 March 2025 with regard to the Short-Term Incentive share-based compensation plan approved by the Ordinary Shareholders' Meeting in 2024, a total of 589,497 shares were granted to 83 beneficiaries, of which (i) 308,900 relating to the vested up-front portion and (ii) 280,597 relating to the deferred portions, as appropriate, in the four or five years after 2025, the vesting of which remains subject to positive verification of future consolidated conditions as well as the absence of misconduct. As part of this plan, note that the Parent Company awarded its beneficiaries 523,038 shares, of which 269,823 shares relating to the vested up-front portion and 253,215 shares relating to the deferred portions as indicated above. The same resolution also determined the vesting of deferred portions relating to previous years (2019, 2020, 2021, 2022, 2023 and 2021-2023 LTI) for a total of 1,433,476 Banco BPM shares to 84 beneficiaries, of which 1,304,458 shares vested in favour of Parent Company beneficiaries.

With reference to the resolution passed by the Banco BPM Board of Directors on 13 March 2025 with regard to the 2022-2024 Long-Term Incentive share-based compensation plan approved by the Shareholders' Meeting on 7 April 2022, a total of 1,812,341 shares were granted to 48 beneficiaries, of which (i) 724,919 relating to the vested up-front portion and (ii) 1,087,422 relating to the deferred portions, as appropriate, in the four or five years after 2025, the vesting of which remains subject to positive verification of future consolidated conditions as well as the absence of misconduct. As part of this plan, note that the Parent Company awarded its beneficiaries 1,685,984 shares, of which 674,376 shares relating to the vested up-front portion and 1,011,608 shares relating to the deferred portions as indicated above.

2.1 Economic impact in 2025

With regard to the share-based incentive systems for identified staff, during the first half of 2025, the cost charged to personnel expenses amounted to 4.5 million euro. The most significant amounts are attributable to the long-term incentive plans (0.6 million for the 2021-2023 plan, 0.3 million for the 2022-2024 plan, 2.2 million for the 2024-2026 plan and 0.9 million for the 2025-2027 plan). It should be noted that the amount attributable to the Parent Company, for these incentive systems, is 4.1 million.

PART L – SEGMENT REPORTING

According to IFRS 8, companies must provide information enabling users of financial statements to assess the nature and the effects on the financial statements of their business activities and the economic contexts in which they operate. Therefore, it is necessary to highlight the contribution of the various "operating segments" to the formation of the Group's income.

The identification of the "operating segments" of this Section is consistent with the procedures adopted by Company Management to make operating decisions and is based on internal reporting, used for allocating resources to the various segments and analysing their performance, as amended during the first half of 2025 following the acquisition of control of the Anima Group.

In greater detail, it should be noted that, following the conclusion of the voluntary tender offer for all the shares of Anima Holding, which led to the creation of the new integrated Life Insurance and Managed Savings factory, starting from 2025, the contribution of Anima Holding, previously included in the Strategic Partnerships business unit, is shown in the Insurance business unit, which has thus been renamed Asset Management and Insurance.

In addition, to ensure a more accurate representation of the performance attributable to Finance operations, the contribution of treasury activities, bond issues placed on institutional markets and management of the Group's Asset and Liability Management, previously included in the Finance business unit, starting from 2025, it is now shown in the Corporate Centre business unit.

Therefore, as at 30 June 2025, the business units taken as a reference to provide the segment reporting are as follows:

- Commercial;
- Corporate and Investment Banking;
- Asset Management and Insurance;
- Strategic Partnerships;
- Finance;
- Corporate Centre.

A brief illustration of the breakdown of the various operating segments is provided below:

- The "Commercial" business unit includes the Retail, Institutional and Private segments. More specifically:
 - the "Retail" segment includes the management and marketing of banking and financial products/services and loan brokering, which are mainly aimed at private customers and small businesses. These activities are for the most part carried out by the Parent Company's Commercial Network;
 - the "Institutional" segment includes the management and marketing of banking and financial products/services and loan brokering, which are mainly aimed at bodies and institutions (UCITs, SICAVs, insurance companies, pension funds and banking foundations). Those activities are conducted in an equal amount by the Sales Network of the Parent Company, for "local institutional" counterparties, and by specialised branches, for "systemically-important institutional" counterparties;
 - the "Private" segment includes the management and marketing of banking and financial products/services and loan brokering, which are mainly aimed at private customers with assets that, individually and/or within their business, amount to at least 1 million euro. These activities are carried out by the subsidiary Banca Aletti;
- the "Corporate and Investment Banking" business unit includes the Corporate operations of the Commercial Network and the contribution of Banca Akros and its subsidiary Oaklins Italy. More specifically:
 - the "Corporate" segment includes the management and marketing of banking and financial products/services and loan brokering, which are mainly aimed at medium and large-sized companies. These activities are for the most part carried out by the Parent Company's Commercial Network;
 - the "Investment Banking" segment includes the search for solutions for the efficient management of customers' assets and liabilities, also in order to reduce their financial risks, access to regulated markets and support and development of specialised financial services in the Corporate Finance area. These activities are carried out by Banca Akros and by Oaklins Italy;
- the "Asset Management and Insurance" business unit includes, as indicated above, the contribution of the Anima Group companies, Banco BPM Invest SGR, Banco BPM Vita, BBPM Life and Vera Vita, as well as the contribution to the consolidated results of the interests held in the companies Vera Assicurazioni and Banco BPM Assicurazioni;

- the "Strategic Partnerships" business unit includes the contribution of the interests held in Agos Ducato, Alba Leasing, Gardant Liberty Servicing and Numia Group;
- the "Finance" business unit includes the operations of Global Markets and the activities relating to the securities portfolio owned by the Parent Company;
- in addition to governance and support functions, the "Corporate Centre" business unit also includes activities relating to the leasing business, equity interests not allocated to "Strategic Partnerships" and companies operating in the real estate sector. As mentioned above, the Corporate Centre includes the contribution of treasury activities, institutional bond issues and management of the Group's Asset and Liability Management, previously included in the Finance business unit. Lastly, all the consolidation entries are included in this residual segment.

The following tables provide detailed income statement and balance sheet figures by segment as at 30 June 2025 compared with the first half of 2024 and 31 December 2024 respectively.

As set forth in paragraph 29 of IFRS 8, the figures referring to the first half of 2024 and 31 December 2024 have been restated with respect to those published in the Consolidated Interim Financial Report as at 30 June 2024 and the Annual Financial Report as at 31 December 2024, to reflect the change introduced in the composition of the operating segments indicated above, so as to allow for a like-for-like comparison. More specifically:

- the contribution to the consolidated financial statements of Anima Holding during the first half of 2024 referring to the valuation using the equity method, previously included in the Strategic Partnerships operating segment, is shown in the "Asset Management and Insurance" business unit;
- the contribution referring to treasury activities, institutional issues and the management of the Group's Asset and Liability Management, previously included in the Finance operating segment, is shown in the "Corporate Centre" business unit.

In addition, the comparative data of the previous year were restated to take account of the amendments to the reclassified income statement format.

In greater detail, starting from 30 June 2025:

- the income items constituting the remuneration of the structuring and risk hedging activities of the certificates, as well as those relating to the remuneration of sales to retail and corporate companies of hedging derivatives, previously shown in the item "net financial result", are included in the item "Net fee and commission income";
- the impacts of the realignment of intragroup revenues and costs against the different recognition criteria adopted by Banco BPM (up-front recognition of distribution fee and commission income) compared to those adopted by the Group's insurance companies (recognition spread over time of fee and commission expenses), previously shown in the item "Profit (loss) on insurance business", are recognised as an adjustment to the item "Net fee and commission income" (and specifically of the Commercial operating segment).

Segment results - income statement figures

I half 2025	Total	Commercial	CIB	Asset Management and Insurance	of which: Asset Management	of which: Insurance	Strategic Partnerships	Finance	Corporate Centre
Net interest income	1,602,082	1,167,614	318,292	(1,968)	(829)	(1,139)	(7,036)	124,082	1,098
Gains (losses) on interests in associates and joint ventures carried at equity	63,370	-	-	17,534	15,196	2,338	44,189	-	1,647
Financial margin	1,665,452	1,167,614	318,292	15,566	14,367	1,199	37,153	124,082	2,745
Net fee and commission income	1,205,348	867,491	244,665	115,510	115,510	-	-	21,676	(43,994)
Other net operating income	(13,694)	2,858	(19)	(5,738)	551	(6,289)	-	-	(10,795)
Net financial result	87,062	(16,333)	(55,961)	44,299	44,299	-	-	49,317	65,740
Profit (loss) on insurance business	79,844	-	-	79,844	-	79,844	-	-	-
Other operating income	1,358,560	854,016	188,685	233,915	160,360	73,555	-	70,993	10,951
Operating income	3,024,012	2,021,630	506,977	249,481	174,727	74,754	37,153	195,075	13,696
Personnel expenses	(890,190)	(571,440)	(60,348)	(30,523)	(27,929)	(2,594)	(801)	(4,769)	(222,309)
Other administrative expenses	(321,381)	(359,854)	(101,879)	(23,383)	(14,828)	(8,555)	(316)	(39,050)	203,101
Net value adjustments to property, plant and equipment and intangible assets	(135,799)	(46,814)	(2,154)	(2,569)	(2,360)	(209)	(16)	(132)	(84,114)
Operating expenses	(1,347,370)	(978,108)	(164,381)	(56,475)	(45,117)	(11,358)	(1,133)	(43,951)	(103,322)
Profit (loss) from operations	1,676,642	1,043,522	342,596	193,006	129,610	63,396	36,020	151,124	(89,626)
Net adjustments to loans to customers	(164,213)	(106,684)	(63,399)	(300)	(300)	-	-	-	6,170
Fair value gains (losses) on property, plant and equipment	(4,250)	-	-	-	-	-	-	-	(4,250)
Net adjustments to securities and other financial assets	2,280	-	-	-	-	-	-	(1,093)	3,373
Net provisions for risks and charges	3,401	1,474	1,820	334	382	(48)	-	-	(227)
Gains (losses) on interests in associates and joint ventures and other investments	1,224	-	-	-	-	-	-	-	1,224
Profit (loss) before tax from continuing operations	1,515,084	938,312	281,017	193,040	129,692	63,348	36,020	150,031	(83,336)
Taxation charge related to profit or loss from continuing operations	(445,962)	(312,226)	(93,346)	(37,752)	(25,463)	(12,289)	2,695	(49,879)	44,546
Profit (loss) after tax from continuing operations	1,069,122	626,086	187,671	155,288	104,229	51,059	38,715	100,152	(38,790)
Charges for company restructuring, net of taxes	(30,699)	-	-	(14,192)	(8,496)	(5,696)	-	-	(16,507)
Impact of restatement of the Anima share, net of taxes	201,831	-	-	201,831	201,831	-	-	-	-
Impact of the change in own credit risk on the issue of certificates (OCR), net of taxes	2,746	-	-	-	-	-	-	-	2,746
Impact of the purchase price allocation (PPA), net of taxes	(20,210)	(8,609)	(564)	(11,003)	(6,404)	(4,599)	-	-	(34)
Profit (loss) attributable to non-controlling interests	(8,325)	-	-	(8,330)	(8,330)	-	-	-	5
Parent Company's profit (loss) for the period	1,214,465	617,477	187,107	323,594	282,830	40,764	38,715	100,152	(52,580)

I half 2024 (*)	Total	Commercial	CIB	Asset Management and Insurance	of which: Asset Management	of which: Insurance	Strategic Partnerships	Finance	Corporate Centre
Net interest income	1,722,786	1,300,838	326,062	(1,281)	(706)	(575)	(2,279)	38,726	60,719
Gains (losses) on interests in associates and joint ventures carried at equity	74,914	-	-	28,240	25,101	3,139	45,319	-	1,355
Financial margin	1,797,700	1,300,838	326,062	26,959	24,395	2,564	43,040	38,726	62,075
Net fee and commission income	1,045,110	848,091	222,564	-	-	-	-	16,561	(42,107)
Other net operating income	2,494	3,059	6	(2,491)	-	(2,491)	-	-	1,920
Net financial result	(76,247)	(22,403)	1,721	-	-	-	-	88,985	(144,550)
Profit (loss) on insurance business	25,322	-	-	25,322	-	25,322	-	-	-
Other operating income	996,679	828,747	224,291	22,831	-	22,831	-	105,546	(184,736)
Operating income	2,794,379	2,129,585	550,353	49,790	24,395	25,395	43,040	144,272	(122,662)
Personnel expenses	(860,561)	(578,209)	(56,148)	(2,167)	(227)	(1,940)	(734)	(7,387)	(215,916)
Other administrative expenses	(348,968)	(369,227)	(86,680)	(7,222)	(225)	(6,997)	(285)	(44,639)	159,085
Net value adjustments to property, plant and equipment and intangible assets	(129,068)	(47,258)	(2,094)	(129)	(19)	(110)	(16)	(176)	(79,395)
Operating expenses	(1,338,597)	(994,694)	(144,922)	(9,518)	(471)	(9,047)	(1,035)	(52,202)	(136,226)
Profit (loss) from operations	1,455,782	1,134,891	405,431	40,272	23,924	16,348	42,005	92,071	(258,888)
Net adjustments to loans to customers	(194,052)	(170,699)	(40,767)	-	-	-	-	-	17,414
Fair value gains (losses) on property, plant and equipment	(25,989)	-	-	-	-	-	-	-	(25,989)
Net adjustments to securities and other financial assets	(3,248)	-	-	-	-	-	-	(1,843)	(1,405)
Net provisions for risks and charges	8,242	(616)	11,901	444	-	444	-	-	(3,487)
Gains (losses) on interests in associates and joint ventures and other investments	1,023	-	-	-	-	-	-	-	1,023
Profit (loss) before tax from continuing operations	1,241,758	963,576	376,565	40,716	23,924	16,792	42,005	90,228	(271,332)
Taxation charge related to profit or loss from continuing operations	(395,860)	(320,739)	(124,222)	(5,426)	367	(5,793)	1,091	(30,181)	83,617
Profit (loss) after tax from continuing operations	845,898	642,837	252,343	35,289	24,291	10,999	43,096	60,047	(187,715)
Banking industry charges, net of taxes	(66,636)	(61,909)	(4,727)	-	-	-	-	-	-
Charges relating to early retirement incentives, net of taxes	(11,686)	-	(48)	-	-	-	-	-	(11,638)
Bancassurance impacts, net of taxes	2,466	-	-	5,842	-	5,842	-	-	(3,376)
Impact of the change in own credit risk on the issue of certificates (OCR), net of taxes	(1,299)	-	-	-	-	-	-	-	(1,299)
Impact of the purchase price allocation (PPA), net of taxes	(18,624)	(9,847)	(626)	-	-	-	-	-	(8,151)
Profit (loss) attributable to non-controlling interests	6	-	-	-	-	-	-	-	6
Parent Company's profit (loss) for the period	750,125	571,081	246,942	41,131	24,291	16,841	43,096	60,047	(212,173)

(*) the figures from the previous period have been restated to reflect the changes introduced in the composition of the operating segments as at 30 June 2025, and to take into account the amendments to the reclassified income statement format described above.

The following tables provide details of the fee and commission income for the first half of 2025 and the corresponding period of the previous year, disaggregated by type of service provided and defined with an operating outlook, and by IFRS 8 operating segment, in line with the disclosure requirements introduced by IFRS 15.

1st half 2025 Fee and commission income/ Type of services/values	Group	Commercial	CIB	Asset Management and Insurance	of which: Asset Management	of which: Insurance	Strategic Partnerships	Finance	Corporate Centre
Savings products	702,407	411,160	782	350,222	350,222	-	-	29,605	(89,362)
Upfront	192,813	159,995	57	-	-	-	-	28,818	3,943
Administered	84,798	52,496	2	-	-	-	-	28,818	3,482
Portfolio management and funds	97,188	97,423	55	-	-	-	-	-	(290)
Life	10,827	10,076	-	-	-	-	-	-	751
Running	257,326	251,165	725	-	-	-	-	787	4,649
Administered	46,794	44,050	280	-	-	-	-	787	1,677
Portfolio management and funds	186,941	183,647	444	-	-	-	-	-	2,850
Life	23,591	23,468	1	-	-	-	-	-	122
Anima - production margin	252,268	-	-	350,222	350,222	-	-	-	(97,954)
Other fees and commissions	728,180	476,977	260,640	1,556	1,556	-	-	21,685	(32,678)
Total	1,430,587	888,137	261,422	351,778	351,778	-	-	51,290	(122,040)
Fee and commission expense	(225,239)	(20,646)	(16,757)	(236,268)	(236,268)	-	-	(29,614)	78,046
Net fee and commission income	1,205,348	867,491	244,665	115,510	115,510	-	-	21,676	(43,994)

1st half 2024 (*) Fee and commission income/ Type of services/values	Group	Commercial	CIB	Asset Management and Insurance	of which: Asset Management	of which: Insurance	Strategic Partnerships	Finance	Corporate Centre
Savings products	399,420	370,424	697	-	-	-	-	18,805	9,494
Upfront	151,593	133,588	47	-	-	-	-	16,999	959
Administered	54,829	37,340	31	-	-	-	-	16,999	459
Portfolio management and funds	85,328	85,307	16	-	-	-	-	-	5
Life	11,436	10,941	-	-	-	-	-	-	495
Running	247,827	236,836	650	-	-	-	-	1,806	8,535
Administered	41,160	36,304	261	-	-	-	-	1,806	2,789
Portfolio management and funds	184,355	181,134	388	-	-	-	-	-	2,833
Life	22,312	19,398	1	-	-	-	-	-	2,913
Other fees and commissions	749,582	530,002	237,885	-	-	-	-	8,589	(26,894)
Total	1,149,002	900,426	238,582	-	-	-	-	27,394	(17,400)
Fee and commission expense	(103,892)	(52,335)	(16,018)	-	-	-	-	(10,833)	(24,707)
Net fee and commission income	1,045,110	848,091	222,564	-	-	-	-	16,561	(42,107)

(*) the figures from the previous period have been restated to reflect the changes introduced in the composition of the operating segments as at 30 June 2025, and to take into account the amendments to the reclassified income statement format described above.

The following tables provide the details of the item "Other fees and commissions" for the first half of 2025 and for the same period of the previous year, broken down by the type of service provided:

1st half 2025 Other fees and commissions	Group	Commercial	CIB	Asset Management and Insurance	of which: Asset Management	of which: Insurance	Strategic Partnerships	Finance	Corporate Centre
Investment Banking products	55,551	9,543	70,321	-	-	-	-	14,933	(39,246)
Insurance protection	42,363	43,884	8	-	-	-	-	-	(1,529)
Keeping and management of current accounts	112,415	106,794	5,858	-	-	-	-	-	(237)
Loans	313,711	149,311	158,333	-	-	-	-	-	6,067
Credit access fee and commission income (CAF)	119,215	95,899	23,260	-	-	-	-	-	56
Commission on loans	115,765	8,401	101,857	-	-	-	-	-	5,507
Commission on unsecured loans	49,251	15,533	33,216	-	-	-	-	-	502
Consumer Credit	29,480	29,478	-	-	-	-	-	-	2
Other business services	46,791	27,637	17,769	-	-	-	-	-	1,385
Ecobonus and tax credit	11,705	4,425	7,280	-	-	-	-	-	-
Trade receivables	6,919	1,391	4,420	-	-	-	-	-	1,108
Portfolio	28,167	21,821	6,069	-	-	-	-	-	277
Collection and payment services, e-money	150,195	140,821	8,347	-	-	-	-	-	1,027
Collection and payment services	76,256	71,279	4,289	-	-	-	-	-	688
Abroad (currency fees and commissions on bank transfers)	10,378	8,047	2,296	-	-	-	-	-	35
E-money	63,561	61,495	1,762	-	-	-	-	-	304
Other services	7,154	(1,013)	4	1,556	1,556	-	-	6,752	(145)
Commercial refunds	(2,515)	(1,948)	(333)	-	-	-	-	-	(234)
Other	9,669	935	337	1,556	1,556	-	-	6,752	89
Total	728,180	476,977	260,640	1,556	1,556	-	-	21,685	(32,678)

1st half 2024 (*) Other fees and commissions	Group	Commercial	CIB	Asset Management and Insurance	of which: Asset Management	of which: Insurance	Strategic Partnerships	Finance	Corporate Centre
Investment Banking products	41,965	6,050	50,234	-	-	-	-	8,589	(22,908)
Insurance protection	32,366	32,793	9	-	-	-	-	-	(436)
Keeping and management of current accounts	113,953	108,570	5,694	-	-	-	-	-	(311)
Loans	285,556	153,718	129,928	-	-	-	-	-	1,910
Credit access fee and commission income [CAF]	124,420	101,458	23,072	-	-	-	-	-	(110)
Commission on loans	90,245	11,337	76,863	-	-	-	-	-	2,045
Commission on unsecured loans	45,381	15,407	29,993	-	-	-	-	-	(19)
Consumer Credit	25,510	25,516	-	-	-	-	-	-	(6)
Other business services	85,371	42,238	43,461	-	-	-	-	-	(328)
Ecobonus and tax credit	41,025	10,206	30,819	-	-	-	-	-	-
Trade receivables	7,951	3,449	5,137	-	-	-	-	-	(635)
Portfolio	36,395	28,583	7,505	-	-	-	-	-	307
Collection and payment services, e-money	188,282	187,181	8,420	-	-	-	-	-	(7,319)
Collection and payment services	74,199	70,847	2,969	-	-	-	-	-	383
Abroad (currency fees and commissions on bank transfers)	10,959	7,247	2,286	-	-	-	-	-	1,426
E-money	103,124	109,087	3,165	-	-	-	-	-	(9,128)
Other services	2,089	(548)	139	-	-	-	-	-	2,498
Commercial refunds	(2,038)	(1,852)	(162)	-	-	-	-	-	(24)
Other	4,127	1,304	301	-	-	-	-	-	2,522
Total	749,582	530,002	237,885	-	-	-	-	8,589	(26,894)

(*) the figures from the previous period have been restated to reflect the changes introduced in the composition of the operating segments as at 30 June 2025, and to take into account the amendments to the reclassified income statement format described above.

Segment results - balance sheet figures

30/06/2025	Total	Commercial	CIB	Asset Management and Insurance	of which: Asset Management	of which: Insurance	Strategic Partnerships	Finance	Corporate Centre
Loans to customers:	129,882,883	63,635,717	31,030,972	174,924	173,017	1,907	-	27,411,274	7,629,996
• loans to customers	100,436,289	63,165,672	30,515,614	174,924	173,017	1,907	-	-	6,580,079
• debt securities	29,446,594	470,045	515,358	-	-	-	-	27,411,274	1,049,917

31/12/2024 (*)	Total	Commercial	CIB	Asset Management and Insurance	of which: Asset Management	of which: Insurance	Strategic Partnerships	Finance	Corporate Centre
Loans to customers:	125,952,322	65,124,860	29,700,470	2,725	-	2,725	-	24,193,572	6,930,695
• loans to customers	99,729,999	64,730,425	29,185,194	2,725	-	2,725	-	-	5,811,655
• debt securities	26,222,323	394,435	515,276	-	-	-	-	24,193,572	1,119,040

(*) The figures for the previous year have been restated to reflect the changes introduced in the composition of the operating segments as at 30 June 2025.

30/06/2025	Total	Commercial	CIB	Asset Management and Insurance	of which: Asset Management	of which: Insurance	Strategic Partnerships	Finance	Corporate Centre
Direct funding	129,416,105	93,128,564	9,063,292	592,547	592,547	-	-	-	26,631,702

31/12/2024 (*)	Total	Commercial	CIB	Asset Management and Insurance	of which: Asset Management	of which: Insurance	Strategic Partnerships	Finance	Corporate Centre
Direct funding	126,149,114	92,542,655	8,445,954	-	-	-	-	-	25,160,505

(*) The figures for the previous year have been restated to reflect the changes introduced in the composition of the operating segments as at 30 June 2025.

30/06/2025	Total	Commercial	CIB	Asset Management and Insurance	of which: Asset Management	of which: Insurance	Strategic Partnerships	Finance	Corporate Centre
Interests in associates and joint ventures	1,394,891	-	-	134,569	-	134,569	1,238,964	-	21,358

31/12/2024 (*)	Total	Commercial	CIB	Asset Management and Insurance	of which: Asset Management	of which: Insurance	Strategic Partnerships	Finance	Corporate Centre
Interests in associates and joint ventures	1,708,439	-	-	439,429	301,116	138,313	1,248,682	-	20,328

(*) The figures for the previous year have been restated to reflect the changes introduced in the composition of the operating segments as at 30 June 2025.

Note that most of the activities and operating income are achieved in Italy, confirming the deep roots throughout the country, considered to be the main area of action of the Group. The weight of activities and operating income achieved abroad is significantly lower than the threshold of 5%.

Certification of the consolidated
condensed interim financial
statements pursuant to art. 81-ter of
Consob Regulation no. 11971
of 14 May 1999 and its subsequent
amendments and supplements

CERTIFICATION OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS PURSUANT TO ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AND ITS SUBSEQUENT AMENDMENTS AND SUPPLEMENTS

1. The undersigned, Giuseppe Castagna, as Chief Executive Officer of Banco BPM S.p.A. and Gianpietro Val, as Manager responsible for preparing the company's financial reports of Banco BPM S.p.A. hereby certify, also in consideration of the provisions of art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 dated 24 February 1998:

- the adequacy in relation to the characteristics of the company and
- the effective application

of the administrative and accounting procedures for the formation of the consolidated condensed interim financial statements in the first half of 2025.

2. The assessment of the adequacy and the verification of the effective application of the administrative and accounting procedures for the formation of the consolidated condensed interim financial statements as at 30 June 2025 were based on an internal model set in place by Banco BPM S.p.A., developed on the basis of the "Internal Control – Integrated Framework (COSO)" and, for the IT component, the "Control Objectives for IT and related Technology (COBIT)", which represent the standard for the internal audit system generally accepted at international level.

3. We also hereby certify that:

3.1 the consolidated condensed interim financial statements as at 30 June 2025:

- a) were drawn up in compliance with the applicable international accounting standards recognised in the European Community as per EC Regulation no. 1606/2002 of the European Parliament and Commission, dated 19 July 2002;
- b) comply with the results of the accounting records and journal entries;
- c) are suitable for providing a true and fair view of the balance sheet, income statement and financial situation of the issuer and of all the companies included within the scope of consolidation.

3.2 The interim report on operations includes a reliable analysis of the important events, which occurred during the first six months of the year, and their impact on the consolidated condensed interim financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The interim report on operations also includes a reliable analysis of the information on significant transactions with related parties.

Milan, 5 August 2025

Signed by:
Giuseppe Castagna
Chief Executive Officer

Signed by:
Gianpietro Val
Manager responsible for preparing
the company's financial reports

Independent Auditors' Report



Review Report on Consolidated Condensed Interim Financial Statements

To the shareholders of
Banco BPM SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Banco BPM SpA as of 30 June 2025, comprising the consolidated balance sheet, consolidated income statement, statement of consolidated comprehensive income, statement of changes of consolidated shareholders' equity, consolidated cashflow statement and related explanatory notes. The directors of Banco BPM SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of Banco BPM SpA as of 30 June 2025 are not prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

Milan, 8 August 2025

PricewaterhouseCoopers SpA

Signed by

Raffaella Preziosi
(Partner)

This review report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

PricewaterhouseCoopers SpA

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Attachments

Reconciliation between the items in the consolidated balance sheet and the reclassified consolidated balance sheet as at 30 June 2025

Asset items (thousands of euro)	30/06/2025
10. Cash and cash equivalents	11,732,925
Cash and cash equivalents	11,732,925
40. a) Financial assets at amortised cost: loans to banks	6,827,943
minus: debt securities due to banks at amortised cost	(2,640,870)
minus: financial assets at AC pertaining to insurance companies - loans to banks	(10)
Loans at AC: loans to banks	4,187,063
40. b) Financial assets at amortised cost: loans to customers	129,882,883
minus: debt securities due to customers at amortised cost	(29,446,594)
minus: financial assets at AC pertaining to insurance companies - loans to customers	(1,907)
Loans at AC: loans to customers	100,434,382
20. Financial assets at fair value through profit and loss	20,607,830
50. Hedging derivatives	950,378
minus: financial assets at fair value through profit and loss pertaining to insurance companies	(7,877,215)
Financial assets and hedging derivatives at FV through Profit and Loss	13,680,993
30. Financial assets measured at fair value through other comprehensive income	25,322,580
minus: financial assets measured at fair value through other comprehensive income pertaining to insurance companies	(9,625,676)
Financial assets at FV through OCI	15,696,904
plus: debt securities due to banks and customers at amortised cost	32,087,464
Financial assets at AC	32,087,464
plus: financial assets at AC pertaining to insurance companies - loans to banks	10
plus: financial assets at AC pertaining to insurance companies - loans to customers	1,907
plus: financial assets at fair value through profit and loss pertaining to insurance companies	7,877,215
plus: financial assets measured at fair value through other comprehensive income pertaining to insurance companies	9,625,676
Financial assets pertaining to insurance companies	17,504,808
70. Interests in associates and joint ventures	1,394,891
Interests in associates and joint ventures	1,394,891
90. Property, plant and equipment	2,506,715
Property, plant and equipment	2,506,715
100. Intangible assets	3,187,324
Intangible assets	3,187,324
110. Tax assets	3,049,511
Tax assets	3,049,511
120. Non-current assets and disposal groups held for sale	196,649
Non-current assets and disposal groups held for sale	196,649
60. Fair value change of financial assets in macro fair value hedge portfolios (+/-)	(56,691)
80. Insurance assets	7,476
130. Other assets	5,337,852
Other asset items	5,288,637
Total assets	210,948,266

Liability items (thousands of euro)	30/06/2025
10. b) Financial liabilities at amortised cost: due to customers	105,705,837
minus: lease payables due to customers	(663,878)
minus: due to customers pertaining to insurance companies	(4,203)
Due to customers	105,037,756
10. c) Financial liabilities at amortised cost: debt securities in issue	24,367,126
30. Financial liabilities designated at fair value	8,358,756
minus: protected capital certificates	(4,631,854)
minus: financial liabilities at fair value pertaining to insurance companies	(3,715,679)
Securities and financial liabilities designated at fair value	24,378,349
Direct bank funding	129,416,105
plus: financial liabilities at fair value pertaining to insurance companies	3,715,679
110. Insurance liabilities	13,294,656
Direct funding from insurance business and insurance liabilities	17,010,335
10. a) Financial liabilities at amortised cost: due to banks	6,391,443
minus: lease payables due to banks	-
minus: due to banks pertaining to insurance companies	(72,820)
Due to banks	6,318,623
plus: lease payables due to banks	-
plus: lease payables due to customers	663,878
Lease payables	663,878
20. Financial liabilities held for trading	28,433,336
plus: protected capital certificates	4,631,854
40. Hedging derivatives	789,141
Other financial liabilities designated at fair value	33,854,331
plus: due to customers pertaining to insurance companies	4,203
plus: due to banks pertaining to insurance companies	72,820
Other financial liabilities pertaining to insurance companies	77,023
90. Provisions for employee severance pay	209,056
100. Provisions for risks and charges	640,379
Liability provisions	849,435
60. Tax liabilities	577,086
Tax liabilities	577,086
70. Liabilities associated with assets classified as held for sale	-
Liabilities associated with assets classified as held for sale	-
50. Fair value change of financial liabilities in macro fair value hedge portfolios (+/-)	(340,063)
80. Other liabilities	7,205,764
Other liability items	6,865,701
Total liabilities	195,632,517
190. Non-controlling interests (+/-)	57,641
Non-controlling interests	57,641
120. Valuation reserves	33,839
140. Equity instruments	1,787,274
150. Reserves	5,173,033
155. Advances on dividends	-
170. Share capital	7,100,000
180. Own shares (-)	(50,503)
200. Profit (loss) for the period (+/-)	1,214,465
Group shareholders' equity	15,258,108
Total liabilities and shareholders' equity	210,948,266

Reconciliation between the items in the consolidated income statement and the reclassified consolidated income statement schedule for the first half of 2025

I half 2025 (thousands of euro)	Income statement	Reclassifications	Reclassified income statement
Net interest income			1,602,082
10. Interest and similar income	3,030,960	3,236 (a)	
		(138,986) (h)	
20. Interest and similar expense	(1,286,889)	(6,239) (h)	
Gains (losses) on interests in associates and joint ventures carried at equity			63,370
250. Gains (losses) of associates and joint ventures		63,370 (b)	
Financial margin			1,665,452
Net fee and commission income			1,205,348
40. Fee and commission income	1,356,245	43,911 (c)	
		13,440 (h)	
		34,240 (q)	
		(17,249) (r)	
50. Fee and commission expense	(234,106)	8,867 (h)	
Other net operating income			(13,694)
230. Other operating expenses/income	147,651	(161,492) (d)	
		(677) (e)	
		415 (h)	
		59 (p)	
		350 (a)	
Net financial result			87,062
70. Dividends and similar income	156,282		
80. Net trading income	224,405	(43,911) (c)	
		(4,102) (f)	
90. Fair value gains/losses on hedging derivatives	10,900		
100. Gains (losses) on disposal or repurchase	(27,883)	375 (g)	
110. Net gains (losses) from other financial assets and liabilities measured at fair value through profit and loss	(141,617)	(53,147) (h)	
		(34,240) (q)	
Profit (loss) on insurance business			79,844
160. Profit (loss) on insurance services	39,808		
170. Balance of revenues and costs of a financial nature relating to insurance activities	(178,107)		
		3,523 (a)	
		197,371 (h)	
		17,249 (r)	
Other operating income			1,358,560
Operating income			3,024,012
Personnel expenses			(890,190)
190 a) Personnel expenses	(870,765)	(3,374) (i)	
		(16,728) (h)	
		677 (e)	
Other administrative expenses			(321,381)
190 b) Other administrative expenses	(527,863)	3,374 (i)	
		161,492 (d)	
		45,197 (l)	
		(3,581) (h)	

I half 2025 (thousands of euro)	Income statement	Reclassifications	Reclassified income statement
Net value adjustments to property, plant and equipment and intangible assets			(135,799)
210. Depreciation and impairment losses on property, plant and equipment	(77,988)	(2,540) (h)	
220. Amortisation and impairment losses on intangible assets	(77,208)	21,996 (a)	
		(59) (p)	
Operating expenses			(1,347,370)
Profit (loss) from operations			1,676,642
Net adjustments to loans to customers			(164,213)
130 a) Net credit impairment losses/recoveries relating to financial assets at amortised cost	(160,866)	64 (m)	
		373 (n)	
		(3,267) (o)	
		(375) (g)	
140. Gains (losses) from contractual modification without derecognition	(142)		
Fair value gains (losses) on property, plant and equipment			(4,250)
260. Fair value gains (losses) on property, plant and equipment and intangible assets	(4,250)		
Net adjustments to securities and other financial assets			2,280
130 b) Net credit impairment losses/recoveries relating to financial assets measured at fair value through other comprehensive income	(1,678)	(64) (m)	
		(373) (n)	
		3,267 (o)	
		1,128 (h)	
Net provisions for risks and charges			3,401
200. Net provisions for risks and charges	3,401		
Gains (losses) on interests in associates and joint ventures and other investments			1,224
250. Gains (losses) of associates and joint ventures	268,993	(63,370) (b)	
		(205,623) (s)	
280. Gains (losses) on disposal of investments	1,224		
Profit (loss) before tax from continuing operations			1,515,084
Taxation charge related to profit or loss from continuing operations			(445,962)
300. Taxation charge related to profit or loss from continuing operations	(427,717)	(14,498) (l)	
		(8,895) (a)	
		1,356 (f)	
		3,792 (s)	
Profit (loss) after tax from continuing operations			1,069,122
Charges for company restructuring, net of taxes		(30,699) (l)	(30,699)
Impact of restatement of the Anima share, net of taxes		201,831 (s)	201,831
Impact of the change in own credit risk on the issue of certificates (OCR), net of taxes		2,746 (f)	2,746
Impact of the purchase price allocation (PPA), net of taxes		(20,210) (a)	(20,210)
Profit (loss) attributable to non-controlling interests			(8,325)
340. Profit (loss) for the period attributable to non-controlling interests	(8,325)		
Parent Company's profit (loss) for the period	1,214,465	-	1,214,465

The letters shown in the column "Reclassifications" are provided for easier understanding of the reclassifications made. With regard to the above statement of reconciliation, the main classifications are illustrated below:

- **"Net interest income"** is represented by the algebraic balance of interest and similar income (item 10) and interest and similar expense (item 20), net of the PPA relating to loans to customers, amounting to 3.2 million (a), classified within the new reclassified income statement item "Impact of Purchase Price Allocation (PPA), net of taxes", and of interest income (139.0 million) and expense (6.2 million) pertaining to insurance companies, shown in item "Profit (loss) on insurance business" (h);

- **"Gains (losses) on interests in associates and joint ventures carried at equity"** shows the portion of profits (losses) pertaining to investee companies carried at equity (included in item 250) totalling 63.4 million (b), and together with the net interest income, the aggregate is defined as the **"Financial margin"**;
- **"Net fee and commission income"** is represented by the algebraic balance of fee and commission income (item 40) and fee and commission expense (item 50); it also includes the reclassification of the upfront fees relating to the placement of Certificates through the Group network (43.9 million (c)) from item 80 of the official schedule "Net trading income". Net fee and commission income are shown net of impacts deriving from the realignment of intragroup revenues and costs against the different recognition criteria adopted by Banco BPM (up-front recognition of distribution fee and commission income) compared to those adopted by the Group's insurance companies (recognition spread over time of distribution fee and commission expenses), equal to 17.2 million (r), included in the item "Profit (loss) on insurance business". The item in question is shown net of fee and commission income (13.4 million) and expense (8.9 million) pertaining to insurance companies, shown in "Profit (loss) on insurance business" (h). Lastly, the aggregate in question includes the income items, for 34.2 million (q), constituting the remuneration for the structuring and hedging of the risks on the certificates issued, placed or structured by the Group, as well as those relating to remuneration for sales to retail and corporate companies of hedging derivatives, recognised under item 110 of the official statement "Net gains (losses) from other financial assets and liabilities measured at fair value through profit and loss";
- the item **"Other net operating income"** is represented by the financial statement item "230. Other operating expenses/income" net of recoveries on indirect taxes, legal fees and other expenses, totalling 161.5 million (d), which for the purpose of the reclassification, are shown as a reduction of "Other administrative expenses", and of the recovery of training costs of 0.7 million (e) reclassified as a reduction of "Personnel expenses", the share of net expenses (0.4 million) pertaining to insurance companies, shown in the item "Profit (loss) on insurance business" (h) and the share of amortisation of several intangibles relating to the insurance companies, combined in the reclassified income statement item "Impact of Purchase Price Allocation (PPA), net of taxes", for 0.3 million (a);
- the income statement item "Net financial result" includes "Dividends and similar income" (item 70), "Net trading income" (item 80), net of both the reclassification of the amounts of fees on the placement of Certificates for a total of 43.9 million (c), re-attributed to "Net fee and commission income", and the impact deriving from the change in own credit risk on the issue of Certificates for 4.1 million (f), re-attributed to the customised item of the reclassified income statement called "Impact of the change in own credit risk on the issue of certificates (OCR), net of taxes". The aggregate in question also includes "Fair value gains/losses on hedging derivatives" (item 90), "Net gains (losses) from other financial assets and liabilities measured at fair value through profit and loss" (item 110) and "gains/losses on disposal or repurchase" (item 100) net of gains on disposal of loans not represented by debt securities, equal to 0.4 million (g), re-attributed to the managed aggregate "Net adjustments to loans to customers". The items of the net financial result pertaining to insurance companies, equal to 53.1 million (h), shown under the item "Profit (loss) on insurance business", are also excluded, as are the income items, for 34.2 million (q), constituting the remuneration for the structuring and hedging of the risks on the certificates issued, placed or structured by the Group, as well as those relating to remuneration for sales to retail and corporate companies of hedging derivatives, recognised under "Net fee and commission income";
- the item **"Profit (loss) on insurance business"** corresponds to the financial statement items "160. Profit (loss) on insurance services" and "170. Balance of revenues and costs of a financial nature relating to insurance activities", plus the share relating to interest income and expense, to fee and commission income and expense, to other income and expense and to the net financial result pertaining to insurance companies, as illustrated above (h). The aggregate also includes the share of personnel expenses, other administrative expenses, net value adjustments to property, plant and equipment and intangible assets and other income and expense attributable to the insurance business, included in the Contractual Service Margin pursuant to IFRS 17, presented as a separate item in the reclassified income statement; the total contribution to the item in question is 197.4 million (h). The item in question also includes the impacts of the realignment of intragroup revenues and costs against the different recognition criteria adopted by Banco BPM (up-front recognition of distribution fee and commission income) compared to those adopted by the Group's insurance companies (recognition spread over time of distribution fee and commission expenses), equal to 17.2 million (r), originally recognised among fee and commission income in the official income statement. Lastly, the item in question excludes the effect of the PPA relating to insurance liabilities of the companies, equal to 3,5 million

(a), reconciled in the reclassified income statement item "Impact of Purchase Price Allocation (PPA), net of taxes".

- **"Personnel expenses"** is represented by the financial statement item "190. a) Personnel expenses" and by several charges functionally related to personnel, amounting to 3.4 million (i), recognised in the financial statements under item 190. b) "Other administrative expenses" and by the recovery of training costs of 0.7 million (e), recorded under item "230. Other operating expenses/income", as described above. The item in question also includes the share of personnel expenses attributable to the insurance business relating to the Contractual Service Margin (16.7 million) set forth in IFRS 17 and shown under the item "Profit (loss) on insurance business" (h);
- **"Other administrative expenses"** is represented by the financial statement item 190 b), net of recoveries on indirect taxes, legal fees and other expenses, totalling 161.5 million (d), included in the item "230 Other operating expenses/income", as described above, and of several charges connected to personnel, recognised in the reclassified item "Personnel expenses" for 3.4 million (i). This also excludes certain "one-off" operating expenses, totalling 45.2 million (l), incurred for the performance of extraordinary transactions that have had an impact on the organisational structure of the Group (e.g. acquisition of control of Anima Holding through a tender offer) or are included in the projects aimed at the integration of business combinations completed in previous years (Vera Vita), as well as non-recurrent charges incurred to protect the interests of shareholders in relation to the UniCredit public exchange offer. Starting from 30 June 2025, these costs are shown, net of the related tax effect, in a separate item of the restated income statement entitled "Charges for company restructuring, net of taxes". The aggregate in question also includes the share of other administrative expenses attributable to the insurance business relating to the Contractual Service Margin (3.6 million) set forth in IFRS 17 and shown under the item "Profit (loss) on insurance business" (h);
- **"Net value adjustments to property, plant and equipment and intangible assets"** corresponds to the accounting items 210 and 220, net of adjustments to intangibles with a finite useful life (client relationships and value of business acquired), allocated to the reclassified income statement item "Impact of Purchase Price Allocation (PPA), net of taxes", amounting to 22.0 million (a). The aggregate in question also includes the share of value adjustments attributable to the insurance business relating to the Contractual Service Margin (2.5 million) set forth in IFRS 17 and shown under the item "Profit (loss) on insurance business" (h);
- the total of **"Net adjustments to loans to customers"** and **"Net adjustments to securities and other financial assets"** originates from income statement items "130. Net credit impairment losses/recoveries" and "140. Gains (losses) from contractual modification without derecognition". Specifically, "Net adjustments to loans to customers" include adjustments to exposures classified in the portfolio of financial assets at amortised cost - loans to customers - loans (amounting to 160.9 million), the negative result of disposals of loans, amounting to 0.4 million (g) (included in item 100), as well as gains (losses) from contractual modification without derecognition (item 140 of the income statement). Instead, this excludes net impairment losses on exposures classified in the portfolio of financial assets at amortised cost represented by debt securities, totalling 3.3 million (o), as well as net impairment losses on exposures classified in the portfolio of financial assets at amortised cost – loans to banks – loans and securities (m) and (n) totalling 0.4 million, all fully presented in the item of the reclassified income statement "Net adjustments to securities and other financial assets";
- **"Fair value gains (losses) on property, plant and equipment"** correspond to item 260 of the official income statement;
- the aggregate of **"Net adjustments to securities and other financial assets"** includes net impairment losses on exposures classified in the portfolio of financial assets at amortised cost – loans to banks – loans and securities (m) and (n) totalling 0.4 million, as well as net impairment losses on exposures classified in the portfolio of financial assets at amortised cost consisting of debt securities (included in item 130) issued by customers (o) totalling 3.3 million. Lastly, the item in question includes net adjustments on securities and other financial assets pertaining to insurance companies shown in the reclassified income statement item "Net adjustments to securities and other financial assets" for 1.1 million (h);
- **"Net provisions for risks and charges"** correspond to item 200 of the official income statement;
- **"Gains (losses) on interests in associates and joint ventures and other investments"** correspond to item 280 of the official income statement and to the gains (losses) on disposal of interests in associates and joint ventures and other investments carried at equity (item 250 of the official income statement), net of the portion of gains (losses) of the investees carried at equity, overall a positive 63.4 million (b) included in the reclassified aggregate "Gains (losses) on interests in associates and joint ventures carried at equity". This item is shown net of the positive effect deriving from the revaluation of the interest held in

Anima Holding before the acquisition of control, following the realignment to fair value on the date of acquisition of control, equal to 205.6 million (r); this impact is recognised, net of the related tax effect, in a separate item of the restated income statement entitled "Impact of restatement of Anima share, net of taxes";

- **"Taxation charge related to profit or loss from continuing operations"** corresponds to item 300 of the official income statement, net of the tax effects relating to restructuring charges of 14.5 million (l), the PPA of 8.9 million (a) and the impact of the change in credit risk on the issue of certificates of 1.4 million (f). The aggregate in question does not include the tax effect relating to the impact of the revaluation of the interest held in Anima Holding before the acquisition of control, equal to 3.8 million (r), as described above;
- **"Charges for company restructuring, net of taxes"** includes the "one-off" operating expenses, equal to 45.2 million (l), incurred for the performance of extraordinary transactions or relating to the integration of business combinations completed in previous years (Vera Vita), as well as the non-recurring charges incurred to protect the interests of shareholders in relation to the UniCredit public exchange offer, recognised in the accounts under item 190 b) of the official income statement, net of the related tax effect, equal to 14.5 million (l);
- **"Impact of restatement of Anima share, net of taxes"** includes the effect relating to the revaluation at fair value of the interest held in Anima Holding before the acquisition of control, originally recognised in item 250 of the official income statement, as illustrated above (s);
- the item **"Impact of the change in own credit risk on the issue of certificates (OCR), net of taxes"** shows the economic impact of a change in own credit risk related to the issue of Certificates, recognised in the accounts in item 80 of the official income statement for 4.1 million (f), net of the related tax effect, amounting to -2.7 million (f);
- lastly, the item **"Impact of Purchase Price Allocation (PPA), net of taxes"** includes the effects of the PPA relating mainly to interest on customer loans, amounting to -3.2 million (a), the amortisation of the client relationship and VoBA of -22.0 million (a), the amortisation of other intangibles of 0.3 million (a), the reversal effects on insurance liabilities of -3.5 million (a), net of the relative tax effects, amounting to 8.9 million (a).

Reconciliation between the reclassified consolidated income statement for the first half of 2024 and the same restated for comparative purposes

<i>(thousands of euro)</i>	I half 2024	Reclassifications	I half 2024 restated
Net interest income	1,722,786	-	1,722,786
Gains (losses) on interests in associates and joint ventures carried at equity	74,914	-	74,914
Financial margin	1,797,700	-	1,797,700
Net fee and commission income	1,021,398	23,712	1,045,110
Other net operating income	2,494	-	2,494
Net financial result	(42,008)	(34,239)	(76,247)
Profit (loss) on insurance business	14,795	10,527	25,322
Other operating income	996,679	-	996,679
Operating income	2,794,379	-	2,794,379
Personnel expenses	(860,561)	-	(860,561)
Other administrative expenses	(348,968)	-	(348,968)
Net value adjustments to property, plant and equipment and intangible assets	(129,068)	-	(129,068)
Operating expenses	(1,338,597)	-	(1,338,597)
Profit (loss) from operations	1,455,782	-	1,455,782
Net adjustments to loans to customers	(194,052)	-	(194,052)
Fair value gains (losses) on property, plant and equipment	(25,989)	-	(25,989)
Net adjustments to securities and other financial assets	(3,248)	-	(3,248)
Net provisions for risks and charges	8,242	-	8,242
Gains (losses) on interests in associates and joint ventures and other investments	1,023	-	1,023
Profit (loss) before tax from continuing operations	1,241,758	-	1,241,758
Taxation charge related to profit or loss from continuing operations	(395,860)	-	(395,860)
Profit (loss) after tax from continuing operations	845,898	-	845,898
Banking industry charges, net of taxes	(66,636)	-	(66,636)
Charges relating to early retirement incentives, net of taxes	(11,686)	-	(11,686)
Bancassurance impacts, net of taxes	2,466	-	2,466
Impact of the change in own credit risk on the issue of certificates (OCR), net of taxes	(1,299)	-	(1,299)
Impact of the purchase price allocation (PPA), net of taxes	(18,624)	-	(18,624)
Profit (loss) attributable to non-controlling interests	6	-	6
Parent Company's profit (loss) for the period	750,125	-	750,125

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