

FIRST SUPPLEMENT DATED 5 SEPTEMBER 2023

TO THE BASE PROSPECTUS DATED 6 JUNE 2023



BANCO BPM S.P.A.

(incorporated as a joint stock company (società per azioni) in the Republic of Italy)

€25,000,000,000 Euro Medium Term Note Programme

This Supplement to the Base Prospectus (the “**Supplement**”) constitutes a prospectus supplement for the purposes of Article 23(1) of Regulation (EU) 2017/1129 of 14 June 2017, as amended, and is prepared in connection with the Base Prospectus dated 6 June 2023 (the “**Base Prospectus**”) prepared by Banco BPM S.p.A. (“**Banco BPM**” or the “**Issuer**”) with respect to its €25,000,000,000 Euro Medium Term Note Programme (the “**Programme**”).

This Supplement has been approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”), which is the Luxembourg competent authority for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and any relevant implementing measures in Luxembourg.

The Issuer accepts responsibility for the information contained in this Supplement. The Issuer declares that the information contained in the Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

This Supplement is supplemental to, and should be read and construed in conjunction with, the Base Prospectus. Terms defined in the Base Prospectus (but not defined herein) shall have the same meaning when used in this Supplement.

Save as disclosed in this Supplement (and in the documents incorporated by reference as described below), there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus.

This Supplement has been produced for the purpose of amending and supplementing the following sections of the Base Prospectus:

- Risk Factors;
- Documents Incorporated by Reference;
- Use of Proceeds;
- Selected Consolidated Financial Data;
- Description of the Issuer and the Group;
- Taxation; and
- General Information.

RISK FACTORS

1. On page 15 of the Base Prospectus, the fourth, fifth and sixth paragraphs of the risk factor entitled “*Risks related to legal proceedings and inspections by Supervisory Authorities*” shall be deleted in their entirety and replaced as follows:

“With regard to the diamonds sales activity carried out by a specialized third party company, the Intermarket Diamond Business S.p.A. (the “**IDB**”), in the first six months of 2023, the new complaints related to the proceedings by the Italian Antitrust Authority (“**AGCM**”) were limited both in number and in overall additional *petitum* (equal to approximately Euro 2.1 million). As of 30 June 2023, as a result of the settlement activity through transactions or of a final sentence, complaints and disputes have been defined for a total *petitum* of more than Euro 654.2 million against claims that at the same date amounted to a total of approximately Euro 720.2 million. It should also be noted that on 16 February 2023, the Public Prosecutor of Verona ordered the release of the sum of Euro 80.3 million in favour of the Bank. At this stage, the Public Prosecutor's Office has decided to withhold the remaining amount of approximately Euro 3.5 million as a precautionary measure.

The Banco BPM Group is managing the clients’ complaints and litigation arising from such reporting activity through a dedicated task force and the provisions set forth in the 2022 Annual Financial Statements and the 2023 Consolidated Interim Financial Report.

For further information please see further the paragraph in this Base Prospectus headed “*Legal Proceedings of the Group- Ongoing Legal and Administrative Proceedings - Proceedings related to the diamonds reporting activities*” and “*10.6.3 Other Provisions – other*” on pages 312 – 314 of the 2021 Annual Financial Statements, “*10.6.3 Other Provisions – other*” on pages 338 – 341 of the 2022 Annual Financial Statements and “*10.6.3 Other Provisions – other*” on pages 146 – 148 of the 2023 Consolidated Interim Financial Report, each incorporated by reference in this Base Prospectus.”

2. On pages 25-26 of the Base Prospectus, the risk factor entitled “*Risks related to recent and forthcoming regulatory and accounting changes*” shall be deleted in its entirety and replaced as follows:

“Risks related to recent and forthcoming regulatory, tax and accounting changes

Regulatory changes

In addition to the own funds and eligible liabilities and liquidity requirements introduced by Basel III, the CRD IV, the BRRD and the EU Banking Reform, there are several other initiatives, in various stages of finalisation, which represent additional regulatory pressure over the medium term and will impact the EU’s future regulatory direction. These initiatives include, amongst others, a revised Markets in Financial Instruments EU Directive and Markets in Financial Instruments EU Regulation which entered into force on 2 July 2014 with implementation required at Member States level as from January 2018 subject to certain transitional arrangements. A new framework for European securitisation (implemented through Regulation (EU) 2017/2042 and Regulation (EU) 2017/2401) has introduced the long awaited rules for issuing simple, transparent and standardised transactions and replaced the provisions of the CRR relating to the regulatory capital treatment of securitisation exposures held by EU credit institutions and investment firms. Moreover, the Basel Committee has embarked on a very significant RWAs variability agenda. This includes the “Fundamental Review of the Trading Book”, revised standardised approaches (e.g. credit, market, operational risk), constraint on the use of internal models, as well as the introduction of a capital floor. The regulator’s primary aim is to eliminate unwarranted levels of RWA variance. The new setup will have a significant impact on risk modelling. From a credit risk perspective, an impact is expected both on capital held against the exposures assessed via standardised approach and on those evaluated via an internal ratings based approach (“*IRB*”), due to the introduction of capital floors that, according to the new framework, will be calculated based on the revised standardised approach. Implementation of these new rules on risk models are expected to take effect from 1 January 2025.

Other forthcoming regulatory changes include the EU Banking Reform that amend many of the existing provisions set forth in CRD IV, the BRRD and the SRM Regulation. For additional information, see also “*Regulatory*” and “*Risks related to regulatory changes in the banking and financial sectors and to the changes*

of the other laws applicable to the Banco BPM Group”. On 7 December 2017 the Basel Committee endorsed the outstanding Basel III post-crisis regulatory reforms. The reforms, which include revisions to the measurement of the leverage ratio and a leverage ratio buffer for global systemically important banks (G-SIBs), which takes the form of a Tier 1 capital buffer set at 50% of a G-SIB’s risk weighted capital buffer, is effective from 1 January 2022 and will be phased in over five years. These are being introduced in the EU through the amendments to the CRR contained in the EU Banking Reform.

In addition, the EU Banking Reform changes the rules for calculating the capital requirements for market risks against the trading book positions set out in the CRR, to transpose the work done by the Basel Committee with the Fundamental Review of the Trading Book into EU law by establishing clearer and more easily enforceable rules on the scope of application to prevent regulatory arbitrage; improving risk capture, making requirements proportionate to reflect more accurately the actual risks to which banks are exposed; and strengthening the conditions to use internal models to enhance consistency and risk-weight comparability across banks. The new rules include a phase-in period.

There can be no assurance that the implementation of the new capital requirements, standards and recommendations described above will not require the Issuer to issue additional securities that qualify as regulatory capital, to liquidate assets, to curtail business or to take any other actions, any of which may have adverse effects on the Issuer’s business, financial condition and results of operations. Furthermore, increased capital requirements may negatively affect Issuer’s return on equity and other financial performance indicators.

Tax changes

The Italian Government, with Article 26 of Law Decree No. 104 of 10 August 2023 (“**Decree 104**”), introduced for the year ending 31 December 2023 an extraordinary lump sum tax on banks’ windfall profits (“**Windfall Tax**”). The Windfall Tax purports to target the increased profits of banks licensed to operate in Italy resulting from high interest rates. The Windfall Tax is calculated by applying a 40% rate on the higher of:

- (i) increase recorded in net interest income for the year ended 31 December 2022 compared with the year ended 31 December 2021, provided that such increase is equal to or exceeds 5%; and
- (ii) increase recorded in net interest income for the year ending 31 December 2023 compared with the year ended 31 December 2021, provided that such increase is equal to or exceeds 10%.

It should be noted that the above mentioned Decree provides a cap for the Windfall Tax equal to 0.1% of total assets related to the year ended 31 December 2022.

For the banks of the Banco BPM Group the tax liability calculated on the increase in the net interest income¹ would exceed the above-mentioned cap. As a result, the actual tax liability pursuant to the Windfall Tax will be calculated as 0.1% of the total assets as of 31 December 2022, being therefore approximately equal to Euro 183 million.

The Windfall Tax, even though it is calculated on the basis of the net interest margin, is not deductible for the purpose of calculating income taxes applicable to banks (IRES and IRAP). Payment of the Windfall Tax is due within six months from the conclusion of the year ending 31 December 2023.

Decree 104 is subject to conversion into law by the Italian Parliament within 9 October 2023, being 60 days from its publication in the Italian Official Gazette. If Decree 104 is not converted into law within such 60 day period, it will be retroactively repealed. It is important to note that the conversion law may amend Decree 104 and the Windfall Tax, possibly in material terms. Therefore, potential investors should note that the description of the Windfall Tax set out above may be subject to change, and that such changes may be material.

Therefore, the full impact of Decree 104 on Banco BPM Group should be assessed once its final version is available.

¹ The calculation was carried out on the basis of the current estimate of the net interest income expected to be recorded in 2023 by the banks of the Banco BPM Group . In addition, in respect of one of the three Italian banks belonging to the Banco BPM Group (Banca Akros), the extraordinary tax calculated on the increase in the net interest income is nil as the relevant increase does not exceed the Windfall Tax thresholds set out in (i) and (ii) above.

Accounting changes

The Issuer is exposed to the effects of changes in accounting principles or standards and regulations (including those resulting from International Accounting Standards as endorsed and adopted in Europe). In this respect, as part of the project of rationalising and promoting the real estate assets of the Group, the Issuer resolved to change the measurement criterion for property and valuable works of art, adopting the fair value for real estate investments and the revaluation value for property used in operations and valuable works of art. The income statement for the year ended 31 December 2022 shows a net negative impact of Euro 108.3 million resulting from the adjustment of the fair value of investment properties following the annual update of valuation reports. For the year ended 31 December 2021, the net impact was a negative Euro 141.6 million.

The Banco BPM Group is exposed, like other parties operating in the banking sector, to the effects of the entry into force and subsequent application of new accounting principles or standards and regulations and/or changes to them (including those resulting from IFRS as endorsed and adopted into European law). Specifically, the Banco BPM Group, like other parties operating in the banking sector, may need to revise the accounting and regulatory treatment of some existing assets, liabilities and transactions (and the related income and expense), with possible negative effects, including significant ones, on the estimates in financial plans for future years and this could lead to the Issuer having to restate financial data published previously. Investors should be aware that implementation of new accounting principles or standards and regulations (or changes thereto) may have a material adverse effect on the business, financial condition and/or results of operations of the Issuer and/or of the Banco BPM Group.”

3. On page 28-29 of the Base Prospectus, the risk factor entitled “*Risks related to the forthcoming tax reform of financial incomes*” shall be deleted in its entirety and replaced as follows:

“Law No. 111 of 9 August 2023, published in the Official Gazette No. 189 of 14 August 2023 (“**Law 111**”), delegates power to the Italian Government to enact, within twenty-four months from its publication, one or more legislative decrees implementing the reform of the Italian tax system. According to Law 111, the tax reform will significantly change the taxation of financial incomes and capital gains and introduce various amendments in the Italian tax system at different levels. The precise nature, extent, and impact of these amendments cannot be quantified or foreseen with certainty at this stage. The information provided in this Base Prospectus may not reflect the future tax landscape accurately.

Investors should be aware that the amendments that may be introduced to the tax regime of financial incomes and capital gains could increase the taxation on interest, similar income and/or capital gains accrued or realised under the Notes and could result in a lower return of their investment.

Prospective investors should consult their own tax advisors regarding the tax consequences described above.”

DOCUMENTS INCORPORATED BY REFERENCE

The information set out below supplements the section of the Base Prospectus entitled “*Documents Incorporated by Reference*” on pages 43 and 44 of the Base Prospectus.

Banco BPM: 2023 Consolidated Interim Financial Report

The sections of the English translation of the unaudited consolidated interim financial report as at and for the six months ended 30 June 2023 (the “**2023 Consolidated Interim Financial Report**”), which has previously been published and has been filed with the CSSF, identified in the table below shall be incorporated by reference into this Supplement and shall, by virtue of this Supplement, be deemed to be incorporated by reference in, and form part of, the Base Prospectus. The parts of the 2023 Consolidated Interim Financial Report not included in the cross-reference list above are either not relevant for the investor or covered elsewhere in the Base Prospectus, as supplemented by this Supplement. The 2023 Consolidated Interim Financial Report is available at https://gruppo.bancobpm.it/media/dlm_uploads/Consolidated-interim-financial-report-as-at-30-June-2023.pdf.

The following table shows where specific items of information are contained in the 2023 Consolidated Interim Financial Report.

Document	Information incorporated	Page numbers
2023 Consolidated Interim Financial Report	<i>Group financial highlights and economic ratios</i>	9 – 11
	<i>Consolidated balance sheet figures</i>	31 – 38
	<i>Consolidated income statement figures</i>	39 – 45
	<i>Key financial highlights of the main Group companies</i>	45
	<i>Consolidated balance sheet</i>	52 – 53
	<i>Consolidated income statement</i>	54
	<i>Statement of consolidated comprehensive income</i>	55
	<i>Statement of changes of consolidated shareholders’ equity</i>	56 – 57
	<i>Consolidated cash flow statement</i>	58 – 59
	<i>Explanatory notes</i>	60 – 227
	<i>Certification of the consolidated condensed interim financial statements</i>	231
<i>Independent Auditors’ Report</i>	235	

Banco BPM results as of 30 June 2023

The press release dated 2 August 2023 entitled “*Results as of 30 June 2023*” (the “**HY 2023 Results Press Release**”), which has been published and filed with the CSSF and is available at: https://gruppo.bancobpm.it/media/dlm_uploads/2023_08_02_Banco-BPM-H1-2023-Group-Results-1.pdf is incorporated by reference in its entirety into this Supplement, and shall, by virtue of this Supplement, be deemed to be incorporated by reference in, and form part of, the Base Prospectus, with the exclusion of (i) the third paragraph on page 1 of the HY 2023 Results Press Release and (ii) the seventh paragraph on page 15 of the HY 2023 Results Press Release.

The following table shows where specific items of information are contained in the HY 2023 Results Press Release.

Document	Information incorporated	Page numbers
HY 2023 Results Press Release	<i>Main balance sheet aggregates</i>	4

<u>Document</u>	<u>Information incorporated</u>	<u>Page numbers</u>
	<i>Main income statement items</i>	4-5
	<i>Capital position</i>	5
	<i>Credit quality</i>	5-6
	<i>Liquidity profile</i>	6-8
	<i>Economic performance of operations in the first half of 2023 compared to the first half of 2022</i>	8-10
	<i>Economic performance of operations in the second quarter of 2023 compared with the first quarter of 2023</i>	10-12
	<i>Evolution of the main balance sheet aggregates</i>	12-14
	<i>Group capital ratios</i>	14
	<i>Business Outlook</i>	14-15
	<i>Explanatory notes</i>	16-22
	<i>Reclassified consolidated balance sheet</i>	23
	<i>Reclassified consolidated income statement</i>	24
	<i>Reclassified consolidated income statement – Quarterly evolution</i>	25
	<i>Reclassified consolidated income statement, excluding non-recurring items</i>	26
	<i>Reclassified income statement - Impact for the year 2022 related to the application of IFRS 17 to insurance companies</i>	27

In order to better evaluate Banco BPM’s financial information provided in the 2023 Consolidated Interim Financial Report and the HY 2023 Results Press Release, the management has identified several Alternative Performance Measures (“APMs”). Management believes that these APMs provide useful information for investors as regards the financial position, cash flows and financial performance of the same, because they facilitate the identification of significant operating trends and financial parameters. The APMs are used by the management of the Issuer to monitor Banco BPM’s financial and operating performance and are consistent with the most widespread practices in the banking sector. The following APMs contained in the 2023 Consolidated Interim Financial Report and the HY 2023 Results Press Release are based on the guidelines of the European Securities and Markets Authority of 5 October 2015 (ESMA/2015/1415), incorporated in Consob communication no. 0092543 of 3 December 2015²:

- “Direct funding from customers” includes deposits and current accounts and demand and term deposits, bonds issued, certificates of deposit and other securities, loans and other debts, and capital-protected certificates. Repurchase agreements are not included;
- “Core direct funding” or “Direct funding of the commercial network” is calculated as the sum of current accounts and deposits;
- “Indirect funding net of protected capital certificates” is calculated as the aggregate of indirect funding (managed assets and administered assets) net of deposits underlying protected capital

² Please note that APMs relating to loans to customers, credit exposures and credit quality are calculated in respect of the exposures included in the balance sheet items of “Loans to customers” measured at amortised cost.

certificates;

- “Core net performing loans” is calculated as the sum of mortgages, loans, current accounts and personal loans;
- “Net financial result excluding the effect of the change in own credit risk” is calculated as the difference between net financial result and the impact (positive or negative) of the change in own credit risk on the valuation of the certificates issued by the Group;
- “Gross NPE Ratio” or “Percentage of non-performing exposures out of total loans” is calculated as the ratio between gross non-performing exposures and total gross exposures;
- “Gross NPE Ratio (EBA methodology)” is calculated in accordance with the methodology used by EBA for the presentation of data in the context of the EU Transparency Exercise;
- “Net NPE Ratio” is calculated as the ratio between net non-performing exposures and total net exposures;
- “Cost of risk” or “Cost of credit” is calculated as the ratio between net adjustments on loans to customers and net receivables from customers;
- “Coverage of bad loans” is calculated as the ratio between the amount of cumulated net adjustments on bad loans and the gross amount of bad loans;
- “Coverage of bad loans including write-offs” is calculated as the ratio between the amount of cumulated net adjustments on bad loans and the gross amount of bad loans (including write-offs in both items);
- “Coverage of unlikely to pay loans” is calculated as the ratio between the amount of cumulated net adjustments on unlikely to pay loans and the gross amount of unlikely to pay loans;
- “Coverage of past due exposures” is calculated as the ratio between the amount of cumulated net adjustments on past due exposures and the gross amount of past due exposures;
- “Coverage of total non-performing exposures” is calculated as the ratio between the amount of cumulated net adjustments on total non-performing exposures and the gross amount of total non-performing exposures;
- “Coverage of total non-performing exposures including write-offs” is calculated as the ratio between the amount of cumulated net adjustments on total non-performing exposures and the gross amount of total non-performing exposures (including write-offs in both items);
- “Coverage of total performing exposures” is calculated as the ratio between the amount of cumulated net adjustments on total performing exposures and the gross amount of total performing exposures;
- “Texas ratio” is calculated as the ratio of the net value of non-performing loans to the Group’s tangible equity (net of the related tax effects);
- “Adjusted Profit/(loss) before tax from continuing operations” is calculated as income (loss) before tax from continuing operations net of the non-recurring economic components;
- “Adjusted net result” or “Adjusted net profit” is calculated as net income (or net profit) net of the non-recurring economic components;
- “Operating expenses/Operating income” or “Cost/income” is calculated as the ratio of reclassified Operating expenses to reclassified Operating income;
- “Core Total Income” or “Revenues from Core Banking Business” or “Core revenues” are calculated as the sum of “net interest income”, “net fees and commissions”, “income/loss from investments in

associates carried at equity” and “income from insurance business”³;

- “Financial margin/Operating income” is calculated as the ratio of Financial margin to Operating income;
- “Net fee and commission income/Operating income” is calculated as the ratio of Net fee and commission income to Operating income;
- “Loans to customers (net) per employee” is calculated as the ratio between the net amount of Loans to customers and the Arithmetic average number of employees and other staff;
- “Annualized operating income per employee” is calculated as the ratio between the Annualized Operating Income and the Arithmetic average number of employees and other staff;
- “Annualized operating Expenses per employee” is calculated as the ratio between the Annualized Operating Expenses and the Arithmetic average number of employees and other staff;
- “Net bad loans/Loans to customers (net)” is calculated by dividing the net amount of bad loans by the net amount of loans to customers;
- “Unlikely to pay/Loans to customers (net)” is calculated by dividing the net amount of unlikely to pay by the net amount of loans to customers;
- “Net bad loans/Shareholders’ equity” is calculated by dividing the net amount of bad loans by the amount of Shareholders’ equity;
- “Financial assets and hedging derivatives/Total assets” is calculated by dividing the amount of financial assets and hedging derivatives by total assets;
- “Total derivatives/Total assets” is calculated as the ratio between Derivative assets (sum of hedging and trading derivatives) and total assets;
- “Trading derivatives/total assets” is calculated as the ratio between the amount of the derivatives included under Balance Sheet item 20 a) of assets, “Financial assets designated at fair value through profit and loss - held for trading” by total assets;
- “Hedging derivatives/total assets” is calculated as the ratio between the amount of Balance Sheet item 20. of assets by total assets;
- “Net trading derivatives/Total assets” is calculated as the ratio between Net trading derivatives (mismatch, in absolute terms, between the derivatives included under Balance Sheet item 20 a) of assets, “Financial assets designated at fair value through profit and loss - held for trading”, and item 20 of liabilities, “Financial liabilities held for trading”) and total assets;
- “Loan to deposit ratio (Net loans/Direct funding)” is calculated by dividing the amount of net loans to customers by direct funding.

It should be noted that:

- a. the APMs are based exclusively on historical data of the Issuer and are not indicative of future performance;
- b. the APMs are not derived from IFRS and, while they are derived from the 2023 Consolidated Interim Financial Report and the HY 2023 Results Press Release of Banco BPM prepared in conformity with these principles, they are not subject to audit;

³ As a result of the line-by-line consolidation of insurance companies, as of third quarter 2022, the aggregate also includes the item Net income from insurance business.

- c. the APMs are non-IFRS financial measures and are not recognised as measure of performance or liquidity under IFRS and should not be recognised as alternative to performance measures derived in accordance with IFRS or any other generally accepted accounting principles;
- d. the above-mentioned APMs are calculated on the basis of the relevant reclassified financial statements and should be read together with the 2023 Consolidated Interim Financial Report and the HY 2023 Results Press Release;
- e. since not all companies calculate APMs in an identical manner, the presentation of Banco BPM may not be consistent with similar measures used by other companies. Therefore, undue reliance should not be placed on these data. Therefore, investors should not place undue reliance on these APMs;
- f. the APMs and definitions used herein are consistent and standardised for the period for which financial information in this Base Prospectus is included.

Banco BPM – BCC Iccrea Group – FSI: Italy’s second largest pole in the Payments business is born

The press release dated 14 July 2023 entitled “*Banco BPM – BCC Iccrea Group – FSI: Italy’s second largest pole in the Payments business is born*”, which has been published and filed with the CSSF and is available at: https://gruppo.bancobpm.it/media/dlm_uploads/2023_07_14-Banco-BPM-BCC-Iccrea-Group-FSI-.-Italys-second-largest-pole-in-the-Payments-business-is-born.pdf, is incorporated by reference in its entirety into this Supplement with the exclusion of pages 4 and 5, and shall, by virtue of this Supplement, be deemed to be incorporated by reference in, and form part of, the Base Prospectus.

Banco BPM: EU-wide stress test 2023

The press release dated 28 July 2023 entitled “ *Banco BPM: EU-wide stress test 2023*”, which has been published and filed with the CSSF and is available at: https://gruppo.bancobpm.it/media/dlm_uploads/2023_07_28-Banco-BPM-Results-of-2023-EU-wide-Stress-Test-1.pdf, is incorporated by reference in its entirety into this Supplement, and shall, by virtue of this Supplement, be deemed to be incorporated by reference in, and form part of, the Base Prospectus.

USE OF PROCEEDS

On page 155 of the Base Prospectus, the section entitled “*Use of Proceeds*” shall be deleted in its entirety and replaced as follows:

“The net proceeds of the sale of each Tranche of Notes will be used by the Issuer, as indicated in the applicable Final Terms relating to the relevant Tranche of Notes, either:

- a) for general funding purposes and to improve the regulatory capital structure of Banco BPM; or
- b) to finance or refinance, in whole or in part, Eligible Green Loans and Eligible Social Loans (as defined below).

Green Bonds, Social Bonds and Sustainability Bonds

In accordance with the Issuer’s “Green, Social and Sustainability Bonds Framework” or in accordance with certain prescribed eligibility criteria as in such case shall be set out in the applicable Final Terms, where an amount equal to the net proceeds of the issuance of such Notes is specified in the applicable Final Terms to be used for the financing and/or refinancing of (i) Eligible Green Loans, any such Notes will be referred to as “**Green Bonds**”; (ii) Eligible Social Loans, any such Notes will be referred to as “**Social Bonds**”; or (iii) a combination of Eligible Green Loans and Eligible Social Loans, any such Notes will be referred to as “**Sustainability Bonds**”.

The categories of loans that may be financed or refinanced with an amount equal to the net proceeds deriving from the issuance of Green Bonds, Social Bonds and/or Sustainability Bonds and the detailed eligibility criteria and related documentation requirements are set out in the Issuer’s “Green, Social and Sustainability Bonds Framework”, which has been published by the Issuer on its website (<https://gruppo.bancobpm.it/en/sustainability/green-social-sustainability-bonds-framework/>), as may be amended, supplemented or replaced before the Issue Date of the relevant Tranche. An independent auditor appointed by the Issuer will check the eligibility of Eligible Green Loans and Eligible Social Loans on an annual basis.

The Issuer has appointed ISS Corporate Solutions as an external reviewer to provide the Second Party Opinion. The Second Party Opinion dated 5 July 2021 confirms the alignment of the Issuer’s “Green, Social and Sustainability Bonds Framework” with the International Capital Markets Association’s Green Bond Principles, Social Bond Principles and Sustainability Bonds Guidelines, in the versions available at the date of the Second Party Opinion. The Second Party Opinion is available on the Issuer’s website (https://gruppo.bancobpm.it/media/dlm_uploads/Banco-BPM-SPO.pdf).

Eligible Green Loans and Eligible Social Loans are subject to certain eligibility criteria as described in the Issuer’s “Green, Social and Sustainability Bonds Framework” and such projects will be evaluated, selected and approved based on the most updated version of such criteria at the time of approval, and remain eligible and in the portfolio notwithstanding the future updates to the criteria.

Under the Issuer’s “Green, Social and Sustainability Bonds Framework”: (i) the Eligible Green Loans are loans aimed at creating substantial environmental benefits by enabling significant reduction in GHG emissions and energy consumption; and (ii) the Eligible Social Loans are loans aimed at supporting employment generation, access to essential services (e.g. education, health) and affordable basic infrastructure (e.g. transport) and socioeconomic advancement and empowerment.

The portfolio of loans (the “**Eligible Portfolio**”) that will be financed and/or refinanced by applying an amount equal to the net proceeds of Green Bonds, Social Bonds and Sustainability Bonds will be reviewed, monitored and updated by an appointed Funding ESG Working Group (the “**Working Group**”), constituted of participants from relevant functional areas including business departments, the funding and capital management team, the risk management team, the sustainability team, the investor relations department and the energy manager.

In order to track the Eligible Portfolio, Banco BPM has implemented an internal system to identify Eligible Green Loans and Eligible Social Loans. The Working Group will manage the balance of the portfolio of

Eligible Green Loans and Eligible Social Loans with an amount equal to the net proceeds of the Green Bonds, Social Bonds and Sustainability Bonds on a portfolio approach. Until full allocation, the proceeds of Green Bonds, Social Bonds and Sustainability Bonds will be kept in Banco BPM's own treasury, invested in the form of cash or cash equivalent and in accordance with the Issuer's treasury special policy.

Pursuant to the Issuer's "Green, Social and Sustainability Bonds Framework", the Issuer will publish allocation and impact reporting on an annual basis. Such report will be available on the Issuer's website.

The Green, Social and Sustainability Bonds Framework and other documentation relating to the Issuer's Green Bonds, Social Bonds and Sustainability Bonds are subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from the description given in this Base Prospectus. Potential investors in Notes issued as Green Bonds, Social Bonds and Sustainability Bonds should access the latest version of each relevant document on the Issuer's website. Any such amendment, update, supplementing, replacing and/or withdrawal after the issue date of any Notes which are Green Bonds, Social Bonds and Sustainability Bonds may be applied in respect of such Notes already in issue.

None of the Green, Social and Sustainability Bonds Framework or any other document referred to in any of the foregoing, or the contents of any website referred to herein or therein are, or are deemed to be, incorporated in, or form part of, this Base Prospectus and/or any Final Terms relating to Notes issued as Green Bonds, Social Bonds and Sustainability Bonds and has not been scrutinised or approved by the CSSF.

Prospective investors in Green Bonds, Social Bonds and Sustainability Bonds should refer also to "*Risk Factors – Risks Relating to the Notes – Green Bonds, Social Bonds and Sustainability Bonds*".

For the purpose of this section:

"**Eligible Green Loans**" means loans identified as such in the Issuer's "Green, Social and Sustainability Bonds Framework"; and

"**Eligible Social Loans**" means loans identified as such in the Issuer's "Green, Social and Sustainability Bonds Framework"."

SELECTED CONSOLIDATED FINANCIAL DATA

On page 162 of the Base Prospectus, the second paragraph of the section entitled “Rating” shall be deleted in its entirety and replaced as follows:

“As of 5 September 2023, the following ratings have been assigned by Moody’s to the Issuer: (i) Long and Short Term Deposit Ratings of Baa2/P-2, where the Long Term Deposit Ratings has a Positive Outlook; (ii) Long-Term Issuer Rating and Long-Term Senior Unsecured Debt Rating of Ba1, with Positive Outlook; (iii) Baseline Credit Assessment (BCA) and adjusted BCA of ba2; and (iv) Long and Short Term Counterparty Risk Assessments (CR Assessment) of Baa2 (cr) / P-2 (cr).”

DESCRIPTION OF THE ISSUER AND THE GROUP

1. On pages 200-203 of the Base Prospectus, the section entitled “*Ongoing Legal and Administrative Proceedings*” shall be deleted in its entirety and replaced as follows:

“**Ongoing Legal and Administrative Proceedings**”

The main legal and administrative proceedings in which the Group is involved as of the date hereof are as follows:

Proceedings related to the diamonds reporting activities

A criminal investigation is pending with regard to the diamonds sales activity involving IDB and the various reporting banks, including Banco BPM. The criminal offences under investigation are alleged fraud and related self-laundering, obstacle to the supervisory authorities’ functions and corruption among private parties. The inquiry also involves managers and former managers of Banco BPM Group (including the former General Manager), the Bank itself and its subsidiary Banca Aletti for administrative offence pursuant to Legislative Decree 231/2001. In the context of the inquiry, on 19 February 2019, the Milan Public Prosecutor’s Office carried out at Banco BPM a precautionary seizure for a total amount of approximately Euro 84.6 million. In addition, in September 2020 the Public Prosecutor’s Office of Milan served those former managers and several employees of the Group with a notice of conclusion of the preliminary investigations as part of proceedings also relating to the operations in diamonds referring to the offence of fraud, which does not change the overall charges previously communicated by the judicial authorities.

In February 2021 an indictment against the defendants was filed for the contested crimes, including administrative offences pursuant to Legislative Decree no. 231/2001 against Banco BPM and Banca Aletti. During the preliminary hearing, which began on 19 July 2021, the Judge declared its lack of jurisdiction for proceedings involving the former managers and employees of the Group in relation to the crimes of fraud, self-laundering and obstruction of the exercise of the functions of public supervisory authorities. The Court of Milan retains jurisdiction only for the offence of corruption among private individuals alleged against a former manager of the Bank. Moreover, the Judge, accepting the complaints presented by Banco BPM and Banca Aletti and at the end of the preliminary hearing of 8 April 2022, pronounced a sentence of application of the penalty at the request of the parties in accordance with the proposed conditions, thus applying the pecuniary sanction of Euro 240,000 to Banco BPM and Euro 56,000 to Banca Aletti, at the same time ordering the confiscation of only the profit from the alleged crime of self-laundering, amounting to Euro 293,119, already subject to a precautionary constraint. In addition, on 8 April 2022, the Judge ordered the release of the sum of Euro 500,000 initially subject to attachment for the alleged crime of bribery among private individuals and ordered its restitution to the Bank.

With regard to the residual amounts involved in the seizure amounting to Euro 83.8 million for the crime of aggravated fraud, the Prosecutor’s Office of Verona was identified by the Supreme Court as having territorial jurisdiction to proceed as a result of the conflict of territorial jurisdiction raised. The Public Prosecutor’s Office of Verona will also have to decide whether to initiate a new criminal action, with regard to the cases of aggravated fraud, self-laundering and obstructing the exercise of the functions of public supervisory authorities. On 16 February 2023 the Verona Public Prosecutor's Office ordered the release from seizure of Euro 80.3 million in favour of the Bank. The Public Prosecutor acknowledged the relief activities implemented by the Bank, and, on this basis, also agreeing with the legal arguments of the Bank, retained the amount of the seizure "clearly excessive" ordering its return. In this stage, the Public Prosecutor decided to maintain the seizure of an amount of around Euro 3.5 million.

These events, with the consequent media coverage, led to a large number of complaints being received from the Group's customers involved and the start of civil litigation. In this regard, and also with a view to being close to its customers, over the past years the Group has implemented a broad customer care initiative with the aim, if relevant, of reaching settlements through a free assistance service. Specifically, this free support consists of assistance in the process of filing claims for the return of diamonds with the bankruptcy proceeding and, ultimately, the return of diamonds held in the vaults operated after the bankruptcy of IDB.

As at 30 June 2023, over 24,400 claims had been received, and over 1,300 disputes initiated (partly preceded by a claim) for a total relief sought of around Euro 720.2 million. At the same date, due to the previously illustrated management and customer care activities, claims and disputes were resolved, through a settlement or the issue of a final ruling, for a total remedy sought exceeding Euro 654.2 million (of which Euro 614.6 million related to Banco BPM). Against the claims and disputes, both those not yet defined and therefore still pending and those potentially estimated, as of 30 June 2023 the specific provision recognised against the above disputes with customers amounts to Euro 30.3 million (of which Euro 23.8 million referring to Banco BPM). The total provision made by Banco BPM over the years, from 2017, was Euro 391.5 million, against which drawdowns for refunds to customers of Euro 361.2 million were made.

As at 31 December 2022, the provision amounted to Euro 41.5 million; during 2023, drawdowns for refunds of Euro 12.7 million were made, and a further provision of Euro 1.5 million was added, to take into account the updated estimates relating to the total expected remedy and the percentages of compensation.

Malenco S.r.l.

On 4 February 2020, Malenco S.r.l. summoned Banco BPM before the court, together with another bank that led the pooled operations, in relation to the granting of loans for the construction and completion of a property complex. The company requested that the invalidity of the loans be ascertained for allegedly exceeding the usury threshold rate and the invalidity of the derivative contracts taken out to hedge the loans granted, with a request to order Banco BPM to pay the sum of Euro 31 million, of which Euro 10 million is to be paid jointly with the other bank. The Court of Milan, with final ruling of 21 November 2022, rejected the counterparty's claims in full.

Privilege Yard

On 20 December 2019, Banco BPM was summoned, along with a pool of banks, by the receivership of Privilege Yard for alleged unlawful disbursement of a loan. The receivership requested that the liability of the banks be declared for collusion in the mismanagement by the directors of Privilege Yard, ordering them to jointly pay compensation for the damages of approximately Euro 97 million (of which, Banco BPM share would be equal to Euro 27 million). On 11 October 2022, the conviction ruling was issued for the banks jointly and severally for the all-inclusive sum of Euro 57.1 million; Banco BPM paid its pro rata amount due under the ruling and, in agreement with all the other banks involved, challenged the ruling by filing an appeal to the Court of Appeal of Rome.

CE.DI.SISA Centro Nord S.p.A. (in liquidation)

On 5 August 2020, the Bank was sued in a liability action against the directors, auditors, auditing firm, consultants of the bankrupt company and credit institutions that contributed with the administrative body in increasing the liabilities. The bank, which never granted loans but operated through advances on invoices, firstly objected to the temporal prescription of the claim formulated. The overall petitem, against all the banks, amounts to Euro 120 million. The hearing for the examination of the court-appointed expert is scheduled for 24 January 2024.

Presidency of the Council of Ministers/Left-wing Democrats

Following an injunction requested against Left-wing Democrats (bad loans) and the Presidency of the Council of Ministers (guarantors of the Left-wing Democrats by virtue of sureties) for 3 pooled loans (of which one leading bank was Banco BPM and a further two investees) for a total of Euro 26.5 million, opposition to the injunction was submitted in 2015. The courts of the first and second instance rules in favour of the banks, at the same time rejecting the challenges of the injunction. The ruling of the appeal was not challenged in the Supreme Court by the parties, but for the Barletta section of the Left-wing Democrats, the decision is still pending, with the next hearing set for 19 January 2024.

La Redenta Società Cooperativa Agricola

On 4 September 2018, the company "La Redenta Società Cooperativa Agricola" sued Banco BPM together with said company's directors and statutory auditors and other six banks alleging that such parties have acted

in complicity to increase the company's liabilities. The Court of Appeal of Brescia, in a final judgment of 14 March 2023, rejected the plaintiff's claims.

Compagnia Finanza e Servizi (Co.fi.se.) S.r.l., Tabellini Paolo

On 8 November 2016, Compagnia Finanza e Servizi (Co.fi.se.) S.r.l. and Tabellini Paolo, in their capacity as shareholders of the company Società Italiana Calzature S.r.l. (currently in bankruptcy) sued Banco BPM, together with a leasing company, demanding Euro 15 million in damages. The court of the first instance and appeal proceedings concluded with rulings in the Bank's favour, which rejected the claims of the plaintiff. The ruling on appeal was challenged by Mr Tabellini only with an Appeal in the Supreme Court, reducing the damages claim to Euro 10 million.

Partecipazioni Italiane (in liquidation)

The subsidiary Partecipazioni Italiane in liquidation, as the former owner of land located in Pavia that was the industrial site of the former Necchi S.p.A., (which ceased business operations many years ago), was the subject of an order of the Province of Pavia which requested that the subsidiary, as the party "historically" responsible, along with another party, carry out the reclamation and containment of that area, which for many years now has been owned by third parties outside Banco BPM Group.

As part of the legal dispute initiated by the subsidiary against that order, on 2 December 2019 the Lombardy Regional Administrative Court rejected the appeal of Partecipazioni Italiane, ordering the company to carry out all the operations necessary to reclaim or secure the area. Considering that a more detailed analysis of the overall results of the evidence and the examination of the interpretation of the environmental laws and verification of the chain of causation could lead to a different classification of the facts, on 7 July 2020 the subsidiary submitted an appeal. The Provincial Authorities of Pavia filed an appearance on 17 September 2020; the public hearing on the merits has not yet been scheduled.

Within the parallel environmental proceedings, both some of the current owners of the various portions of the former Necchi site and Partecipazioni Italiane submitted autonomous area characterisation plans. Considering the various positions of the parties, new administrative proceedings arose which are currently pending before the Lombardy Regional Administrative Court, with the involvement of the Municipality of Pavia, the Province of Pavia and the Lombardy Regional Environmental Protection Agency as well, and for which the public hearing on the merits has not yet been scheduled.

With regard to one of the portions of the site, on 7 March 2022, a settlement agreement was finalised with one of the current owners, regarding the reclamation of the portion of the former Necchi area it owns. The agreement envisages, inter alia, the contribution of Partecipazioni Italiane to bearing the reclamation costs for an amount of Euro 1.4 million plus VAT (half of which already paid at the time of finalisation of the agreement and half to be paid to the counterparty on announcement of the start of the reclamation activities), already accounted for in the financial statements as at 31 December 2021. For the portion of the former Necchi area owned by INAIL and currently occupied by the Pavia Police Headquarters, through the technical consultant WSP Italia S.r.l. (formerly Golder Associates S.r.l.), the subsidiary completed the characterisation activities of the portion of the area, as per the Characterisation Plan approved by decision of the Municipality of Pavia on 21 March 2022. As a result of the above-mentioned activities, WSP Italia estimated the costs for the probable future activities and for the reclamation as Euro 160 thousand plus VAT, recognised in the financial statements as at 31 December 2022. For the other two areas into which the site is divided, given the uncertainty of the interventions to be carried out, it is not possible to reliably estimate any expenses borne by the investee, even within a certain range.

I.F.I.T. S.r.l. and S.I.R.O. S.r.l.

On 14 February 2022, I.F.I.T. S.r.l. and S.I.R.O. S.r.l. summoned Banco BPM before the court to obtain the revocation of a pledge made by the other two defendants in the case, Luigi Servidati and Fabio Planamente, former managers of the group, as a guarantee for a loan of Euro 23 million granted to the company Cantiere del Pardo S.p.A. The plaintiffs claim damages of approximately Euro 15.2 million, an amount for which they obtained a precautionary seizure against the same two former managers (later shareholders), for having transferred ownership of Cantiere del Pardo to third parties. In June 2023 the parties reached a settlement without economic impacts for the Bank.

Società Italiana per Condotte d'Acqua S.p.A.

On 23 December 2022, the extraordinary receivers of Società Italiana per Condotte d'Acqua S.p.A. summoned the members of its Management and Supervisory Boards, the auditing firm and the banking class, including Banco BPM, and some factoring companies to court, to obtain a joint and several sentence of all defendants to pay the sum of over Euro 389 million. The amount is requested by way of compensation for the alleged damages also caused by the abusive granting of credit by the banking class, which would have allowed the company to continue to operate despite the crisis situation, also causing the serious impoverishment of the company's net assets. The proceeding is in the initial stage.

Bolzoni Fratelli Soc. Semplice

The company Bolzoni Fratelli Società Semplice was subject to a property foreclosure in connection with the enforcement of Euro 13 million mortgage-backed loans. Such company objected to the foreclosure alleging the invalidity of the loans. The court of first instance ruled in favour of the Bank, and Bolzoni Fratelli Società Semplice appealed against such ruling. The next hearing in the appeal proceeding is scheduled for 30 November 2023. The plaintiff's petition corresponds to the nominal amount of the loans enforced.

Litigation with natural persons

On 10 July 2019 a customer summoned Banco BPM before the court to obtain total compensation for damages of approximately Euro 21 million for having allowed a proxy/delegate of the customer to carry out a series of allegedly unauthorised transactions on various current accounts and securities portfolios. With its ruling of 11 January 2023, the Milan Court of Appeal confirmed the decision in favour of the bank handed down by the Court of Milan in 2020. The proceeding before the Supreme Court is pending.

On 18 July 2019, the heirs of a customer summoned Banco BPM before the court to request the cancellation of several transactions, mainly financial in nature, which were allegedly carried out on accounts held by the customer without authorisation and in violation of the MiFID regulations. The counterparties requested that the Bank be ordered to return a total amount of approximately Euro 37 million. The lawsuit is pending in the initial stage before the Court of Milan.”

2. On pages 203-206 of the Base Prospectus, the section entitled “*Disputes with the Tax Authority*” shall be deleted in its entirety and replaced as follows:

“Disputes with the Tax Authority

Banco BPM, the companies that merged to form the Group, the incorporated subsidiary companies and the subsidiary companies underwent various inspections by the Tax Authority in 2023 and in previous years. These activities concerned the taxable income declared for the purpose of income tax, VAT, registration tax, and more generally the manner in which the tax legislation in force at the time was applied. As a consequence of said inspections, the Banco BPM Group is involved in numerous legal proceedings.

The total claims made by the Tax Authorities as part of the tax disputes initiated involving Banco BPM and its subsidiaries amounted to Euro 225.0 million as at 30 June 2023 (unchanged compared to claims as at 31 December 2022). During the first half of 2023, no new claims arose, nor did any events change the amount of the claims already existing at the beginning of the year.

Details of pending disputes as at 30 June 2023

- Banco BPM (former Banca Popolare di Verona e Novara Soc. Coop.) - tax demand regarding IRAP tax paid to the Regional Headquarters for Veneto for 2006. The claim refers to the application of the ordinary rate of 4.25% to the net value of production resulting from business activities performed in Veneto and in Tuscany, instead of the higher rate of 5.25% and amounts to a total of 7.1 million. The tax demand has been challenged. The Provincial Tax Commission partially accepted the appeal, declaring that the fines imposed are not due. The Regional Tax Commission confirmed the first instance judgment, also cancelling the tax demand relating to the additional IRAP referring to the Tuscany Region. On 18 January 2023, the ruling of the Supreme Court was published, which recognised the validity of the appeal filed by the Bank for the effective

lack of a specific provision of regional law that exempts, for tax year 2006, the system suspending the application of the increase in the IRAP rate set forth by state law. However, the Court pointed out that following the suspension of the effectiveness of the increase in the IRAP rate for 2002 for banks and insurance companies, it believes that the rate of 4.75%, already envisaged at national level for 2002 by Art. 45, paragraph 2 of Italian Legislative Decree no. 446 of 1997, should be applied instead of the ordinary rate of 4.25%. The Court therefore overturned the decision of the Regional Tax Commission, referring to the second instance Tax Court of Veneto, which will have to redetermine the Bank's tax liability by applying the rate of 4.75%. The dispute is therefore still pending due to the referral to the Tax Appeal Court. However, the latter will reduce the amount of the claim and order the consequent reimbursement of the taxes and relative interest already paid following the ruling having been overturned.

- Banca Akros - formal notification received in December 2021 relating to the alleged infringement of the transmission obligations to the Tax Authority envisaged by Article 1, of Italian Law Decree 167 of 1990 with the application of the minimum sanction envisaged by Art. 5, paragraph 1, for the amount of Euro 2.3 million. On 30 November 2022, the Office served a decision to impose penalties with which it rejected the defence arguments made by the Bank and imposed a penalty of Euro 2.3 million against it. Considering the reasons contained in the decision to impose penalties contradictory and unfounded, on 30 January 2023, the Bank filed an appeal to the Milan Tax Court of first instance.
- Banco BPM (former Banca Popolare Italiana Soc. Coop.) – notices of assessment relating to tax year 2005 regarding the claimed non-deductibility for IRES and IRAP purposes of costs and value adjustments to receivables relating to facts or actions classified as offences (regarding offences of false corporate reporting, obstacles to supervision and market turbulence alleged to have been committed by Banca Popolare Italiana with relation to the attempted takeover of Banca Antonveneta). The claims amount to Euro 199.8 million (including interest and tax collection fees). With separate judgements filed on 15 October 2014, the Provincial Tax Commission of Milan fully rejected the appeals submitted by the Bank, though not justifying in any way the rationale underlying the confirmation of the tax demand. Said judgement was appealed against before the Lombardy Regional Tax Commission. However, in 2015 the Commission rejected the joint appeals and confirmed the challenged judgements. A further appeal was submitted to the Supreme Court, which is still pending.

The notices discussed above were followed by additional notices of assessment served on 22 December 2014 for the tax years 2006-2009. The claims contained in these notices also regard the claimed non-deductibility for IRES and IRAP purposes of the costs deemed attributable to facts or actions classified as offences. More specifically, they regard value adjustments on loans already disputed with reference to the fiscal year 2005. Said value adjustments, although recognised by Banca Popolare Italiana in its financial statements for 2005, were deductible on a straight-line basis over the following 18 financial years pursuant to the version in effect at the time of Art. 106, paragraph 3 of Italian Presidential Decree no. 917 of 22 December 1986. The notices of assessment served therefore charge the claimed non-deductibility of the portions of those adjustments to loans deducted in 2006, 2007, 2008 and 2009. Total claims amount to euro 15.8 million. An appeal has been presented to the Provincial Tax Commission. The Commission suspended the proceedings until the final judgement of the Supreme Court is passed on the notices of assessment relating to 2005, pursuant to the previous point. The claims illustrated, which amount to a total of Euro 215.6 million, were carefully assessed by the Bank in light of the negative rulings made in the courts of the first two instances. In that regard, it must firstly be noted that, in the parallel criminal proceedings initiated against the parties that signed the tax returns for the offence of inaccurate tax return (offense founded on the same charges contained in the notices of assessment in question), the judge issued a judgement of acquittal of the defendants "because there is no case to answer". Even though the criminal proceedings are independent from the administrative disputes, which, thus, may conclude with a different result, it is noted that, in the operative part of the ruling, the criminal judge justified his decision using the arguments analogous to those formulated by the Bank in its defence in the appeals submitted in the administrative proceedings illustrated. Furthermore, an analysis of the order and the content of the ruling of the Regional Tax Commission shows that the Commission's decision on the merits of the case

contains no specific justification and is based on a mere reference to the Authority's claims, with no express indication of the reasons for its decision not to accept the precise arguments laid out by Banco Popolare in support of its appeal. In the light of these analyses and considerations, on the basis that there are grounds to challenge the ruling as, in fact, all the defensive arguments regarding aspects of legitimacy not considered by the judges in the first and second instances can be submitted again to the court, on 18 December 2015, the afore-mentioned appeal was lodged with the Supreme Court. The in-depth analyses of the situation conducted with the support of the advisors assigned to draw up the appeal, as well as the additional opinions requested from other authoritative experts on the matter confirmed the belief that the claim of the Tax Authority is illegitimate and the possibility to finally see the defensive arguments considered and agreed with in the proceedings before the Supreme Court is unchanged. The same analyses were conducted by the Board of Directors to confirm the classification of the claim as a potential liability, as the risk of losing the lawsuit is possible but not probable. In light of the evaluations carried out, no provision has been recognised for the above contingent liabilities in the financial statements as at 30 June 2023.

- Banco BPM (former Banca Popolare di Novara) – receivables from IRPEG/ILOR for the 1995 financial year amounting to Euro 94.5 million, the recovery of which was refused by the Tax Authority (*Agenzia delle Entrate – Direzione Provinciale di Novara*). In the context of the legal action brought by the former Banca Popolare di Novara, both the Provincial and the Regional Tax Commissions had upheld the appeals lodged and had also ordered the Tax Authority to pay the legal costs. The Tax Authority appealed to the Supreme Court, which recently issued a judgment upholding the Tax Authority's appeal, thus sending the case back to the second instance judge for a new decision on the case. The Bank will file a new counter-appeal against the Supreme Court's decision.

Audits under way as at 30 June 2023

On 5 December 2019, as part of a wider tax audit of a company external to Banco BPM Group, the Italian Tax Police launched an audit for the purposes of direct taxes and VAT of Banco BPM for the tax year 2017. The audit was suspended due to the emergency situation relating to the COVID-19 pandemic. As of 30 June 2023, the Bank has not received new notices from the Italian Tax Police.

On 21 September 2022, the economic and financial police unit of the Italian Tax Police initiated an audit of IRES and IRAP against Banca Akros and in order to verify the application of substitute tax pursuant to Presidential Decree 600/1973 for the 2016 tax period. The audit was completed on 19 January 2023. In the report on findings drawn up on that date, it was indicated that the audit did not lead to any findings.

On 21 June 2023, the Italian Tax Authority – Lombardy Regional Directorate – Office for large taxpayers notified the start of a tax audit on the Issuer's subsidiary Banca Akros in relation to the 2018 fiscal year in connection with direct taxes, IRAP, VAT and the obligations as withholding agent.

On 11 July 2023, the Italian Tax Authority – Verona Provincial Directorate started a tax audit on the Issuer's subsidiary Tecmarket Servizio S.p.A. in relation to income tax, IRAP, VAT and taxes withheld relating to the 2020 fiscal year.

Audits commenced in 2023

On 24 January 2023, the Italian Tax Authority, Lombardy Regional Department, Large Taxpayers Office initiated a tax audit of the Parent Company Banco BPM for IRES, IRAP, VAT and withholding tax obligations for the 2017 and 2018 tax periods.

Other provisions – other

This residual category of provisions amounts to a total of Euro 139.7 million as at 31 December 2022 and mainly includes allocations against the following liabilities:

- risks associated with disputes and claims, both pending and expected, associated with operations with customers and possible developments in the interpretation of certain regulations governing banking

activities (Euro 45.3 million);

- estimate of probable reimbursements of fees consequent to the possible early termination of insurance policies by customers (Euro 21.1 million);
- risks associated with commitments undertaken as part of partnership agreements and guarantees granted against the disposal of interests or other assets or groups of assets (Euro 30.8 million);
- risks associated with guarantees given for sales of non-performing loans already finalised as at 31 December 2022 (Euro 17.2 million); and
- charges relating to the restructuring of the distribution network (Euro 8.5 million).”

TAXATION

On page 226 of the Base Prospectus, the second paragraph in italics under the heading “*Italian Taxation*” shall be deleted in its entirety and replaced as follows:

*“Law No. 111 of 9 August 2023 published in the Official Gazette No. 189 of 14 August 2023 (“**Law 111**”), delegates power to the Italian Government to enact, within twenty-four months from its publication, one or more legislative decrees implementing the reform of the Italian tax system (“**Tax Reform**”). According to Law 111, the Tax Reform will significantly change the taxation of financial incomes and capital gains and introduce various amendments in the Italian tax system at different levels. The precise nature, extent, and impact of these amendments cannot be quantified or foreseen with certainty at this stage. The information provided in this Base Prospectus may not reflect the future tax landscape accurately. See also “Risk Factors – Risk Factors Relating to the Notes – Risks related to the Notes generally – Risks related to the forthcoming tax reform of financial incomes”.”*

GENERAL INFORMATION

On page 241 of the Base Prospectus, the paragraph headed “*Significant or Material Change*” shall be deleted and replaced with the following:

“**Significant or Material Change**”

The COVID-19 pandemic and the Russia-Ukraine conflict have significantly increased the uncertainties in the economy and the financial markets, as discussed in “*Risks related to the impact of global macro-economic factors and the consequences arising from the continuation of the Russia-Ukraine conflict*” on page 13 of this Base Prospectus. Except for the potential direct and indirect impact of the COVID-19 pandemic and of the Russia-Ukraine conflict indicated in the previous paragraph, there has been no significant change in the financial performance or position of the Issuer since 30 June 2023 and there has been no material adverse change in the prospects of the Issuer since 31 December 2022.”

* * *

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

The Issuer will provide, without charge, to each person to whom a copy of this Supplement has been delivered, upon the written or oral request of such person, a copy of the documents incorporated by reference in this Supplement. Written or oral requests for such information should be directed to the specified office of the Issuing and Paying Agent or the specified office of the Listing Agent in Luxembourg.

Copies of the Base Prospectus and this Supplement, together with the documents incorporated by reference in this Supplement, are available on the website of the Luxembourg Stock Exchange (www.luxse.com) and the Issuer’s website (<https://gruppo.bancobpm.it/en/>).