



## Group 9M 2023 Results Presentation

07 November 2023



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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

- The balance sheet and income statement layouts contained in this news release have been reclassified along management criteria in order to provide an indication on the Group's overall performance based on more easily understandable aggregate operating and financial data. These layouts have been prepared based on the financial statement layouts indicated in the Bank of Italy's Circular no. 262/2005 and following updates.
- Starting from 1 July 2022 Banco BPM Vita & Banco BPM Assicurazioni, previously held at 19%, have been consolidated 100% line-by-line. As a consequence:
  - with regard to the balance sheet scheme, starting from 30/09/2022, the items relating to the portfolios of financial assets and liabilities held by these insurance companies were introduced. The previous periods remained unchanged;
  - with regard to the P&L scheme, starting in the third quarter of 2022, the new item 'Net income from insurance business' was introduced, which includes all income components (interest, dividends, realised gains/losses, valuation gains/losses) relating to the financial assets and liabilities portfolio of these insurance companies and the items attributable to the revenues and costs characteristic of the insurance business. It should also be noted that the placement commissions paid by these consolidated insurance companies to Banco BPM's distribution network are shown under the item "Net commissions" for commissions received by the distribution network and under the item "Result from insurance business" for those paid by the companies; the contribution of the above items, as well as that of the other income statement items relating to these wholly-owned companies, is included, line-by-line, in the consolidated income statement starting from the third quarter of 2022. On the other hand, the total net contribution of these companies in the preceding quarters of 2022, when the companies were 19% owned, is shown in the item "Income (loss) from investments in associates carried at equity", for the previous relative stake held;
  - finally, it should be noted that, as of January 1, 2023, IFRS 17 "Insurance Contracts," which introduces new valuation criteria and new accounting rules for insurance products, came into effect, replacing IFRS 4, as illustrated in the methodological notes of the results as of 30/09/2023 press release published on 7 November 2023. In light of this, it should be noted that the balance sheet as at 31/12/2022 and that the quarterly income statements for 2022 shown in this presentation have been restated by retrospective application of IFRS 17.
- Under the agreements between Banco BPM and Crédit Agricole Assurances S.A. entered in December 2022 – covering, among others, the disposal of the 65% controlling stake in Banco BPM Assicurazione – as of 31 December 2022 the assets and liabilities of the above insurance company are not shown on a "line-by-line" basis, whereas they are aggregated in the reclassified balance sheet line items "Non-current assets held for sale and discontinued operations" and "Liabilities associated with assets held for sale", in accordance with IFRS 5. Conversely, in the income statement the associate's contribution is shown on a "line-by-line" basis, as the disposal of the company under examination does not fall within the "discontinued operations" criteria provided under IFRS 5.
- With reference to the binding agreement signed for the establishment of a strategic partnership aimed at developing a new Italian and independent reality in the digital payments sector, which provides for the contribution to the joint venture BCC Pay S.p.A. of Banco BPM's e-money activities and the equity investment in Tecmarket, it should be noted that for the purposes of preparing the situation as of June 30, 2023, the related assets and liabilities, subject to contribution, are reclassified in the specific balance sheet items "Non-current assets and groups of assets held for sale" and "Liabilities associated with assets held for sale," in line with IFRS 5.
- 2023 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 methodological note number 6 included in the 9M 2023 results press release published on 7 November 2023 for further details).

# Agenda

<b>1</b>	<b>Executive Summary</b>	<b>5</b>
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# Executive Summary

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1

# 9M OF STRONG AND SUSTAINABLE PROFITABILITY

## SOLID PACE OF GROWTH CONFIRMED WITH 9M P&L TRENDS

### RESILIENT BUSINESS MODEL

- Revenue diversification
- High-Value product factories
- Strict cost discipline

NET INTEREST INCOME  
+52.3% Y/Y

TOTAL REVENUES  
+14.6% Y/Y

PRE-PROVISION INCOME  
+30.7% Y/Y

### LOW RISK PROFILE

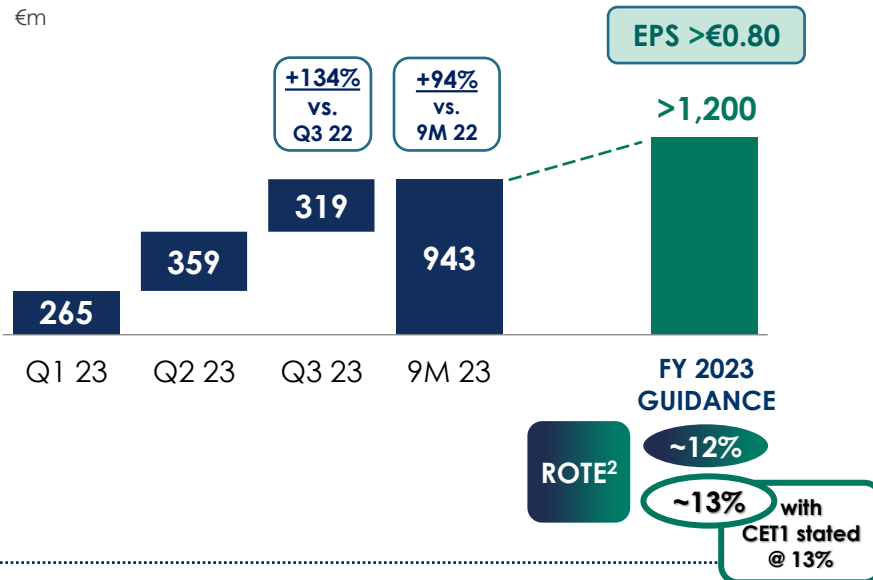
- Successful derisking strategy
- Advanced monitoring systems
- Prudent provisioning policy

GROSS NPEs DOWN BY  
26.5% Y/Y

9M 23 COST OF RISK<sup>1</sup>  
AT 47 BPS  
(vs. 61bps 9M 22)

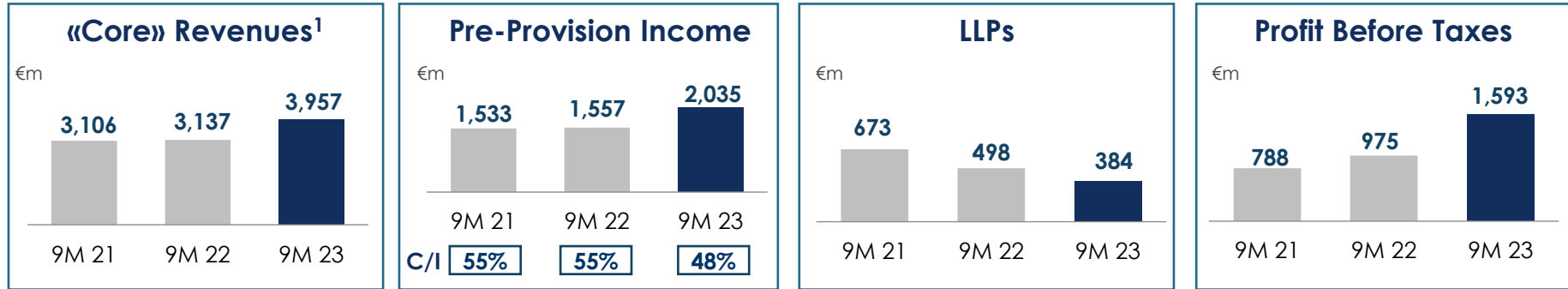
## FY 2023 GUIDANCE TRAJECTORY: WELL ON TRACK

### 9M 2023 NET INCOME AT RECORD LEVEL



# EXCELLENT P&L PERFORMANCE & SOLID FUNDAMENTALS CONFIRMED INVESTMENT GRADE RATING ALSO BY S&P

## CONFIRMING A GROWING PROFITABILITY TRAJECTORY



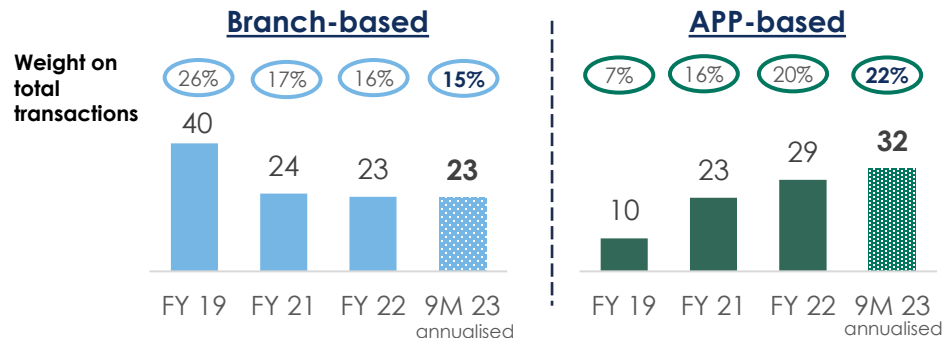
## STRENGTHENED BALANCE SHEET



# Ongoing progress in Digital Banking

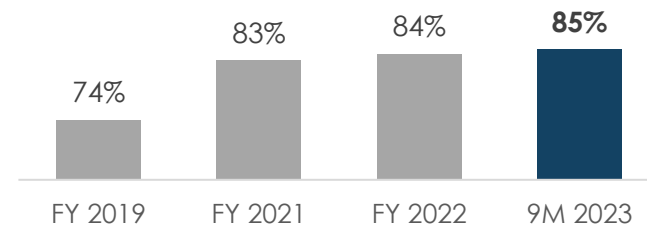
## MAIN DIGITAL-ENABLED ACHIEVEMENTS

### # Branch and APP-based transactions (m)

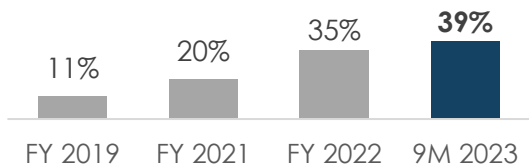


### % Remote-based transaction

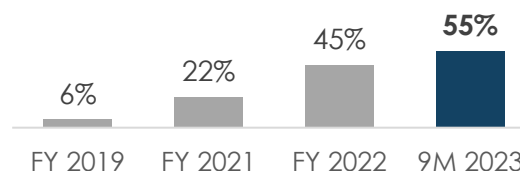
App + Web + ATM



### % Remote & Omnichannel Sales<sup>1</sup>



### % Commercial contacts in the Digital Branch<sup>2</sup>





# Sustainability: integration in all key areas

## ENVIRONMENTAL & SOCIAL

### BUSINESS

- **NZBA joined in March 2023**, with 5 **priority sectors** identified<sup>1</sup>
- **59.3% Green new loans** to Corporate & Enterprises in 9M 23<sup>2</sup>
- **~€100m of new loans to Non-Profit sector** in 9M 23
- **€1.5bn green bonds** issued in 9M 2023
- New **Green Social & Sustainability Bonds Framework aligned with Taxonomy**<sup>3</sup> published on 7 Nov. 2023
- **27% share of ESG corporate bonds** in the proprietary ptf. as at 30/09/23

### PEOPLE & COMMUNITY

- **Women in managerial positions: +31% since 2021**
- **131.4K hours of ESG training** for employees in 9M 23
- **€5.3m (+€1m Y/Y) donations & contributions for «E» & «S» projects** in 9M 23 (o/w: €3.4m through our Foundations)
- **7.4K hours of corporate community services**
- **3.8K hours of ESG awareness training for SMEs** and of **financial education** in 9M 23

## GOVERNANCE

### ORGANISATION & POLICIES

- **Sustainability Committee at Board level** established in April 2023, following the renewal of the Board
- **Published Guidelines on respecting and safeguarding human rights**

### STRATEGY

- **New ESG Action Plan** to be fully integrated in the upcoming Strategic Plan
- ESG internal workgroups rationalized in 4 interlinked areas (Risk Mgmt., Credit, Finance & WM and Disclosure), with strong focus on the new incoming Corporate Sustainability Reporting Directive

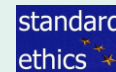
## RECOGNITION OF OUR EFFORTS



Upgraded to A  
from BBB



ESG Risk Rating improved  
to 15.7 (Low-Risk)  
from 22.4 (Medium-Risk)



EE confirmed,  
with Outlook  
improved to  
Positive

# Key Highlights

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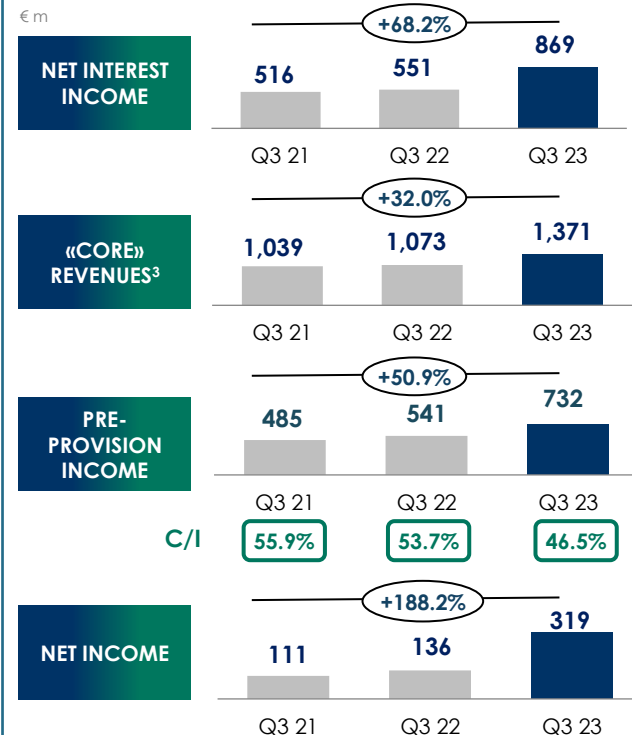
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# 9M 2023: Strong profitability drivers, with Net Income almost doubled Y/Y

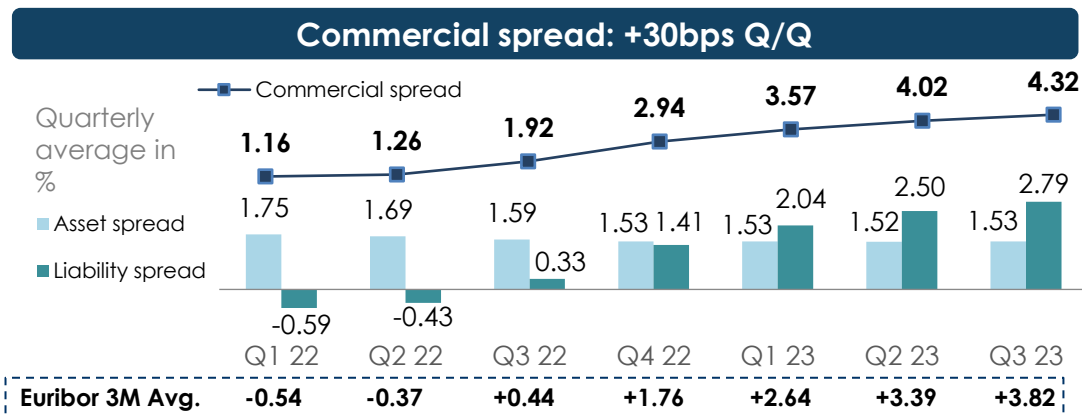
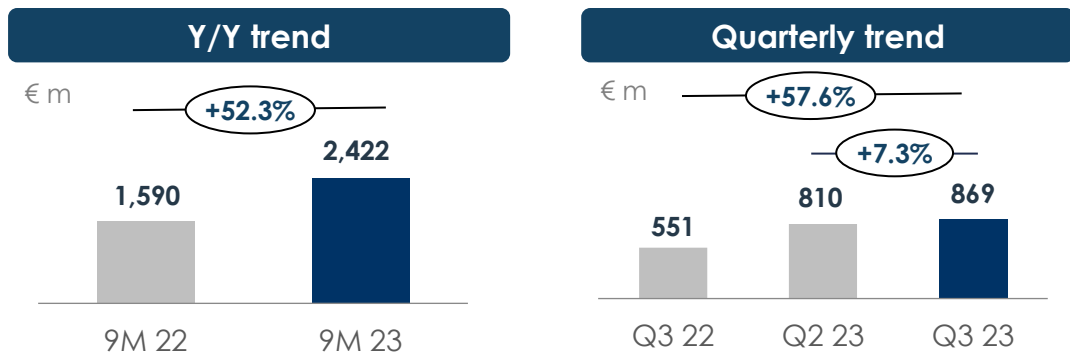
## P&L HIGHLIGHTS

€ m	Q2 23	Q3 23	Chg. Q/Q	9M 22	9M 23	Chg. Y/Y
Net interest income	810	869	7.3%	1,590	2,422	52.3%
Net fees and commissions	470	460	-2.0%	1,440	1,408	-2.2%
Income from associates	24	34		98	95	
Income from insurance (BBPM Vita & Assicurazioni)	15	8		9	33	
<b>«Core» Revenues</b>	<b>1,319</b>	<b>1,371</b>	<b>4.0%</b>	<b>3,137</b>	<b>3,957</b>	<b>26.2%</b>
Net financial result	-8	-23		252	-65	
o/w Cost of certificates	-64	-76		-38	-188	
o/w Other NFR	55	53		290	123	
Other net operating income	17	19		52	53	
<b>Total revenues</b>	<b>1,327</b>	<b>1,367</b>	<b>3.0%</b>	<b>3,441</b>	<b>3,945</b>	<b>14.6%</b>
Operating costs	-635	-635		-1,884	-1,910	
o/w Banking business costs	-629	-632	0.5%	-1,882	-1,898	0.8%
<b>Pre-Provision income</b>	<b>692</b>	<b>732</b>	<b>5.8%</b>	<b>1,557</b>	<b>2,035</b>	<b>30.7%</b>
Loan loss provisions	-121	-125	2.9%	-498	-384	-22.9%
Other <sup>1</sup>	-30	-30		-84	-58	
<b>Profit from continuing operations ( pre-tax)</b>	<b>541</b>	<b>578</b>	<b>6.7%</b>	<b>975</b>	<b>1,593</b>	<b>63.3%</b>
Taxes	-170	-183		-321	-500	
<b>Net profit from continuing operations</b>	<b>372</b>	<b>395</b>	<b>6.1%</b>	<b>654</b>	<b>1,093</b>	<b>67.1%</b>
Systemic charges and other <sup>2</sup>	-13	-76		-167	-150	
<b>Net income</b>	<b>359</b>	<b>319</b>	<b>-11.2%</b>	<b>487</b>	<b>943</b>	<b>93.6%</b>

## Q3: QUARTERLY EVOLUTION



# NII: another quarter of growth



**FY 2023 NII Guidance:**  
~€3.25bn

## NII sensitivity

### • CURRENT INTEREST RATE SCENARIO:

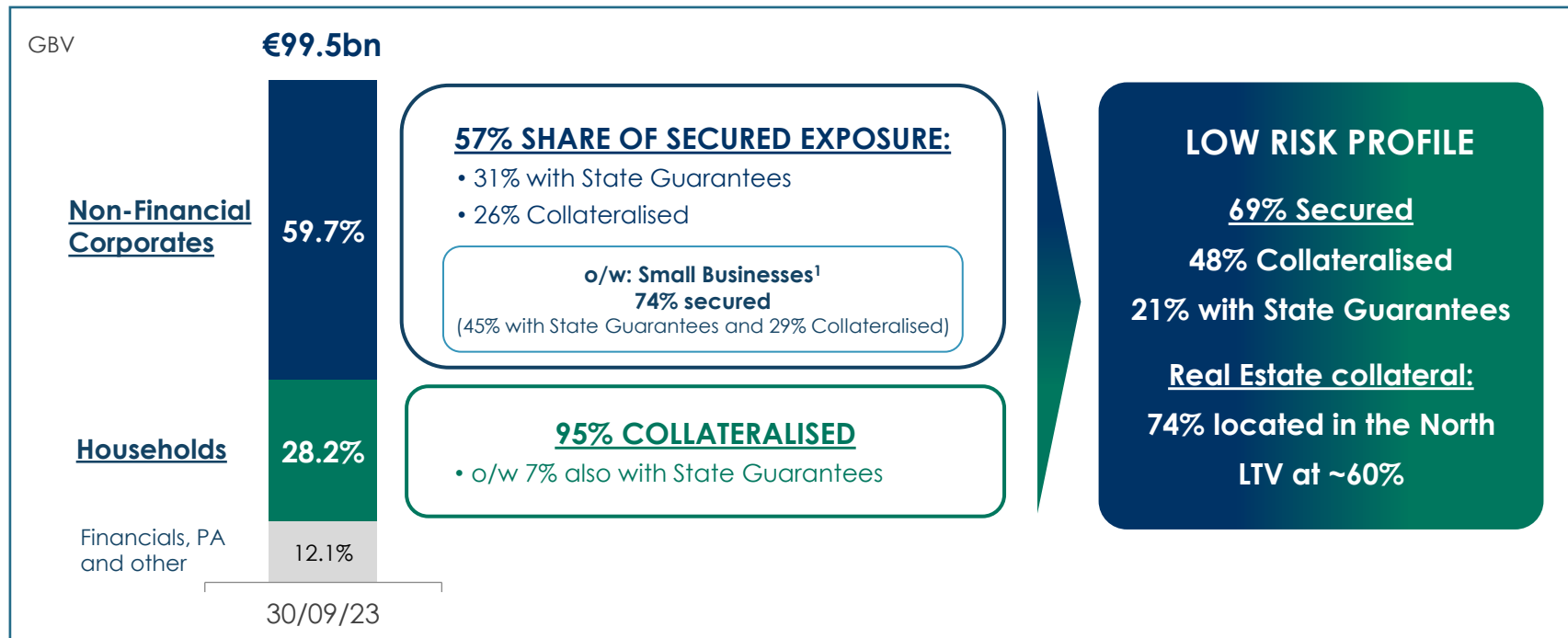
- «Observed» deposit beta: ~33%
- 12M Sensitivity (+100bps): ~€300m

### • POTENTIAL NEW SCENARIO:

- **In case of an inversion of the rate trend, wide room to limit NII sensitivity** by expanding the size of the «replicating portfolio»

# Solid franchise value: low risk loan portfolio, highly secured, well positioned

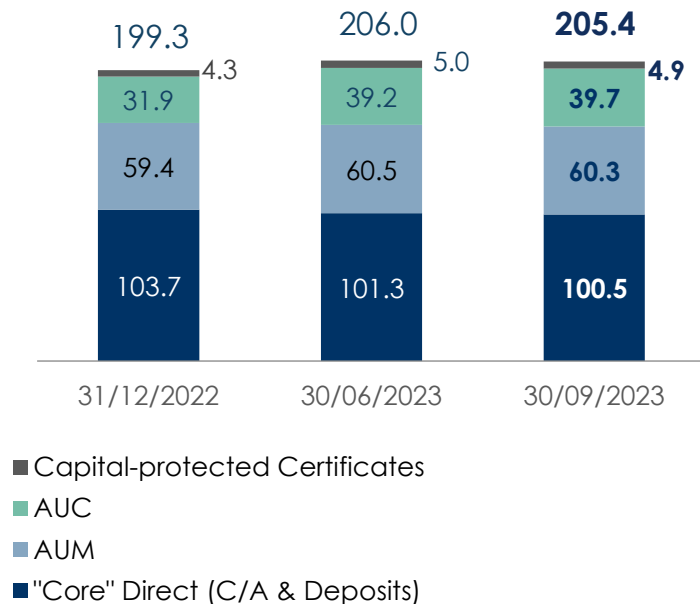
## ANALYSIS OF “CORE” PERFORMING CUSTOMER LOANS



# Solid franchise value: total customer funding up by €6.1bn YTD

## Analysis of total customer funding<sup>1</sup>

€ bn



### RESILIENT VOLUMES

### POSITIVE FLOWS IN Q3<sup>2</sup>

- Volume effect (AUM & AUC net flows +  $\Delta$  stock of Deposits & Certificates) **+ €1.1bn**
- Market effect (AUM & AUC) **- €1.7bn**

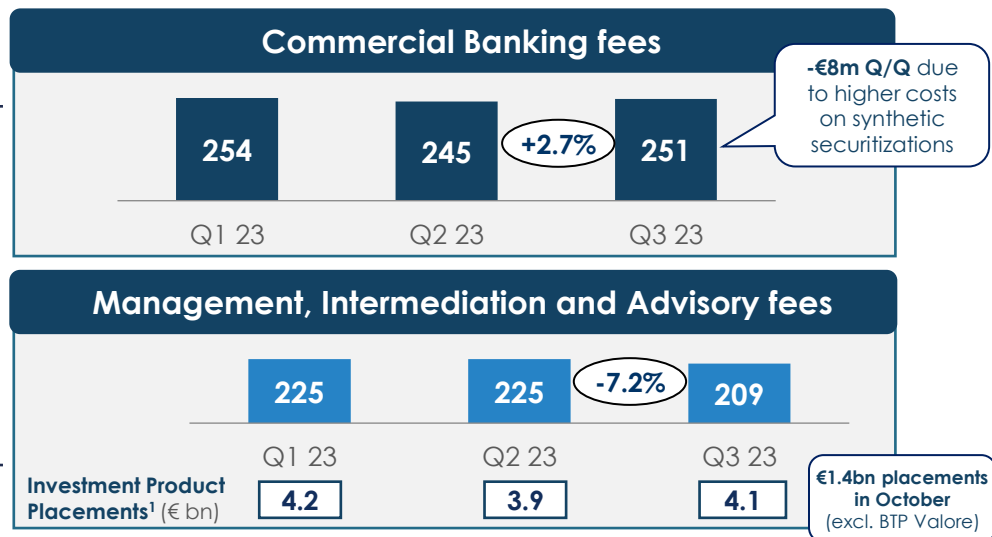
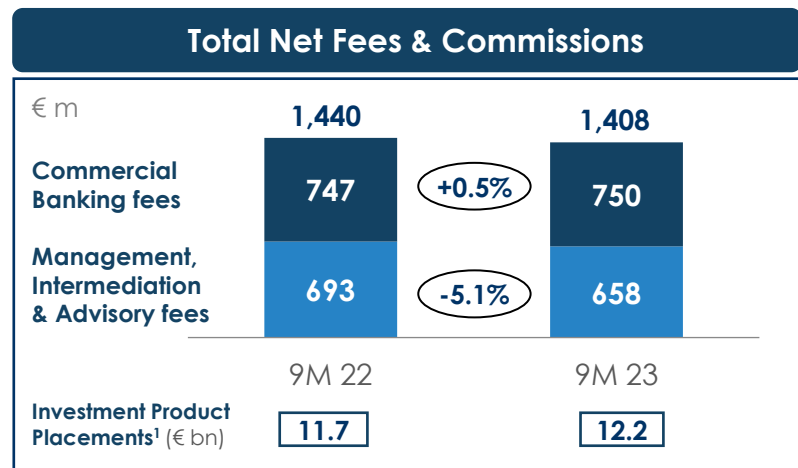
### HIGH-VALUE & HEALTHY DEPOSIT BASE

- Huge retail base
- Guaranteed deposits >€57bn<sup>3</sup>: 81% of Household deposits are guaranteed by the Guarantee Scheme (63% incl. SME & Corporates)
- Average retail (Households & SME retail) deposit size: ~€20K

### DEPOSITS AS AT 30/09/2023<sup>2</sup>



# Net Fees at €1,408m in 9M 2023, supported by Commercial Banking



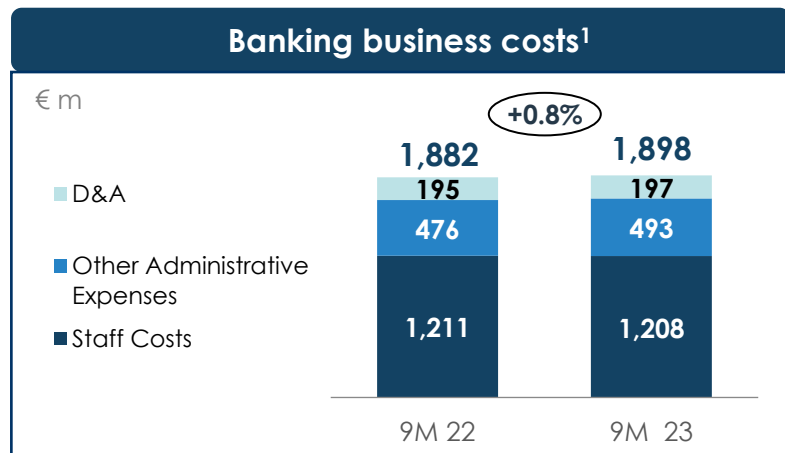
## Commercial Banking fees:

- €750m in 9M 23, +0.5% Y/Y, notwithstanding higher costs on synthetic securitizations (-€25m Y/Y) and the cancellation of fees on excess liquidity on current accounts (~-€30m Y/Y), more than offset by the remaining components, with a strong contribution from cash management & payment services (+€41m Y/Y, +30% Y/Y)

## Management, Intermediation and Advisory fees:

- €658m in 9M 23, -5.1% Y/Y mainly due to lower fees from Funds & Sicav (-€56m), partially compensated by higher fees from certificates (+€20m) and AUC products (+€13m)

# Strict cost control: Cost/Income down at 48.4% in 9M 23 (54.7% in 9M 22)



**Total Costs**  
(including insurance)<sup>2</sup>

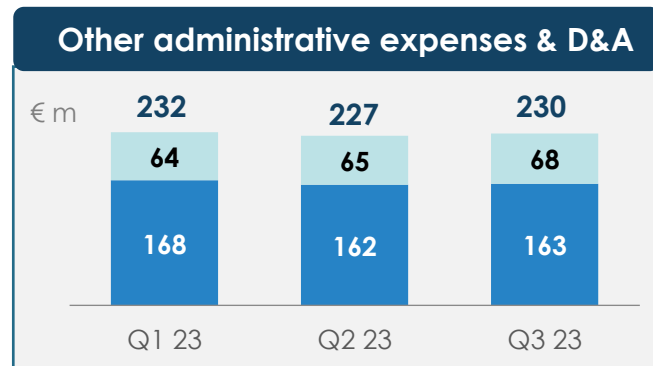
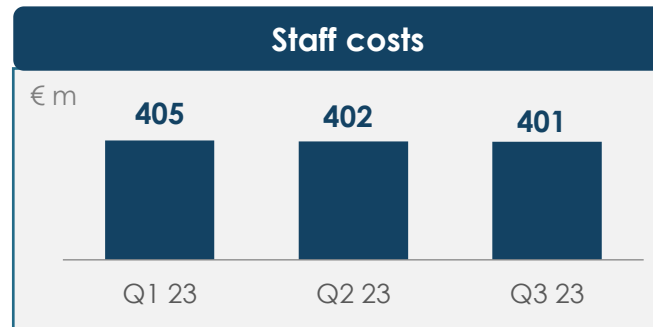
1,884

1,910

**Cost/Income ratio**  
(including insurance)<sup>2</sup>

54.7%

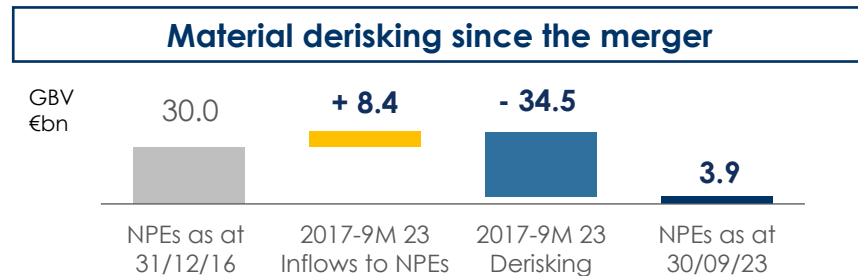
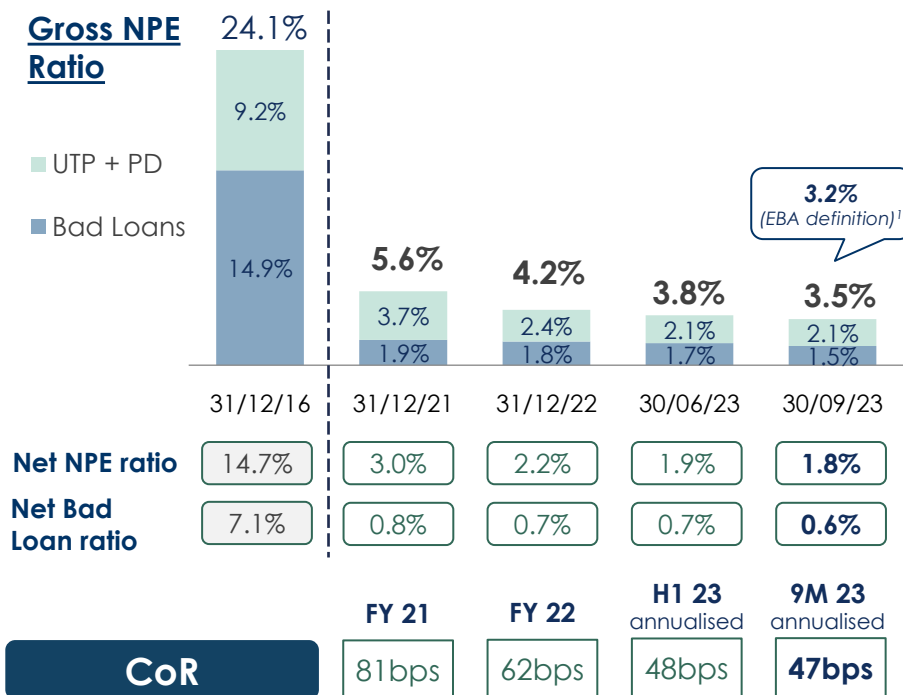
48.4%





# Asset quality turnaround: NPEs and Cost of Risk at record low

**NPE EVOLUTION: -€26.1BN VS. PRE-MERGER LEVEL, THANKS TO TOTAL DERISKING OF €34.5BN**



- **NPEs:** stock and ratios well below the original Strategic Plan targets for YE 2024 indicated below:
  - Gross NPE ~€6bn
  - Gross NPE ratio 4.8% (~2.5% net)
- **NPE disposal target increased to >€900m** (from >€700m), with CoR already frontloaded

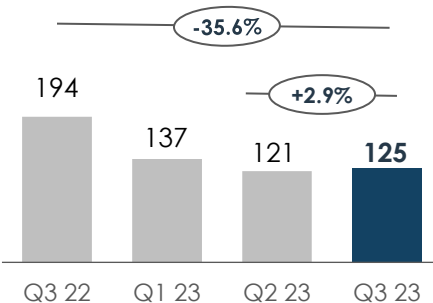


**o/w: >€500m disposals already executed in 9M 2023 (>€300m in Q3)**

# Prudent provisioning policy with strong NPE coverage and improving migration rates

## QUARTERLY LLPs

€ m



### Quarterly CoR (in bps, annualised)

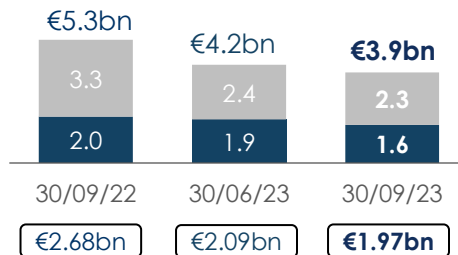


## Gross NPE -26.5% Y/Y and -7.9% Q/Q

Stock

■ UTP + PD  
■ Bad Loans

NET NPEs

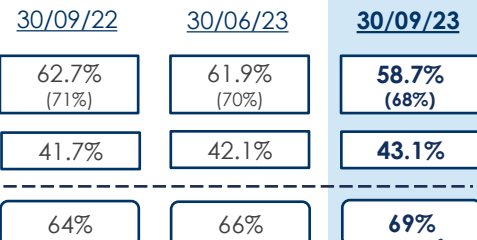


## NPE coverage at 49.3%

BAD LOAN  
COVERAGE

UTP COVERAGE

% Share of  
Secured NPE  
(GBV)



Higher share of  
secured positions

## Migration rates well under control

Default rate

(from Performing to NPEs)

Cure rate

(from UTP to Performing)

Net Default rate

(Net flows to NPEs from  
performing)

FY 22

0.94%

3.31%

0.80%

9M 23  
annualised

0.88%

4.95%

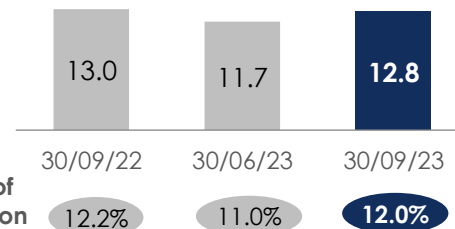
0.75%

Steadily  
<1% since  
9M 2021

## Stage 2 loans stable Y/Y

GBV  
in € bn

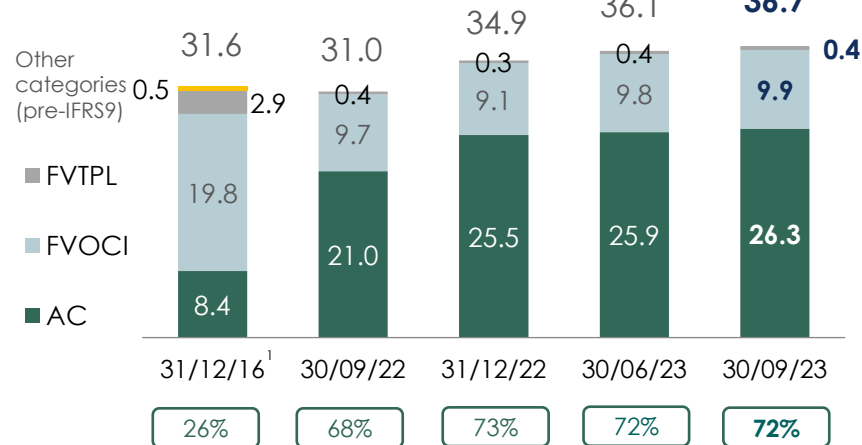
Share of  
Stage 2 on  
total perf.  
loans



# Optimization and diversification of Debt securities portfolio

## Overall trend and accounting breakdown

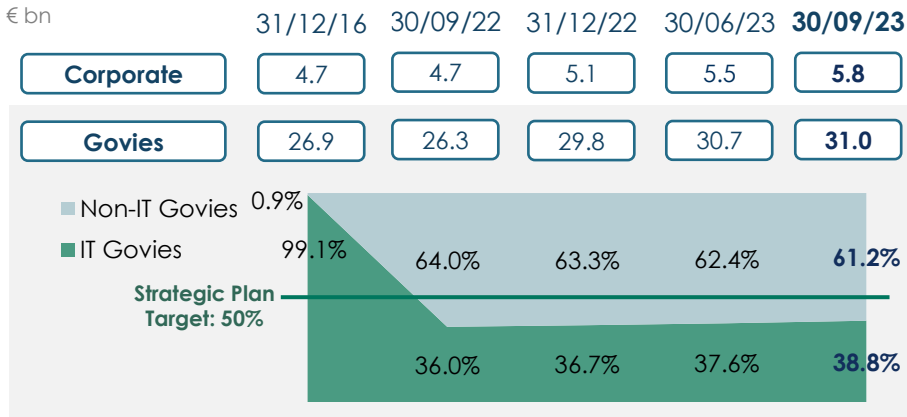
€ bn



Share of the AC component

## Composition by counterparty

€ bn



- IT govies on total govies down to **38.8%** from 99.1% at YE 2016
- Share of IT govies at FVOCI down to **20.8%** from 64% at YE 2016

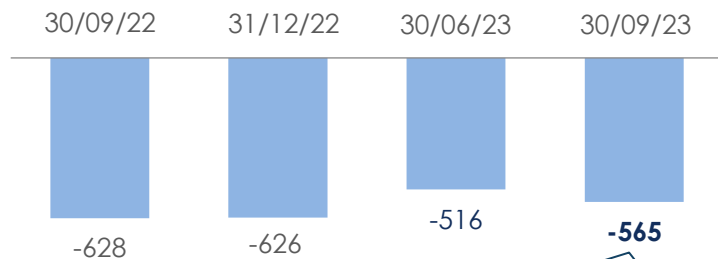
# Reserves of debt securities at FVOCI and Net Financial Result

Very low sensitivity of debt securities portfolio at FVOCI confirmed

## Reserves of debt securities at FVOCI

Post-tax

€ m

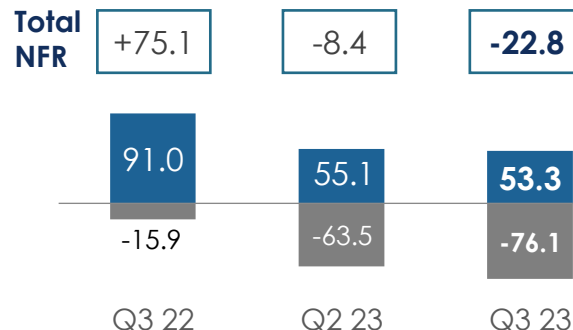


**VERY LOW SENSITIVITY CONFIRMED:**

BPV of Total Govies in FVOCI at €0.44m,  
o/w close to zero for Italian Govies<sup>1</sup>

## Breakdown of Net Financial Result

€ m

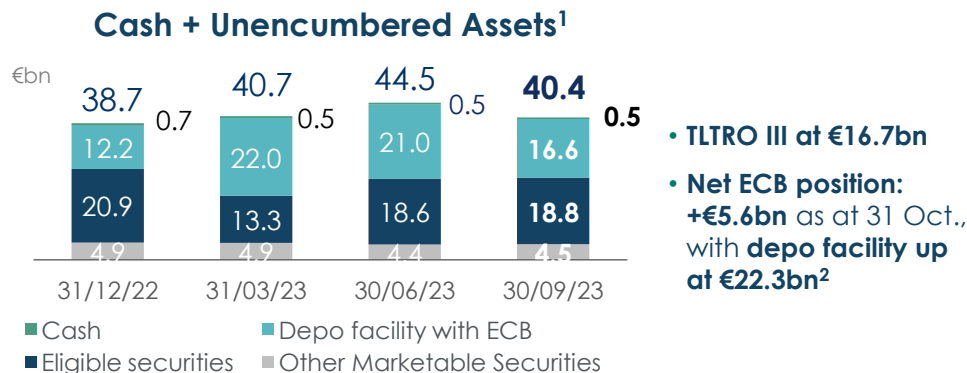


- Other NFR components
- Cost of Certificates

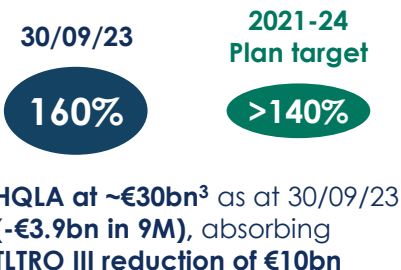
- In Q3 2023, **resilient results from NFR** (excluding impact from Cost of Certificates)
- Cost of Certificates**, classified under NFR, in accordance with Bank of Italy accounting schemes, **impacted by ongoing increase in interest rates**

# Sound liquidity & funding position, with ratios well above minimum requirements and plan targets

## LIQUIDITY



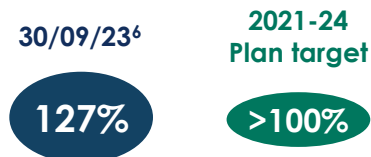
## LCR



## FUNDING

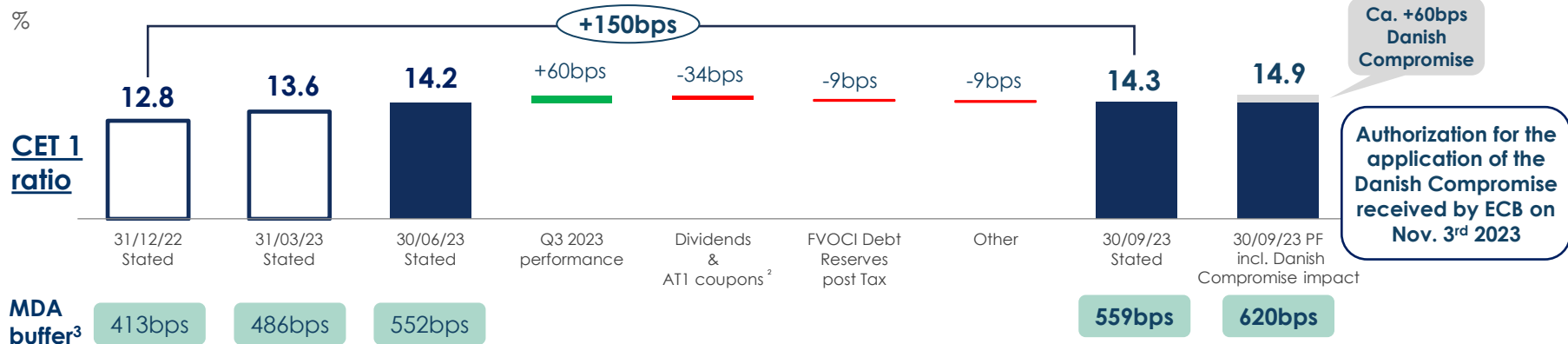


## NSFR



# Danish Compromise application authorized: CET 1 ratio PF at 14.9%

## STRONG ORGANIC CAPITAL GENERATION: +150BPS IN 9M 2023<sup>1</sup>



### CAPITAL RATIOS (stated)

	31/12/22	30/06/23	30/09/23
TIER 1	15.2%	16.6%	16.7%
TOTAL	18.0%	19.5%	19.7%
RWA (€/bn)	59.9	58.9	58.5

### WINDFALL TAX:

The Board resolved to submit to the next AGM a proposal to set up a dedicated undistributable reserve (€378m)<sup>4</sup>, fully included in CET1 capital

# Final Remarks

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# SOLID TRACK RECORD & GROWING SHAREHOLDER VALUE CREATION: READY FOR THE NEW STRATEGIC PLAN

## Excellent P&L performance & Strengthened Balance Sheet

	9M 23	GUIDANCE TRAJECTORY	
▪ Net Income	€943m (+94% Y/Y)	EPS >0.8 € FY 2023G <sup>1</sup> EPS ~0.9€ FY 2024G <sup>2</sup>	> +75% vs 2022 +12.5% vs 2023G
▪ Net Interest Income	€2,422m (+52% Y/Y)	~€3.25bn FY 2023G	

	9M 23	FY 2024 PLAN TARGETS	
▪ Pre-Provision Income	€2,035m	>€2.1bn	OVERDELIVERY VS. PLAN
▪ CoR (annualized)	47bps	48bps	
▪ Cost / Income ratio	48%	~53%	
▪ Gross NPE ratio	3.5%	4.8%	
▪ CET1 ratio	14.9% <sup>3</sup>	~14.4%	

## Further upside potential

- Resilient NII: “higher for longer” rate scenario, tailwinds from recent investment grade rating action
- Improved diversification of core revenues, with full deployment of bancassurance and payments businesses
- Strict cost discipline
- Low risk profile benefitting from enhanced loan portfolio quality, proactive credit management and material derisking

## RAISING OUR AMBITIONS FOR:

- PROFITABILITY
- SHAREHOLDER REMUNERATION

NEW STRATEGIC PLAN  
TO BE PRESENTED ON  
DECEMBER 12<sup>TH</sup>



**9M 2023**

# **Performance Details**

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**4**

# P&L:

## 9M 2023 comparison

Reclassified income statement (€m)	9M 22	9M 23	Chg. Y/Y %
Net interest income	1,590.5	2,421.6	52.3%
Income (loss) from invest. in associates carried at equity	97.6	94.7	-3.0%
<b>Net interest, dividend and similar income</b>	<b>1,688.1</b>	<b>2,516.3</b>	<b>49.1%</b>
Net fee and commission income	1,440.1	1,408.2	-2.2%
Other net operating income	52.1	52.6	0.9%
Net financial result	251.9	-65.3	n.m.
Income from insurance business	8.6	32.7	n.m.
<b>Other operating income</b>	<b>1,752.7</b>	<b>1,428.2</b>	<b>-18.5%</b>
<b>Total income</b>	<b>3,440.7</b>	<b>3,944.6</b>	<b>14.6%</b>
Personnel expenses	-1,210.5	-1,210.4	0.0%
Other administrative expenses	-477.8	-501.9	5.0%
Amortization and depreciation	-195.2	-197.7	1.3%
<b>Operating costs</b>	<b>-1,883.5</b>	<b>-1,910.0</b>	<b>1.4%</b>
<b>Profit (loss) from operations</b>	<b>1,557.2</b>	<b>2,034.5</b>	<b>30.7%</b>
Net adjustments on loans to customers	-497.6	-383.6	-22.9%
Profit (loss) on FV measurement of tangible assets	-48.4	-44.1	-8.7%
Net adjustments on other financial assets	-8.6	0.1	n.m.
Net provisions for risks and charges	-29.0	-13.8	-52.2%
Profit (loss) on the disposal of equity and other invest.	1.7	0.1	-95.7%
<b>Income (loss) before tax from continuing operations</b>	<b>975.5</b>	<b>1,593.2</b>	<b>63.3%</b>
Tax on income from continuing operations	-321.4	-500.1	55.6%
<b>Income (loss) after tax from continuing operations</b>	<b>654.0</b>	<b>1,093.1</b>	<b>67.1%</b>
Systemic charges after tax	-151.8	-127.3	-16.2%
Realignment of fiscal values to accounting values	0.0	0.0	n.m.
Goodwill impairment	-8.1	0.0	n.m.
Income (loss) attributable to minority interests	0.2	0.4	n.m.
Purchase Price Allocation after tax	-32.1	-21.5	-33.1%
Fair value on own liabilities after Taxes	25.3	-1.4	n.m.
<b>Net income (loss) for the period</b>	<b>487.4</b>	<b>943.4</b>	<b>93.6%</b>

# P&L:

## Quarterly results

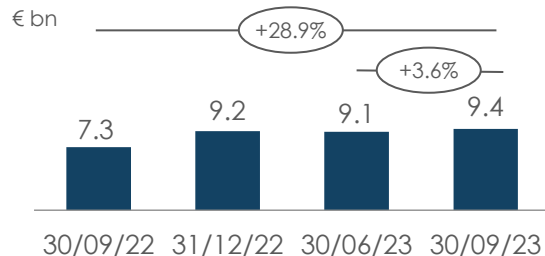
Reclassified income statement (€m)	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Chg. Q/Q	Chg. Q/Q %
Net interest income	511.5	527.6	551.3	724.0	743.0	809.9	868.7	58.7	7.3%
Income (loss) from invest. in associates carried at equity	42.4	15.7	39.5	38.4	36.3	24.3	34.1	9.8	40.5%
<b>Net interest, dividend and similar income</b>	<b>554.0</b>	<b>543.3</b>	<b>590.8</b>	<b>762.3</b>	<b>779.3</b>	<b>834.2</b>	<b>902.8</b>	<b>68.6</b>	<b>8.2%</b>
Net fee and commission income	480.1	486.8	473.2	447.3	478.7	469.5	460.0	-9.5	-2.0%
Other net operating income	16.7	15.0	20.4	19.5	16.9	16.5	19.1	2.6	16.0%
Net financial result	127.9	48.9	75.1	-9.0	-34.1	-8.4	-22.8	-14.4	n.m.
Income from insurance business			8.6	13.1	9.6	15.0	8.2	-6.8	-45.5%
<b>Other operating income</b>	<b>624.7</b>	<b>550.7</b>	<b>577.3</b>	<b>470.9</b>	<b>471.0</b>	<b>492.7</b>	<b>464.5</b>	<b>-28.1</b>	<b>-5.7%</b>
<b>Total income</b>	<b>1,178.7</b>	<b>1,094.0</b>	<b>1,168.1</b>	<b>1,233.2</b>	<b>1,250.3</b>	<b>1,326.9</b>	<b>1,367.3</b>	<b>40.5</b>	<b>3.0%</b>
Personnel expenses	-407.9	-405.3	-397.3	-391.9	-405.4	-402.9	-402.2	0.7	-0.2%
Other administrative expenses	-155.6	-162.7	-159.6	-170.4	-170.2	-166.6	-165.1	1.6	-0.9%
Amortization and depreciation	-61.2	-64.1	-69.9	-84.6	-64.5	-65.2	-68.1	-2.9	4.4%
<b>Operating costs</b>	<b>-624.7</b>	<b>-632.1</b>	<b>-626.8</b>	<b>-646.9</b>	<b>-640.1</b>	<b>-634.7</b>	<b>-635.3</b>	<b>-0.6</b>	<b>0.1%</b>
<b>Profit (loss) from operations</b>	<b>554.0</b>	<b>461.9</b>	<b>541.3</b>	<b>586.3</b>	<b>610.3</b>	<b>692.2</b>	<b>732.1</b>	<b>39.9</b>	<b>5.8%</b>
Net adjustments on loans to customers	-151.1	-152.6	-193.9	-184.7	-137.5	-121.3	-124.8	-3.6	2.9%
Profit (loss) on FV measurement of tangible assets	-1.2	-39.6	-7.5	-60.0	-1.9	-30.5	-11.8	18.7	-61.4%
Net adjustments on other financial assets	-3.2	-2.3	-3.0	-0.5	0.7	0.5	-1.0	-1.5	n.m.
Net provisions for risks and charges	-8.1	-4.6	-16.3	-28.2	2.5	0.9	-17.2	-18.0	n.m.
Profit (loss) on the disposal of equity and other invest.	1.5	-0.1	0.3	0.5	0.2	-0.4	0.3	0.7	n.m.
<b>Income (loss) before tax from continuing operations</b>	<b>391.9</b>	<b>262.8</b>	<b>320.9</b>	<b>313.4</b>	<b>474.2</b>	<b>541.4</b>	<b>577.6</b>	<b>36.1</b>	<b>6.7%</b>
Tax on income from continuing operations	-138.4	-92.6	-90.4	-85.6	-147.4	-169.7	-183.0	-13.3	7.8%
<b>Income (loss) after tax from continuing operations</b>	<b>253.4</b>	<b>170.2</b>	<b>230.4</b>	<b>227.8</b>	<b>326.8</b>	<b>371.8</b>	<b>394.6</b>	<b>22.8</b>	<b>6.1%</b>
Systemic charges after tax	-74.6	0.0	-77.3	0.0	-57.3	-0.4	-69.6	-69.3	n.m.
Goodwill impairment	0.0	-8.1	0.0	0.0	0.0	0.0	0.0	0.0	
Income (loss) attributable to minority interests	0.0	0.1	0.0	0.6	0.0	0.4	0.1	-0.3	-74.0%
Purchase Price Allocation after tax	-8.5	-7.2	-16.5	-10.2	-7.4	-6.8	-7.3	-0.4	6.3%
Fair value on own liabilities after Taxes	0.2	25.5	-0.3	-20.5	3.3	-5.8	1.2	7.0	n.m.
<b>Net income (loss) for the period</b>	<b>170.6</b>	<b>180.4</b>	<b>136.4</b>	<b>197.6</b>	<b>265.3</b>	<b>359.1</b>	<b>319.0</b>	<b>-40.1</b>	<b>-11.2%</b>

# Balance Sheet

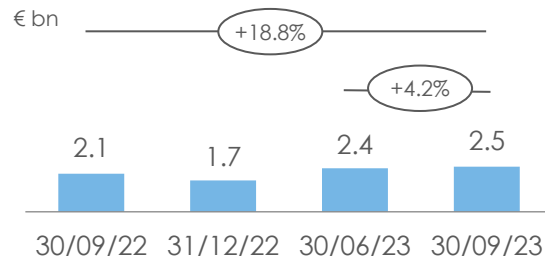
Reclassified assets (€ m)	Restated			Chg. YTD		Chg. Q/Q	
	31/12/22	30/06/23	30/09/23	Value	%	Value	%
Cash and cash equivalents	13,131	21,845	17,617	4,486	34.2%	-4,228	-19.4%
Loans and advances measured at AC	113,633	112,014	111,926	-1,707	-1.5%	-88	-0.1%
- Loans and advances to banks	4,178	3,856	3,877	-301	-7.2%	21	0.6%
- Loans and advances to customers <sup>(1)</sup>	109,455	108,158	108,048	-1,407	-1.3%	-109	-0.1%
Other financial assets	43,094	44,112	44,853	1,759	4.1%	741	1.7%
- Assets measured at FV through PL	8,207	8,084	8,310	103	1.3%	226	2.8%
- Assets measured at FV through OCI	9,381	10,135	10,202	821	8.8%	67	0.7%
- Assets measured at AC	25,506	25,894	26,342	836	3.3%	448	1.7%
Financial assets pertaining to insurance companies	5,893	6,002	5,805	-88	-1.5%	-197	-3.3%
Equity investments	1,652	1,628	1,651	-1	0.0%	23	1.4%
Property and equipment	3,035	2,825	2,795	-240	-7.9%	-30	-1.1%
Intangible assets	1,255	1,242	1,235	-20	-1.6%	-6	-0.5%
Tax assets	4,585	4,324	4,196	-389	-8.5%	-128	-3.0%
Non-current assets held for sale and discont. operations	196	486	529	334	170.4%	43	8.9%
Other assets	3,335	4,012	3,856	521	15.6%	-156	-3.9%
<b>Total</b>	<b>189,808</b>	<b>198,490</b>	<b>194,463</b>	<b>4,656</b>	<b>2.5%</b>	<b>-4,027</b>	<b>-2.0%</b>
Reclassified liabilities (€ m)	Restated			Chg. YTD		Chg. Q/Q	
	31/12/22	30/06/23	30/09/23	Value	%	Value	%
Banking Direct Funding	120,639	121,155	120,705	66	0.1%	-450	-0.4%
- Due from customers	107,679	104,801	103,585	-4,095	-3.8%	-1,217	-1.2%
- Debt securities and financial liabilities designed at FV	12,960	16,353	17,121	4,161	32.1%	767	4.7%
Insurance Direct Funding & Insurance liabilities	5,743	5,819	5,615	-128	-2.2%	-204	-3.5%
- Financial liabilities measured at FV pertaining to insurance companies	1,459	1,476	1,420	-39	-2.6%	-56	-3.8%
- Liabilities pertaining to insurance companies	4,284	4,343	4,194	-89	-2.1%	-149	-3.4%
Due to banks	32,636	22,870	22,623	-10,013	-30.7%	-247	-1.1%
Debts for Leasing	628	497	498	-129	-20.6%	1	0.3%
Other financial liabilities designated at FV	13,598	26,795	27,774	14,176	104.3%	979	3.7%
Other financial liabilities pertaining to insurance companies	0	2	2	2	4	0	2.1%
Liability provisions	989	866	874	-114	-11.6%	8	1.0%
Tax liabilities	268	319	294	26	9.6%	-26	-8.0%
Liabilities associated with assets held for sale	26	245	244	218	844.0%	-2	-0.7%
Other liabilities	2,266	6,534	2,218	-48	-2.1%	-4,316	-66.1%
Minority interests	1	0	0	0	-60.3%	0	-25.3%
Shareholders' equity	13,016	13,388	13,617	601	4.6%	229	1.7%
<b>Total</b>	<b>189,808</b>	<b>198,490</b>	<b>194,463</b>	<b>4,656</b>	<b>2.5%</b>	<b>-4,027</b>	<b>-2.0%</b>

# Focus on Govies portfolio

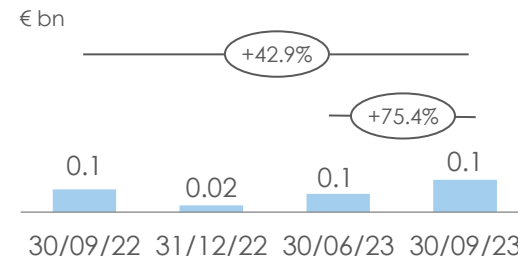
## Italian Govies at AC



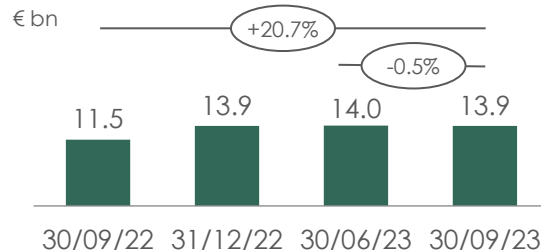
## Italian Govies at FVOCI



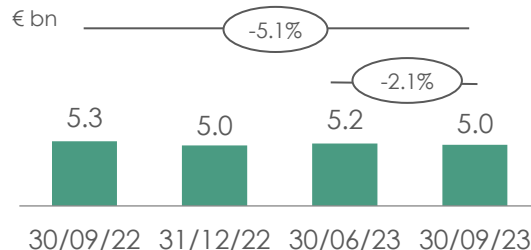
## Italian Govies at FVTPL



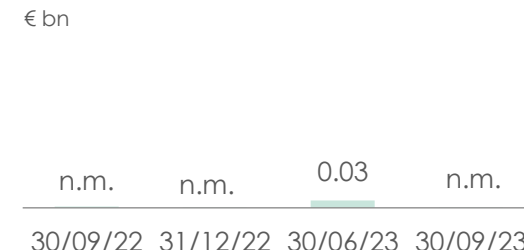
## Non-Italian Govies at AC



## Non-Italian Govies at FVOCI



## Non-Italian Govies at FVTPL

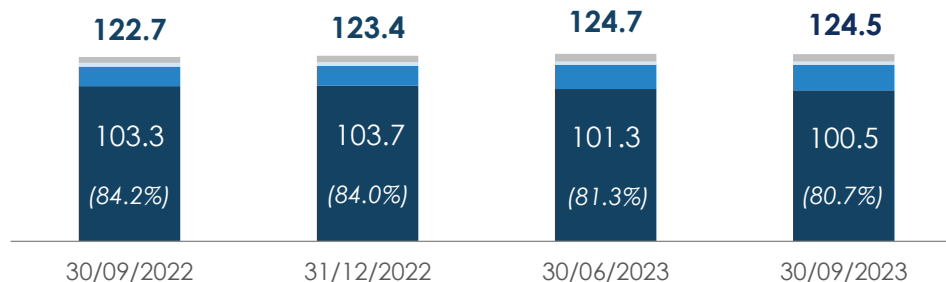


# Direct funding from the Banking business

## Direct funding<sup>1</sup>

€ bn

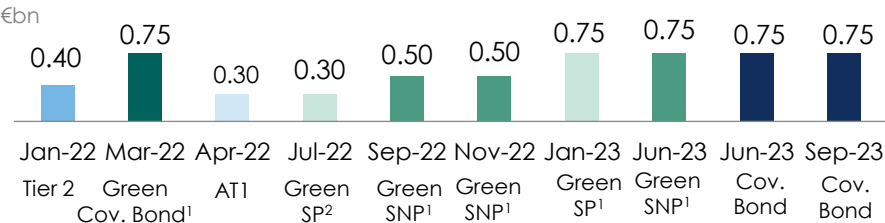
- Capital-protected Certificates
  - Other
  - Bonds
  - C/A, Sight & Time deposits
- (% Share on total)



	30/09/22	31/12/22	30/06/23	30/09/23	% chg. Y/Y	% chg. YTD	% chg. Q/Q
C/A & Sight deposits	102.8	103.4	100.9	100.1	-2.5%	-3.2%	-0.8%
Time deposits	0.5	0.3	0.4	0.3	-37.6%	17.8%	-21.5%
Bonds	12.9	12.9	16.3	17.1	32.3%	32.2%	4.7%
Other	2.7	2.5	2.0	2.0	-25.1%	-20.2%	-0.9%
Capital-protected Certificates	3.8	4.3	5.0	4.9	29.2%	14.5%	-1.9%
<b>Direct Funding (excl. Repos)</b>	<b>122.7</b>	<b>123.4</b>	<b>124.7</b>	<b>124.5</b>	<b>1.5%</b>	<b>0.8%</b>	<b>-0.2%</b>

# Successful issuance activity and well diversified liability profile

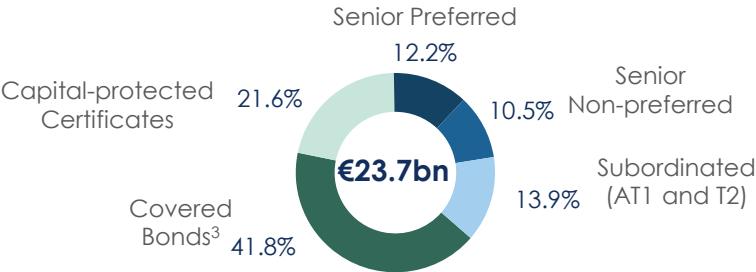
Wholesale bonds issued since 2022 at €5.75bn, with a well diversified seniority



- Wholesale bonds issued for a total of €3.0bn in 9M 2023 (o/w: 50% «green»)
- In rolling out its funding plan, Banco BPM will consider not only regulatory MREL requirements but also rating agency thresholds

## Bonds & Certificates outstanding

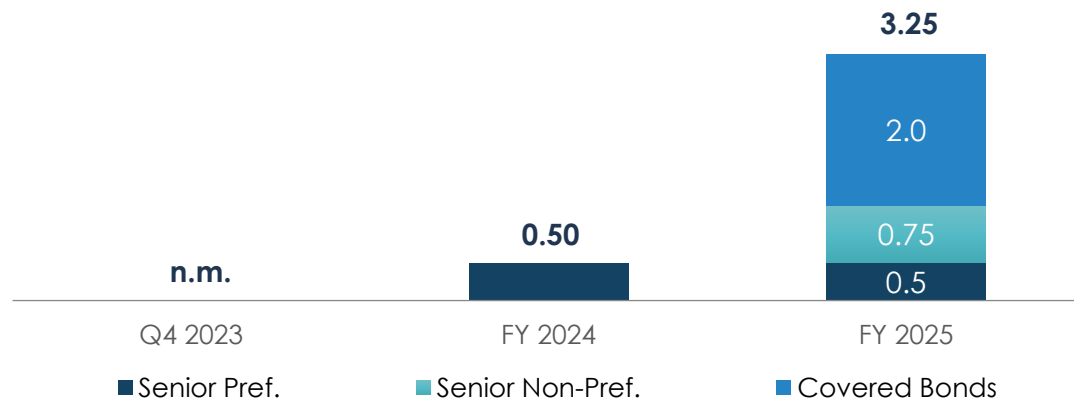
Nominal amounts as at 30/09/2023



# Bond maturities: limited and manageable amounts

## Institutional bond maturities

€ bn

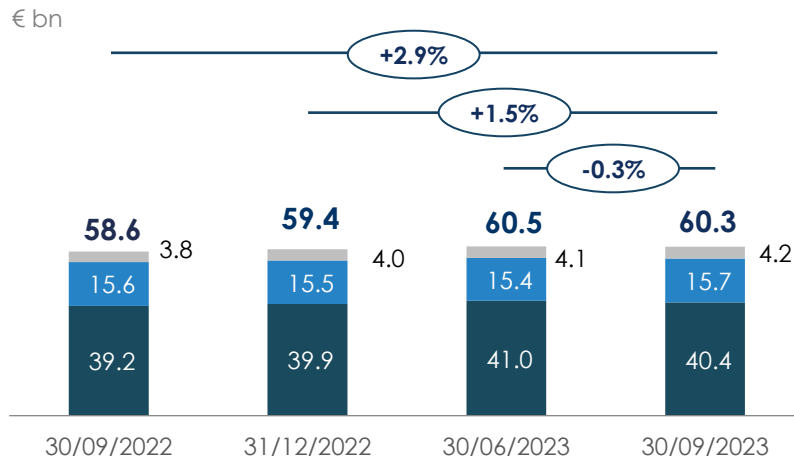


Following the reimbursement in 9M 2023 of institutional bonds for a total of €1.9bn (of which: €1.4bn Covered Bonds and €0.5bn Senior Preferred), the Group faces rather limited and manageable amounts of bond maturities in the future



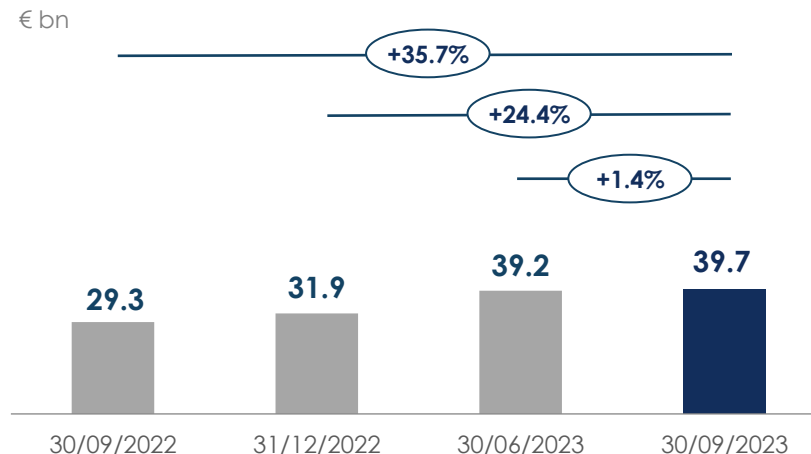
# Indirect customer funding up at €100bn: +13.8%Y/Y

## Assets under Management (AuM)



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

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

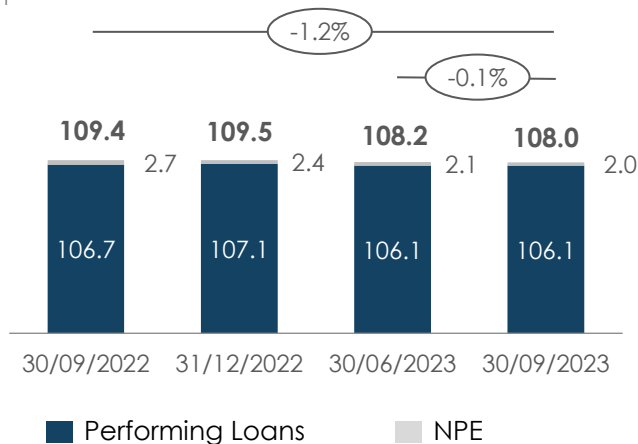


- Total Indirect Customer Funding up at €100.0bn, from €99.6bn as at 30/06/2023, €91.3bn as at 31/12/2022 and €87.8bn as at 30/09/2022
- The increase in Q3 2023 is driven by Assets under Custody, thanks to positive volume effect

# Net Customer Loans

## Net Customer Loans

€ bn



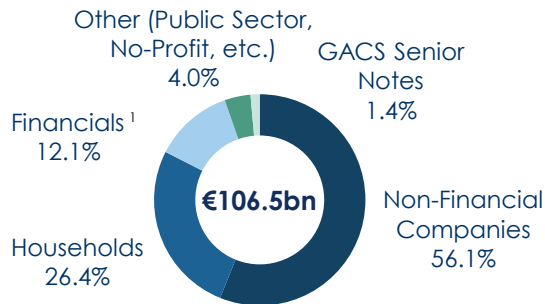
Net Performing Customer Loans	30/09/22	31/12/22	30/06/23	30/09/23	Change		
					In % Y/Y	In % YTD	In % Q/Q
<b>Core customer loans</b>	<b>102.9</b>	<b>102.8</b>	<b>100.9</b>	<b>99.1</b>	<b>-3.7%</b>	<b>-3.6%</b>	<b>-1.8%</b>
- Medium/Long-Term loans	80.6	80.4	79.3	78.6	-2.4%	-2.2%	-0.8%
- Current Accounts	8.9	8.4	8.6	7.6	-15.0%	-9.4%	-12.1%
- Cards & Personal Loans	1.0	1.0	0.8	0.7	-31.0%	-26.8%	-11.2%
- Other loans	12.3	13.0	12.2	12.1	-1.5%	-6.6%	0.0%
<b>GACS Senior Notes</b>	<b>2.0</b>	<b>1.9</b>	<b>1.6</b>	<b>1.5</b>	<b>-26.4%</b>	<b>-22.9%</b>	<b>-7.1%</b>
<b>Repos</b>	<b>1.2</b>	<b>1.9</b>	<b>3.1</b>	<b>5.1</b>	<b>317.5%</b>	<b>169.6%</b>	<b>61.8%</b>
<b>Leasing</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>	<b>-24.7%</b>	<b>-18.2%</b>	<b>-6.3%</b>
<b>Total Net Performing Loans</b>	<b>106.7</b>	<b>107.1</b>	<b>106.1</b>	<b>106.1</b>	<b>-0.6%</b>	<b>-1.0%</b>	<b>0.0%</b>

# Analysis of Customer loan portfolio

## Performing customer loan stock breakdown as at 30/09/2023

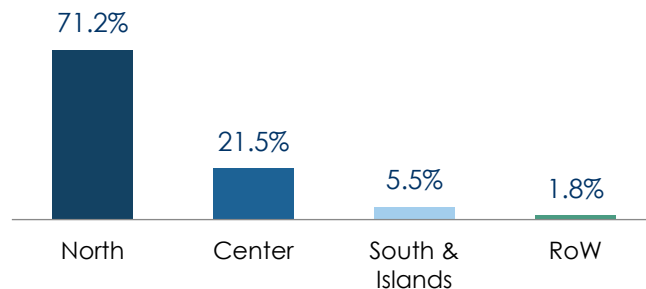
Managerial data,  
GBV

### Breakdown by customer segments



### Breakdown by geographic area

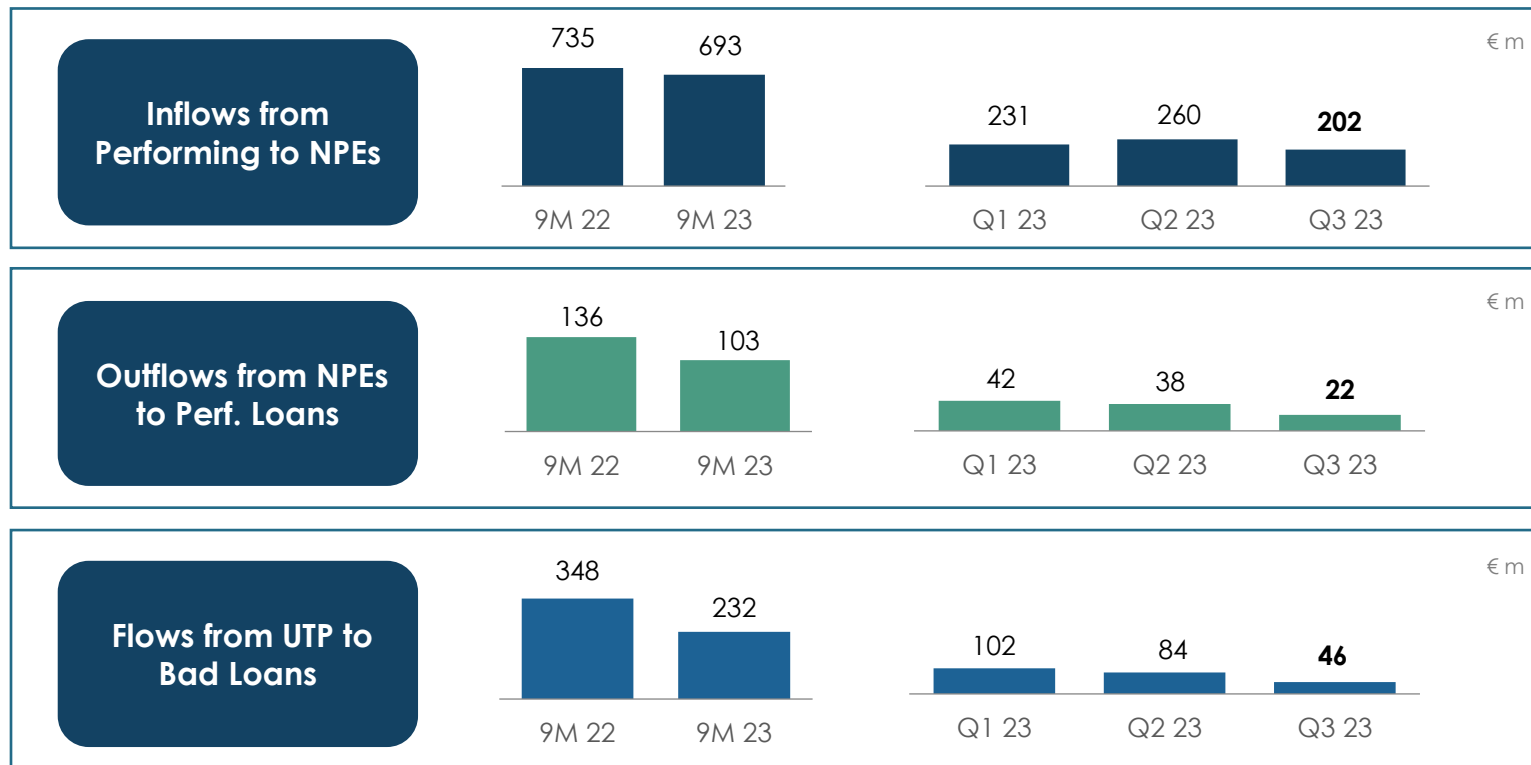
(excluding GACS Senior Notes)



### 9M 2023 NEW LENDING AT €14.6bn<sup>2</sup>:

- **95%** concentrated in the **best rating classes** (Low-Mid categories)<sup>3</sup>
- **75%** in **Northern Italy**

# NPE migration dynamics



# Asset Quality details

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

Gross exposures €/m and %	30/09/2022	31/12/2022	30/06/2023	30/09/2023	Chg. Y/Y		Chg. YTD		Chg. Q/Q	
					Value	%	Value	%	Value	%
Bad Loans	1,997	2,047	1,868	1,630	-367	-18.4%	-417	-20.4%	-238	-12.7%
UTP	3,218	2,639	2,280	2,169	-1,048	-32.6%	-470	-17.8%	-110	-4.8%
Past Due	78	82	77	91	13	16.6%	9	10.8%	14	17.9%
<b>NPE</b>	<b>5,293</b>	<b>4,769</b>	<b>4,225</b>	<b>3,891</b>	<b>-1,402</b>	<b>-26.5%</b>	<b>-878</b>	<b>-18.4%</b>	<b>-335</b>	<b>-7.9%</b>
Performing Loans	107,139	107,520	106,484	106,499	-640	-0.6%	-1,021	-1.0%	15	0.0%
<b>TOTAL CUSTOMER LOANS</b>	<b>112,432</b>	<b>112,289</b>	<b>110,709</b>	<b>110,390</b>	<b>-2,042</b>	<b>-1.8%</b>	<b>-1,899</b>	<b>-1.7%</b>	<b>-319</b>	<b>-0.3%</b>

Net exposures €/m and %	30/09/2022	31/12/2022	30/06/2023	30/09/2023	Chg. Y/Y		Chg. YTD		Chg. Q/Q	
					Value	%	Value	%	Value	%
Bad Loans	744	721	711	673	-71	-9.6%	-48	-6.6%	-38	-5.4%
UTP	1,876	1,575	1,321	1,235	-641	-34.2%	-340	-21.6%	-85	-6.5%
Past Due	56	60	56	64	8	14.1%	4	6.7%	8	14.6%
<b>NPE</b>	<b>2,676</b>	<b>2,356</b>	<b>2,088</b>	<b>1,972</b>	<b>-704</b>	<b>-26.3%</b>	<b>-383</b>	<b>-16.3%</b>	<b>-116</b>	<b>-5.5%</b>
Performing Loans	106,701	107,099	106,070	106,076	-625	-0.6%	-1,023	-1.0%	6	0.0%
<b>TOTAL CUSTOMER LOANS</b>	<b>109,377</b>	<b>109,455</b>	<b>108,158</b>	<b>108,048</b>	<b>-1,329</b>	<b>-1.2%</b>	<b>-1,407</b>	<b>-1.3%</b>	<b>-109</b>	<b>-0.1%</b>

Coverage ratios %	30/09/2022	31/12/2022	30/06/2023	30/09/2023
Bad Loans	62.7%	64.8%	61.9%	58.7%
UTP	41.7%	40.3%	42.1%	43.1%
Past Due	28.1%	26.9%	27.6%	29.6%
<b>NPE</b>	<b>49.4%</b>	<b>50.6%</b>	<b>50.6%</b>	<b>49.3%</b>
Performing Loans	0.41%	0.39%	0.39%	0.40%
<b>TOTAL CUSTOMER LOANS</b>	<b>2.7%</b>	<b>2.5%</b>	<b>2.3%</b>	<b>2.1%</b>

# Capital position in detail<sup>1</sup>

FULLY LOADED CAPITAL POSITION (€/m and %)	30/09/2022	31/12/2022 Restated	31/03/2023	30/06/2023	30/09/2023
CET 1 Capital	7,397	7,686	8,076	8,386	8,381
T1 Capital	8,786	9,076	9,466	9,776	9,771
Total Capital	10,576	10,800	11,192	11,484	11,510
RWA	61,399	59,859	59,514	58,859	58,501
CET 1 Ratio	12.05%	12.84%	13.57%	14.25%	14.33%
AT1	2.26%	2.32%	2.34%	2.36%	2.38%
T1 Ratio	14.31%	15.16%	15.91%	16.61%	16.70%
Tier 2	2.92%	2.88%	2.90%	2.90%	2.97%
Total Capital Ratio	17.23%	18.04%	18.81%	19.51%	19.68%
Leverage ratio Fully Loaded as at 30/09/2023: 4.97%					

FULLY LOADED RWA COMPOSITION (€/bn)	30/09/2022	31/12/2022 Restated	31/03/2023	30/06/2023	30/09/2023
CREDIT & COUNTERPARTY RISK	52.9	50.8	50.6	49.8	49.6
of which: Standard	27.7	26.1	26.5	26.6	26.3
MARKET RISK	1.4	1.4	1.3	1.4	1.3
OPERATIONAL RISK	6.9	7.4	7.4	7.4	7.4
CVA	0.2	0.3	0.2	0.2	0.2
TOTAL	61.4	59.9	59.5	58.9	58.5

Notes: 1. Indicated data are stated, without application of the Danish Compromise. Capital data include also the profit of the period, subject to ECB authorization, net of the amount of accrued dividends, based on a payout ratio of 50%. 2. Data as at 31/12/2022 are restated in relation to IFRS17 "Insurance Contracts", which came into effect on 01/01/2023, entailing minor retroactive effects on capital adequacy ratios. For further details, please refer to the Methodological Notes of the press release of our half-year 2023 results, published on 2 August 2023.

# Contacts for Investors and Financial Analysts

Roberto Peronaglio		+39 02 9477.2090
Tom Lucassen		+39 045 867.5537
Arne Riscassi		+39 02 9477.2091
Silvia Leoni		+39 045 867.5613
Carmine Padulese		+39 02 9477.2092

## Banco BPM

Registered Offices: Piazza Meda 4, I-20121 Milano, Italy

Corporate Offices: Piazza Nogara 2, I-37121 Verona, Italy

[investor.relations@bancobpm.it](mailto:investor.relations@bancobpm.it)

[www.gruppo.bancobpm.it](http://www.gruppo.bancobpm.it) (IR section)