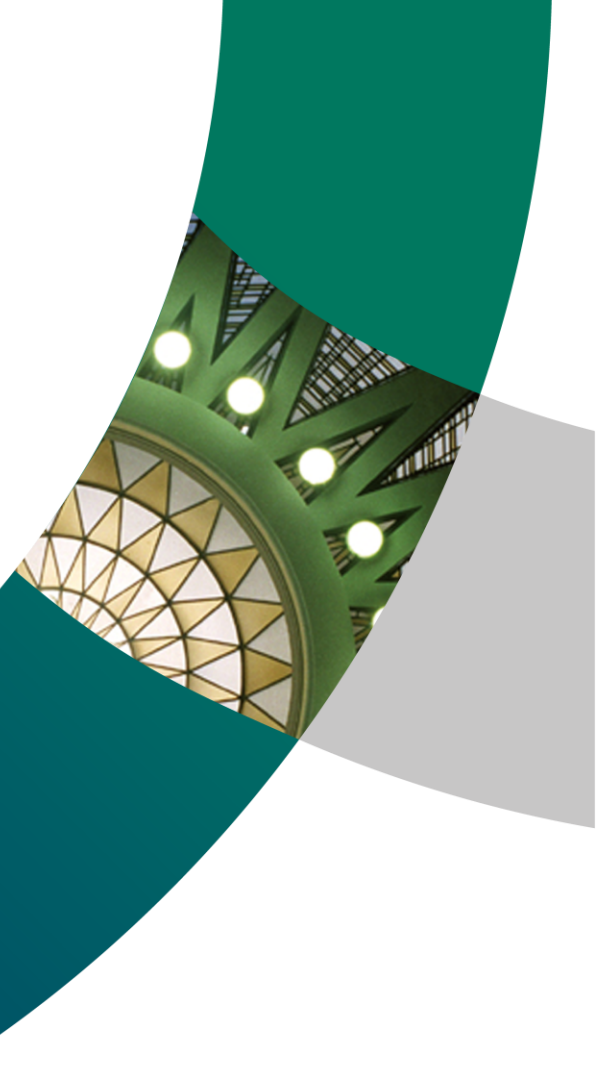




# Group Presentation

January 2025  
Financial Institutions Group



# Agenda

<b>1 Group Overview</b>	<b>3</b>
<b>2 Key Messages: H1 2024 Executive Summary</b>	<b>15</b>
<b>3 H1 2024 Performance Highlights</b>	<b>21</b>

# Group Overview

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1

# WHO WE ARE

BANCO BPM commences on 1 January 2017 following the merger of two major cooperative banks, Banco Popolare and Banca Popolare di Milano, which have created a solid, profitable and sustainable banking group as a result of their transformation into joint-stock companies.

With more than 20,000 employees and 1,427 branches, Gruppo Banco BPM is the third-largest banking group in Italy. It serves about 4 million customers through an extensive and complementary distribution network and a comprehensive multi-channel model, benefiting from a leadership position in Northern Italy, particularly in productive regions such as Lombardy, Veneto and Piedmont.

Its strong local presence has made it a national leader in several high value-added businesses, being in a unique position to take advantage of its widespread network, a portfolio of highly recognisable brands and cross-selling opportunities between product factories.

In the Group's revamped core business model, human resources represent a key element, being handled through a clear programme of personnel management and development, with major investments in training and new commercial skills. Moreover, the strong tradition of cooperative banks has inspired the new banking group to pursue a mission to create lasting value for shareholders and local areas through sustainable growth and profitability.

# BANCO BPM AT A GLANCE...

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

## STRONG FRANCHISE

Clients: 3.8 million

# Branches: 1,437<sup>2</sup>

Material support to the real economy

### Leadership in Italy's richest regions

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

Lombardy	Veneto	Piedmont
13.0%	8.0%	9.9%

(76% in the North)

### Breakdown of Customer Loans

~ 30% to Households

~ 60% to NFCs

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

Net Customer Loans

€101.4bn

Shareholders' Equity

€15.0bn

Direct Funding

€128.6bn

CET1 ratio FL

15.5%

BANCO BPM

## HIGH-VALUE ADDED PRODUCT FACTORIES & JVs

BANCA ALETTI

Banca Akros

BANCO BPM VITA

BANCO BPM ASSICURAZIONI

VERA Vita

VERA Assicurazioni

Anima: Voluntary Public Cash Tender Offer (06/11/2024)

ANIMA CHI RISPARMIA AMA

AGOS

numia

## SUCCESSFUL TURNAROUND COMPLETED

Gross NPE ratio

24,...

4,2%

3,5%

3,1%

Without requesting additional funds to shareholders

C/l ratio

65%

59%

6...

5...

56%

54%

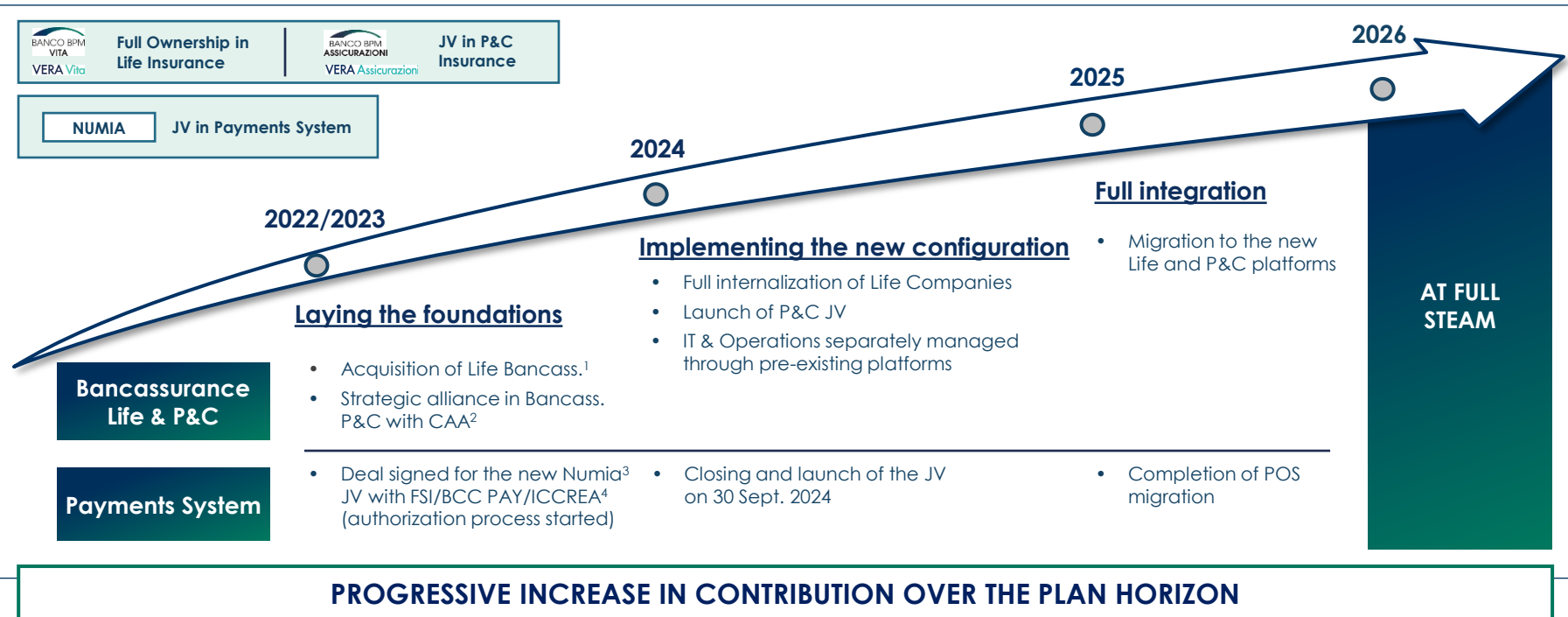
48%

47%

FY 2017 FY 2018 FY 2019 FY 2020 FY 2021 FY 2022 FY 2023 M 2024

# Key Product Factories: further opportunities over the plan horizon

## EVOLUTION PATH OF OUR NEW STRATEGIC GROWTH ENGINES



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

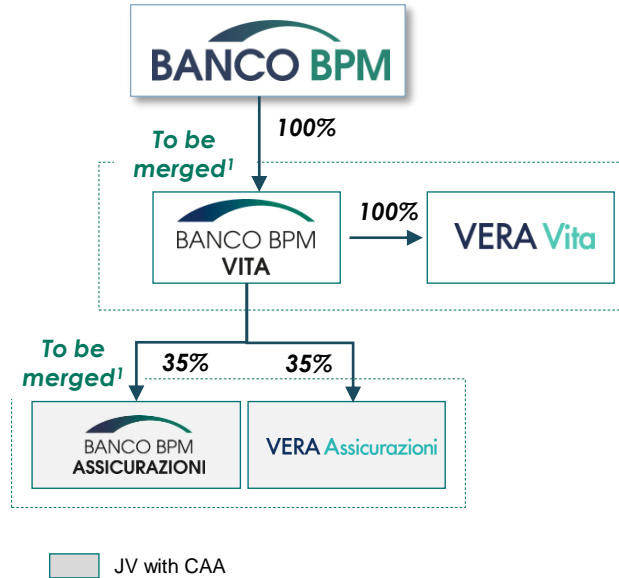
## TRANSACTION DETAILS

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

### CLOSING OF TRANSACTION IN DECEMBER 2023:

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

## PLANNED ORGANIZATIONAL STRUCTURE



## STRATEGIC RATIONALE

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

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

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

1

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

2

**UPFRONT VALUE GENERATION**

➤ **€500m** at closing  
(>€200m cash + shares)

➤ **€80m** deferred payment  
(cash)

Impact on CET1<sup>1</sup>

+39 bps

3

**FURTHER UPSIDE**



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

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



>10% potential market share



~8m payment cards



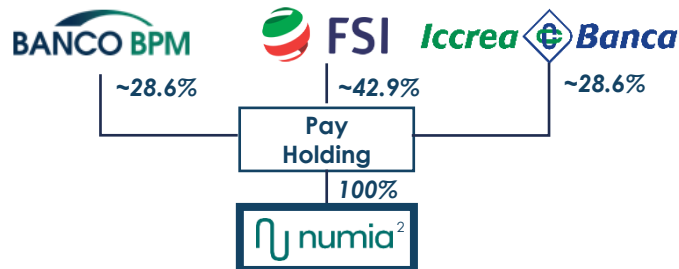
~400K POS



More than €100bn in transacted business volumes per year



Network represented by ~20% of Italian bank branches



**Closing on 30 September 2024**



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

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

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

**2017-2019**

## SUCCESSFUL RESTRUCTURING

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

**2020-2021**

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

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

**2022 – 9M 2024**

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

- ANIMA: Public Cash Tender (06/11/2024)
- “TRANSFORMATIONAL” INITIATIVES IN BANCASSURANCE AND PAYMENTS
- PROFITABILITY AT “RECORD” LEVEL
- ENHANCEMENT OF STRATEGIC AMBITIONS
- FURTHER REINFORCEMENT OF GOVERNANCE, RISK MANAGEMENT AND SUSTAINABILITY

- **SIGNIFICANT PROGRESSIVE AND ONGOING STRENGTHENING OF THE GROUP'S PROFITABILITY**
  - **STRATEGIC PLAN PRESENTED TO THE MARKET ON 12 DECEMBER 2023**

# Banco BPM Strategic Plan 2023-2026: key highlights

## Accelerated profitability & sustainable value creation

~€6bn

Cumulative Net  
Income 2023-26

€4bn

Total Shareholder  
remuneration 2023-26

>€1.5bn

Net Income  
2026

~13.5%

RoTE  
2026

~14%

CET1  
2026

## The seven pillars of our Performance Acceleration Program

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

**2** Reinforce  
**Wealth  
Management  
& Life Insurance**

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

**4** Benefit  
from further  
**omnichannel  
reinforcement**

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

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

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

← **SUSTAINABILITY FULLY INTEGRATED THROUGHOUT THE PLAN** →

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

**MORNINGSTAR** | **DBRS**

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

**FitchRatings**

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

**MOODY'S**

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

**S&P Global**  
Ratings

	Starting level (07/11/2023)	Rating action (24/10/2024)	Notch Improvement
<b>LT Issuer Credit Rating</b>	BBB-	<b>BBB</b>	<b>+1</b>

## TREND POSITIVE

### KEY RATING DRIVERS:

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

Trend improvement on LT Deposits and Issuer/Senior from Stable to Positive - rating actions of 04/11/24 and 18/04/24

## OUTLOOK STABLE

### KEY RATING DRIVERS:

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

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

## OUTLOOK STABLE

### KEY RATING DRIVERS:

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

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

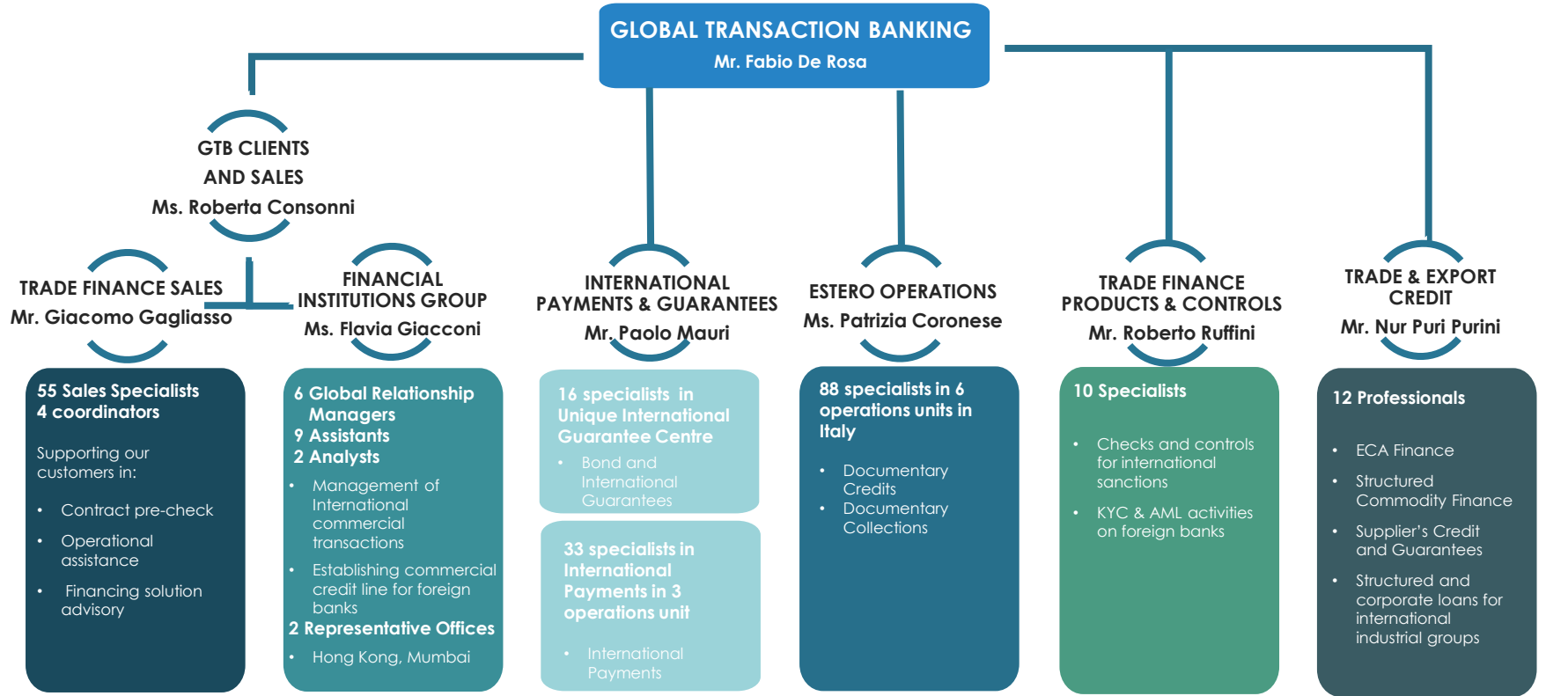
## OUTLOOK STABLE

### KEY RATING DRIVERS:

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

Upgrade by one notch on 24/10/2024, following the assignment of this new rating (with Positive Outlook) on 07/11/2023

# GLOBAL TRANSACTION BANKING



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# Key Messages: 9M 2024 Executive Summary

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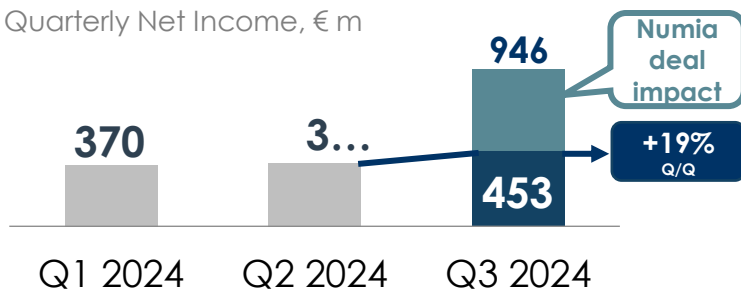
# 9M 2024: CONFIRMING AN OUTSTANDING PERFORMANCE TRACK RECORD...

## INCREASING NET INCOME & SHAREHOLDER REMUNERATION

### 9M NET INCOME €1.7BN

- €1.24bn adjusted, +25% Y/Y

Quarterly Net Income, € m



### CONFIDENT TO OVERPERFORM €0.95 FY 2024 EPS PREVIOUS GUIDANCE (excl. one-offs)

▪ €0.75 DPS MATURED IN 9M

➡ €0.4 DPS APPROVED TODAY<sup>1</sup> (INTERIM DIVIDEND AT €600M)

▪ €1.45bn<sup>2</sup> TOTAL PAYMENT OF DIVIDENDS IN 2024

➡ +€150m VS. ORIGINAL PLAN GUIDANCE

## SOLID PROFITABILITY OUTLOOK SUPPORTED BY:

- Reduction in interest rate sensitivity<sup>3</sup>: -€50m in 2024
- Product Factories: progressive deployment to continue in 2025, with full steam by 2026
- Accelerated NPE derisking plan and disposal of Non-instrumental Real Estate assets



# ... LEVERAGING ON KEY STRATEGIC STRENGTHS

## OVERDELIVERY ON MAIN PLAN DRIVERS

**CORE REVENUES**  
€4.27bn in 9M

↳ Core Revenue growth

**+6,7%**



9M 2024  
vs. 9M 2023

~ +1%

SP 2023/2026 CAGR

**GROSS NPEs at €3.2bn**  
-18% Y/Y

↳ Gross NPE ratio

~€620m NPEs  
disposed in 9M

**3.1%**



30/09/24

~3.0%



SP Target  
at YE 26

**CET 1 ratio +132bps in 9M**  
MDA buffer at 641bps

↳ CET 1 RATIO:

**15,48%**



30/09/24

~14,0%



SP Landing Point for  
2026

## TRANSFORMATIONAL TRANSACTIONS WELL ON TRACK

**CLOSING OF THE  
JV IN THE  
PAYMENTS BUSINESS**

numia

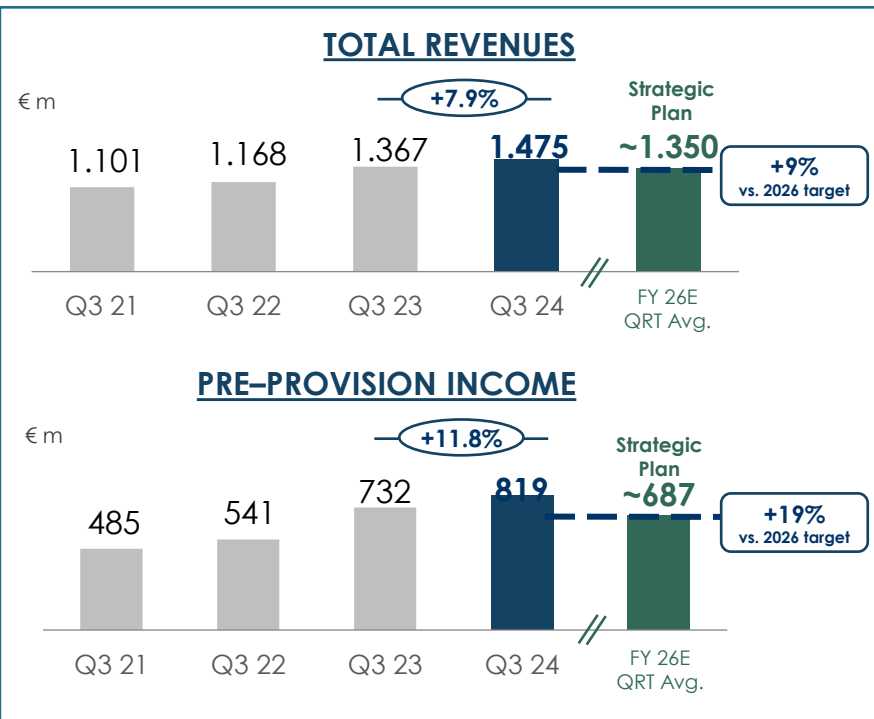
- Deal signed on 30/09/24
- €500m upfront gain (€493m net of taxes)

**ENCOURAGING  
PERFORMANCE IN  
BANCASSURANCE**

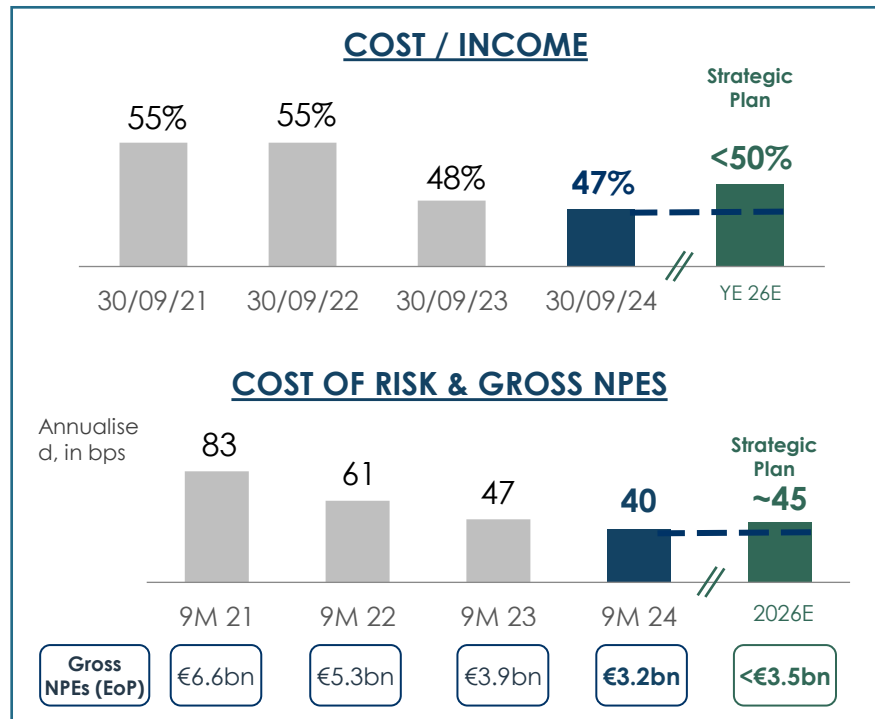
- Income from life insurance at €71m in 9M 24
- Acceleration in Q3 (€56m), including reversal in loss component (~€18m)

# Outperforming Strategic Plan targets

## PROFITABILITY: QUARTERLY TREND

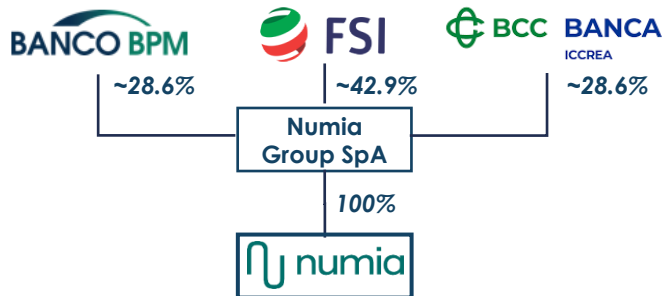


## EFFICIENCY & ASSET QUALITY: YTD PROGRESS



# Numia deal successfully completed, with launch of business well under way

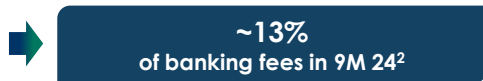
## DEAL OVERVIEW



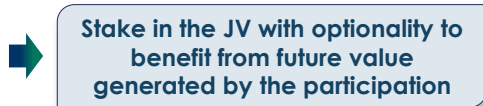
### UPFRONT VALUE GENERATION



### STRENGTHENING OF THE P&L CONTRIBUTION



### FURTHER UPSIDE



## ESTABLISHING ITALY'S SECOND LARGEST PLAYER IN THE PAYMENTS BUSINESS



## DEVELOPMENT OF THE JV FOR BANCO BPM

September 2024: merchant offering started

Next steps

>46k Numia POS already contractually engaged (~33% of total >141K BBPM POS) for a total of ~29K customers<sup>3</sup>

CORRESPONDING TO >65% OF TOTAL RETAIL ACQUIRING VOLUMES<sup>4</sup>

2025: completion of POS migration and issuing set-up

**9M 2024**

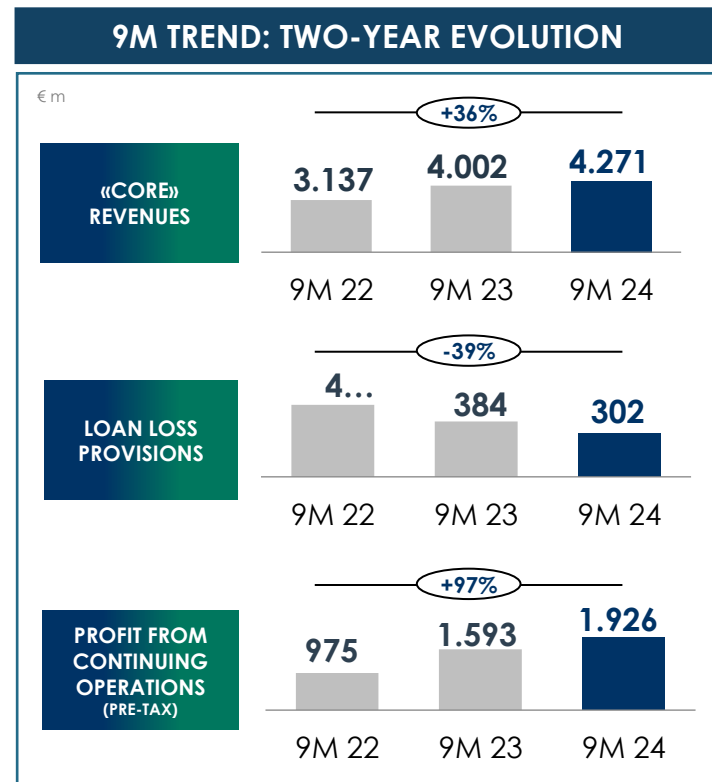
# **Performance Highlights**

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**3**

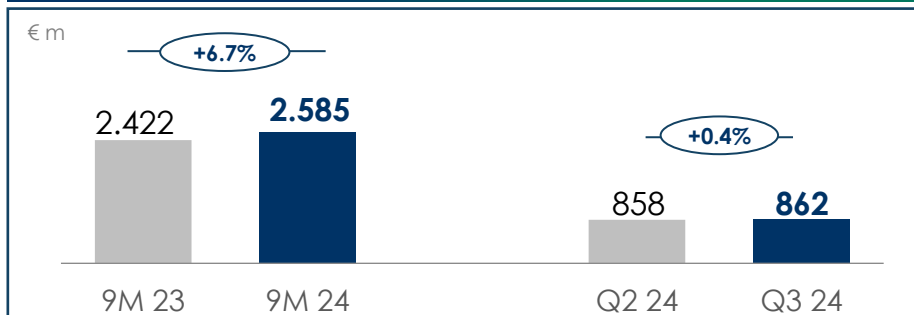
# 9M 2024 Net Income at €1,696m and €1,245m excluding one-offs

P&L HIGHLIGHTS, €m	Q2 24	Q3 24	Chg. Q/Q	9M 23	9M 24	Chg. Y/Y
Net interest income	858	862	0.4%	2,422	2,585	6.7%
Net fees and commissions	500	488	-2.3%	1,453	1,509	3.9%
Income from associates	45	31		95	106	
Income from insurance	10	56		33	71	
<b>«Core» Revenues</b>	<b>1,413</b>	<b>1,437</b>	<b>1.7%</b>	<b>4,002</b>	<b>4,271</b>	<b>6.7%</b>
Net financial result	-51	48		-65	6	
<i>o/w Cost of certificates</i>	-76	-69		-188	-220	
<i>o/w Other NFR</i>	25	117		123	226	
Other net operating income	-1	-10		8	-8	
<b>Total revenues</b>	<b>1,361</b>	<b>1,475</b>	<b>8.4%</b>	<b>3,945</b>	<b>4,269</b>	<b>8.2%</b>
Operating costs	-670	-656	-2.1%	-1,910	-1,995	4.4%
<b>Pre-Provision income</b>	<b>691</b>	<b>819</b>	<b>18.6%</b>	<b>2,035</b>	<b>2,275</b>	<b>11.8%</b>
Loan loss provisions	-112	-108	-3.4%	-384	-302	-21.3%
Other <sup>1</sup>	1	-27		-58	-47	
<b>Profit from continuing operations (pre-tax)</b>	<b>580</b>	<b>684</b>	<b>17.9%</b>	<b>1,593</b>	<b>1,926</b>	<b>20.9%</b>
Taxes	-180	-223		-500	-619	
<b>Net profit from continuing operations</b>	<b>400</b>	<b>461</b>	<b>15.4%</b>	<b>1,093</b>	<b>1,307</b>	<b>19.6%</b>
Systemic charges	1	0		-127	-67	
One-offs <sup>2</sup> and other	-21	485		-22	456	
<b>Net income</b>	<b>380</b>	<b>946</b>	<b>148.9%</b>	<b>943</b>	<b>1,696</b>	<b>79.8%</b>
<b>Net income excluding one-offs<sup>3</sup></b>	<b>400</b>	<b>469</b>	<b>17.3%</b>	<b>995</b>	<b>1,245</b>	<b>25.1%</b>

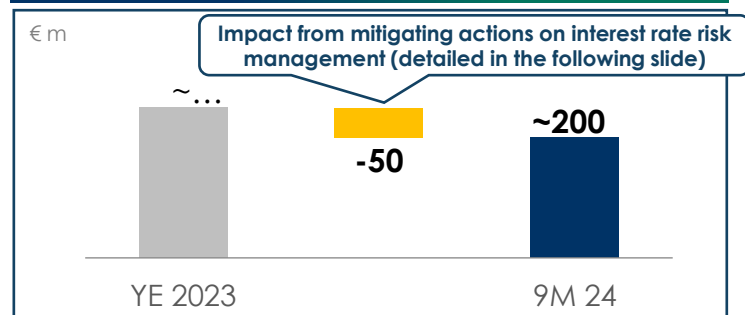


# NII: outperformance and supportive outlook

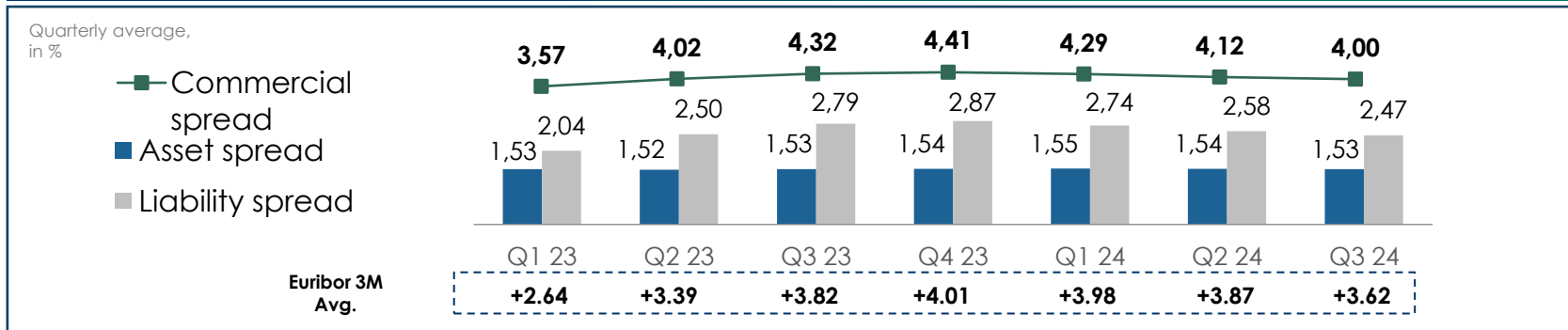
## RESILIENT NII TREND



## REDUCED INTEREST RATE SENSITIVITY<sup>1</sup>



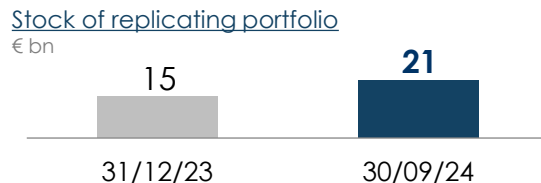
## EVOLUTION OF COMMERCIAL SPREADS<sup>2</sup>



# Actions implemented to support NII target over the Plan horizon

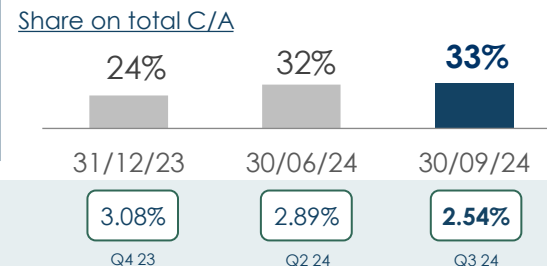
## KEY SENSITIVITY DRIVERS

### GROWING SIZE OF REPLICATING PORTFOLIO<sup>1</sup>



- Avg. Yield 2.1% and duration of 2.2 years as at 30/09/24
- Plan target at €25bn

### INCREASED SHARE OF INDEXED C/A

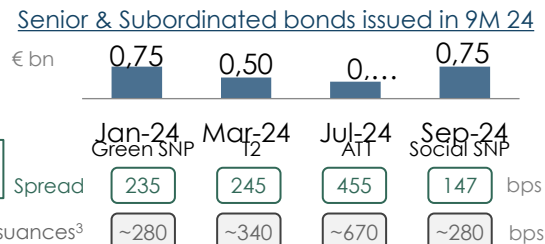


- Decreasing Rates  
(Quarterly data)

## MAIN COST OF FUNDING DRIVERS

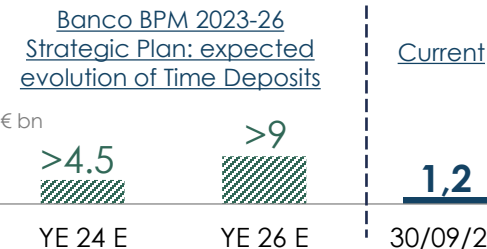
### IMPROVING CREDIT RATINGS & IG STATUS

S&P Global Ratings  
1 notch upgrade in Oct. 2024<sup>2</sup>



- Lower spreads of new bonds & certificates  
(>€100m NII benefit in 2026<sup>4</sup>)

### REDUCED RECOURSE TO TIME DEPOSITS



- Lower amount of time deposits vs. original Plan assumptions → ~€15m benefit for each €1bn less

# Actions implemented to support NII target over the Plan horizon

## KEY SENSIVITY DRIVERS

### GROWING SIZE OF REPLICATING PORTFOLIO<sup>1</sup>

Stock of replicating portfolio

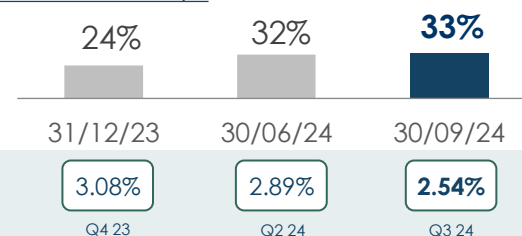
€ bn



- Avg. Yield 2.1% and duration of 2.2 years as at 30/09/24
- Plan target at €25bn

### INCREASED SHARE OF INDEXED C/A

Share on total C/A



Decreasing Rates  
(Quarterly data)

3.08%

Q4 23

2.89%

Q2 24

2.54%

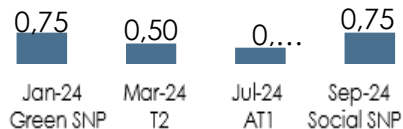
Q3 24

## MAIN COST OF FUNDING DRIVERS

### IMPROVING CREDIT RATINGS & IG STATUS

Senior & Subordinated bonds issued in 9M 24

€ bn



Jan-24 Green SNP  
Mar-24 T2  
Jul-24 AT1  
Sep-24 Social SNP

Spread

235 245 455 147 bps

Spread of previous issuances<sup>3</sup>

~280 ~340 ~670 ~280 bps

S&P Global Ratings

1 notch upgrade in Oct. 2024<sup>2</sup>

Lower spreads of new bonds & certificates  
(>€100m NII benefit in 2026<sup>4</sup>)

### REDUCED RECOURSE TO TIME DEPOSITS

Banco BPM 2023-26  
Strategic Plan: expected evolution of Time Deposits

Current

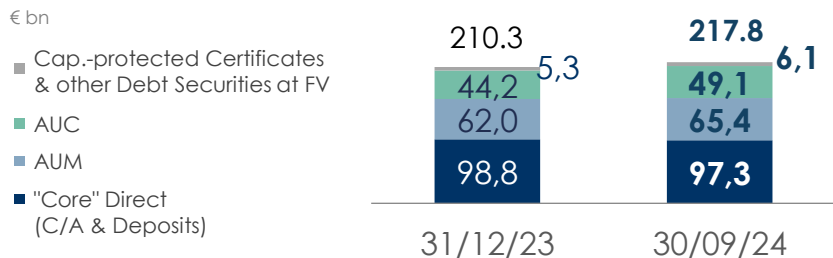


Lower amount of time deposits vs. original Plan assumptions → ~€15m benefit for each €1bn less



# Total Customer Financial Assets +€7.6bn YTD and >€15bn of New Lending

## TOTAL CUSTOMER FINANCIAL ASSETS



### INDIRECT CUSTOMER FUNDING +7.8% YTD

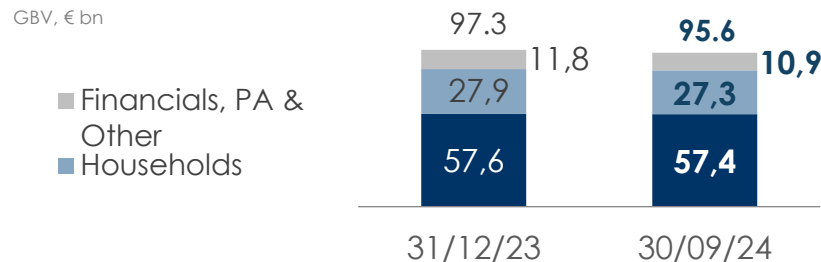
- +€4.9bn AUC (+€6bn in the Strategic Plan horizon<sup>1</sup>)
- +€3.4bn AUM (+€8bn in the Strategic Plan horizon<sup>1</sup>)

### CORE CUSTOMER DEPOSITS -1.5% YTD

- Factoring the exit from most expensive institutional customer deposits in Q3 (-€2.7bn in Q3)
- Recovery of €1.4bn on 1 Oct.

- High-value deposit base, with >80% Retail & SME deposits<sup>2</sup>
- Guaranteed deposits >€54bn

## CORE PERFORMING CUSTOMER LOANS



### HIGHLY SECURED CUSTOMER LOANS<sup>3</sup>:

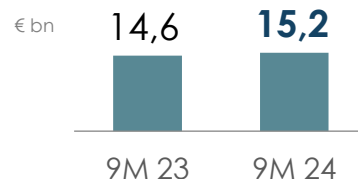
>72% for Small Businesses

### 55% of Non-Financial Corporate portfolio is secured:

- 28% with State Guarantees and 27% Collateralised

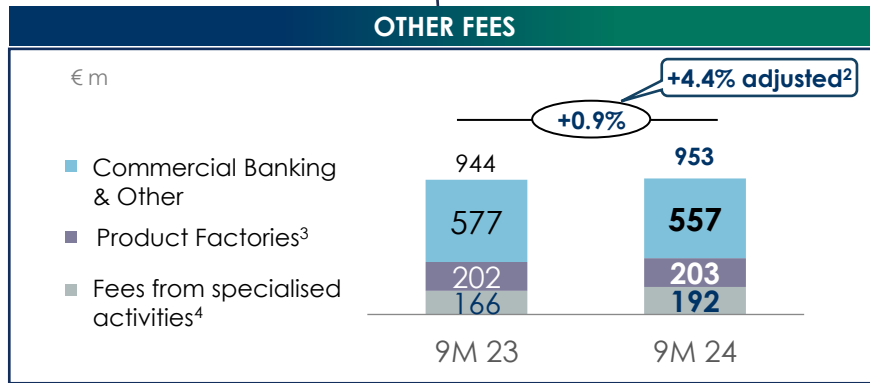
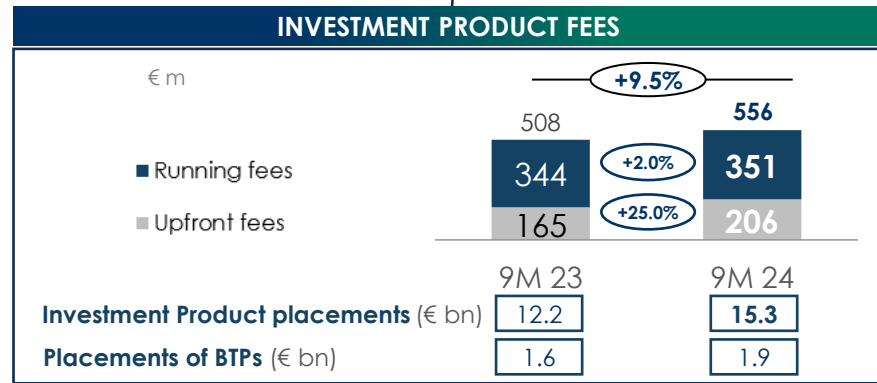
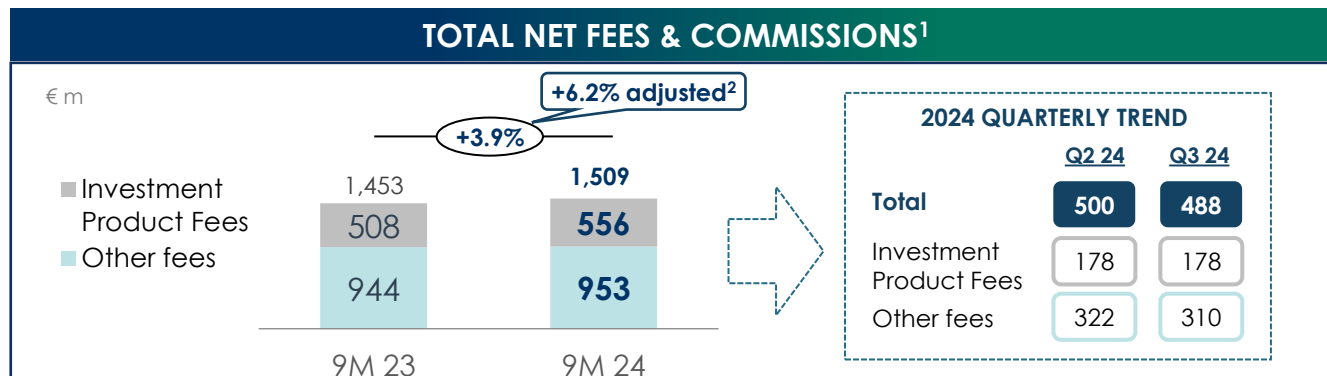
### POSITIVE TREND IN NEW LENDING<sup>3</sup>: +4.0% Y/Y

- Supported by decrease in rates

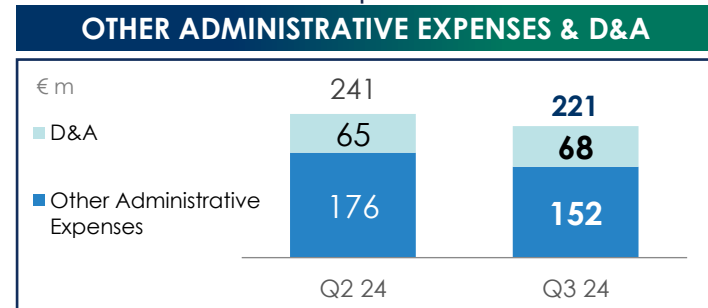
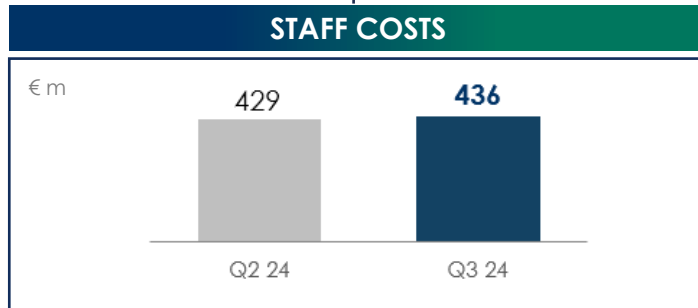
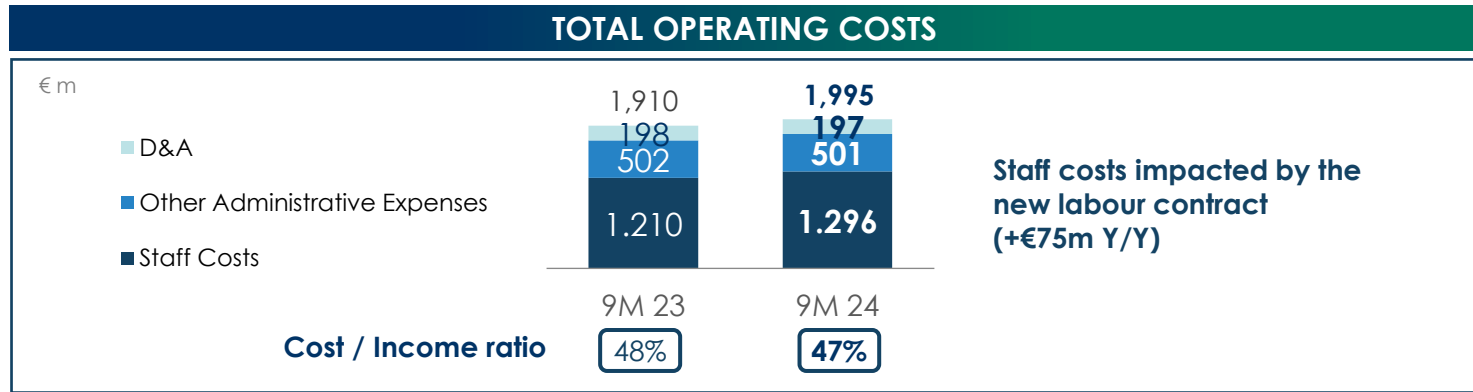


Low-Carbon New M/L Term financing<sup>3</sup>:  
€4.2bn in 9M 2024  
(vs. €5bn FY 2024 target)

# Total Net Fees & Commissions up at €1,509m: +3.9% Y/Y

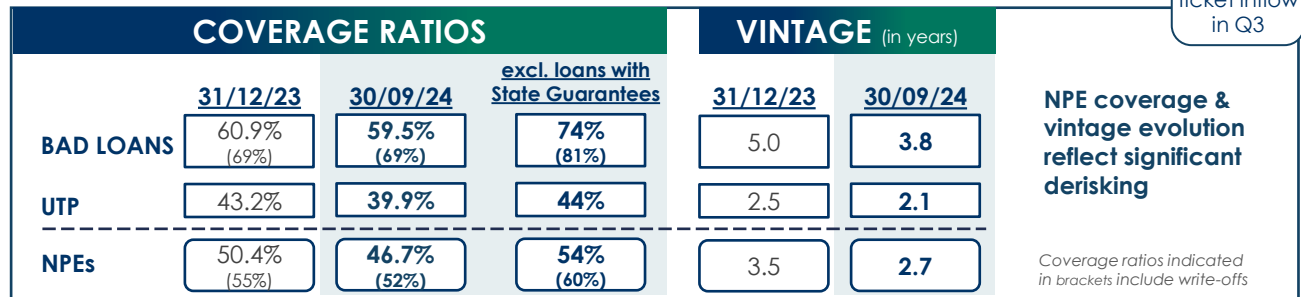
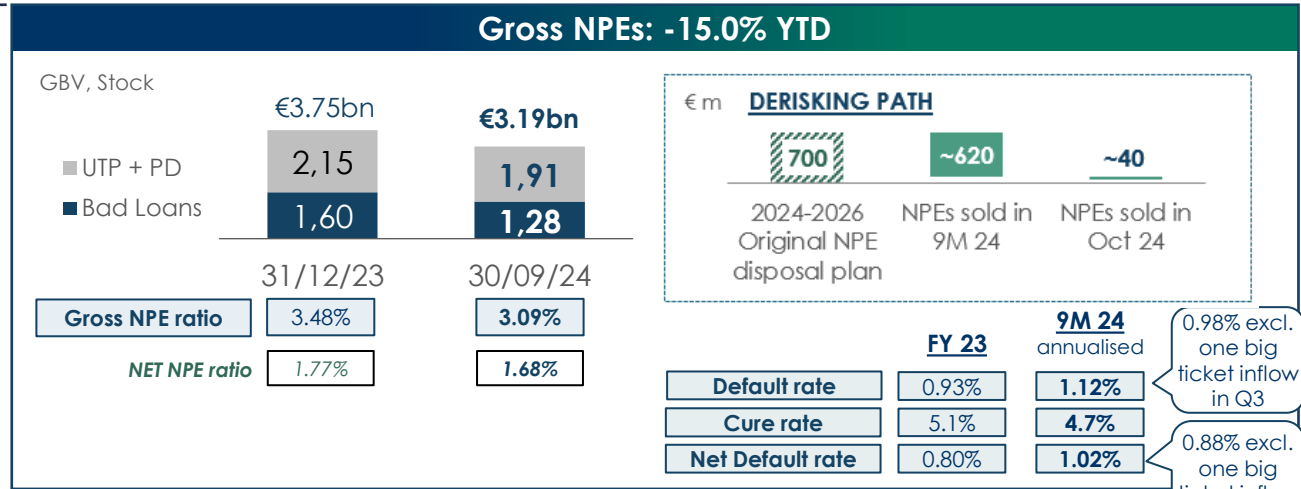
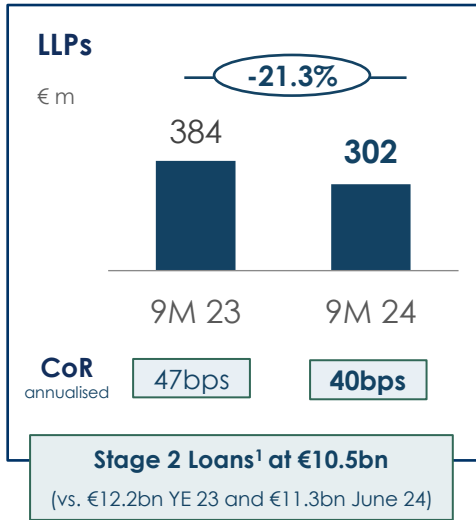


# Cost/Income ratio down at 47%, notwithstanding the new labour contract



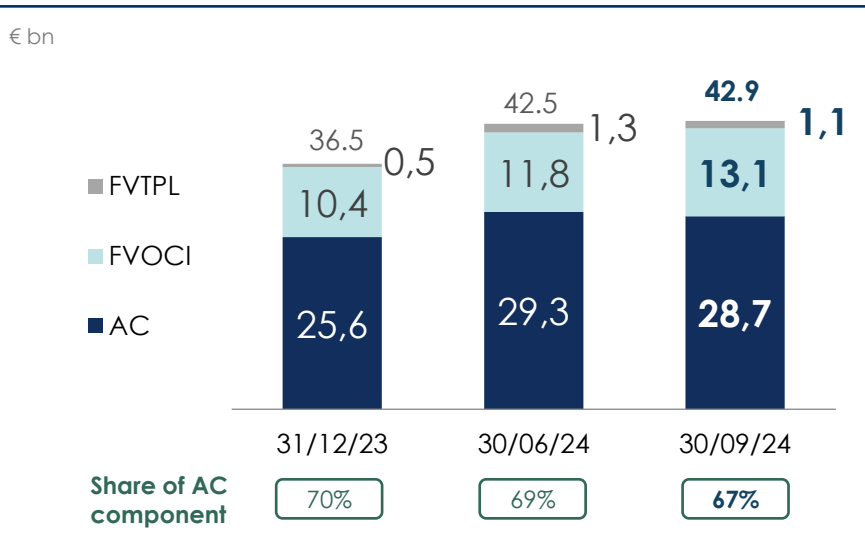
# Accelerated derisking plan, with enhanced asset quality and CoR

## LLPs & COST OF RISK

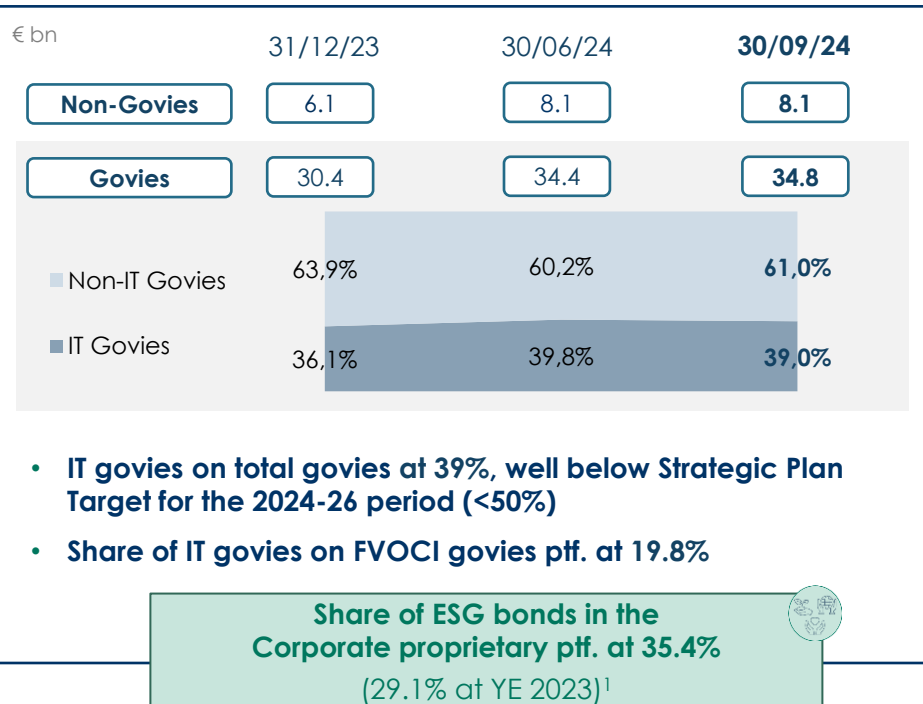


# Optimization and diversification of Debt Securities portfolio

## TREND AND BREAKDOWN BY ACCOUNTING CATEGORY



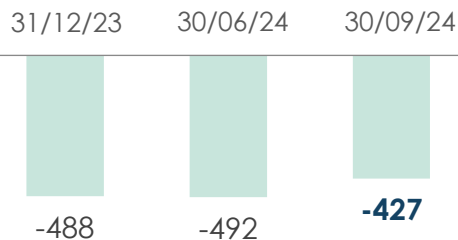
## COMPOSITION BY COUNTERPARTY



# Positive trend in FVOCI debt reserves and Net Financial Result

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

Post-tax  
€ m



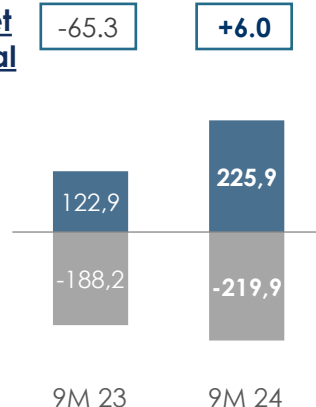
- Positive evolution of net reserves in Q3 24 (+€64m)
- Moderate increase in BPV<sup>2</sup> of total Govies, aimed at mitigating NII impact of interest rate reduction: from <€1m as at 31/12/23 to ~€1.5m as at 30/09/24 (of which only €0.2m for IT Govies)

## BREAKDOWN OF NET FINANCIAL RESULT: STRONG CONTRIBUTION FROM HEDGING STRATEGIES

### EVOLUTION Y/Y

#### Total Net Financial Result

€ m

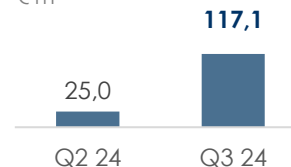


- Other NFR components
- Cost of Certificates

### DETAILS Q/Q

#### Other NFR Components

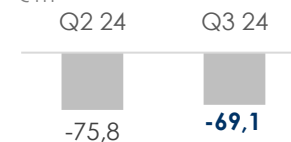
€ m



- Benefitting from hedging strategies implemented in response to the declining interest rate trend

#### Cost of certificates<sup>3</sup>

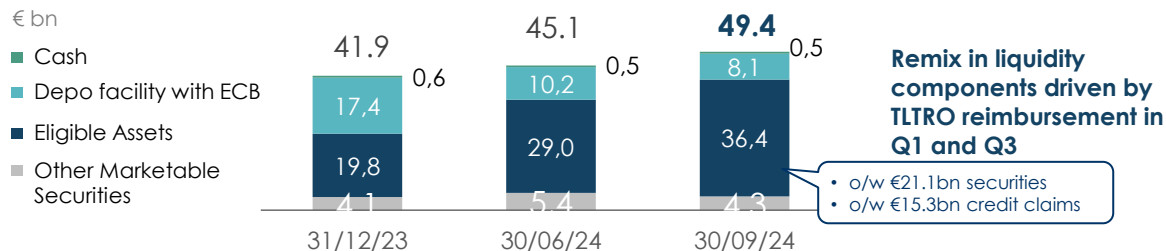
€ m



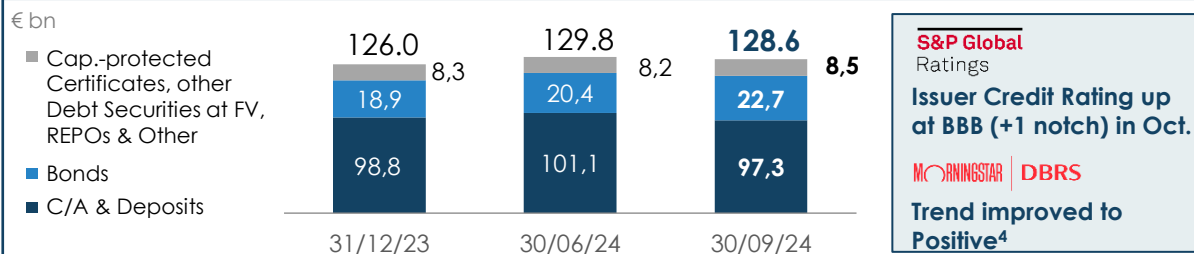
- Contributing to mitigate P&L rate sensitivity in a declining Euribor scenario

# Strong liquidity & funding position

## Cash + Unencumbered Assets: +€7.5bn in 9M



## Total Direct Funding: +€2.5bn in 9M



€3.65bn wholesale bonds issued in 9M 24 (€3.0bn in 9M 23),

o/w €1.5bn within GS&S Bonds Framework

~€1bn of structured bonds issued through our retail network in 9M

### LCR

30/06/24

30/09/24

140%

153%

HQLA<sup>1</sup>

€26.3bn

€28.2bn

### NSFR

126%

125%<sup>2</sup>

€15.7bn at YE 23

### TLTRO III

€5.7bn

€1.7bn

### Net ECB Position

€4.5bn

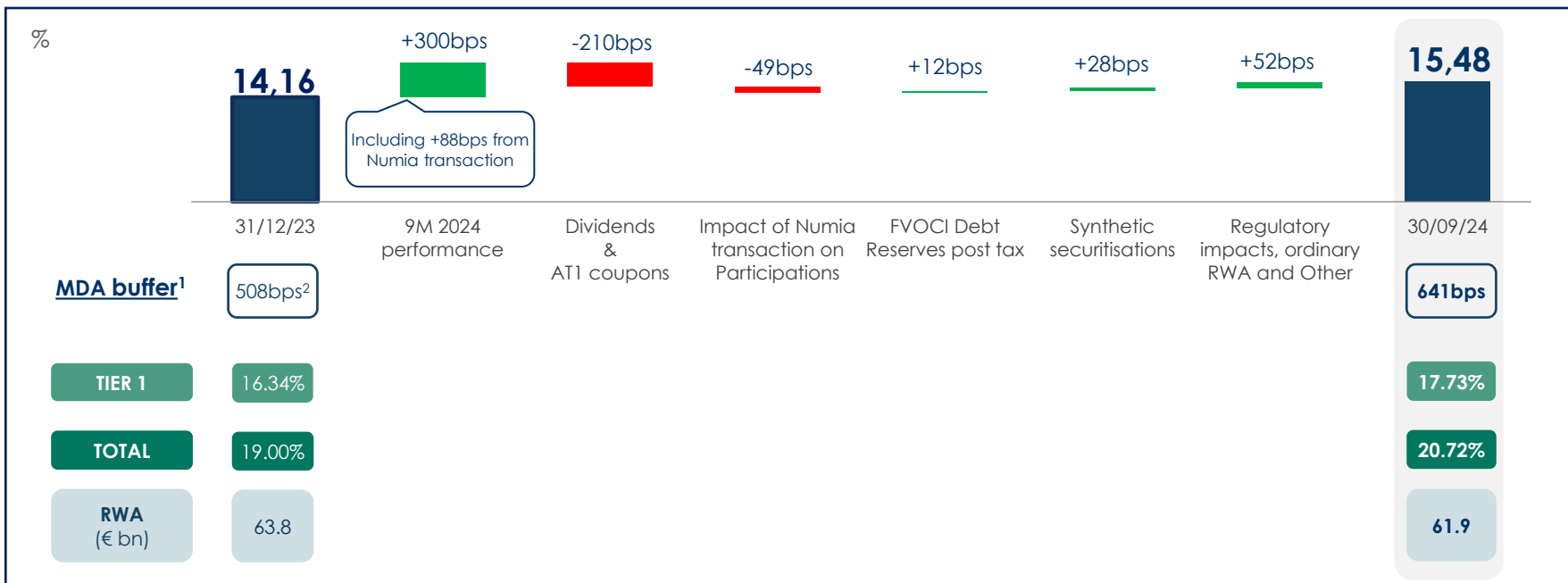
€5.4bn<sup>3</sup>

Wide MREL buffer<sup>5</sup>:  
11.05 p.p. (9.45 p.p. in H1)  
vs. Total Requirement 2024

# Strong internal capital generation: CET 1 ratio improving to 15.48%

## Further significant enhancement of ratios and buffers YTD

### CET 1 RATIO EVOLUTION: +132BPS IN 9M 2024





# Excellent 9M 24 performance: another step towards our targets' achievement

## NET INCOME: RESILIENT OUTLOOK

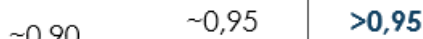
Progressive 2024 EPS guidance improvement, despite declining 3M Euribor expectations...

... supporting long-term P&L objectives

Expected  
3M Euribor  
in 2024



EPS  
Guidance<sup>1</sup>



12 Dec. 2023: Strategic Plan announcement  
6 Aug. 2024: Q2 results presentation  
TODAY: Q3 results presentation

**CUMULATIVE  
NET INCOME  
TARGET  
FOR 2023-26**

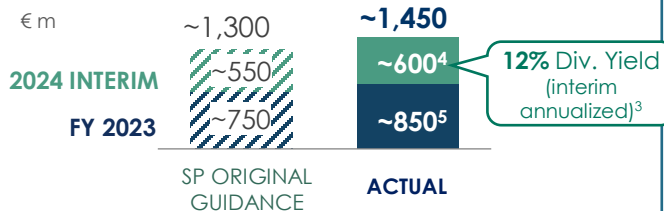
**~€6bn:  
CONFIRMED EVEN  
WITH AVG  
3M EURIBOR AT  
~2% IN 2026**

## CAPITAL & REMUNERATION: CONTINUING OVERDELIVERY

CET1 Ratio above Plan landing point<sup>2</sup>:  
148bps buffer

2024 distribution at €1.45bn:

- €150m overdelivery
- 15% Dividend Yield<sup>3</sup>



**AHEAD OF TRAJECTORY TOWARDS  
€4bn<sup>6</sup> CUMULATIVE REMUNERATION  
TARGET FOR 2023-26**

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

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

# Methodological Notes

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

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

- The strategic partnership on Numia related to e-money sector, announced to the market on 14 July 2023, was finalized on 30 September 2024, with Numia Group (the company holding the entire capital of Numia) becoming 42.86% owned by FSI and 28.57% owned by each of Banco BPM and BCC Banca Iccrea. As a consequence:
  - the assets and liabilities related to e-money sector and the equity investment in Tecmarket Servizi S.p.A were transferred to Numia on 30 September 2024. The aforementioned asset and liabilities were reclassified, starting from the situation as of June 30, 2023, in the specific balance sheet items "Non-current assets and groups of assets held for sale" and "Liabilities associated with assets held for sale," in line with IFRS 5;
  - as of 30 September 2024, the interest in Numia Group is shown for an amount of € 272 million, in the reclassified balance sheet item "Interests in associates and joint ventures", qualifying as an associated investment pursuant to IAS 28;
  - the overall Q3 2024 economic impact of the transaction is positive for € 500 million (€ 493 million, net of tax effect), which is shown in ad ad hoc income statement item "Money impact, net of taxes".

Moreover, starting from Q1 2024, the profits generated by activities tied to the monetics sector carried out by the subsidiary Tecmarket Servizi S.p.A., as well as profits from the management of digital payment services, provided by the Parent company (after the partial demerger of the abovementioned subsidiary on 1 January 2023), which were previously posted under "Other net operating income", has been reclassified under the line-item "Net fees and commission income" of the reclassified income statement starting from Q1 2024, due to the incoming finalization of the JV in Payments system. 2023 data have been restated accordingly. Looking ahead, this representation will allow for a more homogeneous comparison with the commission income that will be received by the Group for the distribution of services related to payment/monetics business, following the completion of the deal here described.

- The Group capital ratios and data included in this presentation are calculated including the interim profit and deducting the amount of the dividend pay-out determined according to the current regulation.