



ESG Investor Presentation

June 2024



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Sustainability at Banco BPM

Key Achievements and Strategy

1



Our path towards a sound sustainability strategy: the recent history

2018-2020

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



2021

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



2022-2023

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



Sustainability Governance and Accountability

INTEGRATED SUSTAINABILITY GOVERNANCE



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

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

NEW ESG ACTION PLAN

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

4 WORKSTREAMS

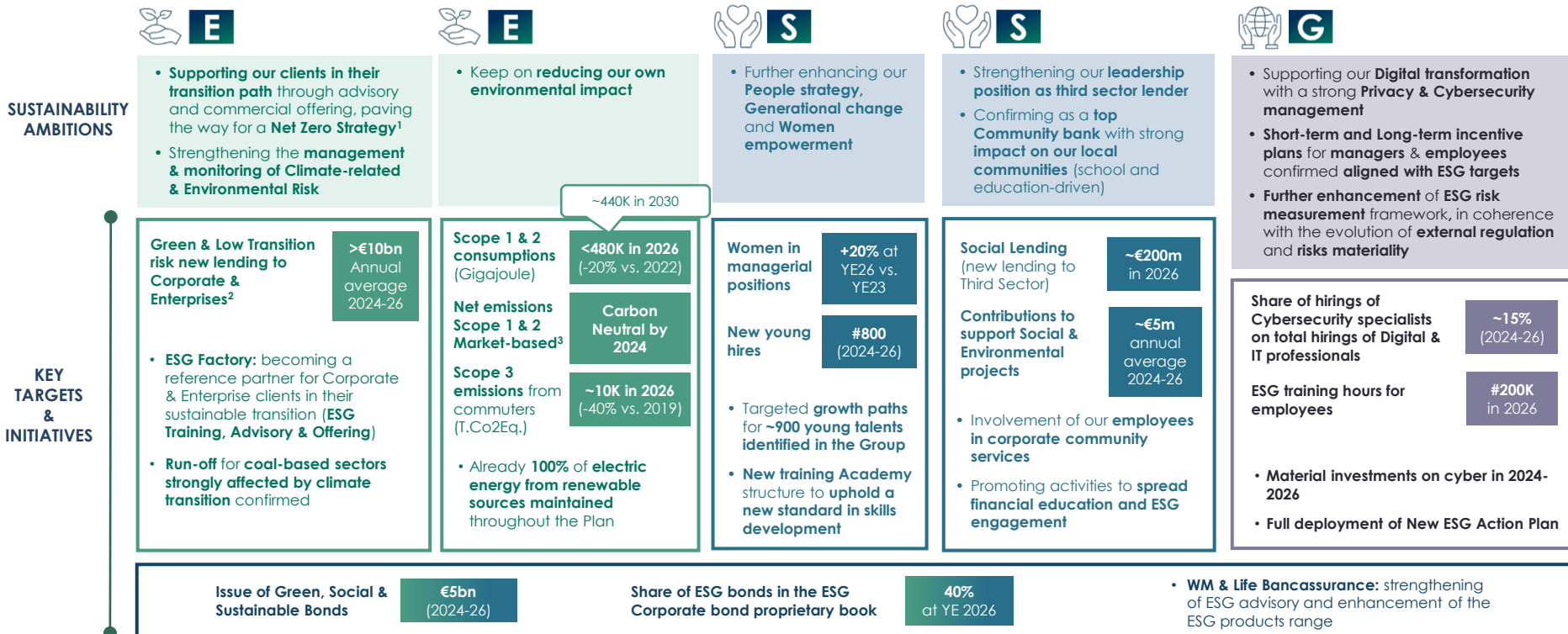
- **Governance ESG (Risk Management)**
- **Credit**
- **Markets (Finance & WM)**
- **Disclosure, Community & Inclusion**

15 unit
involved

>50 people
involved

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

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



ESG Factory: key driver of our ESG & Net-Zero business strategy

SUPPORTING OUR CORPORATE AND SME CLIENTS IN THEIR SUSTAINABLE TRANSITION PATH TROUGH:

1. ESG TRAINING

Increase skills and awareness on sustainability and “E” matters

- **ESG training to our corporate & SME customers: workshops and educational initiatives** for both clients and prospects → **more than 2K ESG training hours to enterprises in the 2021-2023 period**
- Increase the number of **ESG-skilled Relationship Managers**
- Provide clients with **support for ESG self-assessment**

2. ESG ADVISORY

Identification of needs and solutions

- Full rollout of our **ESG diagnostic tool** (ESG questionnaire) for ESG integration into **credit policies, accompanying customers in their green transition journey** → since 2023 the questionnaire is **mandatory for Large Corporate** and/or for counterparts operating in **High/Very High Transition Risk sectors¹**, in sectors considered as **priority²** and for those corporates with a **Non-Financial Statement/ Sustainability report**
- **Gap analysis and ESG advisory** for corporate & SME customers
- **Partnerships with an ecosystem of ESG solutions providers**

3. ESG OFFERING

Support for operating model sustainable transformation

- **Sustainable finance:** suite of sustainable products, including taxonomy-aligned solution aimed at financing specific initiatives
 - Loans with SACE Green Guarantee
 - Loans with Sustainability Targets
 - Financing of Renewable Energy Sources
 - Green-Transition loans
 - Green-Taxonomy aligned loans
- **Physical risk assessment and offering of protection solutions**

ESG FACTORY'S MILESTONES ARE ALSO SET TO DRIVE OUR NET-ZERO STRATEGY

NZBA target setting on:

- **priority sectors² by Q3-2024**
- **all other sectors by 2026**



Sustainability achievements: 2023 state-of-the-art



ENVIRONMENT



SOCIAL



GOVERNANCE

	2022	2023
Net Scope 1 & 2 direct emissions Market-based (Chg. Y/Y) ¹	-54.3%	Carbon Neutral
Scope 1 & 2 consumptions	Reduced by >10% both in 2022 and 2023	
<ul style="list-style-type: none">NZBA joined in Q1 23 → 5 priority sectors identified²>€1bn of new Green Residential Mortgages in 2022-2023 (new lending)100% of electric energy from renewable sources confirmed		

	2022	2023
Share of women in managerial positions	26.1%	29.7%
Share of new hirings between the ages of 20-30 (cumulated, since Jan.21)	89.5%	96.5%
Donations and contributions for social & environmental projects	€4.6m	€5.8m
<ul style="list-style-type: none"> ~€0.35bn of new lending to third sector in 2022-2023 #9,402 hours of corporate community services, ESG awareness and financial education in 2023 		

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

	2022	2023			2022	2023		2022	2023
Issue of Green, Social & Sustainable Bonds	€2bn ³	€2bn	• NEW GS&S Bonds Framework aligned with Taxonomy ⁴	Share of ESG bonds in the Corporate bond proprietary book	24.2%	29.1%	ESG bond issues assisted by Banca Akros	>€8bn	>€8bn

RECOGNITION OF OUR EFFORTS

2022 CNFS wins "Oscar di Bilancio"

BBPM wins the Award for Impact Reporting by Environmental Finance

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

Standard Ethics Rating upgraded from EE to EE+

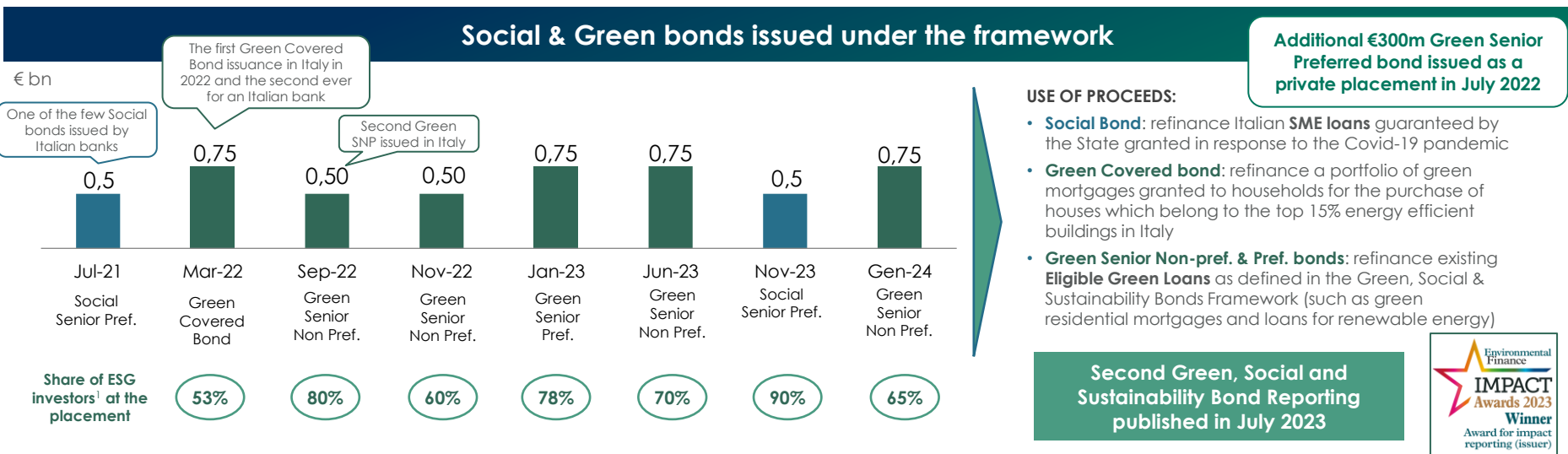
Banco BPM Green bond issuer among Italian banks #1 in 2022 and #2 in 2023

SIGNIFICANT ISSUANCE ACTIVITY OF GREEN & SOCIAL BONDS:

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

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

- The new Framework, published after the inaugural Framework of July 2021, is **aligned with best market practices¹**, cover a broader range of **activities and include European taxonomy alignment for some eligible assets²**



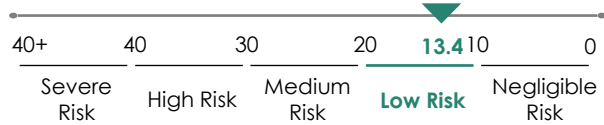
See Appendix for details on our Green, Social and Sustainability Bonds Framework

Note: 1. ICMA's Green Bond Principles (June 2021 with June 2022 appendix), ICMA's Social Bond Principles (June 2023), ICMA's Sustainability Bond Guidelines (June 2021) and the EU Green Taxonomy. 2. European taxonomy alignment covers Real Estate activities, Renewable Energy and Manufacture of organic basic chemicals. 3. ESG investors: asset managers / owners with alternatively: an ESG strategy (with dedicated Esg analysts and/or proprietary approach using ESG KPIs and with public ESG commitments) or at least mandate to integrate ESG considerations in their AM with high level ESG considerations (like exclusion policy)

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

MORNINGSTAR SUSTAINALYTICS

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

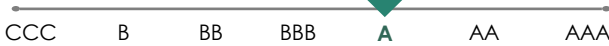


MSCI ESG RATINGS

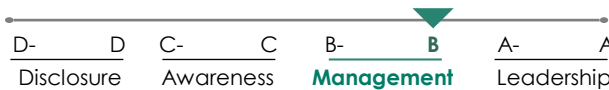


CCC B BB BBB A AA AAA

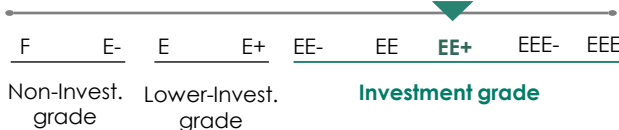
Upgraded from BBB to A in Mar. 2023 and then confirmed @ A in Mar. 2024**



Confirmed at B in Feb. 2024

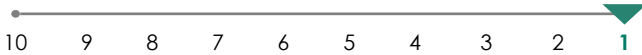


Upgraded to EE+ with Stable Outlook (from EE with Positive Outlook) in Nov. 2023



ISS ESG

Governance Quality Score



Confirmed at top level "1" in Nov. 2023

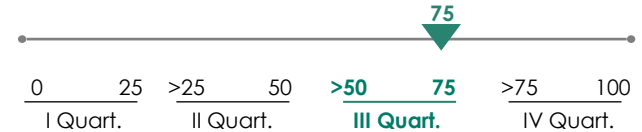
S&P Global



Upgraded from 56 to 57 in Sept. 2023



LSEG



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

MIB ESG

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



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

Last update: May 2024.



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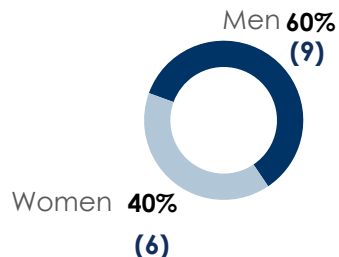
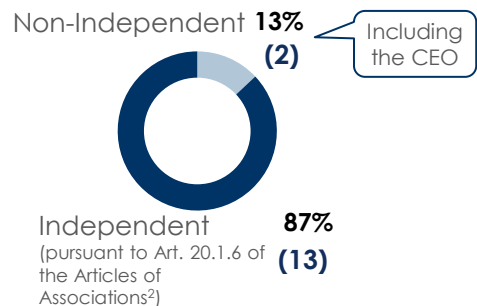
Governance

- Corporate Bodies
- Sustainability Governance
- Our Policies
- Remuneration: STI & LTI plans

2

Composition of the main corporate bodies¹

COMPOSITION OF THE BOD: 15 MEMBERS



DIRECTORS DIVIDED BY AREA OF EXPERTISE	#
ESG/social and environmental sustainability	10
Financial and/or banking markets	15
Banking and financial activities and products	13
Domestic and international economic & financial system, trends and prospects of banking, financial and insurance sectors	15
Internal control systems and other operational mechanisms	11
Risk management	13
Accounting and financial reporting	15
Guidance and strategic planning	14
Information technology	5
Regulation in the banking, financial and insurance sector	15
Organisational and corporate governance structures	15
Human resources and remuneration systems and policies	9

Composition of the 5 Board Sub-Committees

Board Sub-Committees	Internal Control and Risk	Remuneration	Appointments	Related Parties	Sustainability
No. of Directors	5	3	3	3	3
o/w Non-executive	5	3	3	3	3
o/w Independent ²	5	2	3	3	3
o/w Women	1	1	2	2	2
o/w Men	4	2	1	1	1

NEW, ESTABLISHED IN APRIL 2023
Its activity was previously carried out by the Internal Control, Risk and Sustainability Committee now renamed the Internal Control and Risk Committee

Composition of the Board of Statutory Auditors

8 members, o/w:

- **5 standing**
- **3 alternate**
- **100% independent²**
- **50% women**

Sustainability Governance: from BoDs to Sustainability Department

BOARD OF DIRECTORS

Defines the policies regarding non-financial disclosure, the social and environmental policies and approves the Consolidated Non-Financial Statement and the associated materiality analysis. It is responsible for approving the internal Regulations, including ESG, and the Code of Ethics¹. It also draws up the remuneration and incentive policies (including ESG performance targets) to submit to the Shareholders' Meeting for approval, reviews them at least once a year, and handles their proper implementation.

BoDs ESG activities in 2023

- 79 ESG topics covered in 17 meetings

BOATD SUSTAINABILITY COMMITTEE²

Supports the BoDs in:

- defining and approving strategic guidelines on sustainability;
- evaluating project initiatives for integrating ESG dimensions into business processes and for the development and promotion of the Group's territories and root communities;
- supervising the preparation of the Consolidated Non-Financial Statement;
- assessing the contribution of ESG dimensions within the scope of the Pillar 3 Disclosures, on credit and remuneration policies

NEW COMMITTEE ESTABLISHED IN APRIL 2023²

- 9 meetings in 2023

INTERNAL CONTROL AND RISK COMMITTEE

The committee supports the BoD in the:

- definition of guidelines for the internal control and risk management system (including climate/environmental risks);
- determination of the level of compatibility of risks related to the Group with sound and prudent management, consistent with the strategic objectives identified and the pursuit of sustainable success

MANAGERIAL ESG COMMITTEE

Chaired by the Chief Executive Officer, its members include the two Co-General Managers as well as almost all the Bank's first-line managers. Its main tasks include evaluating the Group's positioning and coordinating all the activities required to achieve the strategic sustainability objectives.

OTHER MANAGERIAL COMMITTEES WHICH ALSO ADDRESS SUSTAINABILITY ISSUES:

1. CREDIT COMMITTEE
2. RISK COMMITTEE
3. FINANCE COMMITTEE
4. INVESTMENT COMMITTEE
5. NEW PRODUCTS AND MARKETS COMMITTEE

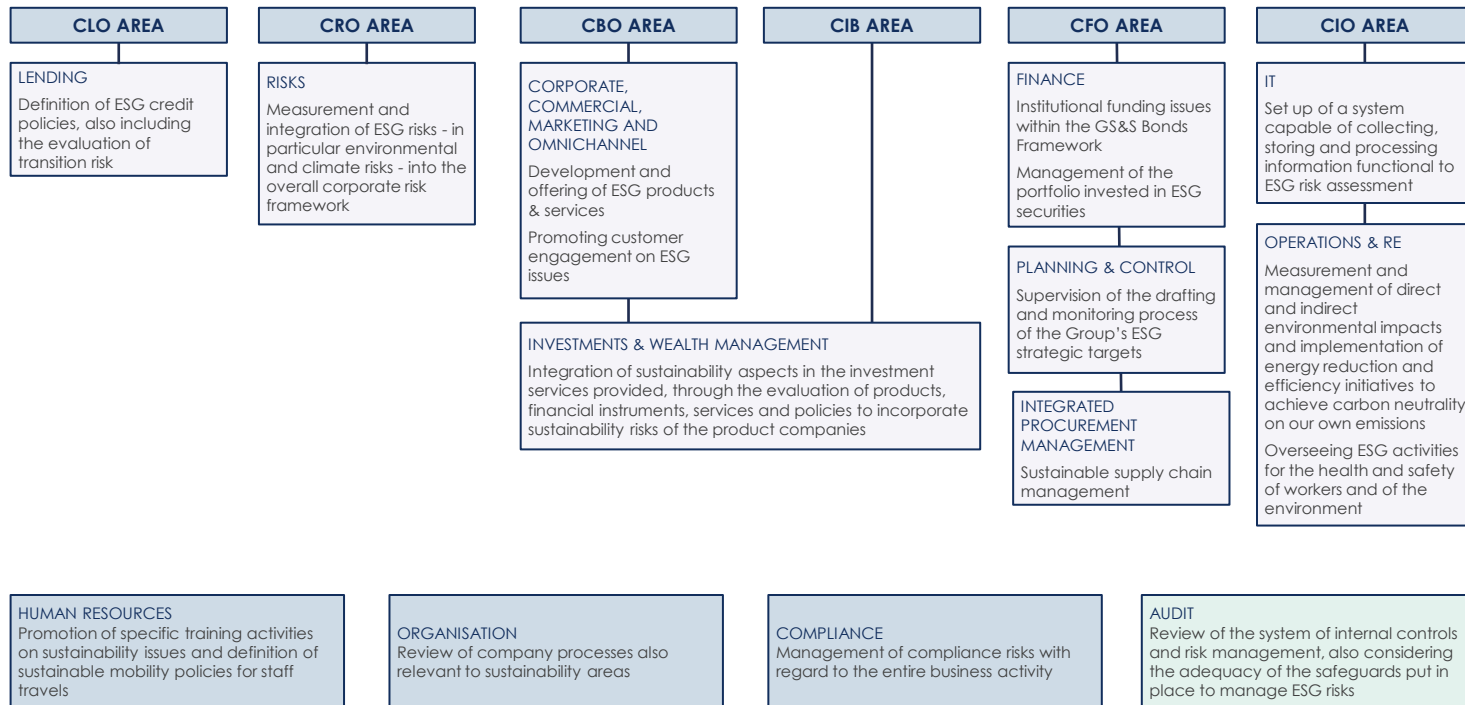
SUSTAINABILITY DEPARTMENT

The department's objective is to oversee social, environmental and, in a broader sense, other initiatives related to business sustainability. The sustainability department performs the materiality analysis and related stakeholder engagement activities as well as prepares the Consolidated Non-Financial Statement.

Sustainability Governance: other Corporate functions involved

A thorough and integrated governance for an effective ESG strategy

CORPORATE FUNCTIONS' SPECIFIC ESG RESPONSIBILITIES



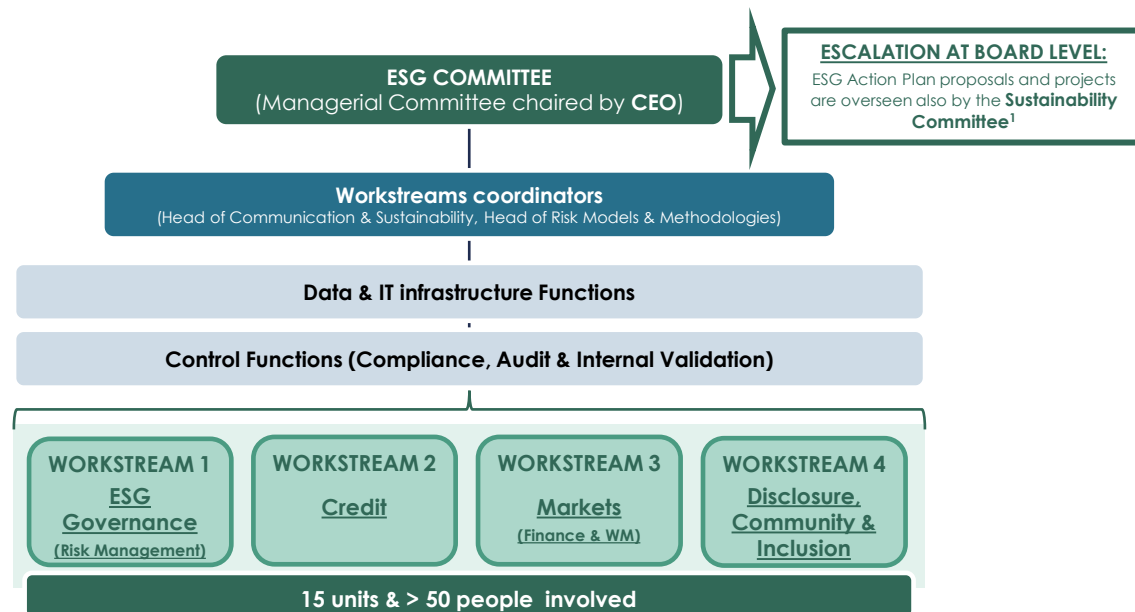
CONNECTION BETWEEN CORPORATE FUNCTIONS & SUSTAINABILITY DEPARTMENT GUARANTEED BY ESG AMBASSADORS

They are the main contact persons on sustainability issues within their company areas and share the issues to be addressed with the Sustainability Department

Sustainability Governance: ESG Action Plan

ESG ACTION PLAN

Structure & Governance



Details

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

KEY INITIATIVES:

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

Key policies and business conduct data

OUR POLICIES

GOVERNANCE AND BUSINESS CONDUCT

(All documents published on Banco BPM's website)

- 1. Articles of Association
- 2. Code of ethics
- 3. Organisational, management and control model pursuant to Italian legislative decree 231/01
- 4. Code of Corporate Governance and Reports on Corporate Governance and Ownership structure
- 5. Anti-corruption regulation
- 6. Anti-money laundering regulation
- 7. Regulation and procedures governing related party transactions
- 8. Regulation on Internal Dealing
- 9. Regulation on the management of Inside Information
- 10. Remuneration Policy
- 11. Shareholder-Director Engagement Policy
- 12. Regulation on tax management
- 13. Whistleblowing Statement

Key Business Conduct data in 2023

ANTI-CORRUPTION

46,905
Training hours

for
17,166
Employees

0 dismissals related to
corruption events

ANTI-MONEY LAUNDERING

27,446
Training hours

for
6,799
Employees

ENVIRONMENT, HEALTH & SAFETY and HUMAN RIGHTS (All documents published on Banco BPM's website)

- 1. Guidelines regarding the management of environmental and energy issues and the fight against climate change
- 2. Guidelines on workplace health and safety
- 3. Guidelines on respecting and safeguarding human rights

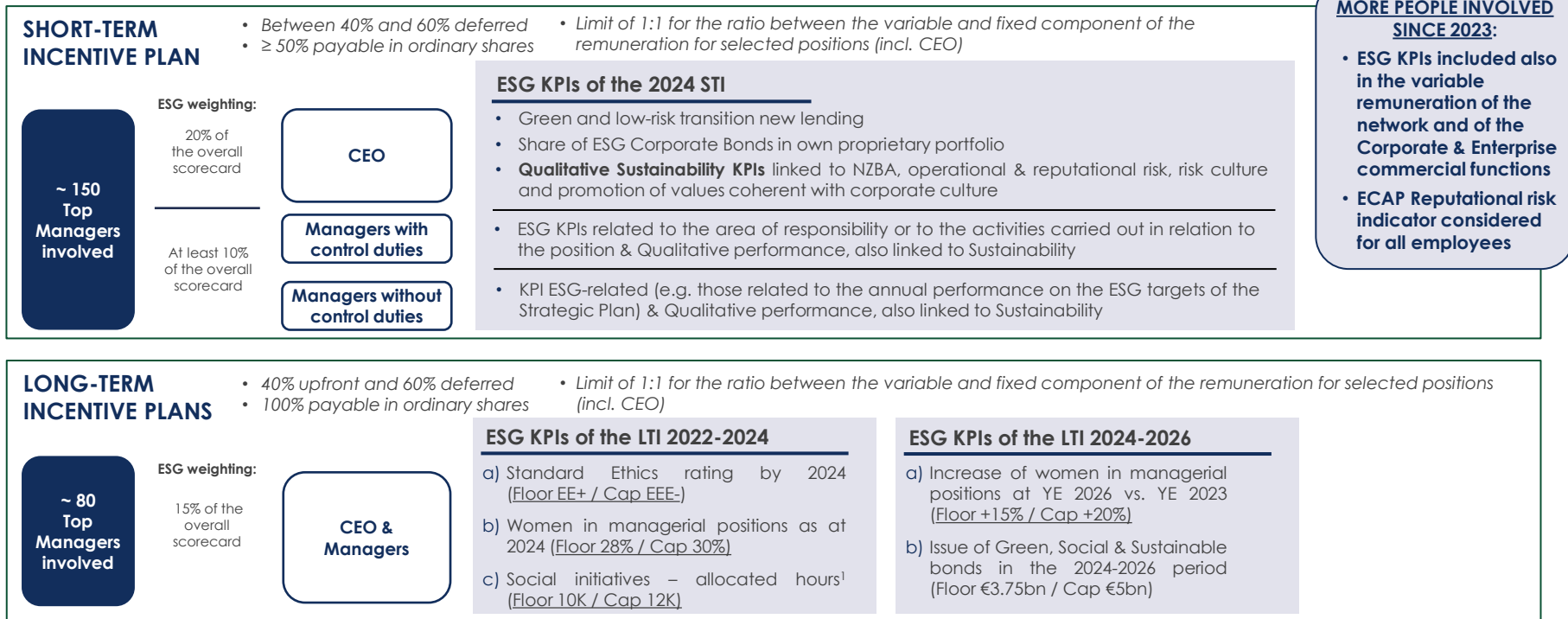
BUSINESS

- 1. Lending policies integrated with ESG factors ¹
- 2. Guidelines on operations in the sector of weapon materials and systems (published on Banco BPM's website)
- 3. Guidelines on the integration of sustainability risks in the provision of investment services (published on Banco BPM's website)
- 4. Green Social & Sustainability Bonds Framework (published on Banco BPM's website)

PRIVACY, DATA GOVERNANCE, IT & BUSINESS CONTINUITY

- 1. Cybersecurity and Privacy Statement (published on Banco BPM's website)
- 2. Regulation on information security - in line with PSD2 ²
- 3. Regulations on ICT Risk and Security - in line with Bank of Italy Circular No. 285 ²
- 4. Regulations on privacy, processing and protection of personal data ²
- 5. Business continuity plan and related regulations ²
- 6. Guidelines on IT incident management ²
- 7. Methodological manuals ³
- 8. Process standards on: business impact analysis and cyber risk management; IT fraud prevention and management; security incident management and data breach; management of digital certificates ²

ESG targets integrated in Short & Long-Term incentive plans for CEO & Top Management since 2021



ESG QUANTITATIVE TARGETS CONSISTENT WITH STRATEGIC PLAN AND MONITORED AT RAF LEVEL

2023 ESG Results:

Facts & Figures

- Clients & Business
- Risks & Credit
- Own Environmental Impact
- People
- Community

3



Our ESG focus areas



E



S



G

1

CLIENTS & BUSINESS

- Material support to Italian economy, thanks to a business model focused on Households & SMEs
- Concrete achievements in the ESG integration into our commercial and business model
- Growing offering of “Green” loan products and SLLs¹ & Financial Inclusion initiatives
- Development of digital banking supported by strong safeguard of Business Continuity, Cybersecurity and Privacy



2

RISKS & CREDIT

- ESG-oriented lending policies
- Progress in the integration of ESG risk drivers into Risk Management Framework
- Measurement of Climate-related & Environmental risks: GAR² & Portfolio Transparency

3

OWN ENVIRONMENTAL IMPACT



4

PEOPLE



5

COMMUNITY

- Sustainable development of local territory
- Responsible management of the Supply chain



Material support to Italian economy thanks to a business model focused on Households & SMEs

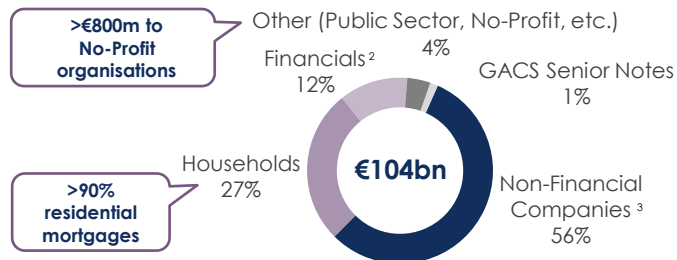
Client base as at 31/12/2023

3.8m clients, with the core segments represented by:

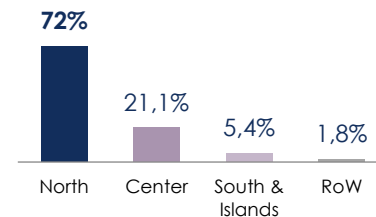
- **~3.3m Households¹ (o/w: ~50% women)**
- **~350K Professionals, Small Businesses, SMEs and Corporates (o/w: ~35K Non-profit organisations active in the third sector)**

€19.4bn New Lending to Italian economy in 2023

Performing customer loans as at 31/12/2023 (GBV)



Geographic breakdown⁴



Breakdown of performing loans to NFCs by sector

Stock as at 31/12/2023 (GBV)⁵

SECTORS	GBV, €bn
Agriculture, forestry and fishing	1.6
Mining and quarrying	0.2
Manufacturing	19.8
Electricity, gas, steam and air conditioning supply	1.4
Water supply	0.8
Construction of Buildings	3.1
Civil engineering and specialised constructions	1.7
Wholesale and retail trade	8.5
Transport and storage	2.1
Accommodation and food services	2.1
Real estate activities	4.4
Other sectors	8.9



Concrete achievements in the ESG integration into our commercial and business model: Credit & Wealth Management

CREDIT



**GREEN & LOW TRANSITION
RISK NEW LENDING TO
CORPORATE & ENTERPRISES¹**



Representing **>54%** of
total new lending to corporate
& enterprises in 2023¹

**>€1BN NEW GREEN
RESIDENTIAL MORTGAGES
IN 2022-2023**

- o/w **€480m** in 2023

ADVISORY & TRAINING FOR OUR CORPORATE & ENTERPRISE CLIENTS:

- Further developed our **ESG questionnaire** (see slide 27 for more details)
- **>1,300 ESG training hours**, involving **~1,000 entrepreneurs** in 2023



**~€0.35BN NEW
LENDING TO THIRD
SECTOR IN 2022-2023**

o/w: **€169m** in 2023

OTHER MAIN FINANCIAL INCLUSION INITIATIVES

- Financial support to clients in areas affected by **disaster events** & to **women victims of violence**²
- Financial solutions for **young people & students**³
- **Subsidized finance**: SACE *Supportitalia* Guarantee, for companies affected by the war in Ukraine

WEALTH MANAGEMENT



**€23.2BN STOCK OF AUM
THIRD PARTY PRODUCTS
CLASSIFIED AS ART. 8 & 9
OF THE SFDR⁴**



Representing
37.5% of total AUM
as at YE 2023⁴

GUIDELINES FOR SUSTAINABILITY RISK INTEGRATION IN THE PROVISION OF INVESTMENT SERVICES:

- Collection of client's Sustainability preferences
- In-house ESG Due Diligence of products manufacturers
- Proprietary ESG Product Classification Model
- Verification of coherence between client's sustainability preferences and ESG characteristic of product
- First inclusion of some ESG metrics in the information report for clients (to be developed in 2024)



Concrete achievements in the ESG integration into our commercial and business model: Finance & CIB

FUNDING



ISSUED €3.55BN¹ GREEN BONDS IN 2022-2023

- o/w €1.5bn in 2023



ISSUED €500M SOCIAL BOND IN 2023

ELIGIBLE PORTFOLIOS AT YE 2023

Eligible Green Loans 4.9



Eligible Social Loans 9.3

€bn

PROPRIETARY PORTFOLIO



29.1% SHARE OF ESG BONDS IN THE CORPORATE BOND PROPRIETARY PORTFOLIO AT YE 2023

EVOLUTION OF ESG BONDS IN OUR PORTFOLIO

Stock in € m	2023	2022
Green bonds	1,034	746
Social bonds	210	178
Sust. & Sust.- Linked Bonds	236	199
Transition Bonds	33	23
TOTAL ESG Corp. Bonds²	1,512	1,146

CIB



>16BN ESG BOND ISSUES ASSISTED BY BANCA AKROS IN 2022-2023

- o/w €8.1bn in 2023

In 2023, Banca Akros participated, as **joint bookrunner** or **joint lead manager**, in the placement of **11 ESG bond issues³** of its corporate clients, including those issued by Banco BPM



Growing offering of “Green” loan products and SLLs

NEW PRODUCTS DEVELOPED IN 2023

Green Taxonomy Loan

Green Loan

Loan aimed at supporting clients' investments to increase the alignment of their economic activities with EU Taxonomy criteria

Subject to a due diligence of the “green” project by an independent third party with expertise on ESG issues in order to assess the correspondence with the regulatory principles set forth in the EU Taxonomy

Loans with Green Transition Target

Green Loan

Loan that enables companies to implement their “low carbon” investment plans, in line with EU environmental objectives

Summary report by the client regarding the green project for which the financing is requested, with an objective that can be traced to one of those included in the EU Taxonomy

Loans with Sustainability Target “Obiettivo Sostenibilità”

Sustainable Linked Loan¹

Loan with ESG KPIs selectable from a predefined catalog validated by an independent third party

KPIs must be consistent with the company's activities and objectives, as well as easily measurable

Product consistent with the “Sustainability Linked Loan Principles” provided by the Loan Market Association

Reporting by the client in formal documents

Loans with SACE Green Guarantee

Green Loan

Check of the purpose with support from SACE (or independently if activated “in convenzione”)

Public guarantee from SACE after verification of the requirements

Financing of Renewable Energy Sources

Green Loan

Loan supporting the construction of plants for production of energy from renewable sources for the main purpose of self-use of the company.

Scope of interventions supported by the NRP

**We offer also
Leasing for RES
plants in
partnership with
Alba Leasing**

Green Residential Mortgages

Green Loan

Mortgages related to the purchase of properties in classes A, B and C or renovated for energy efficiency

Mortgages with green factor²: a clause that allows for a 10 bps saving on the contracted rate and that can be activated throughout the life of the loan provided that:

- a reduction in consumption of at least 30% is achieved or
- the energy rating of the home is improved by two classes

“You Giovani Green Mortgage” with the guarantee “Fondo Prima Casa” intended for customers under 36 of age

ENTERPRISES AND CORPORATE CLIENTS

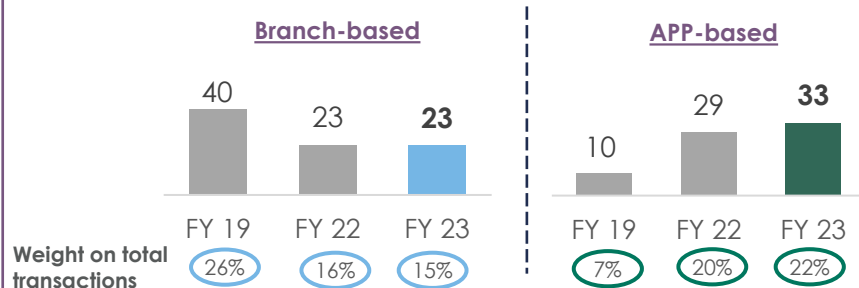
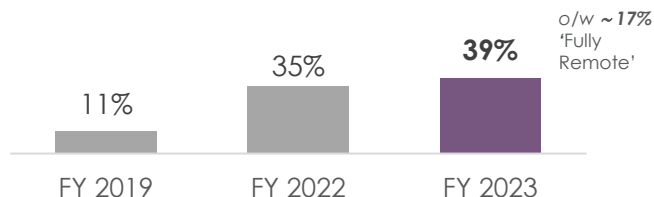
HOUSEHOLDS

**We offer also a Green Consumer
Finance product in partnership
with Agos**



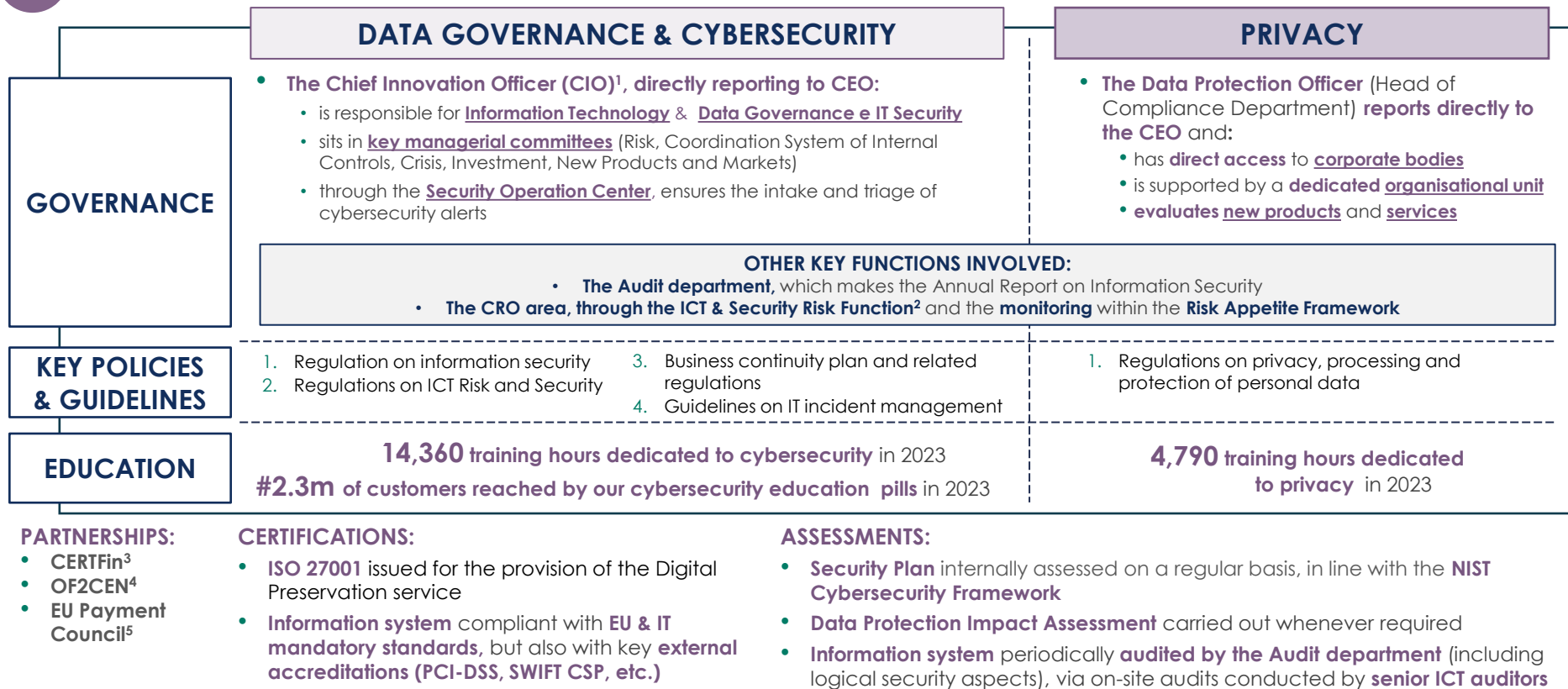
DIGITAL BANKING KPI & INITIATIVES

BRANCH AND APP-BASED TRANSACTIONS (M)

% OMNICHANNEL SALES¹

INITIATIVES:

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



ESG-oriented lending policies since 2022

1. EVALUATION OF ESG AND CLIMATE CHANGE RISK DRIVERS (ESG ANALYSIS) INTEGRATED WITHIN LENDING POLICIES BY MEANS OF:

- **ESG Questionnaire** → **quali-quantitative diagnostic tool** (differentiated on the basis of the size of the company) aimed at evaluating the ESG profile of a **debtor**
- **Transition risk analysis**: based on the sector of the debtor
- **Physical risk analysis** base on the geolocation of productive assets and collaterals

**THE RESULTING ESG SCORE IS CONSIDERED WITHIN
THE OVERALL CREDIT POLICY STRATEGY**

2. SPECIFIC CREDIT STRATEGIES FOR NZBA PRIORITY SECTORS¹

3. RUN-OFF FOR COAL-RELATED SECTORS STRONGLY AFFECTED BY CLIMATE TRANSITION

4. SPECIFIC APPROACH FOR CONSTRUCTION AND REAL ESTATE SECTORS TO EVALUATE THE ENVIRONMENTAL SUSTAINABILITY OF A SPECIFIC ASSETS (e.g. considering the energy efficiency class of the asset)

5. TRANSITION-FINALISED TRANSACTIONS, FOR SUPPORTING SPECIFIC INVESTMENTS

KEY ELEMENTS OF THE ESG QUESTIONNAIRE

- ✓ Collection of **quantitative ESG data** of the company
- ✓ Assessment of sustainability elements that can contribute to **mitigate the ESG risks**, leveraging on questions about:
 - the Transition path of the client (e.g. emission reduction plans & targets)
 - the presence of mitigating factors for Physical risk (presence of a business continuity plan and/or of insurance policies)
 - specific Social and Governance aspects (existence of any pending litigations and/or litigations with negative outcomes concerning "S" & "G" matters)



FURTHER UPGRADE EXPECTED IN 2024

ESG Analysis to be integrated into the Financial Sustainability Assessment

(evaluation of the ability to financially support the investments for decarbonization and use of a tool for assessing prospective KRIs)

RISK IDENTIFICATION

- Climate-related & Environmental risks
- Governance & Social sustainability risk¹

TRANSITION RISK IMPACTS IDENTIFIED: Legislative, Technological, Market-related and Reputational

PHYSICAL RISK IMPACTS IDENTIFIED: Acute and Chronic and related sub-risks

TIME HORIZONS IDENTIFIED:

Short Term: up to 1Y

Mid Term: up to 3-5Y

Long Term >5Y

IDENTIFIED IMPACTS ON BUSINESS MODEL, COMPETITIVE FRAMEWORK, TARGETS & STRATEGY

Risk Appetite Framework

- Integration of ESG risks within RAF since 2021
- 2023 RAF: further strengthening by introducing new specific ESG KPIs, focused on the Group's energy consumption and gender equality in top roles
- ESG KPIs differentiated into Strategic, Managerial and Early Warning indicators, aimed at overseeing the overall governance and control of the main ESG risk drivers

ICLAAP

- Climate scenarios identified and sensitivity analysis already included in ICAAP and ILAAP frameworks
- The comprehensive process of integrating climate-related risk drivers into capital & liquidity adequacy assessments has been further tightened and completed in 2023

Credit risk

- "C&E" risk scoring calculated for Credit Risk purposes, considering: sectorial information, geographic data and additional info provided by clients
- Integration of Climate risks in the main processes of credit risk quantification (IFRS 9 and ICAAP):
 - PD & LGD stressed with Transition risk and LGD with Physical risk as well
 - Definition of a framework aimed at including climate risks in internal ratings for managerial purposes

Other risks

- Climate-related risk potential impacts are also evaluated in the Market, Operational and Liquidity risk frameworks
- Inclusion of ESG risks also in the Reputational², Strategic, Real Estate and Equity risk frameworks
- New ICT & Security Risk Function created in July 2023 within the Enterprise Risk Management Area



2 GAR & Portfolio Transparency

GREEN ASSET RATIO

- First disclosure of **GAR** on economic activities for **Climate change Mitigation & Adaptation** (*considering only non-financial corporates with sustainability reporting as per NFRD, financial corporates, households mortgages, local governments, RE collateral obtained by repossession*)
- Coverage of total assets = **70.8%**
- Total environmentally sustainable assets as at 31/12/2023:**
 - €2.7bn** based on the **Turnover KPI** of the debtor
 - €3.0bn** based on the **Capex KPI** of the debtor

2.02%

GAR
Turnover-based

2.28%

GAR
Capex-based

For detailed information on GAR, please refer to documentation published on BBPM website:

<https://gruppo.bancobpm.it/download/templates-related-to-article-8-eu-taxonomy/>



PORTFOLIO TRANSPARENCY¹

- The materiality of our credit portfolio exposure to **Climate-related & Environmental risks** was constantly monitored during 2023 leveraging on a strengthened and consolidated methodology

KEY FIGURES

TRANSITION RISK

(Loans to NFCs)

- Exposure to sectors with **High and Very High transition risk: 18.4%**



Lower than the level of 19.1% for the Italian system²

Exposure to coal-related sectors strongly affected by climate transition **reduced by 93% Y/Y, to €1.8m at YE 2023**

PHYSICAL RISKS

(Collateral values underlying exposures towards Households and NFCs)

- Exposure to sectors with **High and Very High Acute physical risk: 12.4%**
- Exposure to sectors with **High and Very High Chronic physical risk: 0.2%**



The low exposure to physical risks is driven by the geographical footprint of our credit portfolios, mainly located in the North of Italy

ENVIRONMENTAL RISKS (Loans to NFCs)

- The identified risk drivers are **consistent with the EU taxonomy** (biodiversity loss, circular economy, use of water resources and pollution)
- The BBPM exposure to environmental risks is limited, with **biodiversity loss** and **circular economy** being the drivers to which BBPM is potentially more exposed

3 Keep on reducing our own impact

KEY FIGURES

Energy consumption (GJ in '000)	2021	2022	2023	% Chg. vs. 2021	% Chg. vs. 2022
Of natural gas, diesel oil and gasoline ¹	176,2	148,6	129,0	-26,8%	-13,2%
Of electric energy	393,2	355,6	320,7	-18,4%	-9,8%
o/w: from renewable sources	100%	100%	100%		
Other ²	67,6	58,3	48,7	-28,0%	-16,5%
TOTAL	637,0	562,5	498,4	-21,8%	-11,4%

GHG emissions (T Co2 Eq. in '000)	2021	2022	2023	% Chg. vs. 2021	% Chg. vs. 2022
Scope 1	12,3	11,5	10,6	-13,7%	-7,6%
Scope 2 Market- Based	3,9	3,4	2,9	-25,6%	-14,7%
GROSS EMISSIONS	16,2	14,9	13,5	-16,6%	-9,2%
Carbon credits	-0,8	-8,0	-15,0	n.m.	87,5%
TOTAL NET EMISSIONS	15,4	6,9	-	-100%	-100%

100%

Consumptions of
electric energy from
renewable sources
since 2020

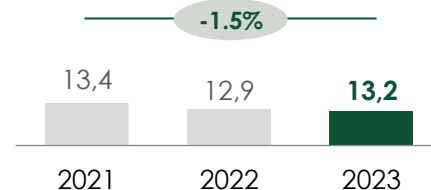
Avoided
emissions for
~24,000

tons of Co2 eq. in 2023
thanks to electric energy
from renewable sources

**CARBON
NEUTRALITY**

For Net Scope 1 and
Scope 2 emissions

Scope 3 emissions
from commuters,
paper purchased,
personnel mobility
and other



(Tons/000 Co2 equivalent)
Exclude Scope 3
emissions of the
financed portfolio

OTHER 2023 ACHIEVEMENTS:

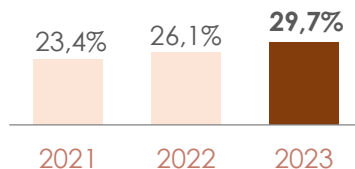
- Maintenance of the **ISO Environmental, Energy and Occupational Health and Safety certifications (ISO 14001, ISO 50001 and ISO 45001)**
- Compensation Projects (Papua Nuova Guinea, Etiopia, Uganda, Brasile and India.) → **compensating ~15,000 t. of CO2 eq.**



KEY FIGURES

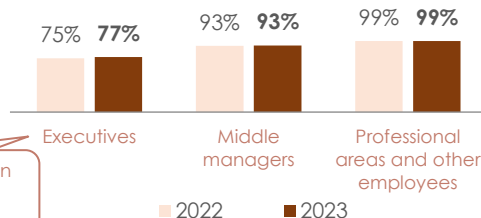
GROUP EMPLOYEES	2021	2022	2023
Total employees	20.436	20.156	19.761
of which women	45,6%	46,1%	46,5%
of which men	54,5%	53,9%	53,6%
Employees on permanent contracts	19.957	19.643	19.367
of which women	45%	46%	46%
of which men	55%	54%	54%
Part-time employees	3.413	3.408	3.357
of which women	45%	93%	94%
of which men	55%	7%	6%

Share of Women in managerial positions¹



PAY GAP

Average female-to-male base pay ratio by classification (excluding part-time)²



From 70% in 2022 to 71% in 2023 including also variable remuneration

- **98%** of employees with **permanent contracts** and 2% of employees on apprenticeships
- **>49 years** of average age
- **~23 years** of average length of service

NEW HIRES AND TURNOVER IN 2023

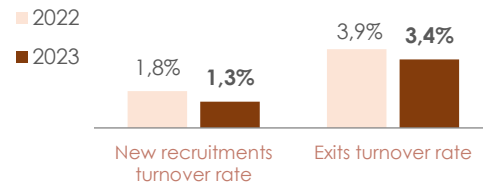
252 total hires

- Almost **half** are **women**

672 exits

(61% related to retirements & solidarity fund)

Turnover rates



TRAINING & PEOPLE DEVELOPMENT PROGRAMS

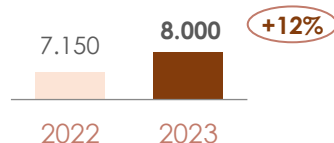
TRAINING HOURS	2021	2022	2023	% Chg. vs. 2021	% Chg. vs. 2022
Total training hours	1,019,725	1,101,976	1,118,180	9.7%	1.5%
o/w: ESG training hours	105,300	174,200	164,205	55.9%	-5.7%
Training hours per capita	50	55	57	14.0%	3.6%
of which women	51	56	58	13.7%	3.6%
of which men	49	53	55	12.2%	3.8%

KEY PROGRAMS

- **ESG training for all employees**, with a more specialized focus on resources involved in the workstreams of our ESG Action Plan: **>164,000 hours**
- **Gender Program**: a tailor-made paths of female empowerment: **278 women involved**
- **Respect Project** valuing diversity, respect and recognition of individual differences for an inclusive working environment
- **Disability management**: **857 people involved**
- **Youth Program** (train, engage and accompany young people in their first years of experience): **220 people involved**
- **Mentoring program**: **150** young people involved
- **Talent Program** (skill strengthening for future new roles): **involved 420 people**

Amount invested
in training

€ 000



SAFETY MANAGEMENT

TRAINING IN HEALTH & SAFETY	2021	2022	2023
Total training hours	45,343	48,894	35,106
People involved	7,393	7,392	5,363
INJURIES	2021	2022	2023
In the workplace	34	28	53
In transit	147	162	149
Injury rate ¹ (frequency rate)	5.7	6.0	6.5
Severity rate ²	0.21	0.25	0.21

UNI ISO 45001:2018
CERTIFICATION
FOR OCCUPATIONAL HEALTH AND
SAFETY MANAGEMENT SYSTEM

Since 2020

WORK-LIFE BALANCE AND WELLBEING

- **5,627** people in **smart work**
- **>3,300** people in **part-time**
- **118** women involved in the "Welcome back mom" project

~63,000 people with
coverage of medical expenses³

~24,400 supplementary
pension arrangements with
company contribution

Note: **1.** Number of injuries/workable hours x 1,000,000. **2.** Days lost due to injury/total workable hours x 1,000. **3.** Including employees, those on redundancy and retired and their family members.



Our contribution to the sustainable development of local territory

~€5.8 m DONATIONS AND SPONSORSHIPS

for social and environmental projects
(+€1.2m vs. 2022)

o/w: ~€2.4m

- For 166 social and environmental projects



o/w: ~€3.4m

- For the care, charity and public interest projects of our **7 foundations** active on local territories

In addition, ~€1.1 m collected from fundraising and donated for people Emilia-Romagna, in cooperation with Caritas Italiana

~5,000
Researchers
supported by
partnership



Corporate volunteering, ESG awareness and financial education: ~ 9,600 hours

>6,600 hours of **financial and ESG awareness training** for customers, new generations, businesses and other stakeholders

~3,000 hours of **company volunteerism**



Focus on ESG Awareness training

“ESG FACTORY” INITIATIVE FOR COMPANIES

- 19 conferences organized
- >1,500 hours
- >1,000 entrepreneurs involved

Topics discussed:

- ecological transition and its impact on business
- social inclusion
- governance



KEY 2023 FIGURES

1,252 suppliers

~ €774m

value of invoices
registered in 2023

>99% in Italy

OUR APPROACH

- **Supplier Register:** a comprehensive repository of information but also a management, evaluation and monitoring application
- **IT interface** to manage:
 - supplier applications
 - selection
 - supplier registration
 - competitive biddings

ESG INTEGRATION

- **Request of information about Quality, Environmental and Energy certifications¹** for a better screening of our suppliers
- All suppliers must **certify** that they:
 - know the **Model of organization, management & control and the Code of Ethics** of Banco BPM and assume conduct in accordance with these documents;
 - act in strict compliance with current **regulations on labor matters, provisions on social security, accident prevention and insurance**
 - operate in full compliance with current regulations on the **protection of health and safety in the workplace, environmental protection, anti-money laundering and anti-corruption**

ESG RATING FOR SUPPLIERS WAS OPERATIVE THROUGHOUT 2023 IN ORDER TO ANALYZE THEIR DEGREE OF SUSTAINABILITY

The rating is based on a questionnaire (developed in collaboration with Consorzio ABC) calibrated to the EU classification of the enterprise (micro/small/medium/large) and developed on the UNI ISO 26000:2010 guidelines for the Social Responsibility of Organizations

- **1,012** suppliers within perimeter of reference for ESG Rating
- **>98%** answers received
- **23%** with rating **ESG++** and **36%** with rating **ESG+++**



Appendix

1. Details on Portfolio Transparency

- Transition Risk
- Physical Risk
- Environmental Risks

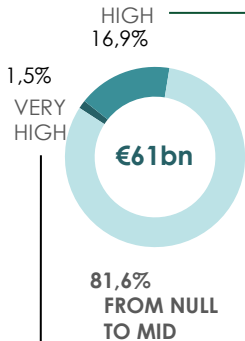


Portfolio transparency: Transition Risk

METHODOLOGY

- Micro-sectorial analysis** (NACE classification), aimed at providing an indication of the **transition risk associated with the Industry** of the counterparty
- For larger corporates or those operating in the sectors most impacted, the methodology **involves also individual data** collected from Non-financial reporting, ESG questionnaires (completed as part of the credit disbursement process) or based on estimates of GHG emissions sourced by qualified external info-providers
- Construction and RE sectors assessed with an ad hoc methodology.
- Risk scoring from 0 “Very Low” to 4 “Very High”**
- Exposure to sectors with High and Very High transition risk limited at 18.4%**

GBV as at 31/12/2023



TRANSITION RISK (Loans to NFCs)

High risk exposures:

- include sectors whose companies should make significant investments, in order to realize their transition towards more sustainable business models
- ~68% is represented by counterparties with **sound financial profile** (low or medium-low credit risk categories)

HIGH	GBV in €M.	IN % ON TOTAL LOANS TO NFCs
Crop and animal production, hunting and related service activities	3,284	5.4%
Manufacture of chemicals and chemical products	1,179	1.9%
Manufacture of basic metals	995	1.6%
Land transport and transport via pipelines	874	1.4%
Manufacture of other non-metallic mineral products	854	1.4%
Manufacture of paper and paper products	467	0.8%
Manufacture of motor vehicles, trailers and semi	438	0.7%
Rental and leasing activities	355	0.6%
Manufacture of food products	312	0.5%
Manufacture of leather and related products	210	0.3%
Financial service activities, except insurance and pension funding	186	0.3%
Other	1,177	1.9%
Total High	10,329	16.9%

Very High risk exposures:

- include sectors whose companies will have to gradually reconvert their business or substantially change their production process
- within this cluster, **0.003% relates to sectors heavily impacted by the climate transition linked to coal put in run-off**

VERY HIGH	GBV in €M.	IN % ON TOTAL LOANS TO NFCs
Wholesale trade, except of motor vehicles and motorcycles	379	0.6%
Manufacture of coke and refined petroleum products	269	0.4%
Retail trade, except of motor vehicles and motorcycles	121	0.2%
Other	145	0.2%
Total Very High	946	1.5%

MANAGEMENT OF TRANSITION RISK

- ESG integrated **lending policies & risk management & measurement**
- Development of **lending products for supporting corporates' transition**
- Initiatives of **ESG awareness for our client companies** (>1,300 hours provided in 2023 with ~1,000 entrepreneurs involved)
- Signing of the NZBA** (March 2023)



Portfolio transparency: Physical Risk

METHODOLOGY

- The analysis is based on:
 - Mapping of the Italian territory** according to exposure to the different risk events considered;
 - Geo-location of the property**, through its address and positioning within the maps of risk;
 - Identification of a risk event score** based on the exposure level of the property
 - Calculation of the synthetic physical risk exposure score** of the property (from 0 "Very Low" to 4 "Very High") through aggregation
- Sources used: public data¹ and third-party proprietary data
- The low exposure to physical risks is driven by the geographical distribution of our credit portfolios, concentrated in the North of Italy

MANAGEMENT OF PHYSICAL RISK

- Physical risk assessment** on **collaterals** and on **counterparty operations** included in the **evaluation of credit risk**
- ESG questionnaire integrated with **questions regarding the presence of mitigating factors of physical risk** (business continuity plan and/or insurance policies)



Managerial Data

Notes: **1.** For example: Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA), Copernicus, European Space Agency, European Soil Data Centre (ESDAC). **2.** Risk events mapped by the EU Taxonomy.

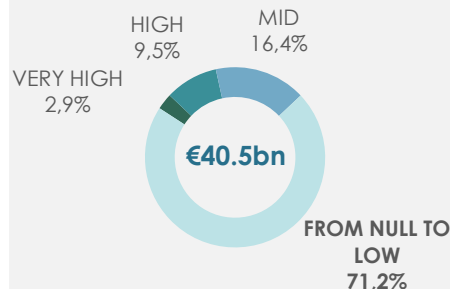
See the 2023 Consolidated Non-financial report for further information and details.

PHYSICAL RISKS

Collateral values underlying exposures towards Households and NFCs

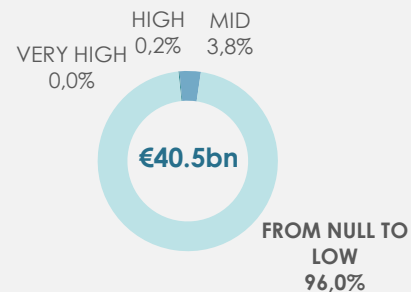
GBV as at 31/12/2023

ACUTE



ACUTE RISK EVENTS ²	Landslide	Flood	Storm
	Fire	Anomalous waves	Frost
	Heat events	Heat waves	Drought

CHRONIC



CHRONIC RISK EVENTS ²	Coastal erosion
	Land erosion
	Sea level rise

Regarding the analysis carried out on **physical risks for the productive assets of NFC clients**, a focus on the exposure towards counterparties operating in the sectors of agriculture, construction and tourism is provided in FY 2023 Consolidated Non-financial Report

Portfolio transparency: Environmental Risks

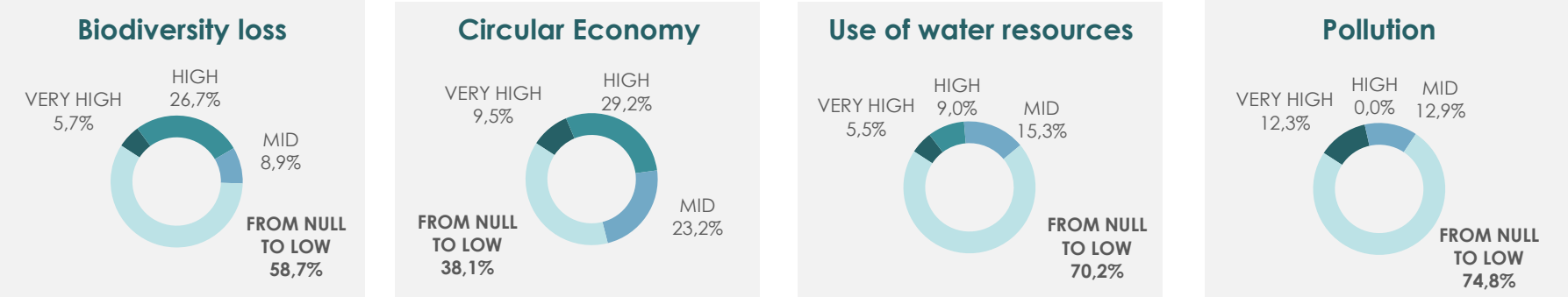
METHODOLOGY

- Exercise aimed at measuring the exposure of our loan portfolio towards NFC clients with respect to environmental risks performed in 2023
- **The variables of environmental risk considered are consistent with the EU taxonomy**
- The methodology is based on **a sectoral approach** aimed at providing an indication of the environmental risks associated with the industry of the counterparty
- When such risks are deemed relevant or when information is available, **the methodology involves the use of public data on individual counterparties (e.g. certifications)**

ENVIRONMENTAL RISKS

Loans to NFCs

€ 61bn, GBV as at 31/12/2023



Appendix

2. Green, Social and Sustainability Bonds Framework

NEW GS&S Bonds Framework: Detailed description (1/2)

- ② On 7th November Banco BPM published its **NEW Green, Social & Sustainability Bond Framework** and **SPO** provided by ISS ESG.
- ② The development of a Green, Social and Sustainability Bonds Framework is fully complementary with Banco BPM commitment and strategy to **address climate change** and to **provide a positive social outcome** in its business conduct.
- ② The Framework is an umbrella document that enables Banco BPM to issue Green Bonds, Social Bonds and Sustainability Bonds; **either unsecured, such as Senior Unsecured Bonds, or secured instruments, such as Covered Bonds.**
- ② The Framework has been developed according to the following latest market standards: ICMA's **Green Bond Principles** (June 2021 with June 2022 appendix), ICMA's **Social Bond Principles** (June 2023), ICMA's **Sustainability Bond Guidelines** (June 2021) and the **EU Green Taxonomy**.



Framework update

- ② Banco BPM published its inaugural Green, Social & Sustainability Bond Framework in 2021. The aim of the 2023 update was to **be aligned with best market practices, cover a broader range of its activities** and include **European taxonomy alignment** for some eligible assets. New eligible loans categories have also been added:

New eligible Green Loans categories	New eligible Social Loans categories
Manufacture of organic basic chemicals	Sustainability-linked loans for SMEs
Green Guarantee	Residential Mortgages
Sustainable Agriculture	

- ② Banco BPM is then one of the few issuers in Europe that can **offer the (re)financing of Sustainability-linked loans for SMEs via its GSS Bond Framework.**

External review ISS ESG

- ✓ The Framework has received an external verification by ISS ESG.
- ✓ The Framework is aligned with Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.
- ✓ ISS ESG confirms that Banco BPM has the processes in place to assure that **some assets are aligned with the Technical Screening Criteria of the EU Taxonomy.**

NEW GS&S Bonds Framework: Detailed description (2/2)

USE OF PROCEEDS

- **Eligible Green Loan Categories:** Green Buildings, Renewable Energies, Manufacture of organic basic chemicals, Energy Efficiency, Pollution Prevention and Control, Sustainable Water Infrastructure, Low Carbon Transportation, Green Guarantee, Sustainable agriculture
- **Eligible Social Loan Categories:** Financing SMEs, Third and Public Sector, Healthcare, Sustainability-linked loans for SMEs, Residential Mortgages

PROJECT EVALUATION & SELECTION

- An appointed **Funding ESG Working Group** is in charge of the reviewing, monitoring and updating of the Eligible Portfolios
- Its scope include the addition of new Eligible Categories and/or the alignment of the eligibility criteria with the latest best market practices, subject to obtaining an updated Second Party Opinion

MANAGEMENT OF PROCEEDS

- Implementations on internal systems have been made to identify Eligible Loans
- The Funding ESG Working Group will manage the **balance of the Eligible Portfolio with the net proceeds of the Green, Social and Sustainability Bonds** issued under this framework on a portfolio approach

REPORTING

- **The allocation and impact reporting (the “Report”) will be published annually by Banco BPM, on a portfolio approach basis until the Bond maturity**
- Banco BPM will make its Reports available for investors on its website

EXTERNAL REVIEW



- **ISS ESG** has reviewed and **certified the alignment** of the Framework with ICMA's Green Bond Principles, Social Bond Principles or Sustainable Bond Guidelines
- Banco BPM will mandate on annual basis an independent auditor in order **to verify the compliance of the Eligible Portfolio** with the Framework **and the reporting metrics** as published in the annual Report

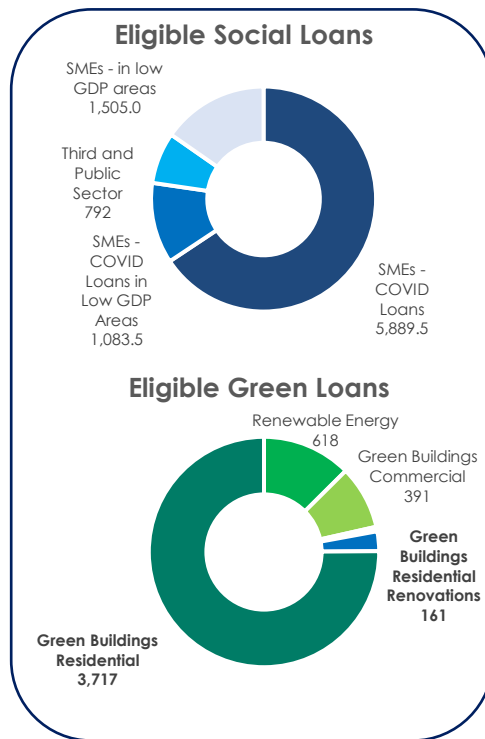
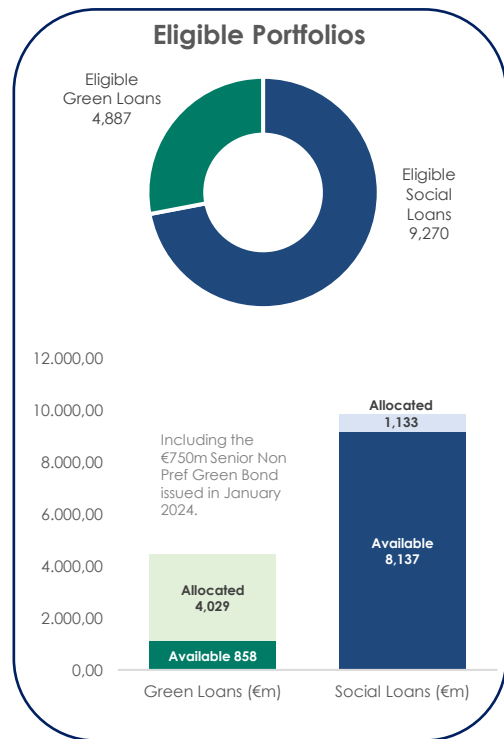
NEW Green, Social & Sustainability Bonds Framework: Use of Proceeds (1/2)

Eligible Green Loans categories		Eligibility Criteria	
		For assets aligned with the Substantial Contribution Criteria of the EU Taxonomy	For assets aligned with other green Eligibility Criteria
Green Buildings	Residential	<ul style="list-style-type: none"> Renovation of existing buildings (7.2) Acquisition and ownership of buildings (7.7) 	<ul style="list-style-type: none"> Renovation of existing buildings Acquisition and ownership of buildings New construction
	Commercial	<ul style="list-style-type: none"> New construction (7.1) Renovation of existing buildings (7.2) Acquisition and ownership of buildings (7.7) 	<ul style="list-style-type: none"> New construction or acquisition, or renovation and ownership of buildings
Renewable Energies		<ul style="list-style-type: none"> Loans to finance the construction, acquisition, development, and maintenance of facilities generating and/or distributing energy from renewable sources such as: Solar energy (4.1) ; Wind energy (4.3) ; Hydro power (4.5) ; Bio energy (4.8) 	<ul style="list-style-type: none"> Loans to finance the construction, acquisition, development, and maintenance of facilities generating and/or distributing energy from renewable sources (geothermal energy & electricity transmission and distribution infrastructure)
Manufacture of organic basic chemicals		<ul style="list-style-type: none"> Manufacture of organic basic chemicals (3.14) 	-
Assets aligned with other green Eligibility Criteria			
Energy Efficiency		<ul style="list-style-type: none"> Loans to finance the development and distribution of and/or upgrades to equipment or technology such as smart grid, district heating and cooling, energy storage for low carbon energy, LED lighting 	
Pollution Prevention and Control		<ul style="list-style-type: none"> Loans to finance the development, construction, maintenance or consulting and advisory of waste management activities 	
Sustainable Water Infrastructure		<ul style="list-style-type: none"> Loans to finance the development, construction and maintenance of water infrastructures that contribute to GHG emissions savings 	
Low Carbon Transportation		<ul style="list-style-type: none"> Loans financing public land transport and clean transportation loans such as: public transport, electric vehicles, sea and coastal or inland freight or passenger water transport, vessels for port operations 	
Green Guarantee		<ul style="list-style-type: none"> SACE's green guarantee with clear eligibility criteria 	
Sustainable agriculture		<ul style="list-style-type: none"> Loans to finance sustainable agriculture project 	

NEW Green, Social & Sustainability Bonds Framework: Use of Proceeds (2/2)

Eligible Social Loans category	Eligibility Criteria	Target population
SMEs	<ul style="list-style-type: none"> Loans to SMEs located in regions with a GDP per capita below the national average and to SMEs under the government's Covid-19 borrower guarantee 	<ul style="list-style-type: none"> Maintaining the jobs & creating new jobs for employees working in SMEs
Third and public sector	<ul style="list-style-type: none"> Loans to the third sector & partly state-owned corporates to finance projects with a positive social impact (Education, Healthcare...) 	<ul style="list-style-type: none"> People benefiting from positive socio-economic outcomes (including youth, elderly people & those with disabilities)
Healthcare	<ul style="list-style-type: none"> Loans to finance the construction/ development/ renovation of activities in the healthcare sector 	<ul style="list-style-type: none"> Aiming to benefit all
Sustainability-Linked Loans	<ul style="list-style-type: none"> Sustainability-Linked Loans to SMEs and Corporates with common guidelines 	<ul style="list-style-type: none"> Aiming to benefit all (but focus on those working in SMEs)
Residential Mortgages	<ul style="list-style-type: none"> Residential Mortgages to disadvantaged people 	<ul style="list-style-type: none"> People with an ISEE under a certain threshold; People with age under 36 years; Lone parent; People who live in a social house; Married couples (at least two years of marriage) with one of them with age under 36 years.

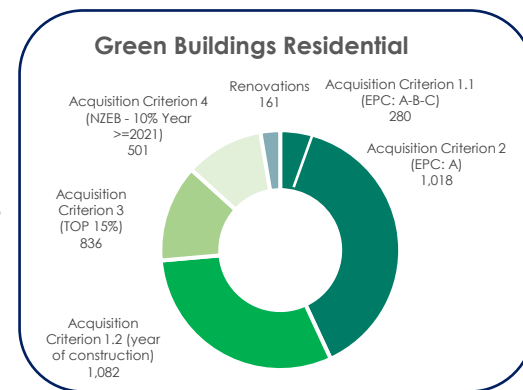
NEW Green, Social & Sustainability Bonds Framework: Eligible Portfolios



The total amount of eligible assets under the Green, Social & Sustainability Bonds Framework published last **November 2023** amounted to **~€14.2bn** as at 31/12/23, of which:

- **€4.9bn** of **Eligible Green Loans**
- **€9.3bn** of **Eligible Social Loans**

With the **8 outstanding issuances** (including the €750m Senior Non Pref Green Bond issued in January 2024), proceeds are allocated to green and social assets for **~€5,2bn**.



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