



# Group Presentation

October 2024  
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

---

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>

Region	Market Share
Lombardy	13.0%
Veneto	8.0%
Piedmont	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%

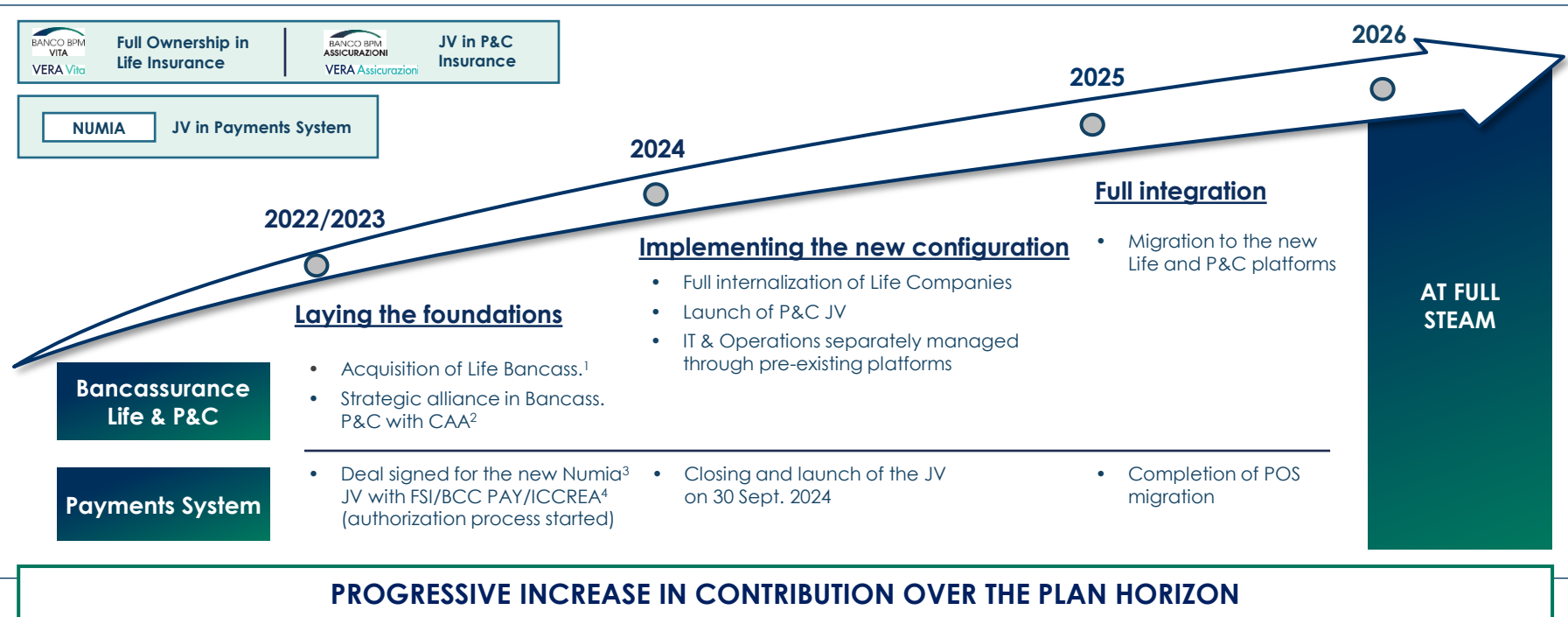
FY 2017 FY 2018 FY 2019 FY 2020 FY 2021 FY 2022 FY 2023 M 2024

BANCO BPM

Notes: 1. Market shares calculated on the number of branches (Source: Studies and Research processing on Bank of Italy Supervisory Reports as of 30/06/2024). 2. Branches in Italy. In addition to the core retail franchise of the Parent Bank (1,358 outlets), this number includes also 54 private banking branches of Banca Aletti as well as 25 other Group outlets as at 30/09/2024. 3. Data as of 30/09/2024.

# 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

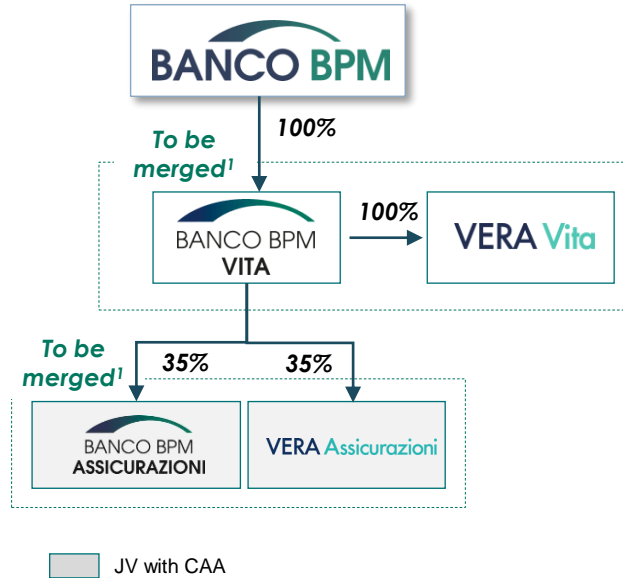
## TRANSACTION DETAILS

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



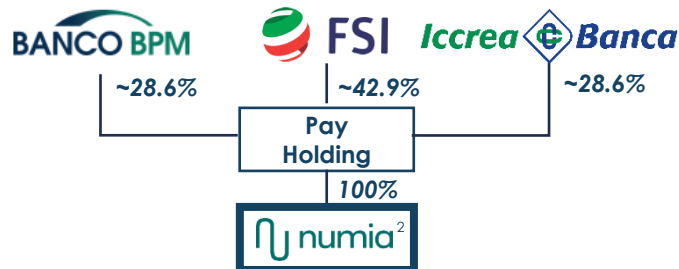
~400K POS



More than €100bn in transacted business volumes per year



Network represented by ~20% of Italian bank branches



**Closing on 30 September 2024**



Notes: 1. Impact before dividend payout, including +88bps related to the upfront capital gain and -49bps in relation to the increase in deductions from capital for the 28.57% stake. The upfront capital gain will contribute in full to the determination of the profit to be considered for the calculation of the dividend, with the application of a payout ratio of 67%. All impacts are calculated on Banco BPM's fully loaded CET 1 ratio at 30/06/2024. Does not consider any impact from potential additional deferred price components of up to €80m. 2. On 1 May 2024, PayCo (BCC Pay S.p.A.) changed its name to Numia S.p.A..



# ...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:

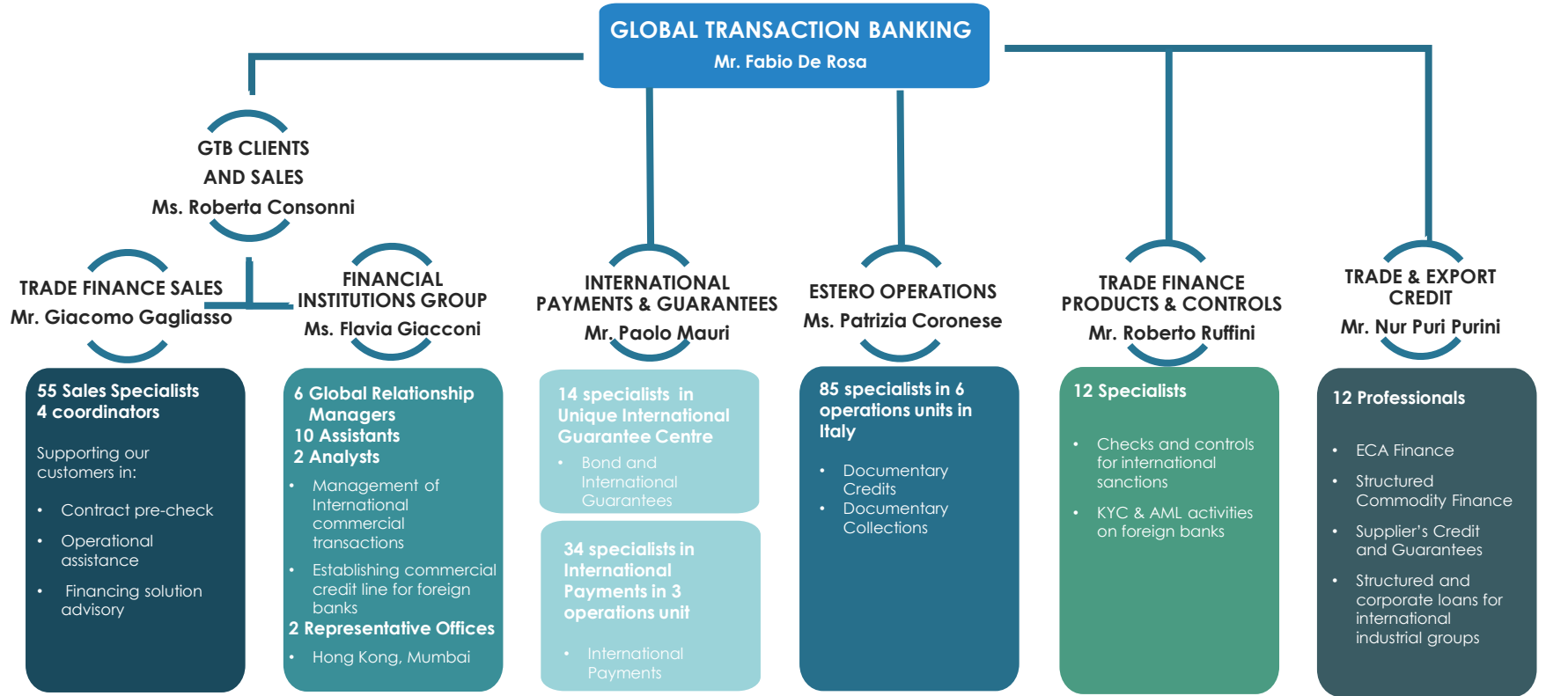
- Solid franchise in the wealthiest northern regions of Italy and well-diversified business model
- Significant enhancement of capitalization and strong de-risking
- Sound recurring earnings capacity with good profitability prospects
- Solid funding and liquidity profile
- Strengthening of the ALAC buffer

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

**BANCO BPM**

Note: 1. Standalone and Long-term ratings. For Fitch, the starting rating considered is the last rating that had been assigned pre-merger to the former two banks Banco Popolare and BPM.

# GLOBAL TRANSACTION BANKING



# FINANCIAL INSTITUTIONS GROUP – THE TEAM



**Flavia Giacconi** - Head of FIG & Representative Offices  
+39 02 77002061  
flavia.giacconi@bancobpm.it

## North America, UK, Scandinavian, Israel, Japan, Oceania



**Andrea Susani** – Area Manager  
+39 0371580640  
andrea.susani@bancobpm.it

Rachele Zaglia +39 045 8274141  
rachele.zaglia@bancobpm.it

## Latam, Spain, Portugal



**Jirma Rosa Zoila Rios Vertiz** – Area Manager  
+39 02 77002308  
jrmazoilarosa.riosvertiz@bancobpm.it

Fabiana Lea Carotenuto +02 77003363  
fabianalea.carotenuto@bancobpm.it

## France, Benelux, Germany, Switzerland, Austria, E.U. South & Eastern Europe



**Giovanna Pasi** – Area Manager  
+39 02 77002866  
giovanna.pasi@bancobpm.it

Francesca Romagnoli +39 045 8274498  
francesca.romagnoli@bancobpm.it  
Inmaculada Samper Y Goterris +39 02 77000115  
inmaculadamaría.sampergoterris@bancobpm.it

# FINANCIAL INSTITUTIONS GROUP – THE TEAM

## Turkey, Baltics, Russia & CIS, Non E.U. South & Eastern Europe



**Flavia Giacconi** (Interim)  
+39 02 77002061  
flavia.giacconi@bancobpm.it

Carolina Olearsh +02 77004431  
carolina.olearsh@bancobpm.it

## China, Far East, Indian Subcontinent



**Annarosa Brunelli** – Area Manager  
+39 045 8274474  
annarosa.brunelli@bancobpm.it

Katia Pippo +39 045 8274435  
katia.pippo@bancobpm.it

Valeria Maria Ferrari +39 0371 582338  
valeriamaria.ferrari@bancobpm.it

## Africa, Middle East, Gulf Countries



**Angelo Scala** – Area Manager  
+39 0277002045  
angelo.scala@bancobpm.it

Annamaria Ricupero +39 045 8675551  
annamaria.ricupero@bancobpm.it

Jacopo Acquati Martani +39 02 77002341  
jacopo.acquatimartani@bancobpm.it

## China Mainland & East Asia HUB

### HONG KONG

32rd floor, 3205 Central Plaza  
18 Harbour Road, Wan Chai  
Tel +852 2522 7608 - Fax +852 2521 9688  
hongkong@bbpm.hk



**Carrie Choi**  
Chief Representative



## China Mainland & East Asia HUB

### MUMBAI

82 – 8th Floor, Jolly Maker Chambers II  
225 Nariman Point Mumbai 400021  
Tel +91 22 22042872 - Fax +91 22 22042874  
mumbai@bbpm.in



**Bhojraj Pathak**  
Chief Representative



# Key Messages: 9M 2024 Executive Summary

---

2

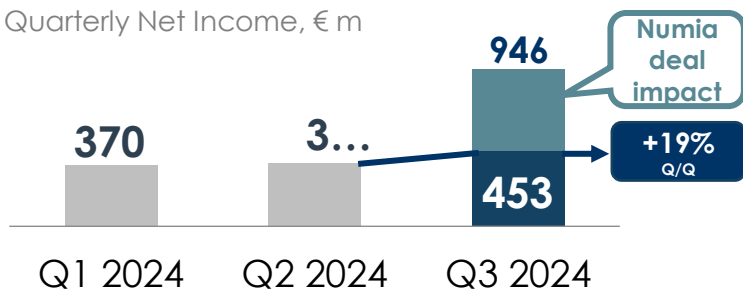
# 9M 2024: CONFIRMING AN OUTSTANDING PERFORMANCE TRACK RECORD...

## 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%

~3.0%

30/09/24  
SP Target

at YE

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

CET 1 RATIO:

15.48%

~14.0%

30/09/24  
SP Landing Point for 2024

## TRANSFORMATIONAL TRANSACTIONS WELL ON TRACK

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

numia

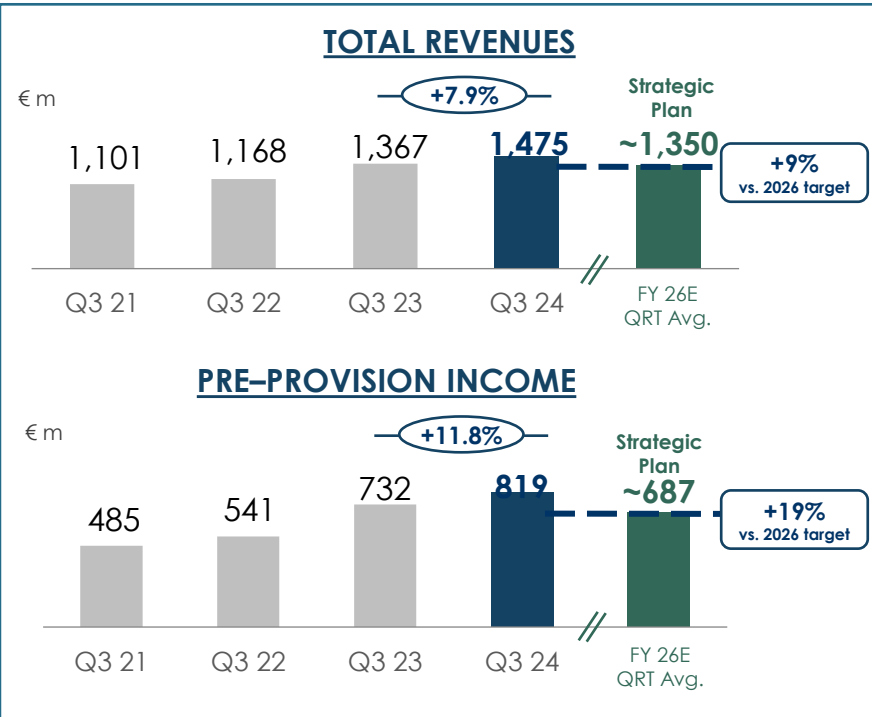
- Deal signed on 30/09/24
- €500m upfront gain (€493m net of taxes)

**ENCOURAGING  
PERFORMANCE IN  
BANCASSURANCE**

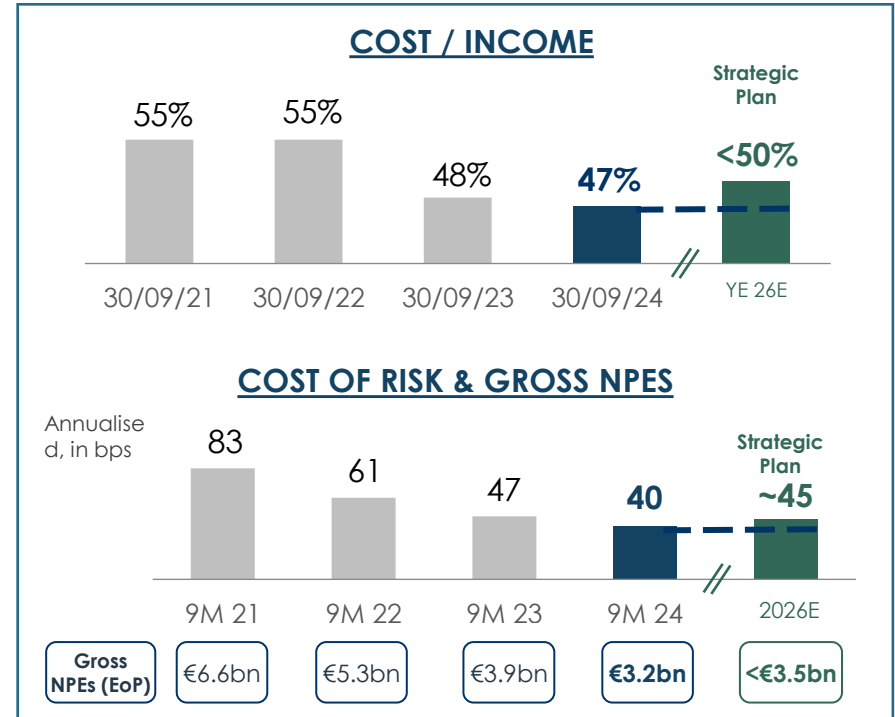
- Income from life insurance at €71m in 9M 24
- Acceleration in Q3 (€56m), including reversal in loss component (~€18m)

# Outperforming Strategic Plan targets

## PROFITABILITY: QUARTERLY TREND

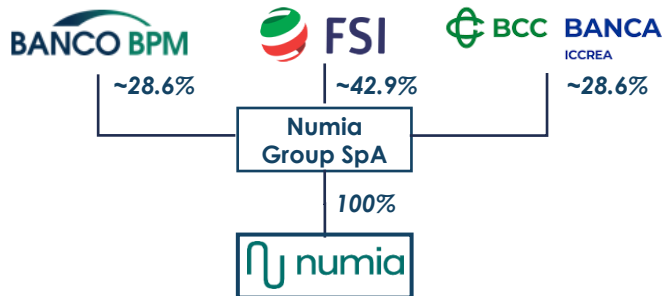


## EFFICIENCY & ASSET QUALITY: YTD PROGRESS



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

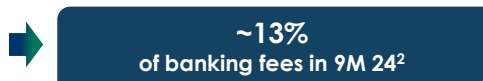
## DEAL OVERVIEW



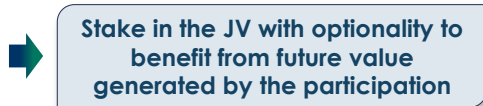
### UPFRONT VALUE GENERATION



### STRENGTHENING OF THE P&L CONTRIBUTION



### FURTHER UPSIDE



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

- >10% market share
- ~8m payment cards
- Network distribution: ~20% of Italian bank branches
- ~400K POS
- >€100bn in transacted business volumes

## 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**

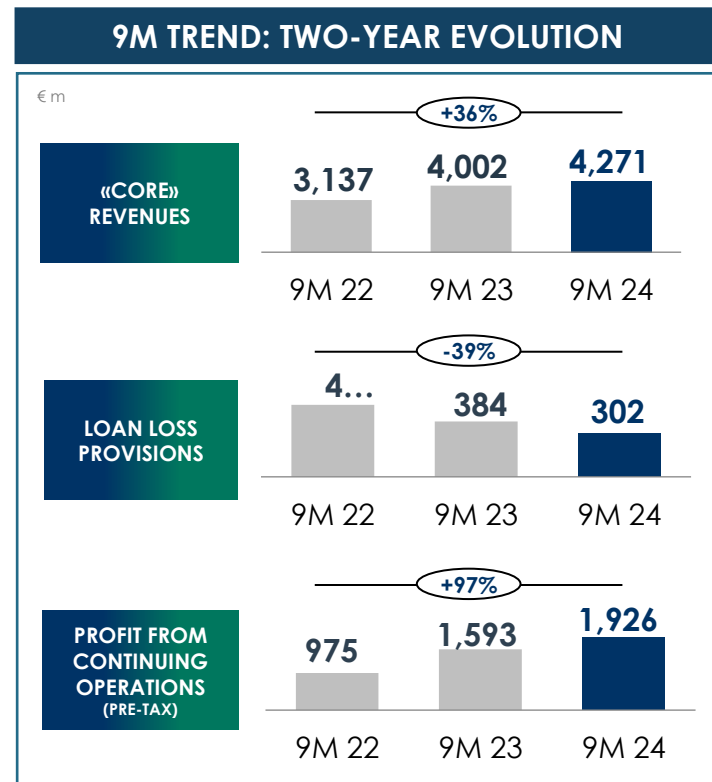
# **Performance Highlights**

---

**3**

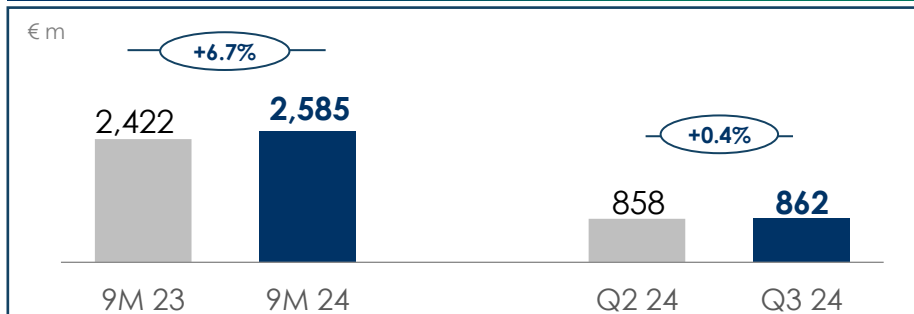
# 9M 2024 Net Income at €1,696m and €1,245m excluding one-offs

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	
o/w Cost of certificates	-76	-69		-188	-220	
o/w Other NFR	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>

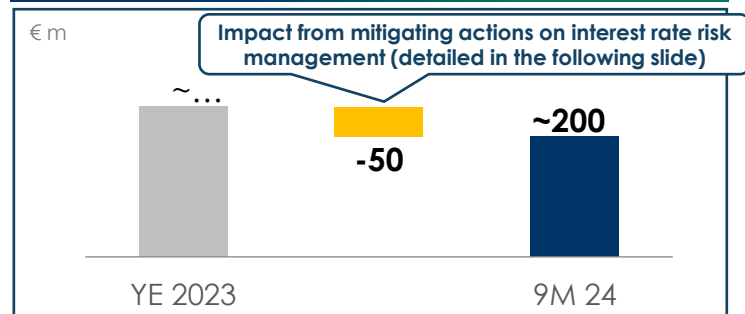


# NII: outperformance and supportive outlook

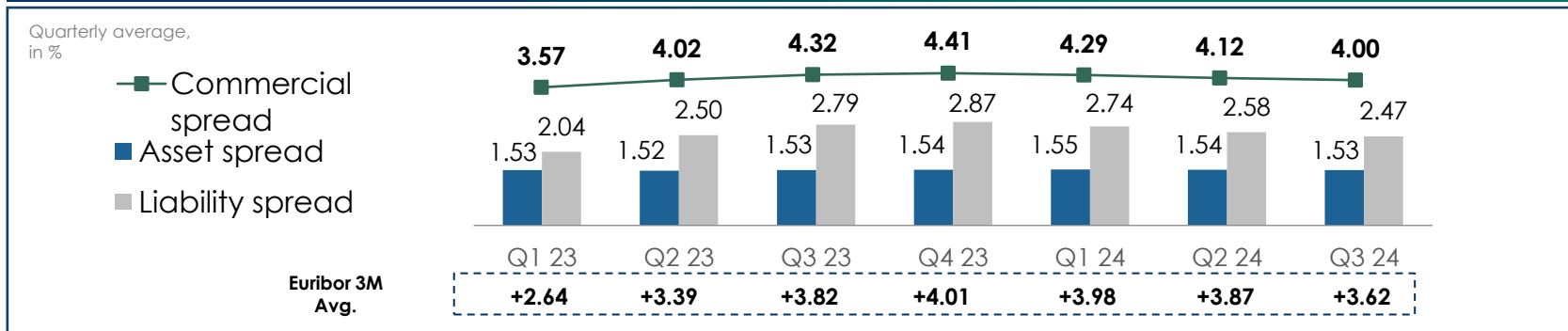
## RESILIENT NII TREND



## 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>

Stock of replicating portfolio

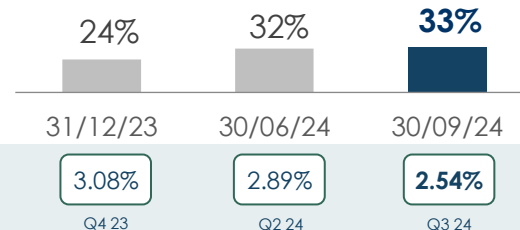
€ bn



- 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%

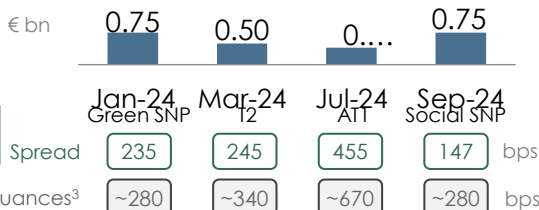
Q3 24

## MAIN COST OF FUNDING DRIVERS

### IMPROVING CREDIT RATINGS & IG STATUS

Senior & Subordinated bonds issued in 9M 24

€ bn



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

Spread

235

245

455

147

bps

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

~280

~340

~670

~280

bps

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

€ bn

>4.5

>9

1.2

YE 24 E

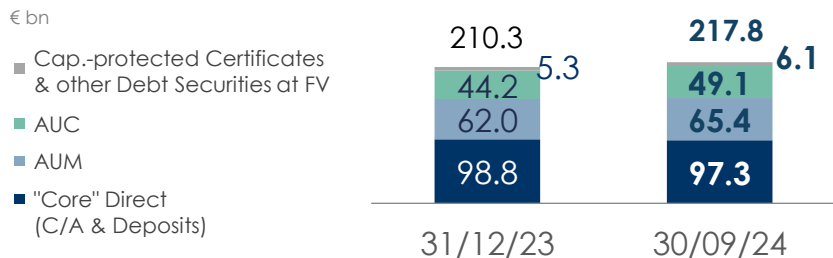
YE 26 E

30/09/24

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

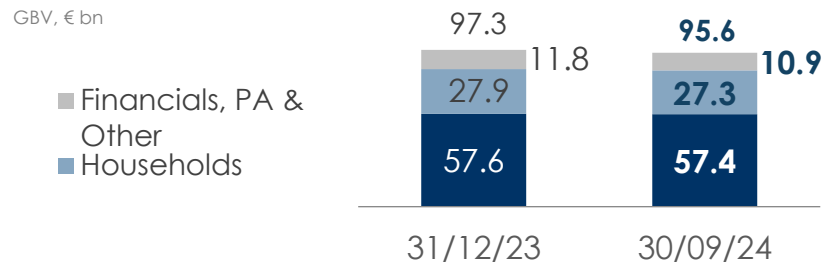
- **+€4.9bn AUC** (+€6bn in the Strategic Plan horizon<sup>1</sup>)
- **+€3.4bn AUM** (+€8bn in the Strategic Plan horizon<sup>1</sup>)

### 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>:

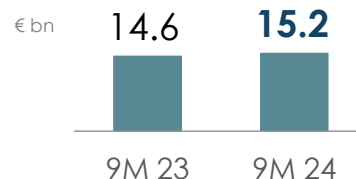
>72% for Small Businesses

### 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

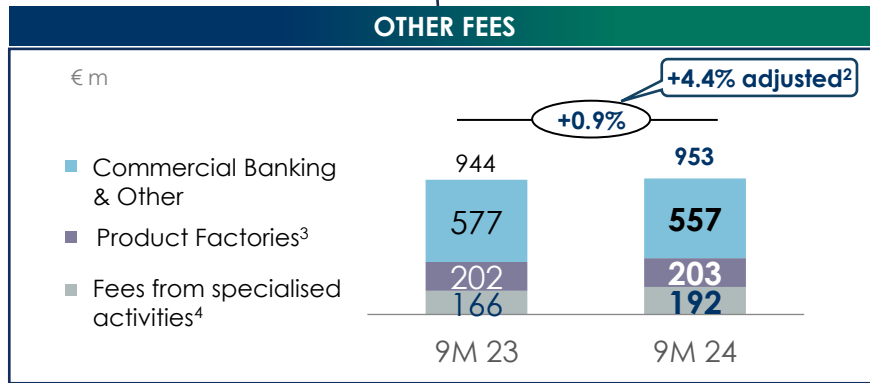
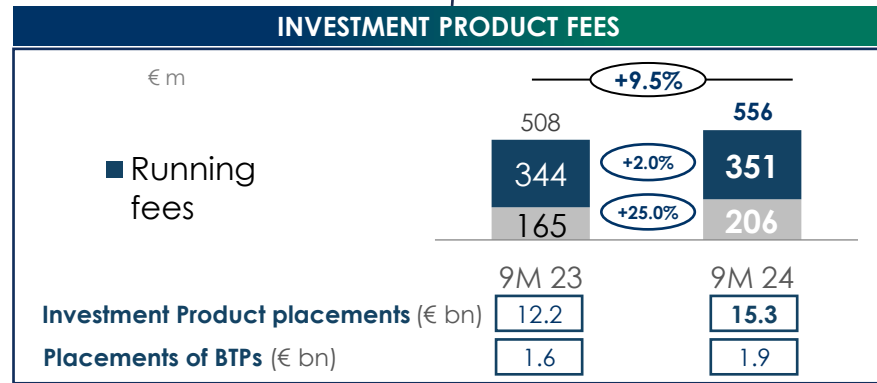
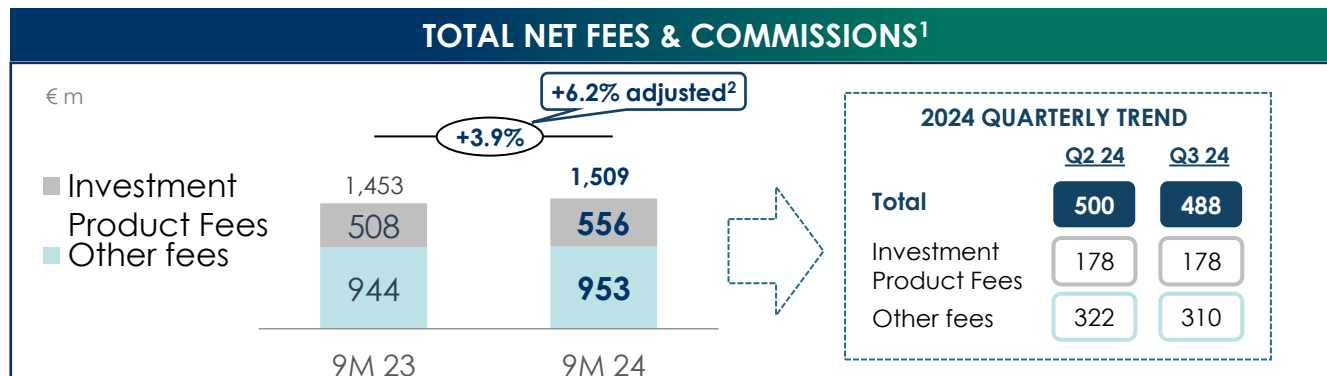
- Supported by decrease in rates



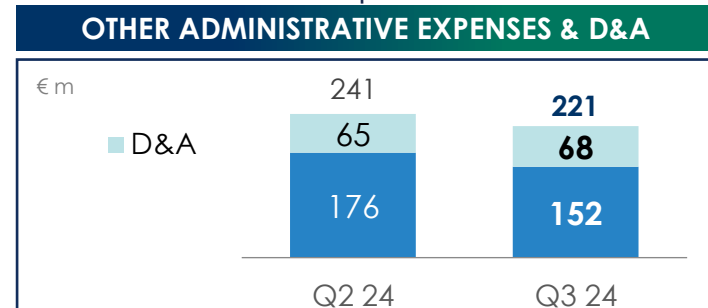
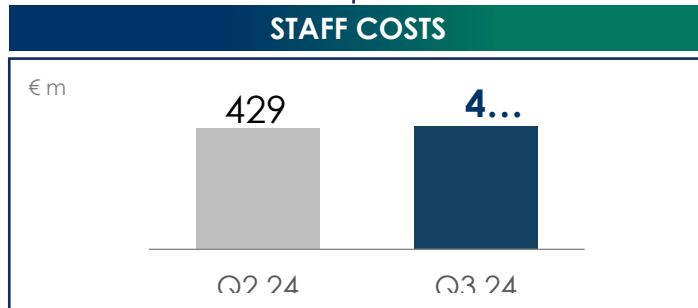
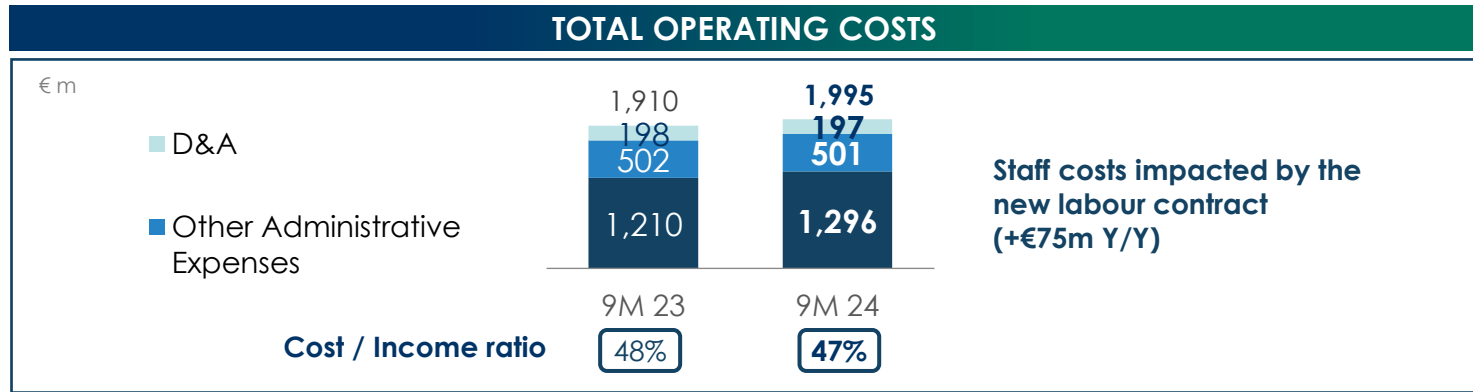
Low-Carbon New M/L Term financing<sup>3</sup>:  
**€4.2bn in 9M 2024**  
 (vs. €5bn FY 2024 target)



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

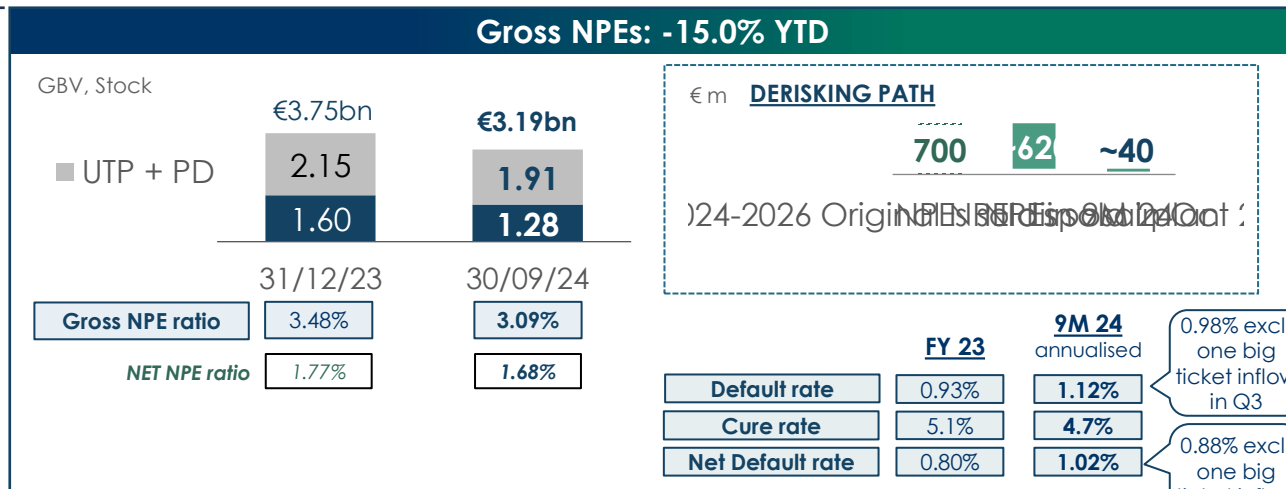
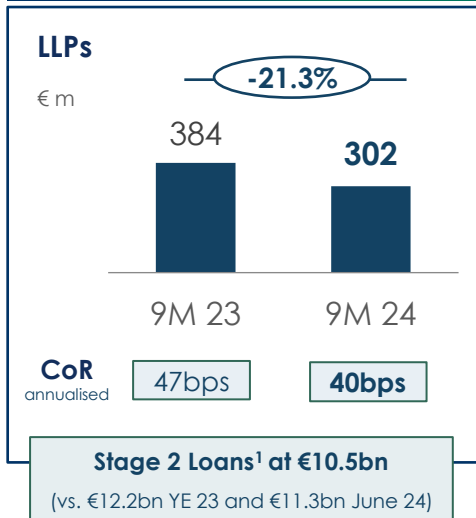


# Cost/Income ratio down at 47%, notwithstanding the new labour contract



# Accelerated derisking plan, with enhanced asset quality and CoR

## LLPs & COST OF RISK



### COVERAGE RATIOS

	31/12/23	30/09/24	excl. loans with State Guarantees
<b>BAD LOANS</b>	60.9% (69%)	59.5% (69%)	74% (81%)
<b>UTP</b>	43.2%	39.9%	44%
<b>NPEs</b>	50.4% (55%)	46.7% (52%)	54% (60%)

### VINTAGE (in years)

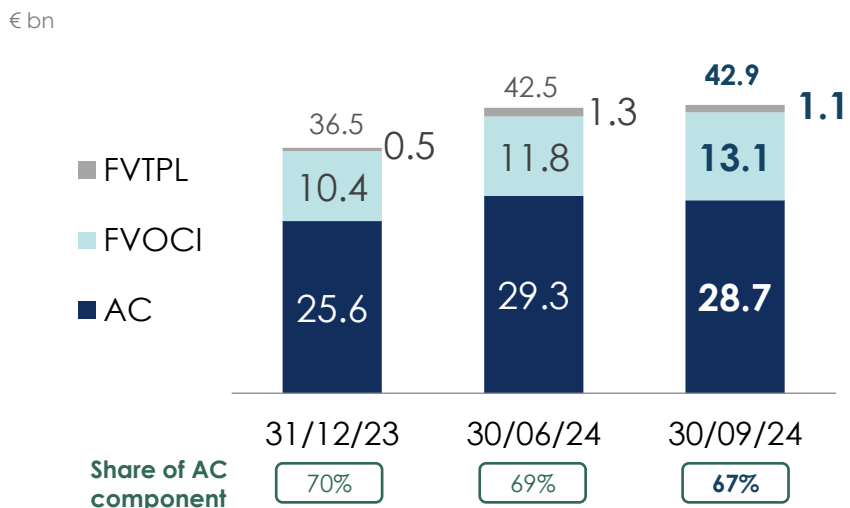
	31/12/23	30/09/24
<b>BAD LOANS</b>	5.0	3.8
<b>UTP</b>	2.5	2.1
<b>NPEs</b>	3.5	2.7

**NPE coverage & vintage evolution reflect significant derisking**

Coverage ratios indicated in brackets include write-offs

# Optimization and diversification of Debt Securities portfolio

## TREND AND BREAKDOWN BY ACCOUNTING CATEGORY



## COMPOSITION BY COUNTERPARTY

€ bn

	31/12/23	30/06/24	30/09/24
<b>Non-Govies</b>	6.1	8.1	8.1
<b>Govies</b>	30.4	34.4	34.8
Non-IT Govies	63.9%	60.2%	61.0%
IT Govies	36.1%	39.8%	39.0%

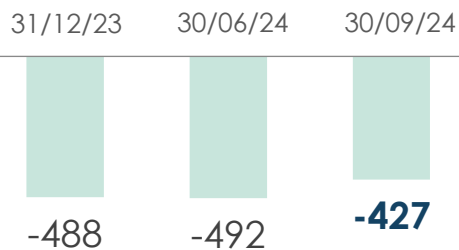
- IT govies on total govies at 39%, well below Strategic Plan Target for the 2024-26 period (<50%)
- Share of IT govies on FVOCI govies ptf. at 19.8%

Share of ESG bonds in the Corporate proprietary ptf. at 35.4%  
(29.1% at YE 2023)<sup>1</sup>

# Positive trend in FVOCI debt reserves and Net Financial Result

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

Post-tax  
€ m



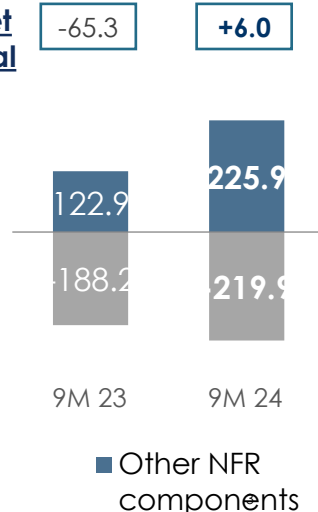
- Positive evolution of net reserves in Q3 24 (+€64m)
- Moderate increase in BPV<sup>2</sup> of total Govies, aimed at mitigating NII impact of interest rate reduction: from <€1m as at 31/12/23 to ~€1.5m as at 30/09/24 (of which only €0.2m for IT Govies)

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

### EVOLUTION Y/Y

#### Total Net Financial Result

€ m

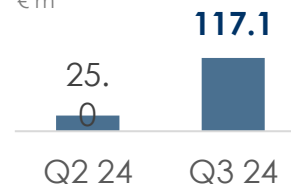


■ Other NFR components

### DETAILS Q/Q

#### Other NFR Components

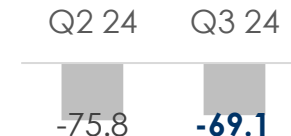
€ m



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

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

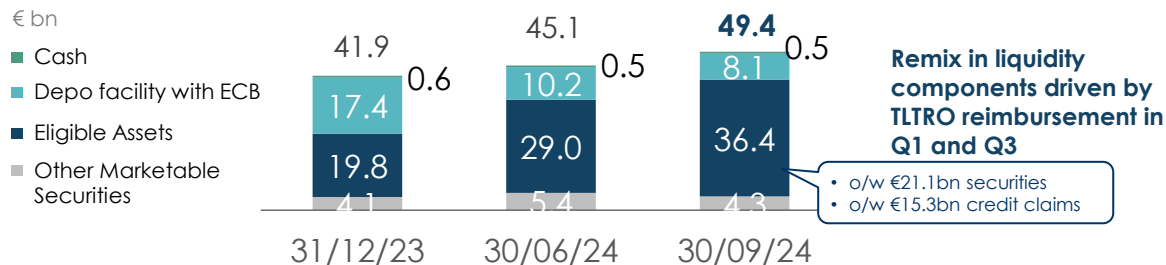
€ m



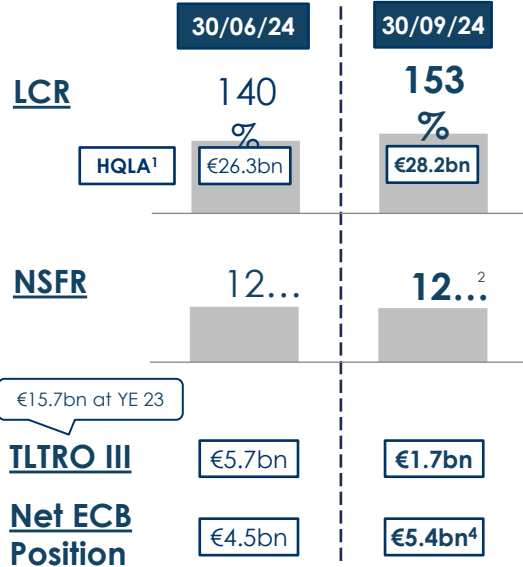
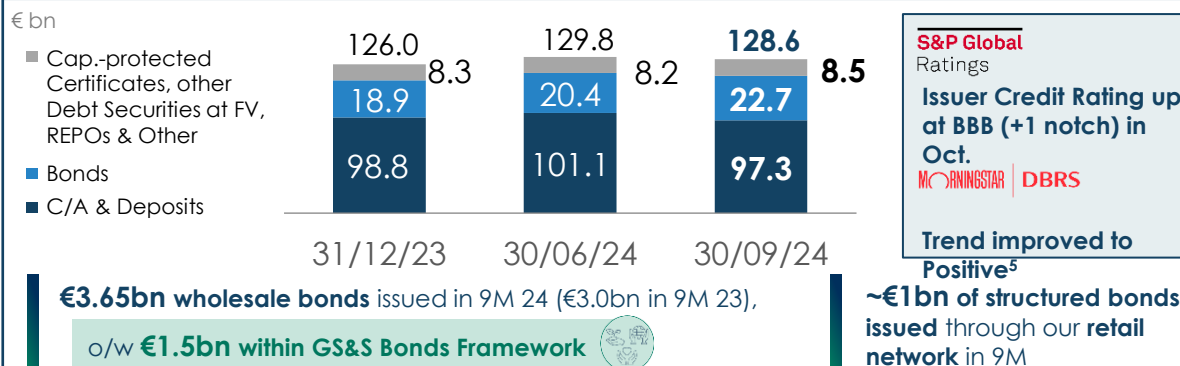
- Contributing to mitigate P&L rate sensitivity in a declining Euribor scenario

# Strong liquidity & funding position

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



## Total Direct Funding<sup>3</sup>: +€2.5bn in 9M

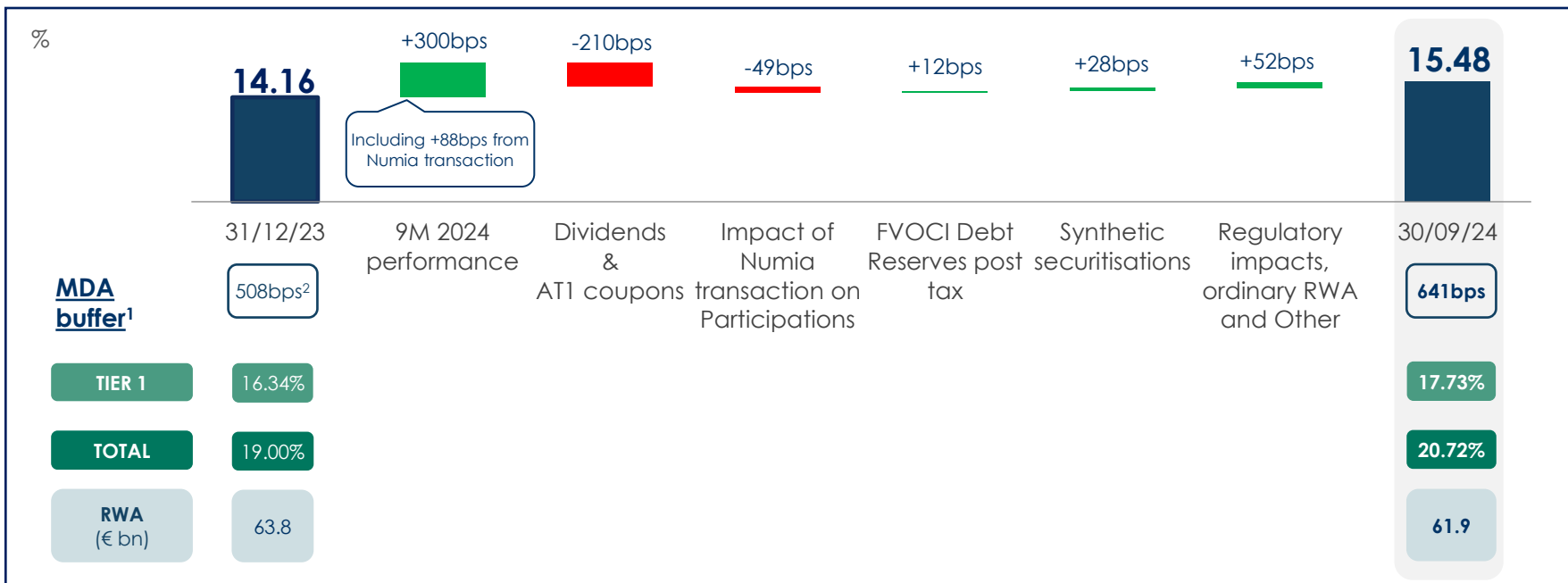


Wide MREL buffer<sup>6</sup>:  
11.05 p.p. (9.45 p.p. in H1)  
vs. Total Requirement 2024

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

## Further significant enhancement of ratios and buffers YTD

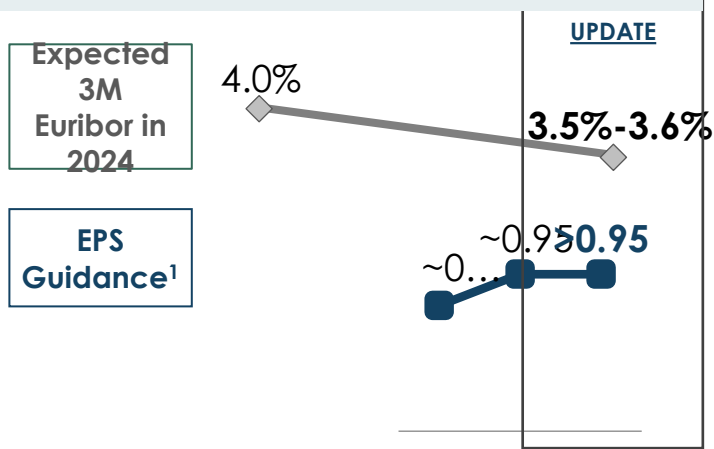
### CET 1 RATIO EVOLUTION: +132BPS IN 9M 2024



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

## NET INCOME: RESILIENT OUTLOOK

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



Dec. 2023: Strategic Plan 2024 Yceme Q2 results presentation  
 Aug. 2024: Yceme Q3 results presentation

... supporting long-term P&L objectives

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

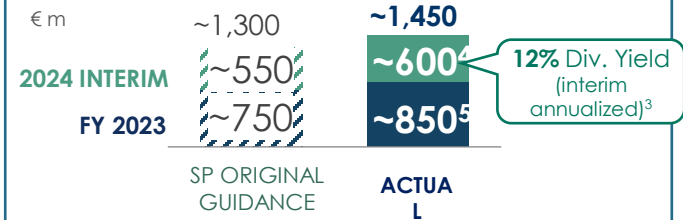
**~€6bn: CONFIRMED EVEN WITH AVG 3M EURIBOR AT ~2% IN 2026**

## 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**



# Disclaimer

This presentation has been prepared by Banco BPM ("Banco BPM"); for the purposes of this notice, "presentation" means this document, any oral presentation, any questions and answers session and any written or oral material discussed following the distribution of this document.

The distribution of this presentation in other jurisdictions may be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of, and observe, these restrictions. To the fullest extent permitted by applicable law, Banco BPM and its subsidiaries disclaim any responsibility or liability for the violation of such restrictions by any person.

This presentation does not constitute or form part of, and should not be construed as, any offer or invitation to subscribe for, underwrite or otherwise acquire, any securities of Banco BPM or any member of its group or any advice or recommendation with respect to such securities, nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities in Banco BPM or any member of its group, or investment decision or any commitment whatsoever. This presentation and the information contained herein does not constitute an offer of securities in the United States or to any U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933 (the "Securities Act"), as amended), Canada, Australia, Japan or any other jurisdiction where such offer is unlawful.

The information contained in this presentation is for background purposes only and is subject to amendment, revision and updating without notice. Certain statements in this presentation are forward-looking statements about Banco BPM. Forward-looking statements are statements that are not historical facts **and are based on information available to Banco BPM as of the date hereof, relying on scenarios, assumptions, expectations and projections regarding future events which are subject to uncertainties because dependent on factors most of which are beyond Banco BPM's control**. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates" and similar expressions. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. Banco BPM does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. You should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation. All subsequent written and oral forward-looking statements attributable to Banco BPM or persons acting on its behalf are expressly qualified in their entirety by this disclaimer.

None of Banco BPM, its subsidiaries or any of their respective representatives, directors, officers or employees nor any other person accepts any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or otherwise arising in connection therewith.

By participating to the presentation of the Group results and accepting a copy of this presentation, you agree to be bound by the foregoing limitations regarding the information disclosed in this presentation.

\*\*\*

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.