



# H1 2022 Group Results Presentation

03 August 2022



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This presentation includes both accounting data (based on financial accounts) and internal management 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

- With regard to the reclassified statement of financial position, please note that some comparative balances have been reclassified compared to what had been originally published, in order to reflect the changes in layout and preparation criteria introduced by update 7 of Circular no. 262, published by the Bank of Italy on 29 October 2021. The update introduced a change in the layout and preparation criteria of due from banks represented by demand deposits and current accounts, that must now be posted under the balance sheet line-item "10. Cash and cash equivalents", instead of the previous line-item "40. Financial assets measured at Amortized Cost". In light of said change, as of the consolidated financial statements at 31 December 2021, due from banks represented by demand deposits and current accounts are posted under the reclassified balance sheet line-item "Cash and cash equivalents", instead of the line-item "Loans to other banks". The previous periods have been reclassified accordingly.
- 2022 Group capital ratios included in this presentation are calculated including the interim profit, subject to ECB authorization, and deducting the amount of the dividend pay-out determined according to the current regulation (see the H1 2022 results press release published on 3 August 2022 for further details).
- Starting from 30 June 2022, Banco BPM has chosen to adopt the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income (FVOCI), according to art. 468 of the CRR, as amended by Regulation (EU) 2020/873 (so called "CRR Quick-fix"). During the period of temporary treatment (from 1 January 2020 to 31 December 2022), this treatment allows the institutions to remove from the calculation of their Common Equity Tier 1 an amount of unrealised gains and losses accumulated since 31 December 2019 accounted for as "fair value changes of debt instruments measured at fair value through other comprehensive income" in the balance sheet, corresponding to exposures to central governments, to regional governments or to local authorities referred to in Article 115(2) and to public sector entities referred to in Article 116(4) of the CRR, excluding those financial assets that are credit-impaired. During the last period from 1 January 2022 to 31 December 2022 the institutions shall apply a factor of 40%. Therefore, as of 30 June 2022, the Group excluded from the calculation of Common Equity Tier 1 (CET1) an amount equal to 40% of the unrealised gains and losses accumulated from 31 December 2019 until 30 June 2022 and accounted for as changes in the fair value of debt instruments towards the aforementioned counterparties measured at fair value with an impact on the comprehensive income in the balance sheet. **The above-mentioned temporary treatment is considered only for the calculation of phase-in capital ratios while it is not applied to the fully-phased capital ratios.**

# Agenda

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# Executive Summary

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# Excellent achievements in a difficult operating environment...

**Adjusted Net Income at record level in H1 2022**  
**Sound volume growth, with further improvement in Asset Quality**  
**Ample Capital buffers**

ROBUST PROFITABILITY	ONGOING SUPPORT TO ITALIAN REAL ECONOMY	FURTHER IMPROVEMENT IN ASSET QUALITY	SOUND CAPITAL & LIQUIDITY PROFILE
<p><u>Core Revenues</u><sup>1</sup> (+1.4% Q/Q; +1.4% H/H)</p> <p><u>Operating costs under control</u> (-1.5% H/H)</p> <p><u>Q2 2022 Net Income</u> at €206m (+15.9% Q/Q)</p> <p><u>H1 2022 Adj. Net Income</u> at €497m</p>	<p><u>Core Net Perf. Customer Loans</u> at €102.8bn (+1.5% Q/Q)</p> <ul style="list-style-type: none"> <li>Loans to Corporates &amp; SMEs: 29% with State guarantees</li> </ul> <p><u>New Lending in H1 2022</u> at €13.7bn (+13.5% Y/Y)</p> <ul style="list-style-type: none"> <li>New lending to SMEs: 58% with State guarantees</li> <li>«Green» new lending<sup>2</sup>: €4.6bn</li> </ul> <p><u>Core Direct Customer Funding</u> at €107.4bn (+0.5% Q/Q)</p>	<p><u>Gross NPEs</u> at €5.5bn (-€1.6bn Y/Y; -€0.8bn Q/Q)</p> <p><u>Gross NPE Ratio</u> at 4.8% (3.6% EBA definition)</p> <p><u>Default Rate</u> at 0.9%<sup>3</sup></p> <p><u>Cost of Risk</u> at 55bps<sup>3</sup> Future additional disposals: &gt;€0.5bn, with CoR already frontloaded</p> <p><u>“Core” Cost of Risk</u> at 35bps<sup>3</sup></p>	<p><u>CET 1 Fully Loaded</u> at 12.8%</p> <p><u>MDA Buffer Fully Loaded</u> at 424bps</p> <p><u>LCR</u> at 208%</p> <p><u>NSFR</u> &gt;100%</p>

# ... well positioned to benefit from strong potential NII boost to face the uncertain scenario

## Solid and safe business profile...

▪ **PROFITABILITY** 30/06/2019 (pre-pandemic) 30/06/2021 30/06/2022

"Core" Revenues	€1,969m	€2,067m	€2,097m
Adj. Net Income	€301m	€382m	€497m

▪ **ASSET QUALITY** 30/06/2019 30/06/2021

Gross NPE ratio	9.7%	6.2%	4.8%
Cost of Risk <sup>1</sup>	66bps	86bps	55bps

▪ **DOMESTIC SOVEREIGN RISK**

Share ITA on Govies ptf.	65%	61%	41%
Share ITA on Govies at FVOCI	58%	51%	28%

▪ **RUSSIA/UKRAINE/BELARUS**

Negligible exposure

▪ **CAPITAL ADEQUACY**

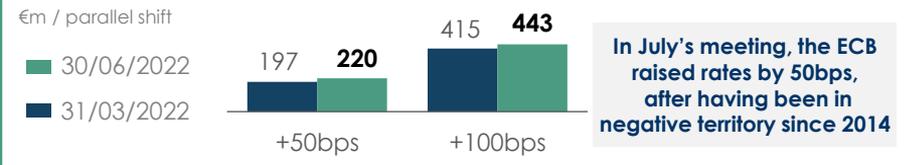
CET1 ratio FL	11.9%	12.9%	12.8%
MDA Buffer FL	157bps <sup>2</sup>	402bps	424bps

## ...geared to benefit significantly from interest rate hikes

### INTEREST RATE (EURIBOR 3M)

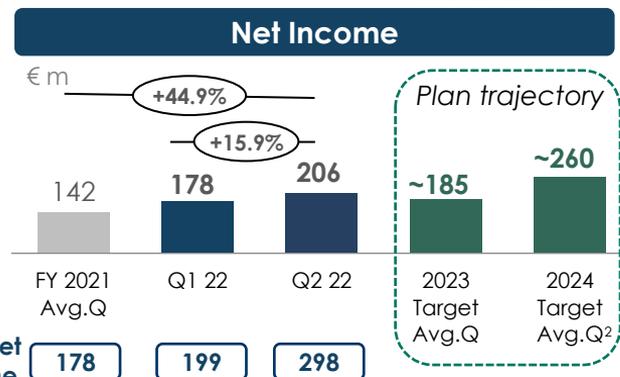
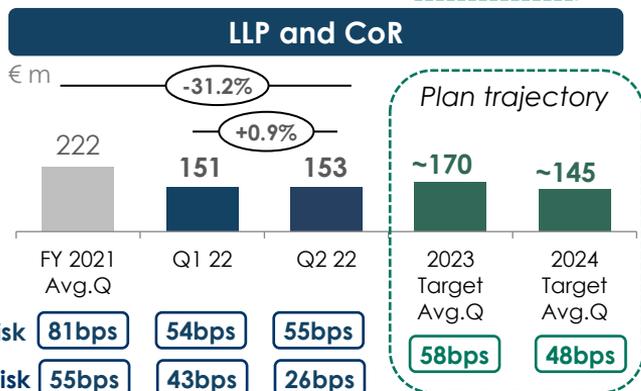
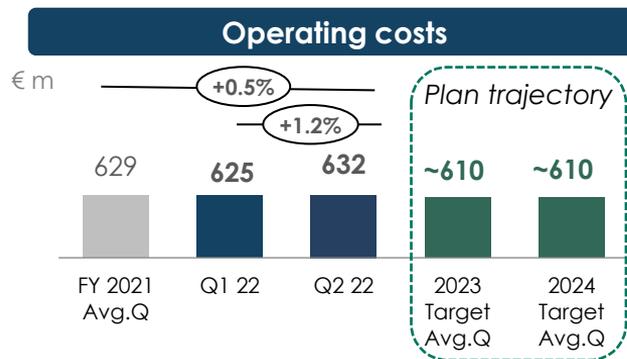
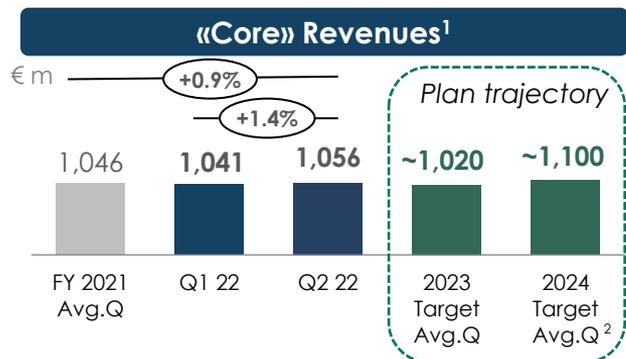


### STRONG NII SENSITIVITY TO INTEREST RATES



# Solid quarterly progression confirms Strategic Plan trajectory

Additional benefit from new interest rate scenario NOT embedded in Strategic Plan assumptions



# Asset Quality KPIs: Already ahead of the 2024 Strategic Plan Target

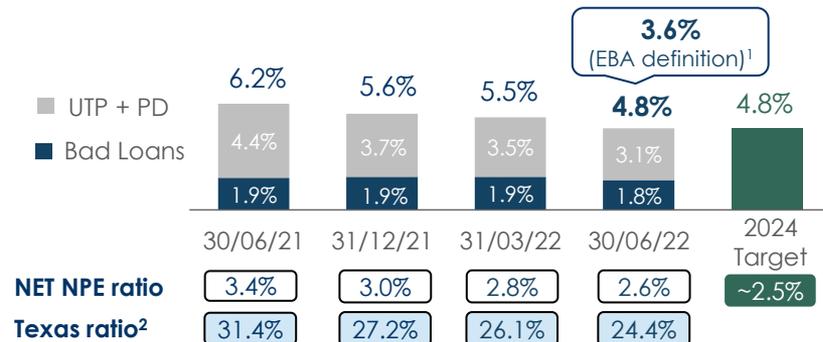
Further increase in derisking target over the Plan horizon

**NPE stock down by €1.6bn Y/Y: -22.3%**

GBV, € bn



**Gross NPE Ratio down to 4.8%: -1.4p.p. Y/Y**



## Derisking

- NPEs down by €0.9bn in H1 2022:**
  - Low default rate in H1 2022: 0.9% (annualised)
  - Total derisking (incl. Project Argo, finalised in Q2 2022) at ~€1.4bn<sup>3</sup>, exceeding the target of >€1bn in H1 2022
- Derisking expected to reach >€2bn in FY 2022
- Additional disposals of >€0.5bn targeted over the Plan horizon, with CoR already frontloaded

# Bancassurance: update on business model evolution

## Strategic Plan – base case: Internalization of the Insurance business

### Current status

- Following the authorization from IVASS, Banco BPM **completed the acquisition from Covea of 81% of BPM Vita**
- Process for the recognition of **"Financial Conglomerate" status (prerequisite for Danish Compromise)** launched
- **100% of BPM Vita results to be consolidated "line-by-line" starting from H2 2022**

### Next steps planned

- **H1 2023:** first "window" to exercise **call options on 65% of both Vera Vita and Vera Assicurazioni**
- First potential **closing date** for **Vera Vita and Vera Assicurazioni: 01/07/2023**

## Strategic Plan – optionalities: New partnerships

- **Non-binding offers** on Insurance JVs received from **several potential partners**
- Following a careful examination of the offers received from a strategic, financial and operational perspective, on Aug. 3<sup>rd</sup> 2022, **the Board resolved to:**
  - **continue to explore the potential to establish a new partnership in insurance**
  - **focus the next phase of the process exclusively on Non-Life**
- **A final decision is expected by year-end**

# Key Highlights

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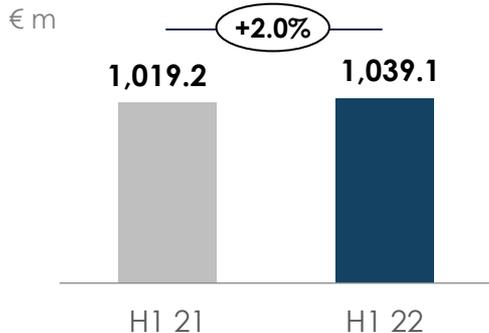
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# H1 results at record level: Adj. Net Income at €497m (+30.1% Y/Y)

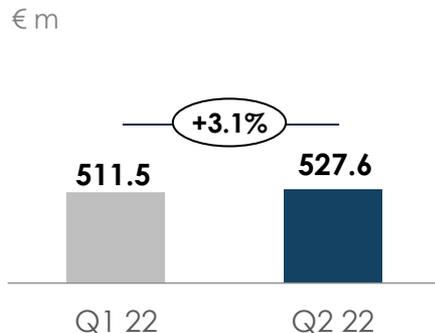
€ m	Q1 2022	Q2 2022	Chg. Q/Q	H1 2021	H1 2022	Chg. H/H
Net interest income	512	528		1,019	1,039	
Net fee and commission	480	487		950	967	
Income from associates	50	41		98	91	
<b>Core revenues</b>	<b>1,041</b>	<b>1,056</b>	<b>1.4%</b>	<b>2,067</b>	<b>2,097</b>	<b>1.4%</b>
Net financial result	128	49		216	177	
Other revenues	17	15		40	32	
<b>Total revenues</b>	<b>1,186</b>	<b>1,120</b>	<b>-5.6%</b>	<b>2,324</b>	<b>2,306</b>	<b>-0.8%</b>
Operating costs	-625	-632		-1,276	-1,257	
<b>Pre-Provisions income</b>	<b>561</b>	<b>488</b>	<b>-13.1%</b>	<b>1,048</b>	<b>1,049</b>	<b>0.1%</b>
Loan loss provisions	-151	-153	0.9%	-473	-304	-35.7%
Other <sup>1</sup>	-11	-47		-50	-58	
<b>Profit from Continuing operations (pre-tax)</b>	<b>399</b>	<b>288</b>	<b>-27.7%</b>	<b>526</b>	<b>688</b>	<b>30.8%</b>
Taxes	-138	-93		-133	-231	
<b>Net profit from continuing operations</b>	<b>261</b>	<b>196</b>	<b>-24.8%</b>	<b>392</b>	<b>457</b>	<b>16.3%</b>
Systemic charges and other <sup>2</sup>	-83	10		-31	-73	
<b>Net income</b>	<b>178</b>	<b>206</b>	<b>15.9%</b>	<b>361</b>	<b>384</b>	<b>6.3%</b>
<b>Adj. Net income</b>	<b>199</b>	<b>298</b>	<b>49.5%</b>	<b>382</b>	<b>497</b>	<b>30.1%</b>

# Net interest income

## Half-yearly trend

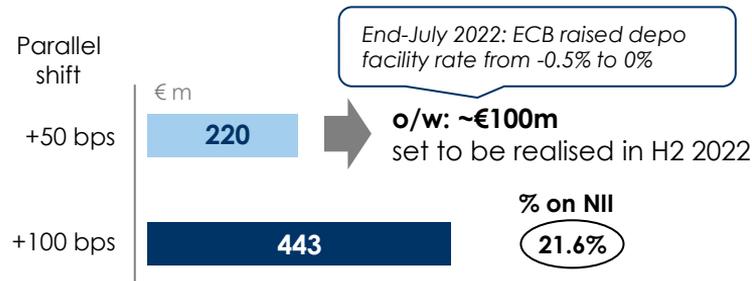


## Quarterly trend



## Strong tailwinds arising from NII sensitivity

### Δ NII ANNUALISED as of 30/06/2022<sup>1</sup>



### PROJECTED Δ NII<sup>1</sup> IN CASE OF AN ADDITIONAL +50 BPS RATE HIKE IN H2 2022



- Current NII sensitivity positively influenced by TLTRO rate calculation rules...
- ... whereby the bank remains strongly geared to rate increases even after TLTRO reimbursement

## Commercial spread: +10bps Q/Q

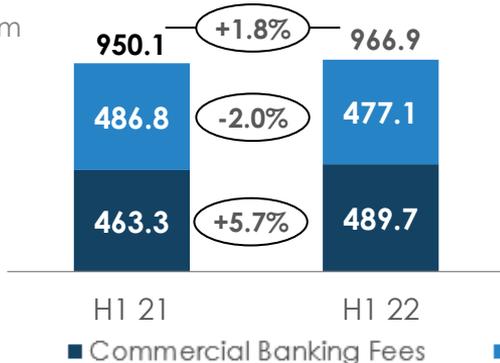


Note: 1. Δ NII: Sensitivity of NII based on a parallel shift in yield curve (+50/+100bps); it measures the impact on NII coming from an increase in rates vs. a scenario of an unchanged yield curve.

# Fees & Commissions

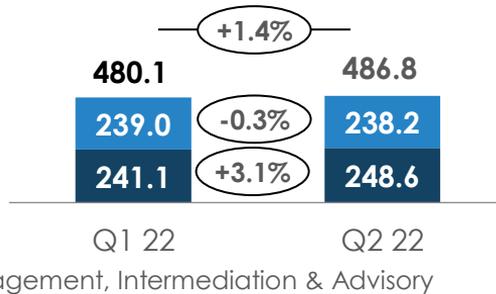
## Half-yearly trend

€ m



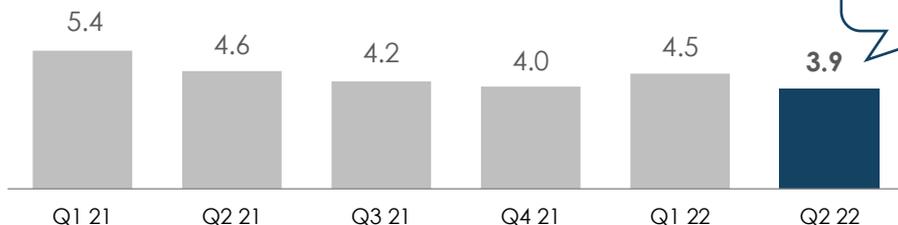
## Quarterly trend

€ m



## Investment product placements<sup>1</sup>

€ bn

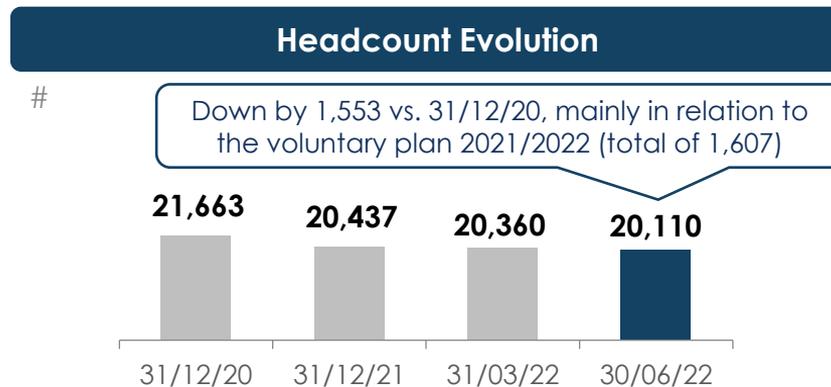
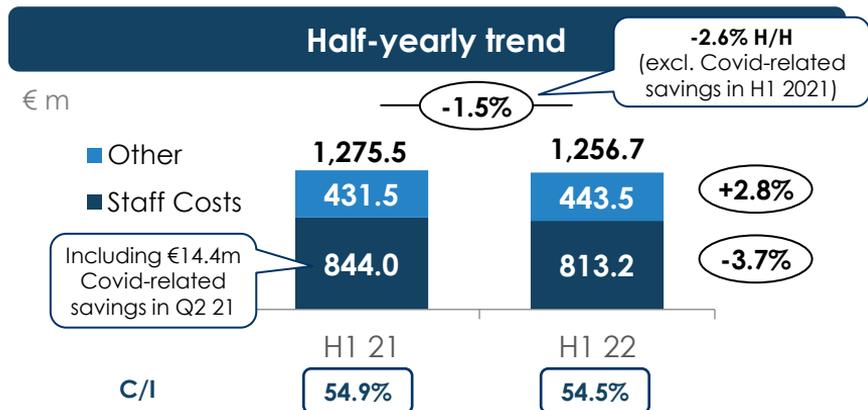


Up at €4.2bn, including the placement of €0.3bn of "BTP Italia"

## Solid performance in Net Fees & Commissions

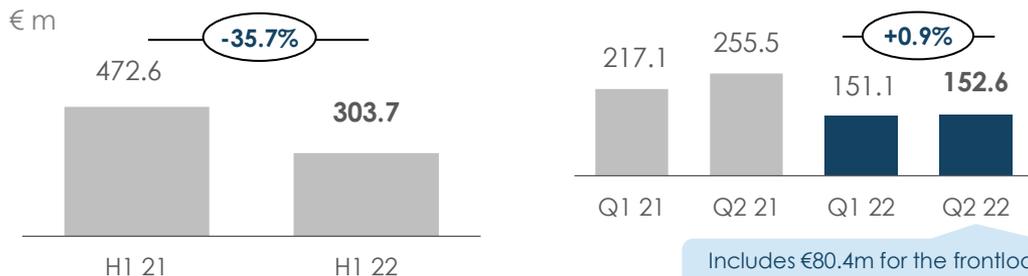
- Supporting trend in **new lending and payment-related services** confirming the effectiveness of our business model in a difficult context
- Positive performance in **intermediation (consumer credit and credit card products)**
- Strong contribution in Q2 from **CIB & structured finance advisory fees**
- **Lower fees related to Fund & Sicav placements**, partially offset by **higher fees from life insurance & certificates placements**

# Operating costs



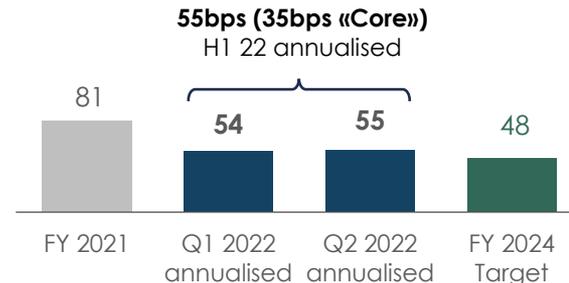
# Cost of Risk reduction consistent with solid credit profile

## LLPs



Includes €80.4m for the frontloading of the increased disposal target

## Cost of Risk (bps)



## Migration rates

	FY 19	FY 21	H1 22 (annualised)	2024 Target
<b>Default rate</b> (from Performing to NPEs)	1.2%	1.0%	0.9%	1.0%
<b>Danger rate</b> (from UTP to Bad Loans)	11.1%	9.3%	14.3%	10.0%
<b>Workout rate</b> (Cancellations, Write-offs, Recoveries, Cure & Other) <sup>1</sup>	19.0%	20.2%	21.9%	21.9%

## Solid credit profile and proactive loan portfolio management:

- Migration rates already **in line with long-term Strategic Plan targets and better than the level expected for FY 2022<sup>2</sup>**
- **Reassuring feedback from early engagement campaign** towards borrowers particularly exposed to energy/raw material-intensive sectors (**only €55m classified as NPEs**), coupled with **strict staging classification**
- **Total Stage 2 GBV at €11.2bn, down by €0.36bn in Q2 (10.4%** of total performing loans, vs. 10.7% as at 31/03/22), including €1.5bn due to prudential and temporary staging classification to face scenario uncertainties
- **29% of perf. loans to Corporates & SMEs are State-guaranteed**, vs. 27% as at 30/06/21

# NPE evolution in H1 2022

Another significant step ahead in derisking: NPE stock down to €5.5bn

**NPE Stock down by €1.6bn Y/Y, o/w: €0.9bn in H1 2022**

GBV in € bn



**Share of Bad Loans on total NPEs (gross)**

**Gross NPE ratio**

**Gross NPE ratio (EBA definition<sup>1</sup>)**

**NET NPE ratio**

	30/06/21	31/12/21	31/03/22	30/06/22
Share of Bad Loans on total NPEs (gross)	30%	34%	36%	36%
Gross NPE ratio	6.2%	5.6%	5.5%	4.8%
Gross NPE ratio (EBA definition <sup>1</sup> )	5.2%	4.3%	4.2%	3.6%
NET NPE ratio	3.4%	3.0%	2.8%	2.6%

## Coverage ratios

**Strong coverage ratios confirmed, even after Argo transaction**

Coverage ratios indicated in brackets include write-offs

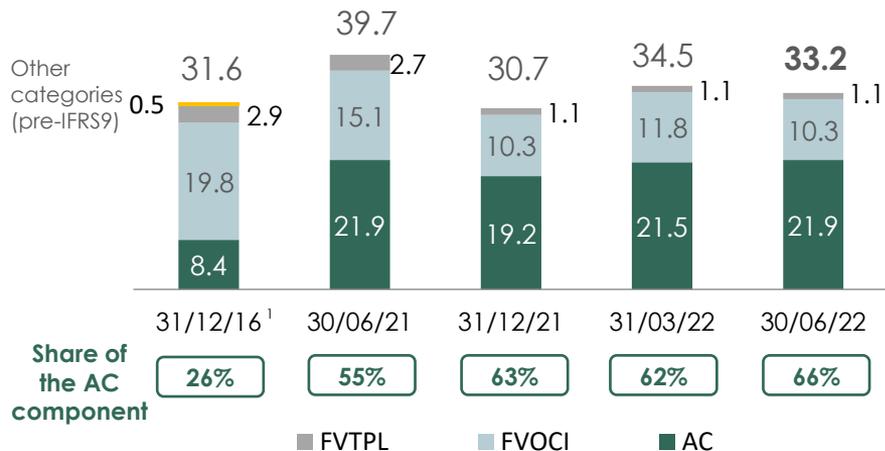
	30/06/21	31/12/21	31/03/22	30/06/22
<b>BAD LOANS</b>	55.4% (65.1%)	58.6% (67.8%)	61.9% (70.2%)	<b>61.5%</b> <b>(70.3%)</b>
<b>UTP</b>	44.6%	44.0%	44.4%	<b>40.3%</b>
<b>PAST DUE</b>	15.6%	25.3%	26.3%	<b>29.8%</b>
<b>TOTAL NPEs</b>	47.4% (51.4%)	48.9% (53.4%)	50.4% (54.9%)	<b>47.8%</b> <b>(52.9%)</b>
<b>% Share of Secured NPE (GBV)</b>	63%	66%	64%	<b>62%</b>

# Optimization and higher diversification of Debt securities portfolio

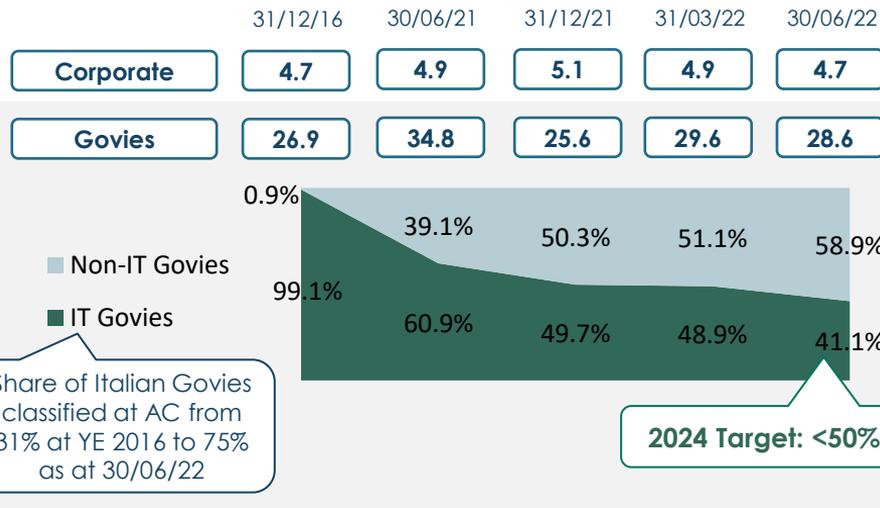
Italian Govies: reduction in the share on total Govies and mostly concentrated in AC

## Debt securities portfolio: accounting classification

€ bn

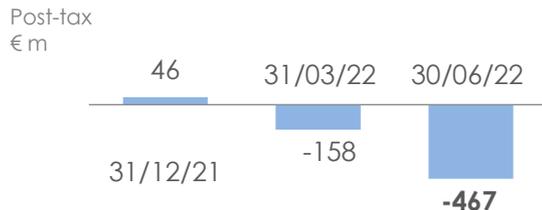


## Debt securities portfolio: composition by counterparty

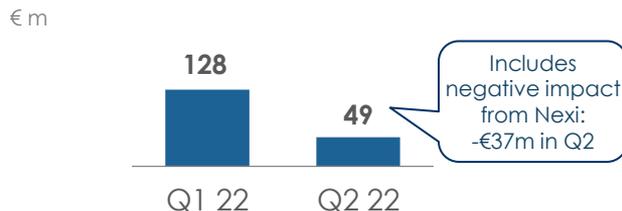


# Debt securities portfolio: sound contribution to NFR and low impact from Italian Govies

## Reserves of debt securities at FVOCI



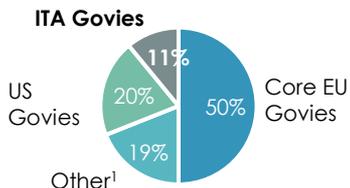
## NFR



Trend of FVOCI-related reserves mitigated by **sound contribution to NFR** of FVOCI-related components (**~€70m in Q2, largely attributable to option hedging**)

## BREAKDOWN OF FVOCI RESERVES IMPACT IN H1: LIMITED CONTRIBUTION OF ITALIAN GOVIES

Managerial analysis



## MANAGEABLE CAPITAL SENSITIVITY, MORE THAN COMPENSATED BY POSITIVE IMPACT ON NII FROM INTEREST RATE HIKES

### CAPITAL SENSITIVITY as at 30/06/22

- BPV of Total Govies at FVOCI<sup>2</sup>: -€2.5m, o/w **only -€0.3m from ITA Govies**

### NII SENSITIVITY as at 30/06/22

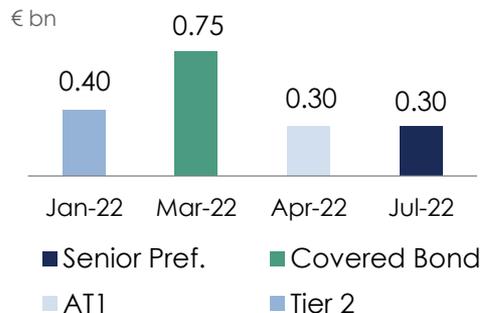
- +€443m for +100bps parallel shift in the yield curve

# Strong liquidity and funding position

## Main Liquidity & Funding indicators at a glance



## Successful issuance activity: €1.75bn of wholesale bonds issued in the first seven months of 2022



- **€750m Covered Bond: First Green bond issued** under the new ESG Bond Framework in March
- Private placement of **€300m Senior Pref.** in July, with “Green” features for the use of proceeds, in line with our ESG strategy

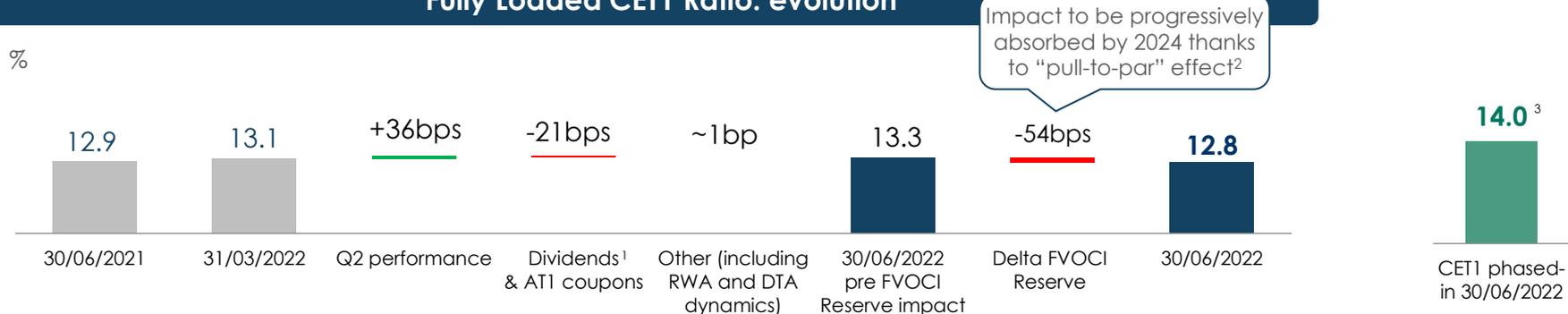
## Credit rating agencies

	LT Deposits	LT Senior	Outlook
<b>DBRS</b>	BBB	BBB Low	Positive
<b>Fitch</b>	BBB	BBB-	Stable
<b>Moody's</b>	Baa2	Ba1	Stable

Moody's upgraded all main ratings by 1 notch in May 2022

# Robust capital position and buffers, notwithstanding FVOCI impact

## Fully Loaded CET1 Ratio: evolution



## Fully Loaded Capital Position

%	30/06/21	31/12/21	31/03/22	30/06/22
<b>TIER 1</b>	14.5	15.1	14.8	15.0
<b>Total</b>	17.5	18.2	18.6	18.6
<b>RWA (€/bn)</b>	68.6	63.7	64.2	63.1

## Fully Loaded Capital Buffers

	30/06/21	31/12/21	31/03/22	30/06/22
<b>Buffer vs. Min. CET1Req.</b>	+435bps	+491bps	+462bps	+424bps
<b>MDA Buffer</b>	+402bps	+471bps	+440bps	+424bps

- Wide MDA buffer, at 424bps, even after the impact from FVOCI reserves
- Sound overall capital efficiency, having strengthened the Tier 1 and Tier 2 buckets with the recent issues<sup>4</sup>

# Final remarks

Excellent results in H1 2022 in a difficult context, leveraging on a solid and safe business profile

## Strong operating performance

- ❑ ADJUSTED NET INCOME AT RECORD LEVEL: €497m in H1 2022
- ❑ GROWTH IN CORE REVENUES: €2,097m +1.4% H/H
  - ❑ SOLID PRE-TAX PROFIT: €688m +30.8% H/H
- ❑ C/I RATIO DOWN TO 54.5% in H1 2022 (54.9% in H1 2021)
  - ❑ LLPs DOWN TO €304m in H1 2022 (-35.7% H/H)

## Further improvement in asset quality

- ❑ GROSS NPE STOCK DOWN BY -€1.6bn Y/Y (-22.3%) o/w €0.9bn in H1 2022
- ❑ GROSS NPE RATIO DOWN TO 4.8% vs. 6.2% on 30/06/2021
- ❑ DEFAULT RATE at 0.9% in H1 2022<sup>1</sup> (1.0% in FY 2021)

## Solid capital position

- ❑ CET 1 FULLY LOADED at 12.8%
- ❑ MDA BUFFER at 424bps



In the current scenario, NII sensitivity is the catalyst to support revenues and to create room to offset a potential deterioration in macroeconomic conditions

<b>Total Revenues</b>	<b>Operating Costs</b>	<b>Pre-Provision Profit</b>
<b>&gt;€4.4bn</b>	<b>~€2.5bn</b>	<b>&gt;€1.9bn</b>
<b>Cost of Risk</b>	<b>EPS &amp; Payout</b>	<b>Capital</b>
<b>55/60 bps</b> Consistent with a slowdown scenario	<b>EPS: &gt;40 cents</b> <b>Dividend payout: 50%</b> <b>Adj. EPS: ~48 cents<sup>1</sup></b>	<b>CET1 FL: &gt;13%<sup>2</sup></b> <b>MDA Buffer FL: &gt;420bps<sup>2</sup></b>

**Profitability trajectory of the Strategic Plan confirmed for 2023-2024**

# H1 2022 Performance Details

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3

# Quarterly P&L results

Reclassified income statement (€m)	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Chg. Q/Q	Chg. Q/Q %
Net interest income	496.8	522.4	516.4	506.0	511.5	527.6	16.0	3.1%
Income (loss) from invest. in associates carried at equity	41.5	56.5	46.8	87.1	49.6	41.5	-8.2	-16.5%
<b>Net interest, dividend and similar income</b>	<b>538.4</b>	<b>578.9</b>	<b>563.2</b>	<b>593.1</b>	<b>561.2</b>	<b>569.1</b>	<b>7.9</b>	<b>1.4%</b>
Net fee and commission income	471.4	478.7	475.3	485.8	480.1	486.8	6.7	1.4%
Other net operating income	18.2	21.7	26.3	9.1	16.7	15.0	-1.6	-9.8%
Net financial result	99.7	116.5	35.9	-1.4	127.9	48.9	-79.1	-61.8%
<b>Other operating income</b>	<b>589.3</b>	<b>617.0</b>	<b>537.5</b>	<b>493.4</b>	<b>624.7</b>	<b>550.7</b>	<b>-74.0</b>	<b>-11.9%</b>
<b>Total income</b>	<b>1,127.7</b>	<b>1,195.9</b>	<b>1,100.7</b>	<b>1,086.5</b>	<b>1,185.9</b>	<b>1,119.7</b>	<b>-66.1</b>	<b>-5.6%</b>
Personnel expenses	-426.9	-417.1	-409.8	-413.9	-407.9	-405.3	2.5	-0.6%
Other administrative expenses	-154.1	-153.9	-144.0	-149.1	-155.6	-162.7	-7.1	4.6%
Amortization and depreciation	-62.9	-60.6	-61.8	-61.6	-61.2	-64.1	-2.8	4.6%
<b>Operating costs</b>	<b>-643.9</b>	<b>-631.6</b>	<b>-615.6</b>	<b>-624.7</b>	<b>-624.7</b>	<b>-632.1</b>	<b>-7.4</b>	<b>1.2%</b>
<b>Profit (loss) from operations</b>	<b>483.8</b>	<b>564.2</b>	<b>485.1</b>	<b>461.9</b>	<b>561.2</b>	<b>487.7</b>	<b>-73.5</b>	<b>-13.1%</b>
Net adjustments on loans to customers	-217.1	-255.5	-200.6	-214.0	-151.1	-152.6	-1.4	0.9%
Profit (loss) on FV measurement of tangible assets	0.1	-37.0	-7.8	-96.9	-1.2	-39.6	-38.4	n.m.
Net adjustments on other financial assets	-0.4	0.9	0.2	-1.1	-3.2	-2.3	0.8	-26.5%
Net provisions for risks and charges	-7.2	-5.6	-15.5	2.3	-8.1	-4.6	3.5	-43.3%
Profit (loss) on the disposal of equity and other invest.	0.0	-0.4	0.4	-18.7	1.5	-0.1	-1.6	n.m.
<b>Income (loss) before tax from continuing operations</b>	<b>259.1</b>	<b>266.7</b>	<b>261.8</b>	<b>133.4</b>	<b>399.1</b>	<b>288.5</b>	<b>-110.6</b>	<b>-27.7%</b>
Tax on income from continuing operations	-82.7	-50.6	-83.3	-37.2	-138.4	-92.6	45.8	-33.1%
<b>Income (loss) after tax from continuing operations</b>	<b>176.4</b>	<b>216.0</b>	<b>178.5</b>	<b>96.2</b>	<b>260.6</b>	<b>195.9</b>	<b>-64.7</b>	<b>-24.8%</b>
Systemic charges after tax	-59.2	-19.3	-61.7	-4.8	-74.6	0.0	74.6	n.m.
Realignment of fiscal values to accounting values	0.0	79.2	0.0	2.5	0.0	0.0	0.0	n.m.
Goodwill impairment	0.0	0.0	0.0	0.0	0.0	-8.1	-8.1	n.m.
Income (loss) attributable to minority interests	0.0	0.1	0.0	0.1	0.0	0.1	0.0	53.5%
Purchase Price Allocation after tax	-10.3	-9.7	-10.2	-9.3	-8.5	-7.2	1.3	-15.5%
Fair value on own liabilities after Taxes	-6.8	-5.1	4.0	12.3	0.2	25.5	25.3	n.m.
<b>Net income (loss) for the period</b>	<b>100.1</b>	<b>261.2</b>	<b>110.7</b>	<b>97.1</b>	<b>177.8</b>	<b>206.1</b>	<b>28.3</b>	<b>15.9%</b>

# H1 2022 stated and adjusted comparison

Reclassified income statement (€m)	H1 21	H1 22	Chg. H/H %	H1 21 adjusted	H1 22 adjusted	Chg. H/H %
Net interest income	1,019.2	1,039.1	2.0%	1,019.2	1,039.1	2.0%
Income (loss) from invest. in associates carried at equity	98.1	91.1	-7.1%	98.1	91.1	-7.1%
<b>Net interest, dividend and similar income</b>	<b>1,117.3</b>	<b>1,130.2</b>	<b>1.2%</b>	<b>1,117.3</b>	<b>1,130.2</b>	<b>1.2%</b>
Net fee and commission income	950.1	966.9	1.8%	950.1	966.9	1.8%
Other net operating income	39.9	31.7	-20.6%	39.9	31.7	-20.6%
Net financial result	216.3	176.8	-18.2%	216.3	181.5	-16.1%
<b>Other operating income</b>	<b>1,206.3</b>	<b>1,175.4</b>	<b>-2.6%</b>	<b>1,206.3</b>	<b>1,180.1</b>	<b>-2.2%</b>
<b>Total income</b>	<b>2,323.5</b>	<b>2,305.6</b>	<b>-0.8%</b>	<b>2,323.5</b>	<b>2,310.3</b>	<b>-0.6%</b>
Personnel expenses	-844.0	-813.2	-3.7%	-858.4	-813.2	-5.3%
Other administrative expenses	-308.0	-318.2	3.3%	-308.0	-318.2	3.3%
Amortization and depreciation	-123.5	-125.3	1.5%	-122.2	-125.3	2.6%
<b>Operating costs</b>	<b>-1,275.5</b>	<b>-1,256.7</b>	<b>-1.5%</b>	<b>-1,288.6</b>	<b>-1,256.7</b>	<b>-2.5%</b>
<b>Profit (loss) from operations</b>	<b>1,048.0</b>	<b>1,048.9</b>	<b>0.1%</b>	<b>1,034.9</b>	<b>1,053.6</b>	<b>1.8%</b>
Net adjustments on loans to customers	-472.6	-303.7	-35.7%	-378.6	-191.0	-49.6%
Profit (loss) on FV measurement of tangible assets	-36.9	-40.8	10.7%	0.0	0.0	
Net adjustments on other financial assets	0.5	-5.5	n.m	0.5	-5.5	n.m
Net provisions for risks and charges	-12.8	-12.7	-0.6%	-12.8	-12.7	-0.6%
Profit (loss) on the disposal of equity and other invest.	-0.4	1.5	n.m	0.0	0.0	
<b>Income (loss) before tax from continuing operations</b>	<b>525.8</b>	<b>687.6</b>	<b>30.8%</b>	<b>644.1</b>	<b>844.4</b>	<b>31.1%</b>
Tax on income from continuing operations	-133.3	-231.0	73.3%	-171.0	-282.9	65.5%
<b>Income (loss) after tax from continuing operations</b>	<b>392.5</b>	<b>456.5</b>	<b>16.3%</b>	<b>473.1</b>	<b>561.5</b>	<b>18.7%</b>
Systemic charges after tax	-78.6	-74.6	-5.1%	-59.3	-74.6	25.8%
Realignment of fiscal values to accounting values	79.2	0.0		0.0	0.0	
Goodwill impairment	0.0	-8.1		0.0	0.0	
Income (loss) attributable to minority interests	0.1	0.1	-2.7%	0.1	0.1	-2.7%
Purchase Price Allocation after tax	-20.0	-15.7	-21.8%	-20.0	-15.7	-21.8%
Fair value on own liabilities after Taxes	-11.9	25.7	n.m	-11.9	25.7	n.m
<b>Net income (loss) for the period</b>	<b>361.3</b>	<b>383.9</b>	<b>6.3%</b>	<b>382.0</b>	<b>497.0</b>	<b>30.1%</b>

# P&L: H1 2022 stated and adjusted comparison with one-off details

Reclassified income statement (€m)	H1 2022	H1 2022 adjusted	One-off	Non-recurring items
Net interest income	1,039.1	1,039.1	0.0	
Income (loss) from invest. in associates carried at equity	91.1	91.1	0.0	
<b>Net interest, dividend and similar income</b>	<b>1,130.2</b>	<b>1,130.2</b>	<b>0.0</b>	
Net fee and commission income	966.9	966.9	0.0	
Other net operating income	31.7	31.7	0.0	
Net financial result	176.8	181.5	-4.7	FV adjustments on Financial Assets
<b>Other operating income</b>	<b>1,175.4</b>	<b>1,180.1</b>	<b>-4.7</b>	
<b>Total income</b>	<b>2,305.6</b>	<b>2,310.3</b>	<b>-4.7</b>	
Personnel expenses	-813.2	-813.2	0.0	
Other administrative expenses	-318.2	-318.2	0.0	
Amortization and depreciation	-125.3	-125.3	0.0	
<b>Operating costs</b>	<b>-1,256.7</b>	<b>-1,256.7</b>	<b>0.0</b>	
<b>Profit (loss) from operations</b>	<b>1,048.9</b>	<b>1,053.6</b>	<b>-4.7</b>	
Net adjustments on loans to customers	-303.7	-191.0	-112.7	Additional NPE disposal
Profit (loss) on FV of tangible assets	-40.8	0.0	-40.8	Adjustments on tangible assets
Net adjustments on other financial assets	-5.5	-5.5	0.0	
Net provisions for risks and charges	-12.7	-12.7	0.0	
Profit (loss) on the disposal of equity and other invest.	1.5	0.0	1.5	Disposal on tangible assets
<b>Income (loss) before tax from continuing operations</b>	<b>687.6</b>	<b>844.4</b>	<b>-156.8</b>	
Tax on income from continuing operations	-231.0	-282.9	51.9	
<b>Income (loss) after tax from continuing operations</b>	<b>456.5</b>	<b>561.5</b>	<b>-104.9</b>	
Systemic charges after tax	-74.6	-74.6	0.0	
Goodwill impairment	-8.1	0.0	-8.1	Goodwill impairment
Income (loss) attributable to minority interests	0.1	0.1	0.0	
Purchase Price Allocation after tax	-15.7	-15.7	0.0	
Fair value on own liabilities after Taxes	25.7	25.7	0.0	
<b>Net income (loss) for the period</b>	<b>383.9</b>	<b>497.0</b>	<b>-113.0</b>	

# Reclassified Balance Sheet as at 30/06/2022

Reclassified assets (€ m)	30/06/21	31/12/21	31/03/22	30/06/22	Chg. y/y		Chg. YTD		Chg. q/q	
					Value	%	Value	%	Value	%
Cash and cash equivalents	21,258	29,153	32,077	33,109	11,852	55.8%	3,956	13.6%	1,033	3.2%
Loans and advances measured at AC	117,409	121,261	119,218	120,540	3,131	2.7%	-721	-0.6%	1,322	1.1%
- Loans and advances to banks	8,035	11,878	8,329	9,732	1,697	21.1%	-2,146	-18.1%	1,403	16.8%
- Loans and advances to customers <sup>(1)</sup>	109,374	109,383	110,889	110,808	1,434	1.3%	1,425	1.3%	-80	-0.1%
Other financial assets	45,956	36,326	40,679	40,964	-4,992	-10.9%	4,637	12.8%	284	0.7%
- Assets measured at FV through PL	8,586	6,464	7,017	8,486	-101	-1.2%	2,022	31.3%	1,469	20.9%
- Assets measured at FV through OCI	15,447	10,675	12,143	10,594	-4,853	-31.4%	-81	-0.8%	-1,549	-12.8%
- Assets measured at AC	21,922	19,187	21,520	21,883	-39	-0.2%	2,696	14.1%	364	1.7%
Equity investments	1,689	1,794	1,642	1,538	-151	-8.9%	-256	-14.3%	-105	-6.4%
Property and equipment	3,435	3,278	3,290	3,192	-242	-7.1%	-86	-2.6%	-97	-2.9%
Intangible assets	1,221	1,214	1,214	1,203	-18	-1.5%	-11	-0.9%	-11	-0.9%
Tax assets	4,680	4,540	4,532	4,582	-98	-2.1%	42	0.9%	50	1.1%
Non-current assets held for sale and discont. operations	100	230	204	103	3	2.8%	-127	-55.3%	-102	-49.7%
Other assets	2,784	2,692	2,935	3,431	647	23.3%	739	27.5%	496	16.9%
<b>Total</b>	<b>198,530</b>	<b>200,489</b>	<b>205,792</b>	<b>208,662</b>	<b>10,132</b>	<b>5.1%</b>	<b>8,173</b>	<b>4.1%</b>	<b>2,870</b>	<b>1.4%</b>
Reclassified liabilities (€ m)	30/06/21	31/12/21	31/03/22	30/06/22	Value	%	Value	%	Value	%
Direct Funding	120,146	120,213	123,356	123,907	3,760	3.1%	3,694	3.1%	551	0.4%
- Due from customers	106,883	107,121	109,584	110,705	3,822	3.6%	3,584	3.3%	1,121	1.0%
- Debt securities and financial liabilities desig. at FV	13,263	13,092	13,771	13,202	-61	-0.5%	109	0.8%	-570	-4.1%
Due to banks	44,269	45,685	46,788	46,224	1,954	4.4%	539	1.2%	-565	-1.2%
Debts for Leasing	722	674	712	679	-43	-6.0%	5	0.8%	-33	-4.7%
Other financial liabilities designated at FV	12,683	15,755	15,757	17,248	4,565	36.0%	1,493	9.5%	1,491	9.5%
Liability provisions	1,277	1,197	1,163	1,021	-255	-20.0%	-176	-14.7%	-142	-12.2%
Tax liabilities	312	303	282	287	-24	-7.8%	-15	-5.1%	5	1.9%
Liabilities associated with assets held for sale	2	0	0	0	-2	-100.0%	0	n.m.	0	n.m.
Other liabilities	6,199	3,566	4,751	6,486	287	4.6%	2,920	81.9%	1,735	36.5%
Minority interests	1	1	1	1	0	8.8%	0	26.5%	0	-4.5%
Shareholders' equity	12,918	13,095	12,980	12,808	-110	-0.8%	-287	-2.2%	-172	-1.3%
<b>Total</b>	<b>198,530</b>	<b>200,489</b>	<b>205,792</b>	<b>208,662</b>	<b>10,132</b>	<b>5.1%</b>	<b>8,173</b>	<b>4.1%</b>	<b>2,870</b>	<b>1.4%</b>

Note: 1. "Customer loans" include the Senior Notes of the three GACS transactions.

# New lending at €13.7bn in H1 2022: +13.5% Y/Y

New lending at €7.0bn in Q2 2022, +4.8% Q/Q

## New lending<sup>1</sup>: trend and composition

Management data  
€ bn

■ Households

■ Corporate, Enterprise  
& Small Business  
segments<sup>2</sup>



- New lending to Households + 0.5% Q/Q and +1.4% Y/Y
- Strong performance of new lending to Enterprises & Corporate (+5.7% Q/Q and +16.2% Y/Y)
- New lending guaranteed by the State at €3.8bn in H1 2022, o/w €2.1bn in Q2 (+21.2% Q/Q)

# Direct funding

## Direct customer funding<sup>1</sup> (without Repos)

€ bn



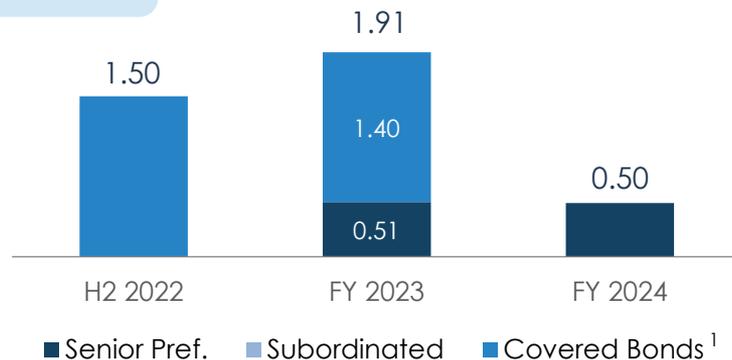
	30/06/21	31/12/21	31/03/22	30/06/22	% chg. Y/Y	% chg. YTD	% chg. Q/Q
C/A & Sight deposits	103.0	104.0	106.0	106.7	3.6%	2.6%	0.7%
Time deposits	1.2	1.0	0.9	0.7	-39.4%	-28.9%	-22.5%
Bonds	13.2	13.1	13.8	13.2	-0.3%	0.9%	-4.1%
Other	1.6	1.5	1.9	2.2	41.1%	51.1%	17.8%
Capital-protected Certificates	3.6	3.6	3.6	3.5	-3.1%	-2.1%	-2.1%
<b>Direct Funding (excl. Repos)</b>	<b>122.6</b>	<b>123.2</b>	<b>126.1</b>	<b>126.4</b>	<b>3.1%</b>	<b>2.6%</b>	<b>0.2%</b>

# Bond maturities: limited and manageable amounts

## Institutional bond maturities

€ bn

€2.36bn  
reimbursed  
in H1 2022



## Retail bond maturities

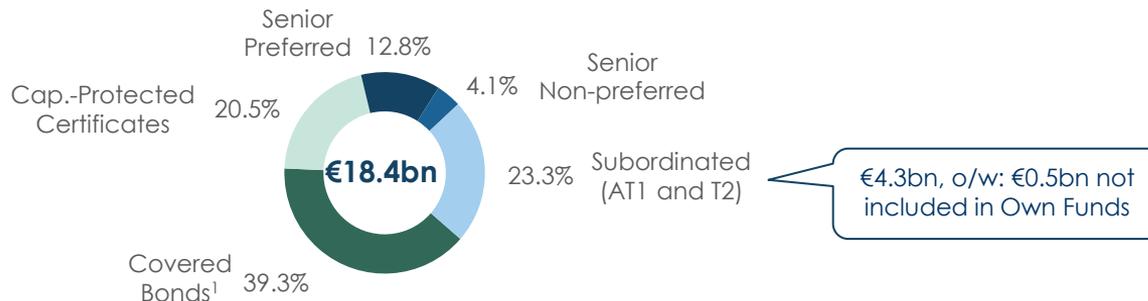
€ bn



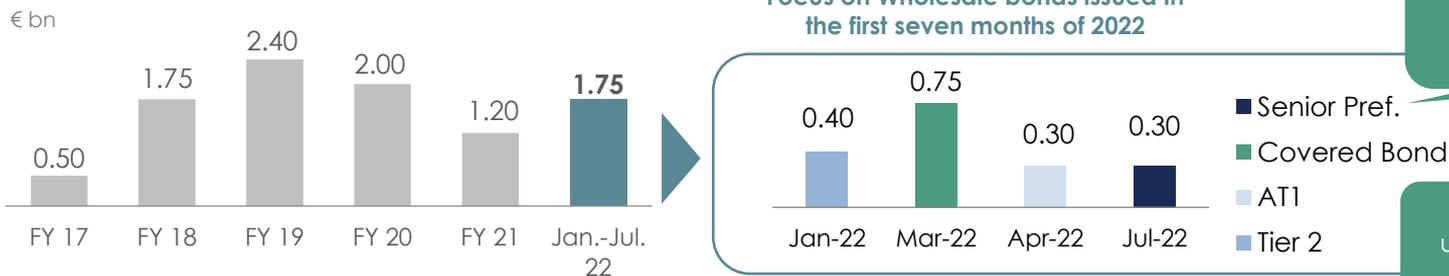
# Liability profile: Bonds outstanding and issues

## Bonds Outstanding as at 30/06/2022

Nominal amounts



## Wholesale bonds issued since 2017



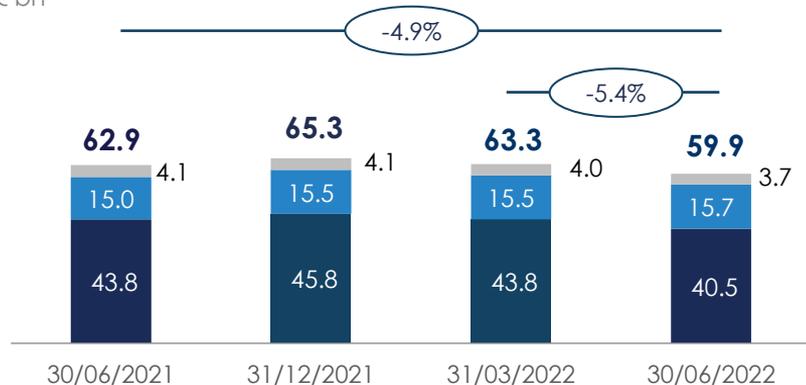
• Private placement of €300m Senior Pref. in July, with "Green" features for the use of proceeds, in line with our ESG Strategy

First Green bond issued under the new ESG Bonds Framework

# Indirect customer funding at €90.5bn

## Assets under Management (AuM)

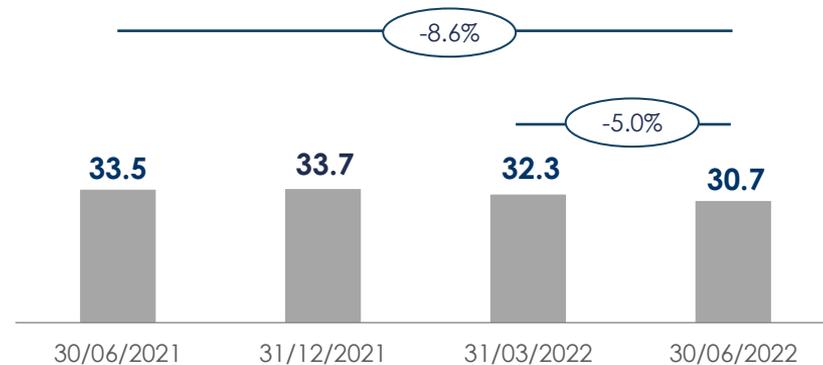
€ bn



■ Funds & Sicav ■ Bancassurance ■ Managed Accounts and Funds of Funds

## Assets under Custody (AuC)<sup>1</sup>

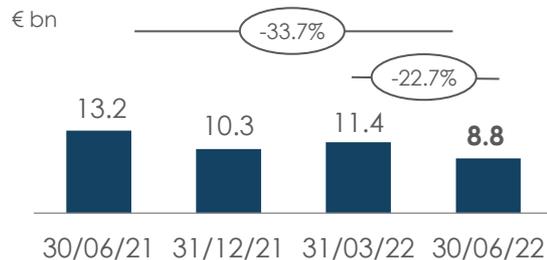
€ bn



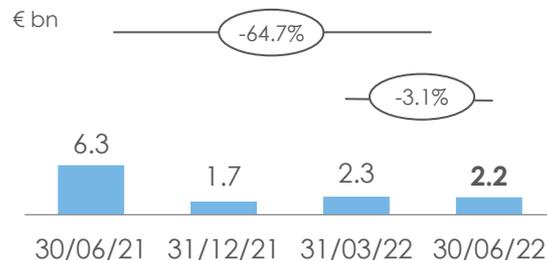
- Total Indirect Customer Funding at €90.5bn from €95.6bn as at 31/03/22 and €96.5bn as at 30/06/21, exclusively due to the market effect
- Assessing only the volume effect, total Indirect Customer Funding grew by +1.4% Q/Q and +2.6% Y/Y

# Focus on Govies portfolio

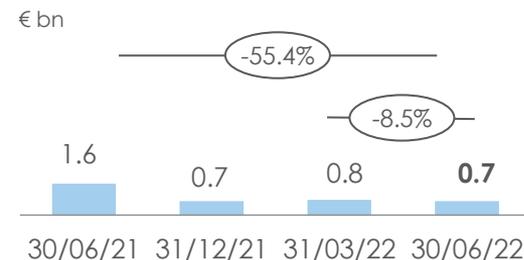
## Italian Govies at AC



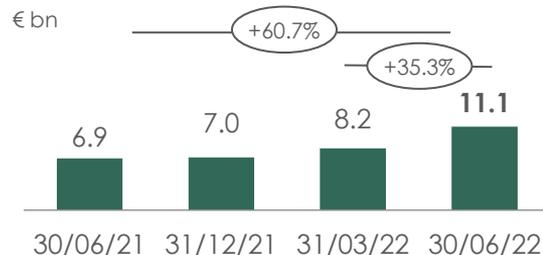
## Italian Govies at FVOCI



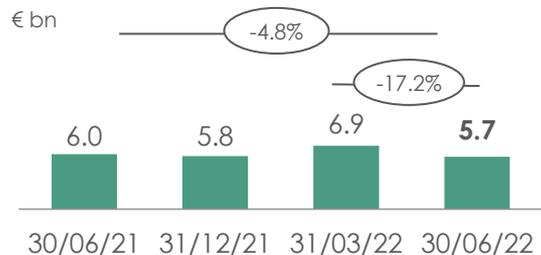
## Italian Govies at FVTPL



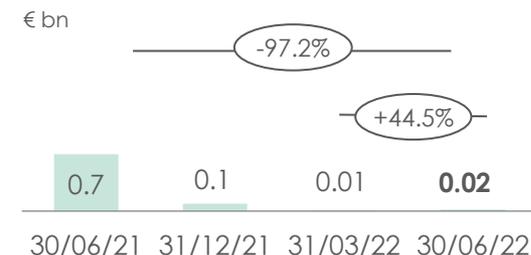
## Non-Italian Govies at AC



## Non-Italian Govies at FVOCI



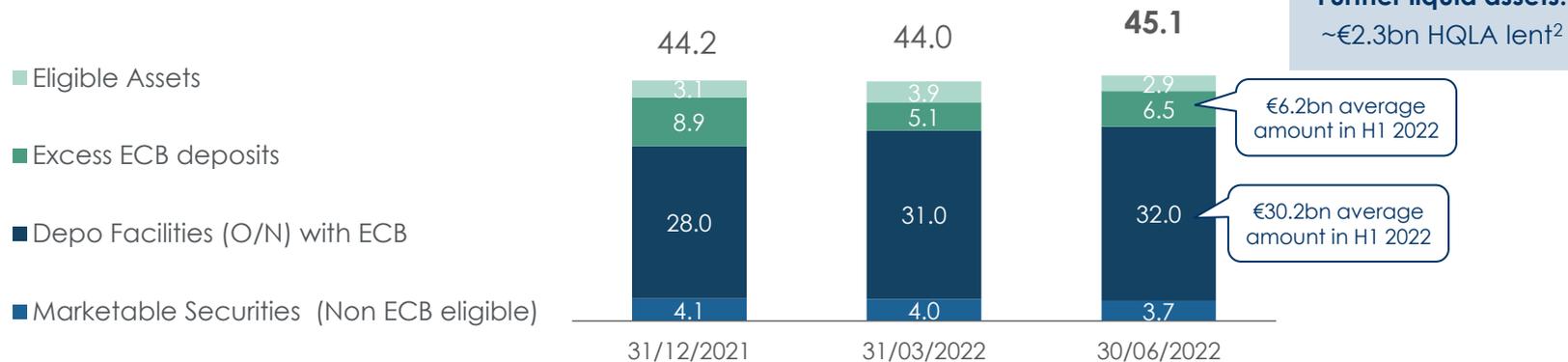
## Non-Italian Govies at FVTPL



# Solid liquidity position: LCR at 208% & NSFR >100% as at 30/06/2022

## Cash + Unencumbered Assets<sup>1</sup>

€ bn



- Total Encumbered Eligible Assets at €53.8bn<sup>1</sup> at end of June 2022
- TLTRO III nominal exposure at €39.2bn as at 30/06/22 (stable in Q2 2022, +€1.7bn Y/Y)

# Net Customer Loans

Satisfactory increase in Performing Loans

## Net Customer Loans<sup>1</sup>

€ bn



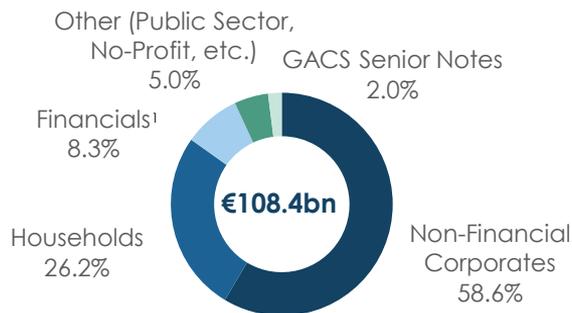
Net Performing Customer Loans	30/06/21	31/12/21	31/03/22	30/06/22	Change		
					In % y/y	In % YTD	In % q/q
<b>Core customer loans</b>	<b>99.8</b>	<b>99.5</b>	<b>101.3</b>	<b>102.8</b>	<b>3.0%</b>	<b>3.4%</b>	<b>1.5%</b>
- Medium/Long-Term loans	76.3	77.3	78.2	79.7	4.4%	3.1%	1.9%
- Current Accounts	8.3	8.2	8.9	9.6	14.8%	16.3%	7.2%
- Cards & Personal Loans	1.7	1.3	1.2	1.1	-36.1%	-16.9%	-7.1%
- Other loans	13.4	12.6	13.0	12.5	-7.0%	-1.0%	-4.0%
<b>GACS Senior Notes</b>	<b>2.5</b>	<b>2.3</b>	<b>2.1</b>	<b>2.1</b>	<b>-12.7%</b>	<b>-6.5%</b>	<b>0.8%</b>
Repos	2.5	3.7	3.7	2.3	-8.3%	-36.1%	-36.4%
Leasing	0.8	0.7	0.7	0.6	-22.7%	-11.5%	-7.1%
<b>Total Net Performing Loans</b>	<b>105.7</b>	<b>106.1</b>	<b>107.8</b>	<b>107.9</b>	<b>2.2%</b>	<b>1.7%</b>	<b>0.1%</b>

**Net Performing loans in Stage 2 at €10.9bn**  
 (€11.2bn as at 31/03/22 and €11.4bn YE 2021),  
 with a coverage stable at 2.9%

# Analysis of Performing loan portfolio

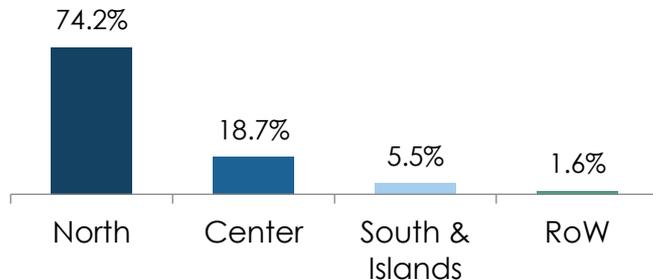
## Performing customer loan breakdown as at 30/06/2022

Management data, GBV

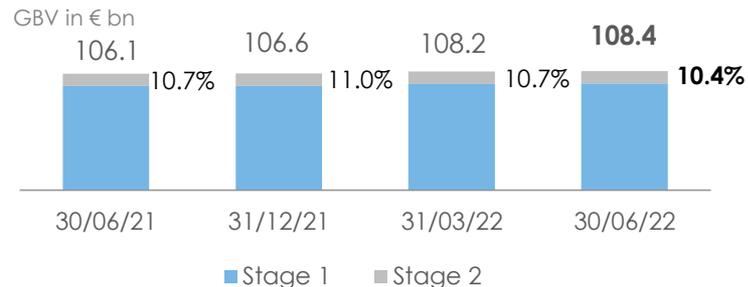


### Geographical breakdown

(excluding GACS Senior Notes)



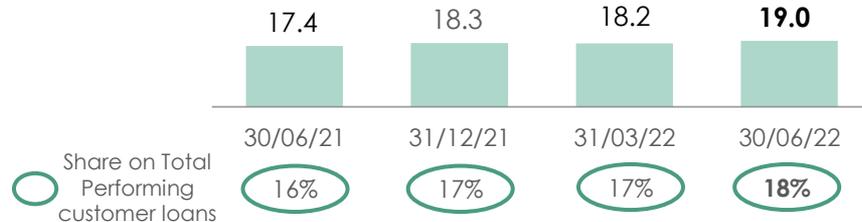
## Staging evolution of Performing Loans



## Loans guaranteed by the State<sup>2</sup>

Performing GBV

o/w: €17.7bn Covid measures, guaranteed at 85% (average level)



# Asset Quality details

## Loans to Customers at AC<sup>1</sup>

Gross exposures €/m and %	30/06/2021	31/12/2021	31/03/2022	30/06/2022	Chg. y/y		Chg. YTD		Chg. q/q	
					Value	%	Value	%	Value	%
Bad Loans	2,123	2,190	2,226	1,996	-127	-6.0%	-195	-8.9%	-230	-10.3%
UTP	4,825	4,126	3,974	3,405	-1,420	-29.4%	-721	-17.5%	-569	-14.3%
Past Due	114	60	53	84	-30	-26.1%	24	40.6%	31	58.7%
<b>NPE</b>	<b>7,062</b>	<b>6,376</b>	<b>6,252</b>	<b>5,485</b>	<b>-1,577</b>	<b>-22.3%</b>	<b>-892</b>	<b>-14.0%</b>	<b>-768</b>	<b>-12.3%</b>
Performing Loans	106,123	106,577	108,244	108,392	2,269	2.1%	1,814	1.7%	148	0.1%
<b>TOTAL CUSTOMER LOANS</b>	<b>113,185</b>	<b>112,953</b>	<b>114,496</b>	<b>113,876</b>	<b>692</b>	<b>0.6%</b>	<b>923</b>	<b>0.8%</b>	<b>-620</b>	<b>-0.5%</b>

Net exposures €/m and %	30/06/2021	31/12/2021	31/03/2022	30/06/2022	Chg. y/y		Chg. YTD		Chg. q/q	
					Value	%	Value	%	Value	%
Bad Loans	947	906	849	769	-178	-18.8%	-138	-15.2%	-80	-9.4%
UTP	2,674	2,309	2,211	2,034	-640	-23.9%	-276	-11.9%	-177	-8.0%
Past Due	96	45	39	59	-37	-38.6%	14	32.1%	20	51.1%
<b>NPE</b>	<b>3,717</b>	<b>3,261</b>	<b>3,099</b>	<b>2,862</b>	<b>-855</b>	<b>-23.0%</b>	<b>-399</b>	<b>-12.2%</b>	<b>-237</b>	<b>-7.7%</b>
Performing Loans	105,658	106,123	107,790	107,947	2,289	2.2%	1,824	1.7%	157	0.1%
<b>TOTAL CUSTOMER LOANS</b>	<b>109,374</b>	<b>109,383</b>	<b>110,889</b>	<b>110,808</b>	<b>1,434</b>	<b>1.3%</b>	<b>1,425</b>	<b>1.3%</b>	<b>-80</b>	<b>-0.1%</b>

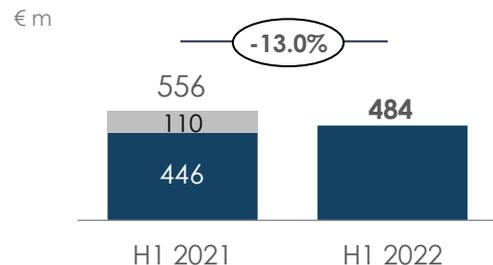
  

Coverage ratios %	30/06/2021	31/12/2021	31/03/2022	30/06/2022
Bad Loans	55.4%	58.6%	61.9%	61.5%
UTP	44.6%	44.0%	44.4%	40.3%
Past Due	15.6%	25.3%	26.3%	29.8%
<b>NPE</b>	<b>47.4%</b>	<b>48.9%</b>	<b>50.4%</b>	<b>47.8%</b>
Performing Loans	0.44%	0.43%	0.42%	0.41%
<b>TOTAL CUSTOMER LOANS</b>	<b>3.4%</b>	<b>3.2%</b>	<b>3.2%</b>	<b>2.7%</b>

# NPE flows

Positive migration trends confirmed

## Inflows from Performing to NPEs



Impact from New DoD FTA

## Outflows from NPEs to Perf. Loans



## Flows from UTP to Bad Loans



# Capital position in detail

PHASED IN CAPITAL POSITION (€/m and %)	30/06/2021	31/12/2021	31/03/2022	30/06/2022
CET 1 Capital	9,676	9,387	9,011	8,884
T1 Capital	10,853	10,564	10,104	10,275
Total Capital	12,921	12,524	12,545	12,549
<b>RWA</b>	<b>68,789</b>	<b>63,931</b>	<b>64,372</b>	<b>63,321</b>
<b>CET 1 Ratio</b>	<b>14.07%</b>	<b>14.68%</b>	<b>14.00%</b>	<b>14.03%</b>
<b>AT1</b>	<b>1.71%</b>	<b>1.84%</b>	<b>1.70%</b>	<b>2.20%</b>
<b>T1 Ratio</b>	<b>15.78%</b>	<b>16.52%</b>	<b>15.70%</b>	<b>16.23%</b>
<b>Tier 2</b>	<b>3.01%</b>	<b>3.07%</b>	<b>3.79%</b>	<b>3.59%</b>
<b>Total Capital Ratio</b>	<b>18.78%</b>	<b>19.59%</b>	<b>19.49%</b>	<b>19.82%</b>

Leverage ratio Phased-In as at 30/06/2022: 4.70%

FULLY PHASED CAPITAL POSITION (€/m and %)	30/06/2021	31/12/2021	31/03/2022	30/06/2022
CET 1 Capital	8,827	8,559	8,435	8,053
T1 Capital	9,920	9,652	9,528	9,443
Total Capital	11,988	11,613	11,969	11,717
<b>RWA</b>	<b>68,579</b>	<b>63,729</b>	<b>64,208</b>	<b>63,123</b>
<b>CET 1 Ratio</b>	<b>12.87%</b>	<b>13.43%</b>	<b>13.14%</b>	<b>12.76%</b>
<b>AT1</b>	<b>1.59%</b>	<b>1.71%</b>	<b>1.70%</b>	<b>2.20%</b>
<b>T1 Ratio</b>	<b>14.46%</b>	<b>15.15%</b>	<b>14.84%</b>	<b>14.96%</b>
<b>Tier 2</b>	<b>3.02%</b>	<b>3.08%</b>	<b>3.80%</b>	<b>3.60%</b>
<b>Total Capital Ratio</b>	<b>17.48%</b>	<b>18.22%</b>	<b>18.64%</b>	<b>18.56%</b>

Leverage ratio Fully Loaded as at 30/06/2022: 4.33%

PHASED IN RWA COMPOSITION (€/bn)	30/06/2021	31/12/2021	31/03/2022	30/06/2022
CREDIT & COUNTERPARTY RISK	58.0	54.1	55.0	54.2
<i>of which: Standard</i>	31.5	29.7	30.2	29.3
MARKET RISK	3.5	2.5	2.0	1.8
OPERATIONAL RISK	7.0	7.1	7.1	7.1
CVA	0.3	0.3	0.2	0.2
<b>TOTAL</b>	<b>68.8</b>	<b>63.9</b>	<b>64.4</b>	<b>63.3</b>

FULLY PHASED RWA COMPOSITION (€/bn)	30/06/2021	31/12/2021	31/03/2022	30/06/2022
CREDIT & COUNTERPARTY RISK	57.8	53.9	54.9	54.0
<i>of which: Standard</i>	31.3	29.5	30.0	29.1
MARKET RISK	3.5	2.5	2.0	1.8
OPERATIONAL RISK	7.0	7.1	7.1	7.1
CVA	0.3	0.3	0.2	0.2
<b>TOTAL</b>	<b>68.6</b>	<b>63.7</b>	<b>64.2</b>	<b>63.1</b>

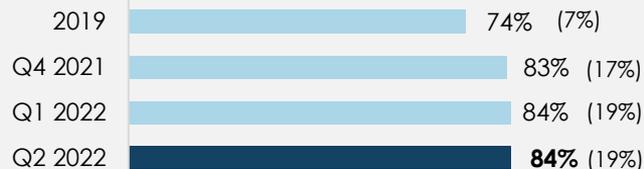
## Notes:

- All data include also the interim profit, subject to ECB authorization, net of dividend accrual.
- Starting from 30 June 2022, Banco BPM has chosen to adopt the temporary treatment of unrealised gains and losses measured at FVOCI, according to art. 468 of the CRR, as amended by Regulation (EU) 2020/873 (so called "CRR Quick-fix"). **The above-mentioned temporary treatment is considered only for the calculation of phase-in capital ratios while it is not applied to the fully-phased capital ratios.** See Methodological Notes for further details.

# Strong development of digital banking

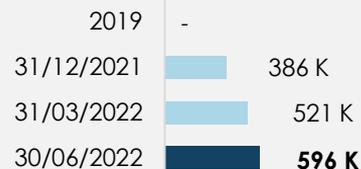
## Digital adoption: ongoing growth

### % of Remote-based transaction (of which Mobile)



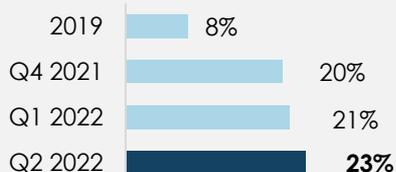
Target 2024 >90%

### # Customers enrolled in Digital Identity<sup>1</sup>



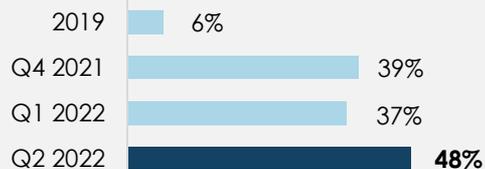
Target 2024 2.5 m

### % Remote & Omnichannel Sales



Target 2024 ~50%

### % commercial contacts on total Digital Branch



Target 2024 ~70%



**Banking APP Users & customer reviews<sup>2</sup>**

#### INDIVIDUAL CLIENTS

1,657k Users (+11.6% vs. Q2 2021)



4.7/5 on iOS Store



4.6/5 on Google Store

#### SME CLIENTS

61 K Users (+77.6% vs. Q1 2022)<sup>3</sup>



4.6/5 on iOS Store



4.5/5 on Google Store

# ESG integration: Key results & selected KPIs



## BUSINESS

KPI

Green New Lending in H1 2022 <sup>1</sup>	€4.6bn
Bonds issued under the ESG bond framework (stock as at 30/06/22)	€1.25bn
ESG bond issues assisted by Banca Akros in H1 2022	€4.9bn
Share of ESG corporate bonds in the proprietary portfolio (30/06/22)	19.1%



## PEOPLE

KPI

Share of women in managerial positions (30/06/22)	25.6%
Hours of ESG training courses in H1 2022	>143,000
Share of new hirings between 20-30 years (Jan.21 – Jun.22)	88.0%



## COMMUNITY



## ENVIRONMENT

KPI

Donations and sponsorship for social & environmental projects in H1 22	€3.2m
Hours of corporate community services, ESG awareness and financial education in H1 2022	>7,400
Net Scope 1&2 emissions (market based) in H1 2022 (% chg. y/y)	-7.3%
Total Scope 1&2 consumptions in H1 2022 (% chg. y/y)	-7.3%

## KEY ACHIEVEMENTS OF THE ESG ACTION PLAN



### RISK & CREDITS

- First **Climate Stress Test** exercise coordinated by the ECB successfully completed in 2022:
  - further consolidation and testing of Group's **ESG competence and strategies**
  - improvement of **climate risk measurement**
  - development of specific **climate stress testing methodologies**
- Full implementation of ESG lending policies** and calculation of **ESG Scores** across all sectors for the Corporate and Enterprise segments



### BUSINESS

- Design of the ESG Advisory model with the consideration of the **customers' ESG preferences**, in line with the Mifid 2 regulatory guidelines
- Significant increase of ESG Art. 8 & 9 funds within AUM**, driven both by customer appetite and by the higher number of these products offered by asset managers



### PEOPLE

- "Respect Programme": defined a "**Respect Pact**", approved by the top management, regarding the Group's commitment to respect each single person and all diversities



- In July, Standard Ethics confirmed Banco BPM's sustainability rating at "**EE**" (corresponding to a "**Strong**" level), with **Positive Outlook**

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