FY 2018 Group Results Presentation

6 February 2019

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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 new accounting standard IFRS 9 on "Financial Instruments" became effective beginning on 1 January 2018 and therefore the P&L and balance sheet results of 2018 have been prepared in compliance with the new accounting standard IFRS 9, while the 2017 P&L and balance sheet results had been prepared in compliance with the former accounting standard IAS 39.
- The final impact of the FTA in relation to IFRS 9 and IFRS 15 was defined as at 30 June 2018 with reference to 01 January 2018 data.
- To favor a more consistent comparison between the 2018 and 2017 P&L data, in this presentation, 2018 data are complemented with the main reclassifications on adoption of the new accounting standard IFRS 9. However, it should be pointed out that the new classification and measurement criteria and the new impairment model for financial assets do not allow a full comparability of the two sets of data under comparison.
- For a correct understanding of the Balance Sheet quarterly evolution, with accounting standards being equal, the balance sheet data as at 30/09/2018 and 31/12/2018 has been also compared with the balance sheet data as at 01/01/2018, recalculated, whenever possible, based on the new accounting standard, with all the differences and reclassifications as at 01/01/2018 duly highlighted compared to IAS 39 compliant data at 31/12/2017 in appendix.
- It should be noted that, starting from 2018, the reclassified Balance Sheet scheme has been changed to include the new accounting categories of financial instruments, and that for the reclassified income statement face, the adoption of IFRS 9 required that some aggregates be redefined (for more details please refer to the explanatory notes of the news release of 7 November 2018 on the approval of the consolidated results as at 31 December 2018).
- It is noted that starting from 30/06/2018 ordinary and extraordinary systemic charges related to SRF and DGS have been reclassified from Other Operating Expenses to a dedicated item "Systemic charges after tax". Historical P&L schemes have been reclassified accordingly.
- It is also reminded that in August 2017, Banco BPM signed a binding Memorandum of Understanding to sell 100% of Aletti Gestielle SGR's capital to Anima Holding. For this reason, starting from 30/09/2017, the contribution of Aletti Gestielle has been classified according to IFRS 5 as a "discontinued operation". The sale of the Company was perfected in December 2017. For this reason, in the 2017 P&L statement, the contribution of Aletti Gestielle SGR and the gain realised from disposal are booked in line item "Income after tax from discontinued operation".
- Moreover, in February 2018, Banco BPM signed an agreement to sell the Custodian Banking activity and, in September the Business Unit has been officially sold. For this reason, starting from 31/03/2018, the Balance Sheet data related to this Business Unit (substantially CA and Deposits) have been classified according to IFRS 5 as a "discontinued operation" and as at 30/09/2018 they are no more included in the consolidated perimeter. In this presentation, in order to ensure a coherent comparison, the Direct Funding before 30/09/2018 shown in this presentation is proforma, i.e. reported excluding the data related to this Business Unit.
- Finally, in December 2018, Banco BPM accepted the binding offer submitted by Elliott and Credito Fondiario, involving, among other things, the sale of a portfolio of bad loans. Consequently, these loans have been re-classified from item Loans and advance to customer at Admortised Cost to item Non-current assets held for sale and discontinued operations as at 31/12/2018. Also, following the binding MoU signed on 30 Nov. 2018 by Banco BPM and Crédit Agricole aimed at strengthening their partnership in the consumer finance sector in Italy, the captive business of Profamily has been re-classified in the item Non-current assets held for sale and discontinued operations as at 31/12/2018.

Agenda

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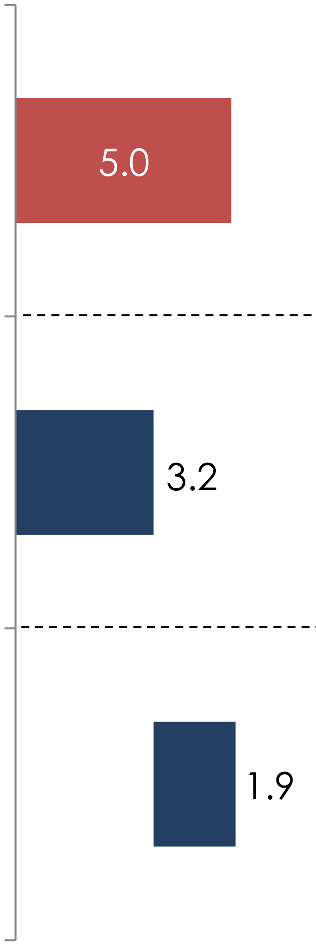
STRONG RESPONSE TO ASSET QUALITY CHALLENGE: READY TO RETURN TO SUSTAINABLE PROFITABILITY

Impacts

€ bn



1 Huge derisking to normalize asset quality…

Cumulative LLP 2017/18 + IFRS 9 FTA: 5.0

2 …enabled by solid organic performance…

Cumulative PPI 2017/18 (excl. positive one-offs): 3.2

3 … coupled with effective capital management actions

Capital management actions[2]: 1.9

KPIs

1

- Total derisking since YE 2016: -€21.2bn (-€18.2bn inclusive of inflows)
- Portfolio disposals completed: €17.2bn[1] nominal, more than doubling the original Plan target of €8bn
- NPE ratios: closing the gap with peers

2

- Consistent commercial performance with robust volume growth
- Material cost reduction (-8.5% vs. 2016) and roughly -€400m vs. starting point of Strategic Plan 2016-19
- Steady core profitability, with further potential, as confirmed by the Stress Test baseline scenario

3

- CT1 FL Proforma slightly up vs. YE 2016: 11.5%
- No new capital required to shareholders
- Value extracted from product factories, preserving earning generation power as well as future growth options

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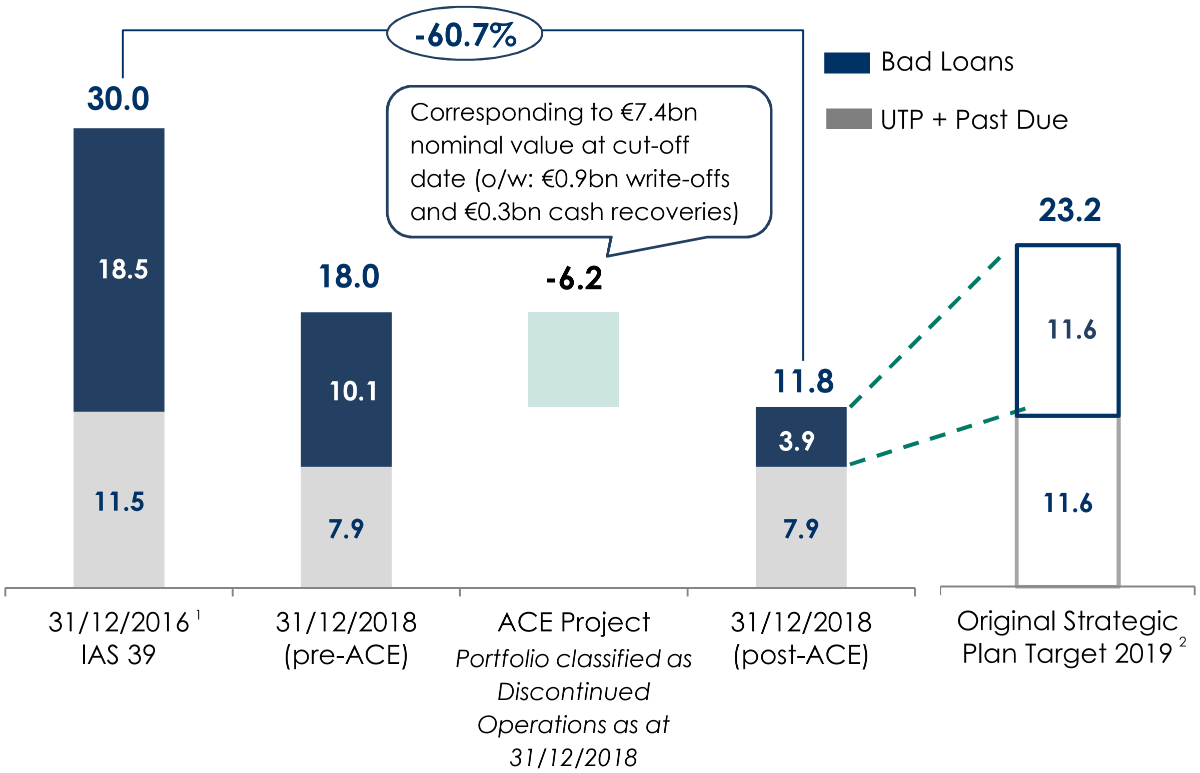
Note:
1. Disposals completed since the starting point of the Strategic Plan 2016-19.
2. Include also those actions already signed in 2018 but not yet finalized and exclude RWA reduction due to AIRB model extension and review.

① HUGE DERISKING TO NORMALIZE ASSET QUALITY: GROSS NPE DOWN BY €18.2BN SINCE YE 2016 (-60.7%)

Total NPE, gross book value

€ bn



SIGNIFICANT OUTPERFORMANCE

	Reduction vs. YE 2016	Improvement vs. 2019 Target
NPE	**-€18.2bn**	**-€11.4bn**
Bad Loans	**-€14.6bn**	**-€7.7bn**
UTP + PD	**-€3.6bn**	**-€3.7bn**

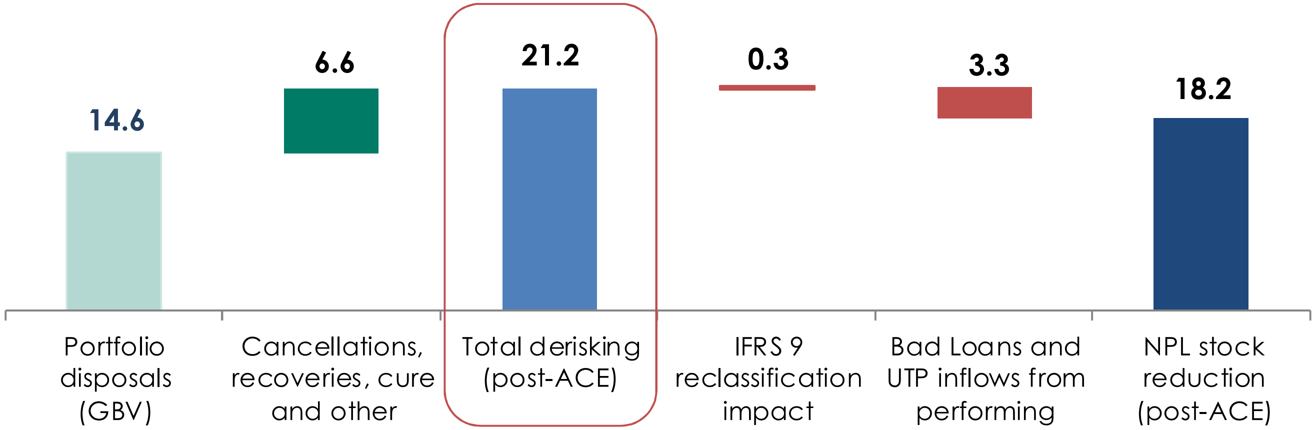
See the following slide for details.

Notes:
1. Include the restatement for managerial purposes (inclusion of a portion of write-offs, in coherence with the restatement done in 2017).
2. Corresponding to Nominal targets (including write-offs) of €23.9bn for NPE and €12.3bn for Bad Loans.

① HUGE DERISKING TO NORMALISE ASSET QUALITY: HOW WE ACHIEVED THE MASSIVE NPE STOCK REDUCTION

Analysis of NPE stock reduction since YE 2016 (including ACE)

€ bn – Gross book values



€ 17.2BN NOMINAL DISPOSAL TRANSACTIONS

Since the Plan announcement (May 2016), including single name disposals[1], € bn

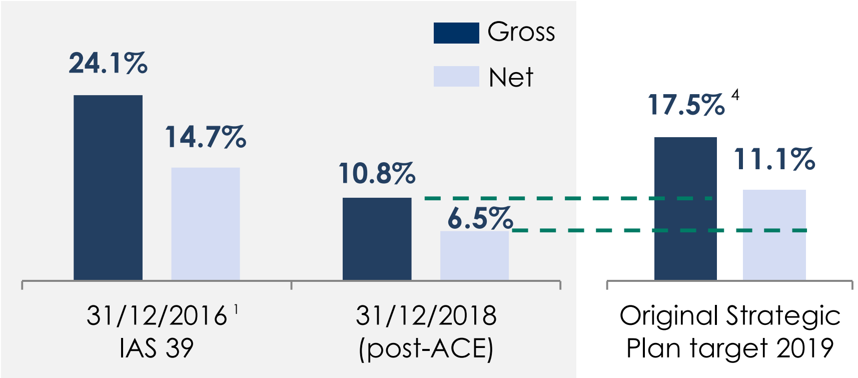
ACE (2018)	7.4
EXODUS (2018)	5.1
SUN (2017)	1.7
RAINBOW (2017)	0.7
ADELE 2 + Other unsecured (2017)	0.8
Single name disposals in 2017/2018	0.5
Portfolio & Single name disposals in 2016	1.1
TOTAL	**17.2**

More than doubling the original Plan target of €8bn (2016-2019)

Internal management analysis.
Note:
1. Nominal amount at cut-off date.

① HUGE DERISKING TO NORMALISE ASSET QUALITY: STRONG IMPROVEMENT IN NPE RATIOS, CLOSING THE GAP WITH COMPETITORS

NPE RATIO

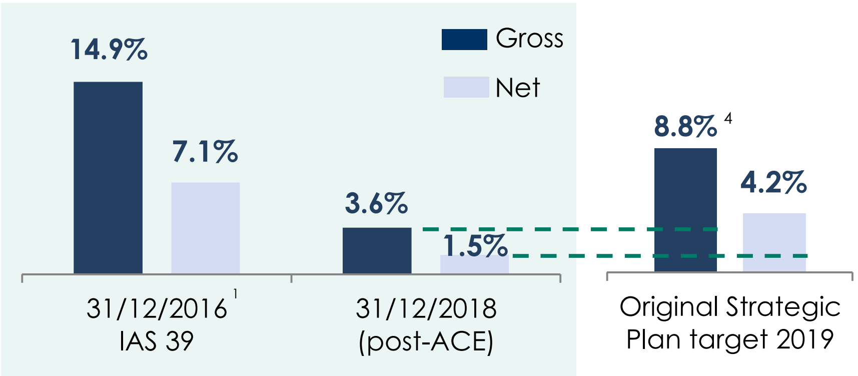


STRONG REDUCTION IN THE NPE RATIO GAP WITH COMPETITORS[2]:

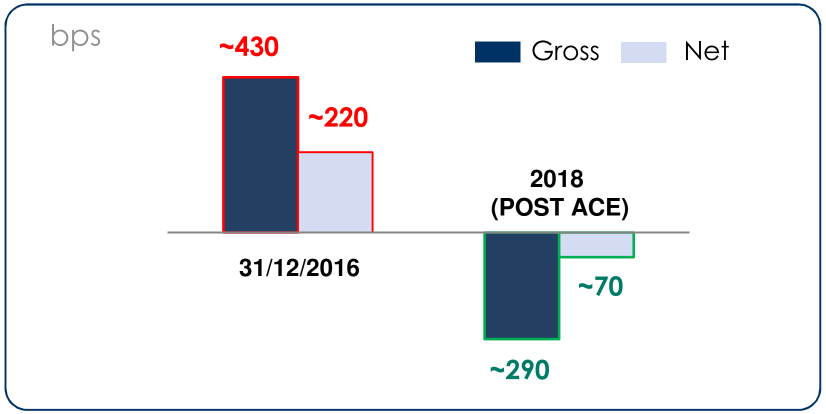
- -510 bps for Gross NPE ratio
- -330 bps for Net NPE ratio

… WITH BAD LOAN RATIOS NOW OVERPERFORMING COMPETITORS

BAD LOAN RATIO



BAD LOAN RATIOS: GAP VS ITALIAN BANKING SYSTEM[3]



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Note:
1. Include the restatement for managerial purposes (inclusion of a portion of write-offs, in coherence with the restatement done in 2017).
2. Bank of Italy "Italian Significant Banks"– Economic Bulletin – January 2019 data as Q3 2018 - Financial Stability Report 1/2017 (data as at Dec.16)
3. ABI – Monthly Outlook – January 2019 – data as November 2018.
4. Corresponding to Nominal targets of 17.9% for NPE and 9.3% for Bad Loans

① HUGE DERISKING TO NORMALIZE ASSET QUALITY: HIGHLIGHTS OF ACE DEAL AND MARKET COMPARISON

Status update	
Amount	Nominal book value at cut-off date: €7,385m
	Gross book value as of 31/12/2018: €6,152m (excl. write offs and after cash-in)
Overall price	23.6% of Gross Book Value (net of write-offs)
Senior tranche	Rating: BBB
	GACS application to be filed by 8 Feb.
	Fully retained by Banco BPM
Equity tranches	95% Underwritten by Elliott. 5% retained by Banco BPM
RWA Benefit	~€1.7bn, booked after transfer of equity tranche and GACS approval
Platform partnership	To be launched by the end of Q2 2018

Market comparison

Bank	Deal	Price	% of BoY [1] Bad Loans
Banco BPM	Exodus €5.1bn	34.3%	
	ACE €7.4bn	23.6%	
	Total	**28.3%**	**72.5%**
Bank 1	€17.7bn	13%	33%
Bank 2	€25bn	20.5%	85%
Bank 3	€10.8bn	28.7%	28%

- **ACE portfolio allows to achieve overall ratio of Disposals/Bad Loans BoY of ~70% in 2018**
- **Overall, disposal prices clearly positioned at best practice levels in the Italian market, taking the size of the derisking effort into account**

Note:
1. Beginning of the year

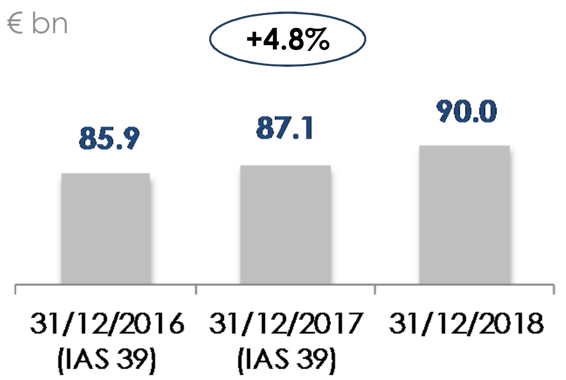
2 SOLID ORGANIC PERFORMANCE: FUTURE PROFITABILITY SET TO BENEFIT FROM A FURTHER NORMALIZATION IN THE COST OF RISK

€ m	FY 2018 STATED	FY 2018 NORMALIZED[1]
NET INTEREST INCOME	2,293	2,293
TOTAL INCOME	4,773	4,487
OPERATING COSTS	-2,793	-2,717
PROFIT FROM OPERATIONS	1,980	1,770
LOAN LOSS PROVISIONS	-1,941	-1,227
PROFIT BEFORE TAX	-130	552
NET INCOME	-57[2]	343

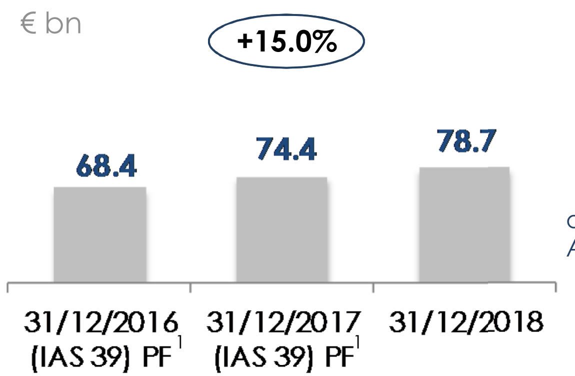
Notes:
1. Exclude all one-offs and non recurrent items, as detailed on slide 53.
2. Excluding Badwill and Impairment on goodwill and client relationship after tax

2 SOLID ORGANIC PERFORMANCE: SUPPORTED BY STRONG VOLUMES AND SAFE LIQUIDITY PROFILE

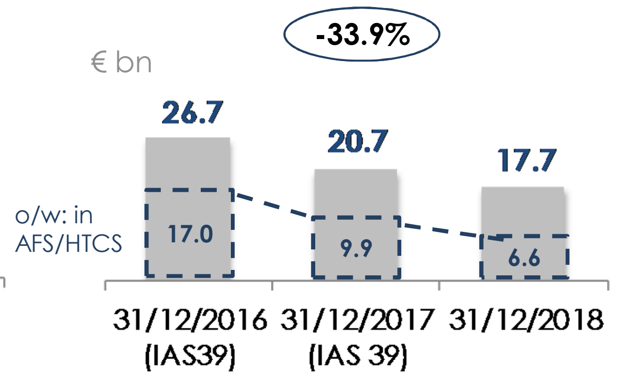
Performing Customer Loans
(excl. Repos and Leasing)



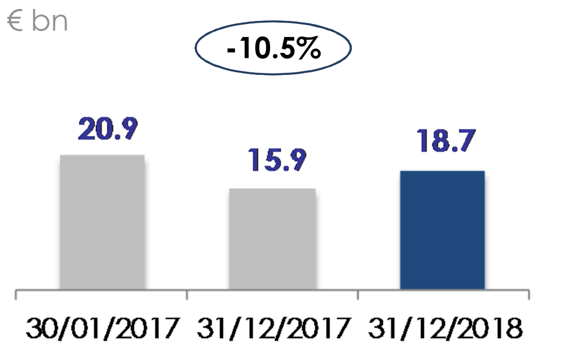
C/A & Sight deposits



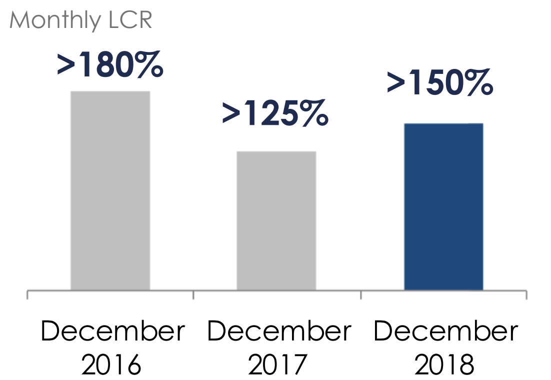
Italian Govies



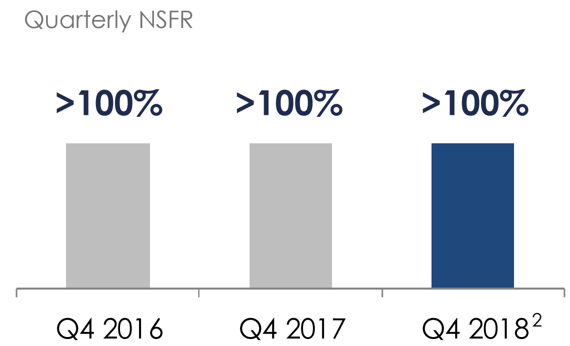
Unencumbered eligible assets



LCR



NSFR



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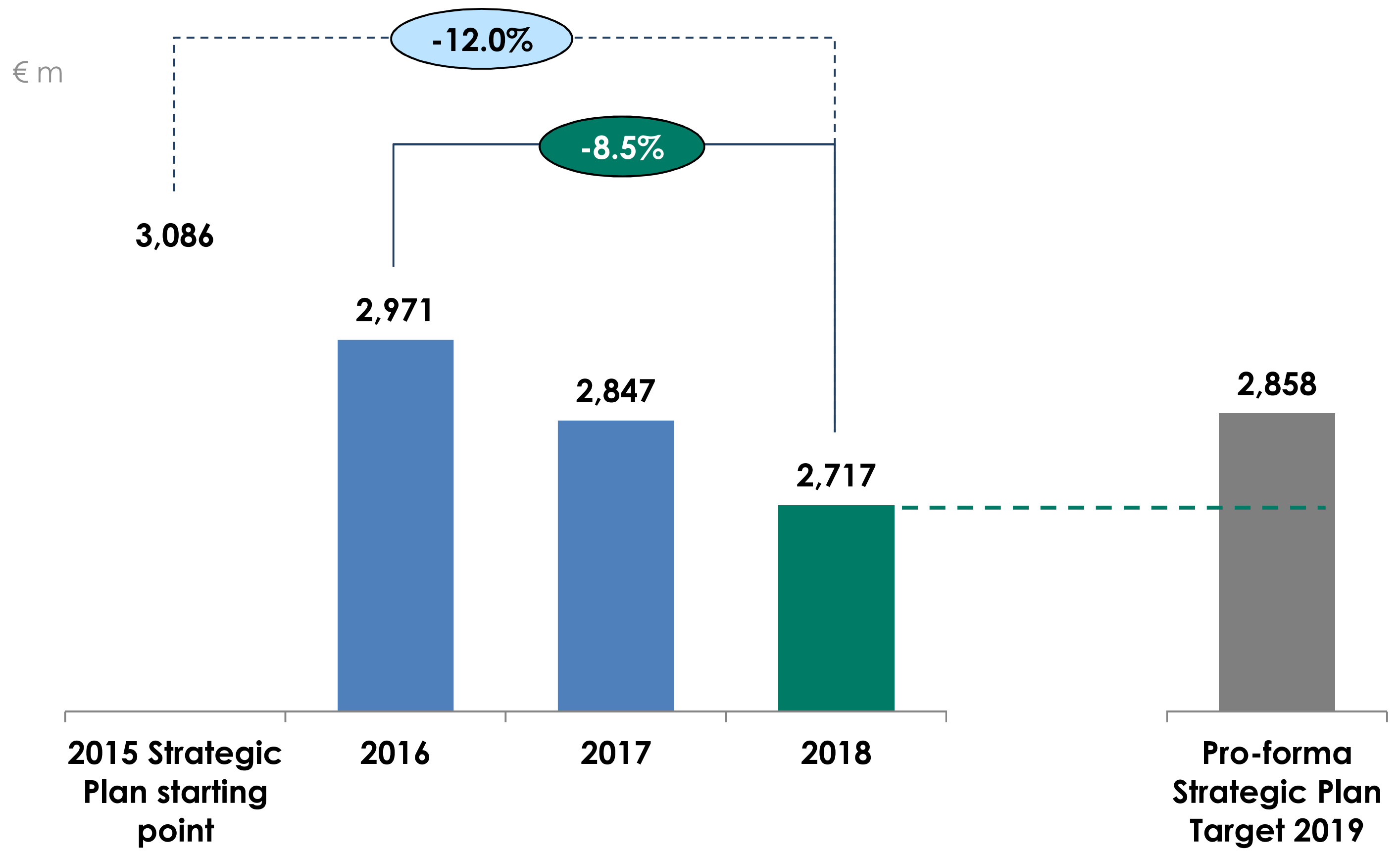
Notes:
1. PF data exclude the volumes of the custodian bank (€2.4bn at YE 2016 and €3.0bn at YE 2017), sold in Q3 2018.
2. Q4 2018 NSFR based on management data.

② SOLID ORGANIC PERFORMANCE: OPERATING COSTS[1] WELL AHEAD OF STRATEGIC PLAN TARGETS

~€400m reduction since the starting point of the Strategic Plan 2016-19



Notes:
1. Internal Management Data adjusted for non-recurring items and systemic charges. All figures are pro-forma (ex Aletti Gestielle). It is noted that 2018 figures do not yet benefit from the full effect of synergies coming from personnel and other administrative costs.

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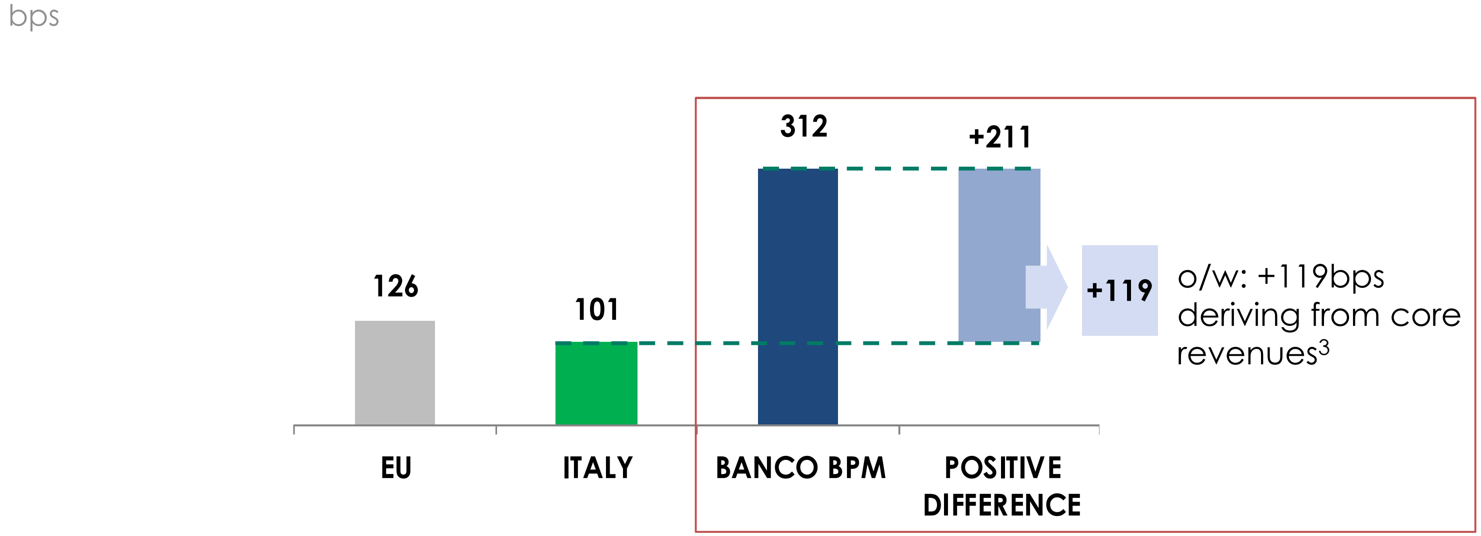
2 SOLID ORGANIC PERFORMANCE: EU-WIDE STRESS TEST 2018 CONFIRMS THE BANK'S CAPACITY TO STRENGTHEN CAPITAL

DELTA CET1 RATIO FULLY LOADED
(Baseline scenario – 2020/2017)



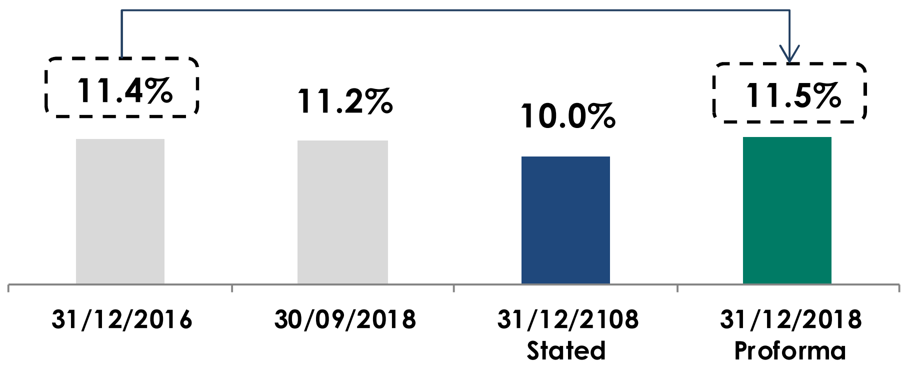
Best-in-class among Italian banks in the baseline scenario of the EU-wide stress test, thanks to the earnings and internal capital generation capability, favored also by:

- a potential recovery of DTA
- wider room on thresholds for participations to be deducted

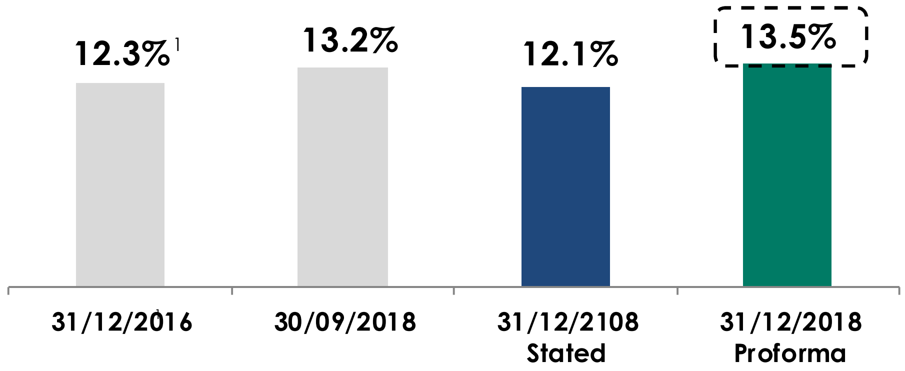
Notes:
1. Source: EBA 2018 EU-wide Stress Test results (2/11/2018)
2. Cumulative core revenues (NII+Net Commissions) on 3Y base scenario / RWA
3. Contribution to CET 1 FL: 17.43% for Banco BPM vs. 16.24% for Italian banks

③ EFFECTIVE CAPITAL MANAGEMENT ACTIONS: ROBUST CET 1 RATIO EVEN AFTER THE DERISKING PROCESS

CET 1 ratio Fully Loaded



CET 1 ratio Phased in



- The impressive derisking performed by the bank has been fully compensated by the capital strengthening initiatives put in place and by the organic capital generation
- The Group's CET 1 ratio FL PF comes in at 11.5%, the high end of the range previously expected (11%/11.5%), including the capital management actions already signed and to be finalized by H1 2019: +154bps

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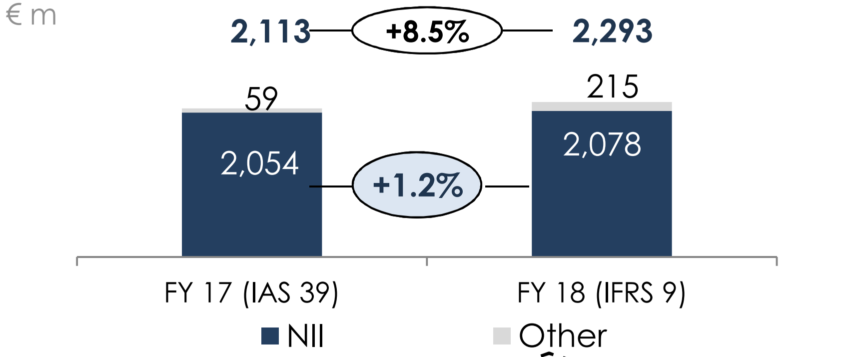
See slide 43 for further details.
All Proforma ratios are prior to any expected impact from the IFRS 16 FTA.
Note:
1. Not comparable with 2018 phased in ratios , due to different phasing elements.

Agenda

NET INTEREST INCOME

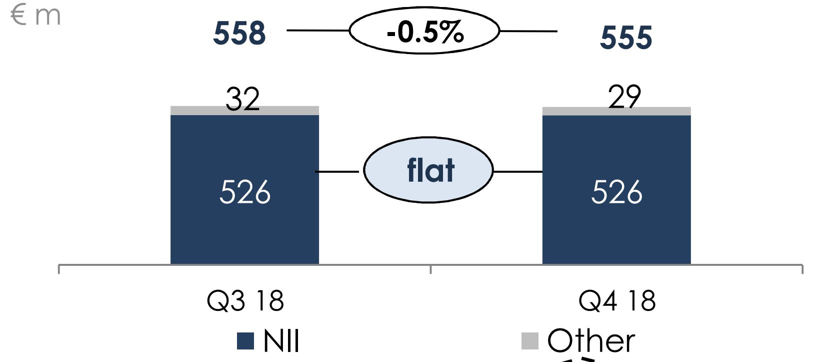
Y/Y comparison



€ m	FY 17	FY 18
OTHER	**59**	**215**
o/w: PPA	31	24
o/w: IFRS9 PPA	0	120
o/w: IFRS9	0	71
o/w: one-offs[1]	28	0

€191

Q/Q comparison



€ m	Q3 18	Q4 18
OTHER	**32**	**29**
o/w: PPA	0	-1
o/w: IFRS9 PPA	20	21
o/w: IFRS9	12	9

- Stated Net Interest Income up 8.5% y/y, benefiting from the reversal of time value on bad loans (reclassified from LLPs under IFRS 9) and PPA
- Net interest income was up 1.2% on a like-for-like basis (excluding one-offs, IFRS 9 effect and PPA), mainly driven by lower cost of funding
- In the quarterly comparison, NII on a like-for-like basis flat q/q, thanks to average volume growth and lower cost of funding that fully offset asset spread compression

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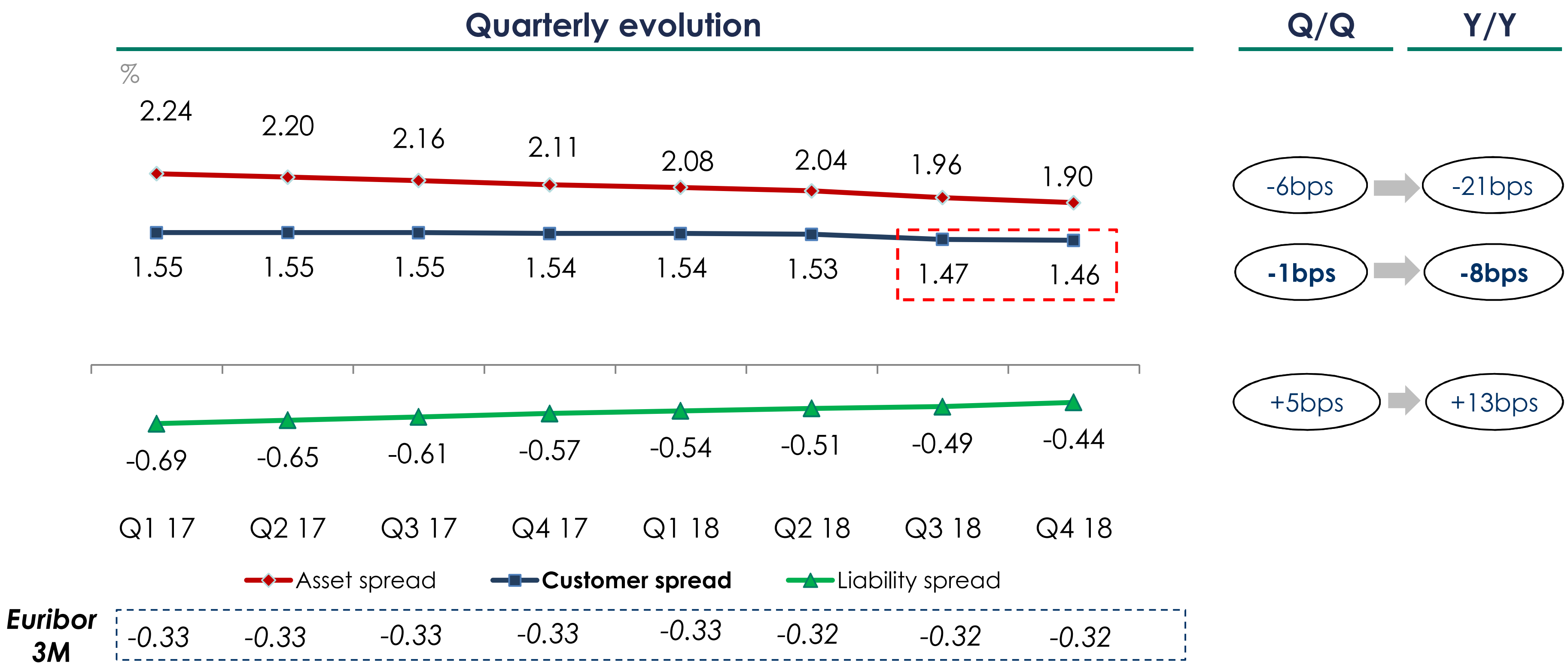
Notes:
1. Includes approx. €32m related to TLTRO2 accrued in 2016 and booked in Q1 17.

NET INTEREST SPREAD IN COMMERCIAL BANKING

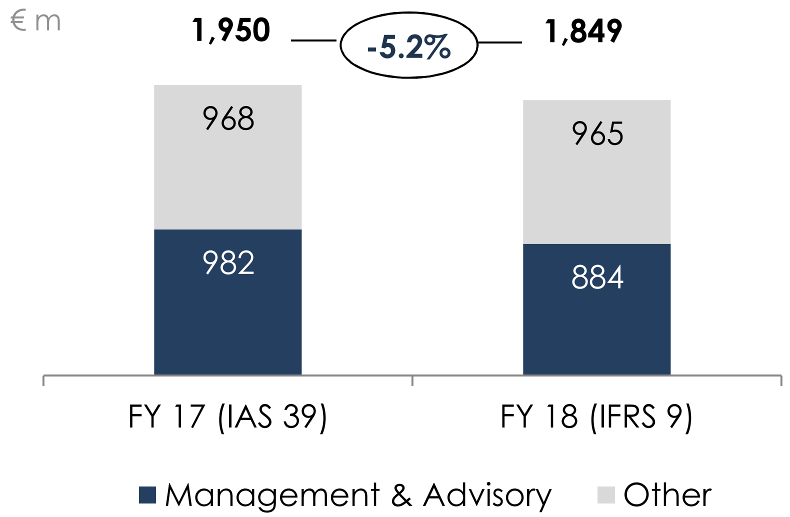


- The asset spread decline in the quarter is partially explained by the significant growth in new volumes granted to high-quality customers
- Asset spread in January shows positive signs of re-pricing of new MT loans granted compared to last quarters
- A steady improvement is registered in the trend of the liability spread

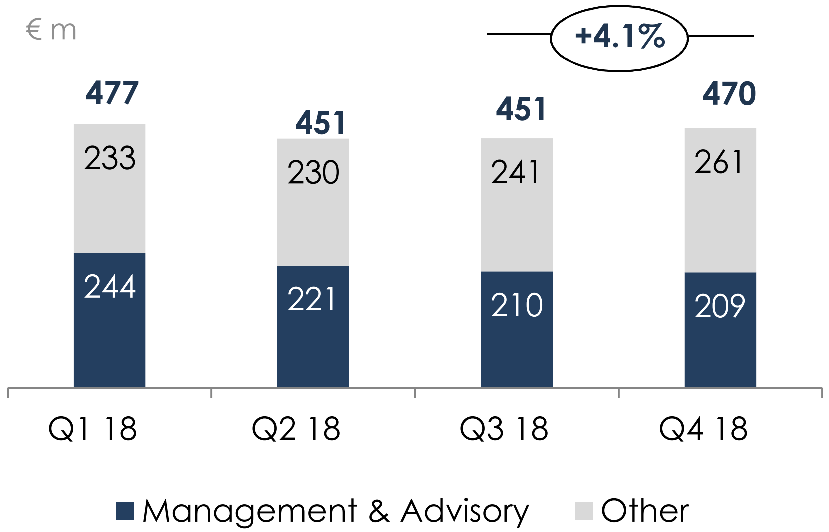
Notes: Quarterly spreads for 2017 have been adjusted to reflect the adoption of new customer portfolio perimeter and segments of the new commercial network

NET FEES AND COMMISSIONS

Y/Y comparison



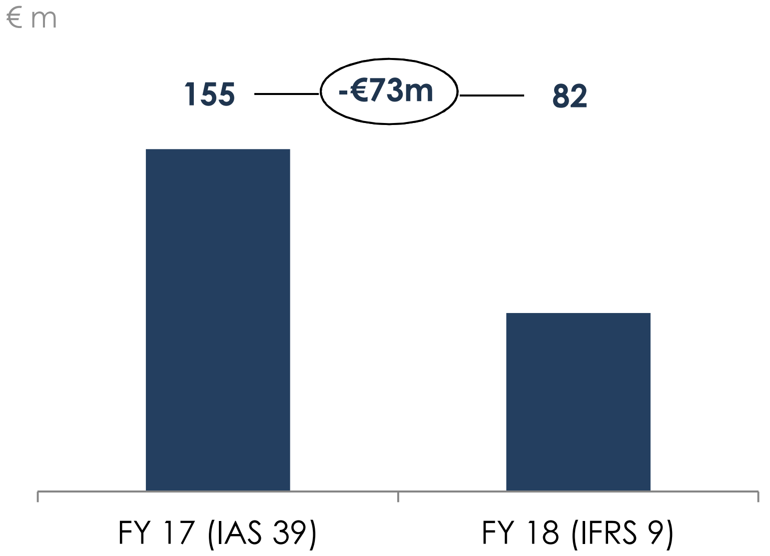
Q/Q comparison



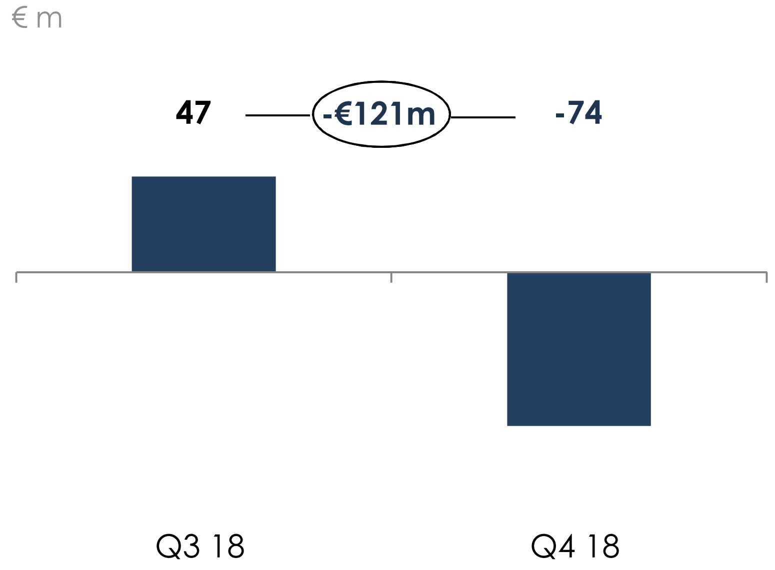
- In 2018, fees were down 5.2%, with a good recovery in H2 18, freezing the y/y slowdown registered in H1, and with a more stable mix compared to 2017:
  - traditional fees were basically stable
  - management and advisory fees (-10% y/y) were affected by the negative performance in financial markets, but showed an increase in more stable running fees (+10% y/y)
- Fees and commissions were up q/q (+4.1%) benefiting from the higher diversification of fees generated across different businesses (i.e. credit fees, payment and service fees etc.). Management and advisory fees were basically flat. An amount of almost €6m booked in the quarter refers to the production generated for the full year

NET FINANCIAL RESULT

Y/Y comparison



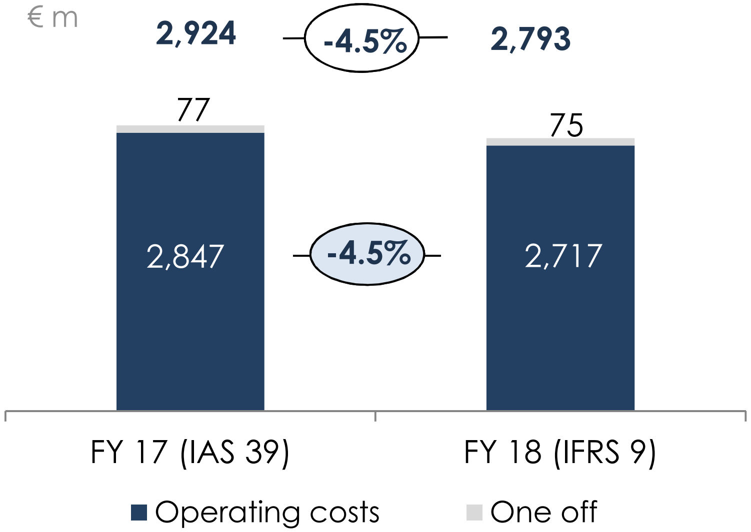
Q/Q comparison



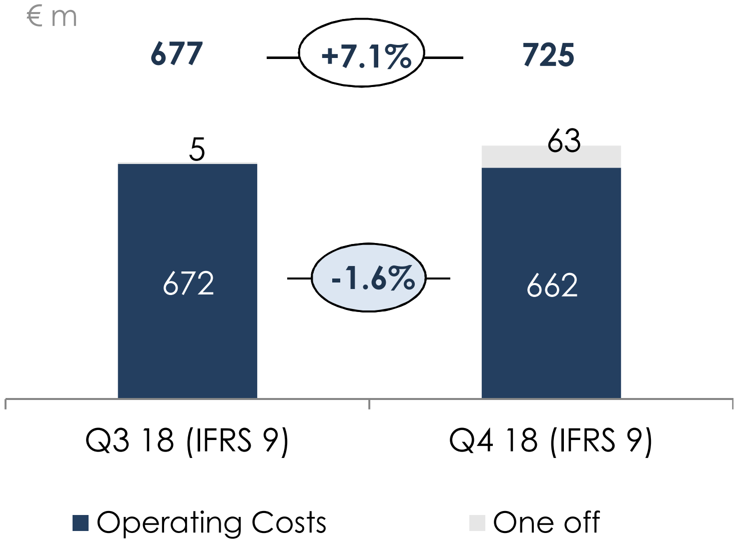
- Net Financial Result stood at €82m in 2018 (-€73m y/y)
- In Q4, the Net Financial Result was negative (-€74m), mainly due to the prudential impairment of an indirect exposure held through the FITD (-€28m), to non-trading financial assets mandatorily at Fair Value (-€12m), to corporate spread widening and hedging strategy to reduce the sensitivity to market movements
- On the other hand, market price movements had a positive effect on the HTCS reserve on debt securities (+€137m vs 30 September 2018) and, consequently, on capital ratios.

OPERATING COSTS

Y/Y comparison



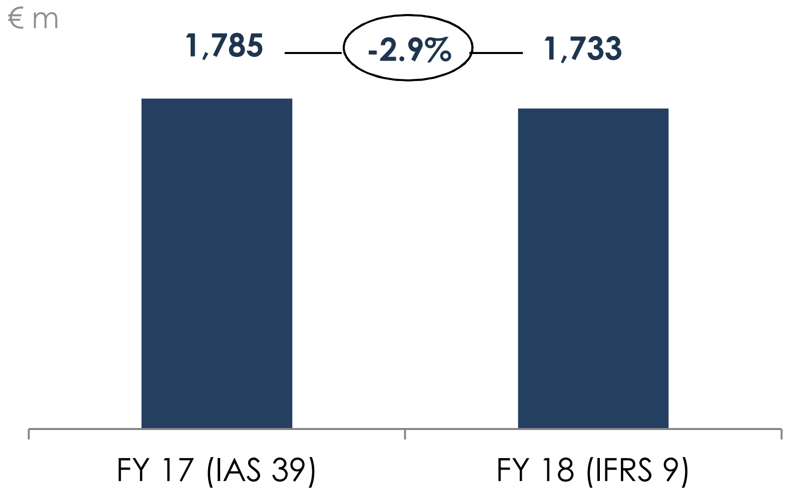
Q/Q comparison



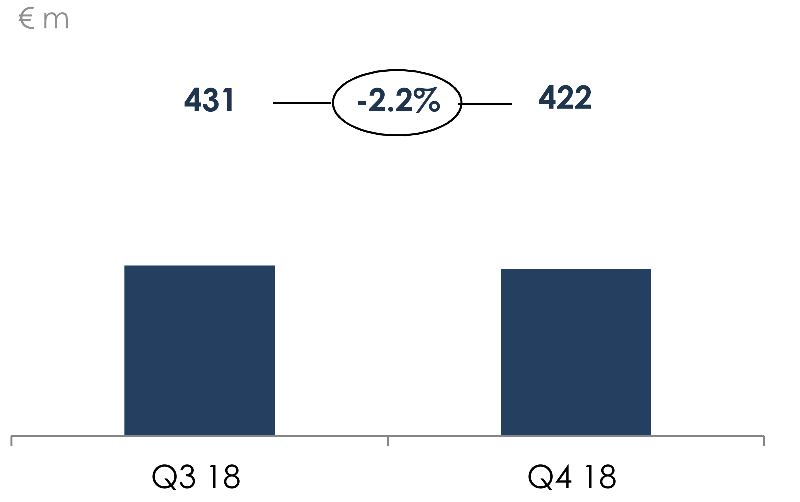
- In 2018, operating costs were down 4.5% y/y (stated) and 4.5% y/y on an underlying basis, thanks to strict cost control
- Operating costs were up in the quarter exclusively due to one-offs related to final integration costs and to adjustments on property not used in operations. On a like-for-like basis, operating costs were down 1.6%

PERSONNEL EXPENSES

Y/Y comparison



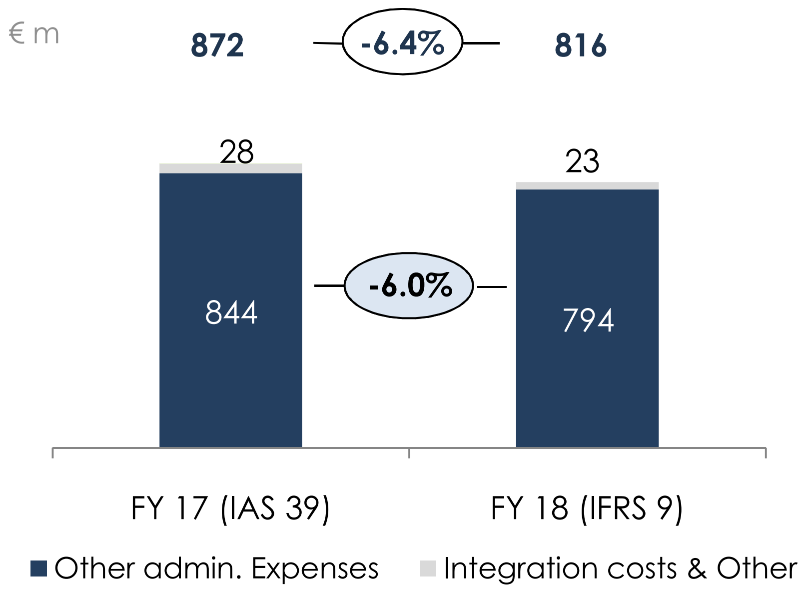
Q/Q comparison



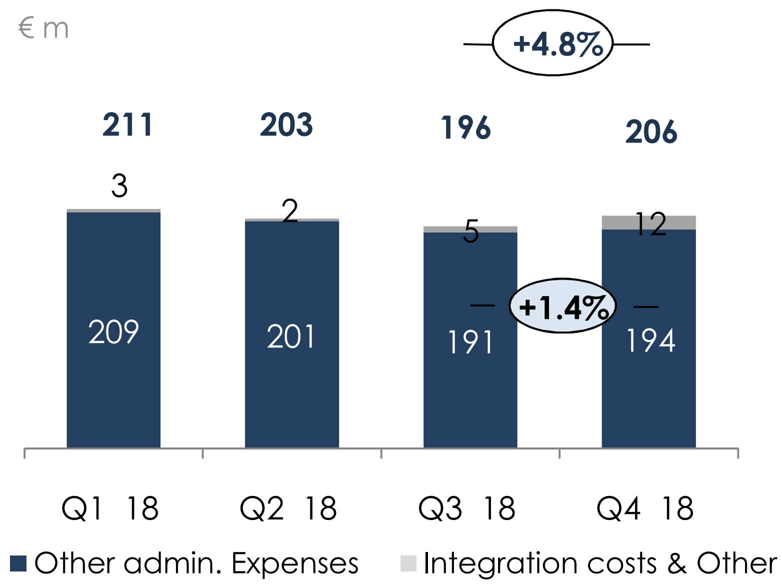
- Personnel expenses were down 2.9% y/y, mainly driven by the headcount reduction, in spite of contractual adjustments
- Personnel expenses down 2.2% q/q, coming in at €422m
- Total headcount stood at 22,247 on 31 Dec. 2018, down from 23,263 at year-end 2017 (-1,016, of which -690 on the basis of the Solidarity Fund done at the end of June and December 2018) and 24,608 at year-end 2016

OTHER ADMINISTRATIVE EXPENSES

Y/Y comparison



Q/Q comparison



- Other administrative expenses decreased 6.4% y/y, thanks to the strict cost control across all expense categories.
- In Q4, administrative expenses were up 4.8% q/q and 1.4% excluding one-off items (mainly related to the final part of integration costs)

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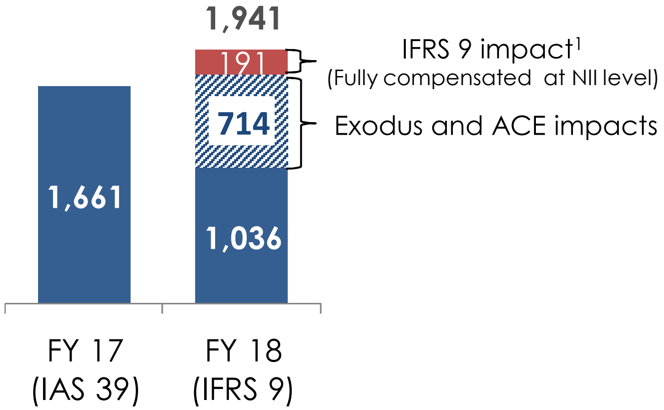
LOAN LOSS PROVISIONS & COST OF CREDIT EVOLUTION

Loan Loss Provisions

€ m



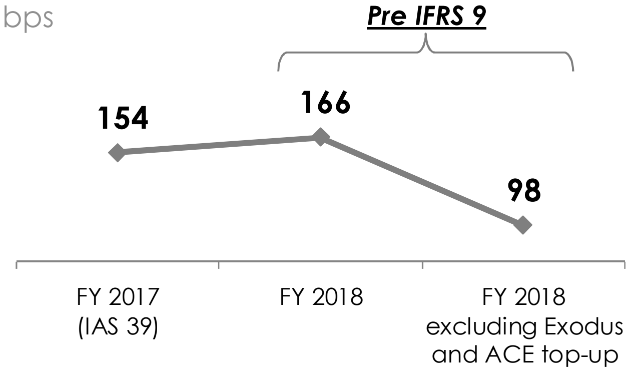
Quarterly evolution (IFRS 9)

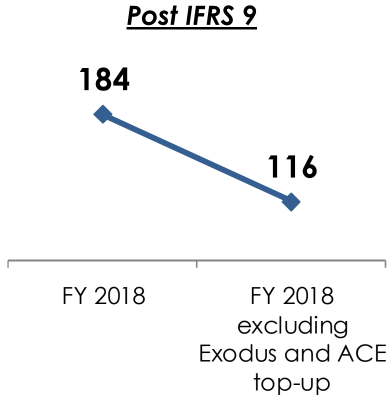
	Q1 18	Q2 18	Q3 18	Q4 18
LLPs	**326.2**	**306.2**	**267.4**	**327.4**
"Exodus" impact		54.0		
"ACE" impact				659.9
Total LLPs	**326.2**	**360.2**	**267.4**	**987.3**

Cost of credit [2]

Calculated on net customer loans[3]

bps





- 2018 LLPs of €1.9bn include:
  - €191m from the application of the IFRS 9 accounting principle
  - €714m from the Exodus and ACE transactions
- Q4 2018 has also been impacted by the coverage top-up applied to some positions, mainly in the construction sector
- The Cost of Risk, excluding Exodus and ACE top-up, stands at 98bps (pre-IFRS 9)
- The Cost of Risk for FY 2019 stands to benefit from the strong clean-up performed in 2018

Notes:
1. Please refer to slide 59 for details on IFRS 9 impact.
2. Calculated adding to LLPs also €1.6m of generic provisions related to the Exodus Senior Tranche classified under the Item Net Adjustments on other assets, in coherence with the aggregate of Net Customer Loans.
3. For a proper calculation of CoR, customer loans include also loans classified as Discontinued Operations (Bad Loans related to ACE transaction and Profamily loans to be disposed)

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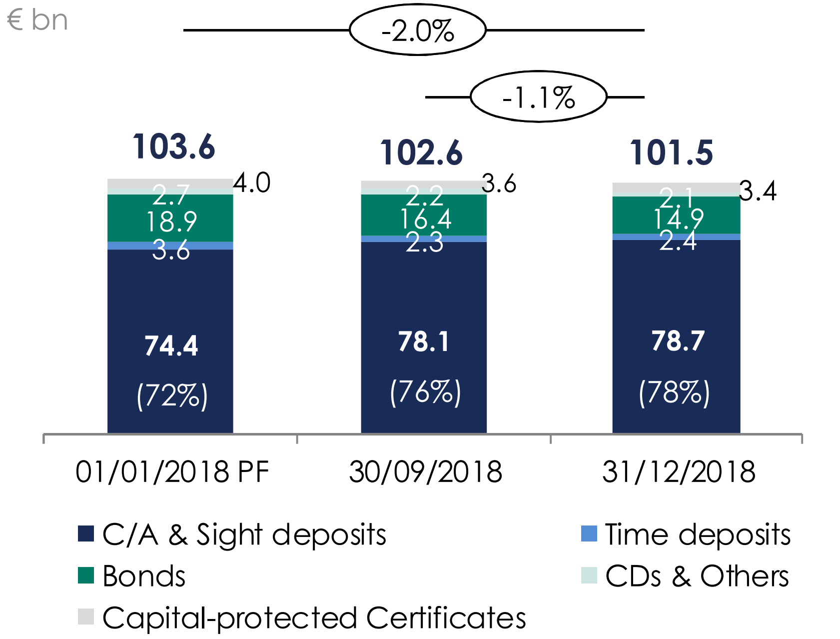
DIRECT FUNDING

Healthy growth in core deposits, with concurrent decline in more expensive sources of funding

Direct funding[1] (*without* Repos)



CHANGE	In % vs. 01/01/18	In % Q4
C/A & Sight deposits	5.8%	0.7%
Time deposits	-33.0%	3.7%
Bonds	-21.5%	-9.4%
CDs & Others	-20.9%	-1.2%
Capital-protected Certificates	-14.7%	-6.0%
Direct Funding (excl. Repos)	**-2.0%**	**-1.1%**

- Direct funding at €101.5bn, with a positive dynamic of C/A and sight deposits (+5.8% in the year and +0.7% in Q4)
- Weight of stable core Retail component in Deposits at 63% in December 2018 (same in Sept. 2018)[2]
- Q4 trend impacted by a decrease in more expensive components, leveraging on the strong liquidity position
- New issuance activity on wholesale markets in 2018: €1.25bn of Covered Bonds (€0.75bn in Jan. + €0.5bn in Jul.) and €0.5bn of Senior bonds (in Apr.)

Notes:
1. Direct funding restated according to a management logic: it includes capital-protected certificates, recognized under 'Held-for-trading liabilities', while it does not include Repos (€7.1bn at December 2018), basically transactions with Cassa di Compensazione e Garanzia).
2. Internal management data.

01/01/2018 PF data exclude the volumes of the custodian banking Activity (€3.7bn as at 01/01/18), sold in Q3 2018.

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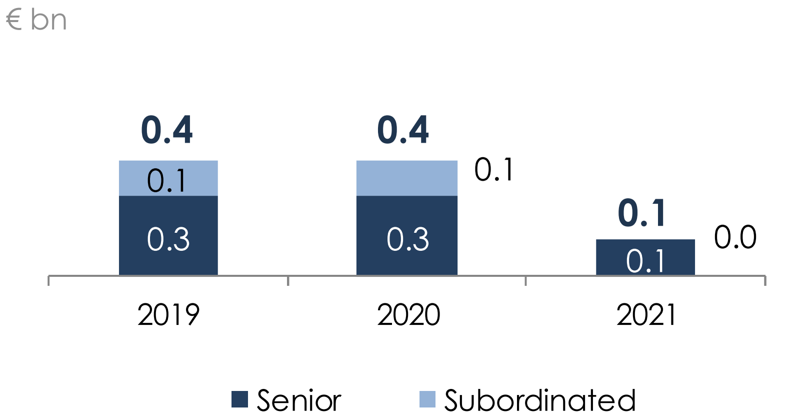
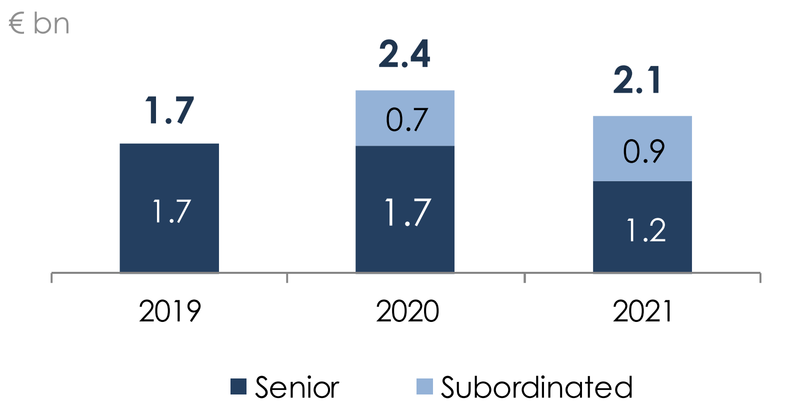
BOND MATURITIES: VERY MANAGEABLE AMOUNTS

The Group has maintained a robust funding structure and a balanced ALM profile, while optimizing the cost of funding

Retail bond maturities



Institutional bond maturities



- Very limited amount of bond maturities (€2.1bn in 2019, €2.8bn in 2020 and €2.2bn in 2021)
- Retail maturities keep sustaining the growth of Deposits and AUM, supporting both NII and Commissions
- Low-cost funding source: current amount of unencumbered assets eligible for Covered bonds/ABS issuance well in excess of the maturing securities
- The solid funding and liquidity position allows the Group to time the proper market conditions to tap the institutional bond market

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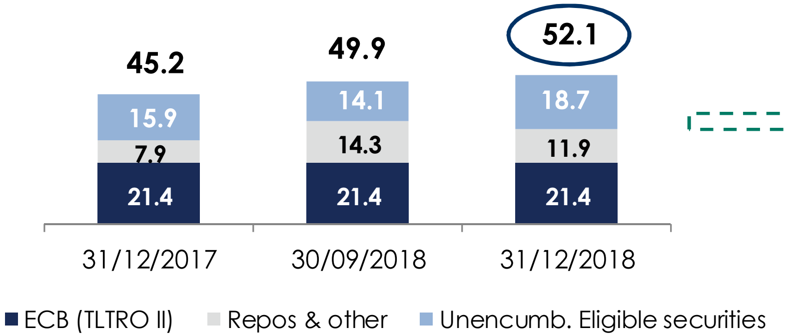
Note:
Managerial data based on nominal amounts, including calls.

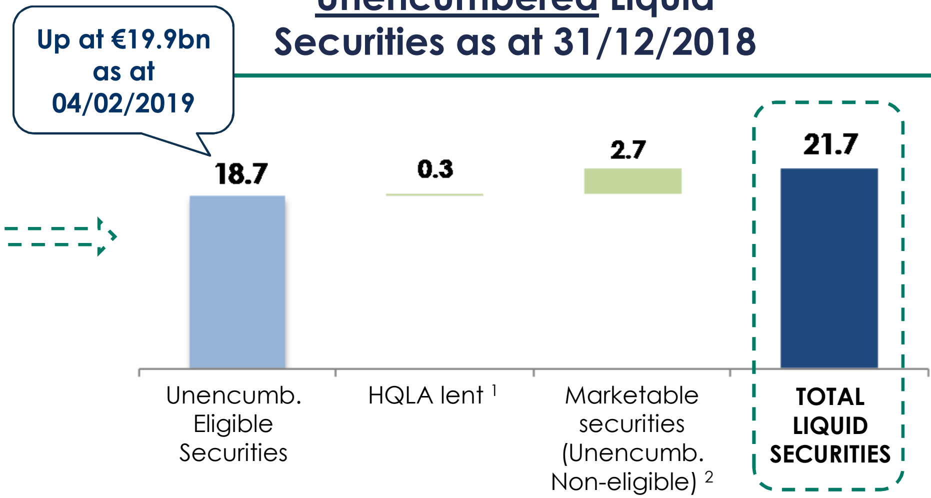
STRONG LIQUIDITY POSITION

€ bn - Internal management data, net of haircuts

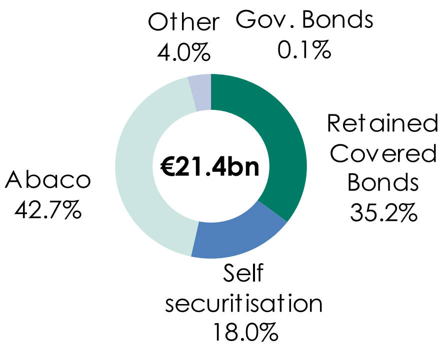
Eligible Securities



Unencumbered Liquid Securities as at 31/12/2018



Breakdown of assets encumbered with TLTRO II as at 31/12/2018



- Roughly €22bn of total unencumbered liquid securities (net of haircuts)
- In Q4 2018, long-term bilateral transactions executed for €1.8bn (net of haircuts), with underlying marketable securities and retained covered bonds
- >€11bn of assets encumbered with TLTRO II are high quality marketable securities (rated A or higher): easy to refinance at good conditions
- Roughly €9bn of credit claims (ABACO) encumbered with TLTRO II are eligible for securitisations
- **LCR >150% & NSFR >100%[3]**

Notes:
1. Refers to securities lending (uncollateralized high quality liquid assets)
2. Management data
3. Monthly LCR of December 2018; Q4 2018 NSFR based on management data

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SECURITIES PORTFOLIO

Prudent diversification, with solid liquidity and support of NII

€ bn

Securities Portfolio Breakdown	31/12/18	30/09/18	01/01/18	31/12/17 IAS 39	Chg. vs. 31/12/17 (IAS 39) Value	Chg. vs. 01/01/18 Value	Chg. in Q4 Value
Debt securities	32.9	34.0	30.3	30.2	2.6	2.6	-1.1
- o/w Total Govies	27.5	28.4	25.3	25.2	2.3	2.2	-0.8
- o/w: Italian Govies	**17.7**	**18.2**	**20.8**	**20.7**	**-3.1**	**-3.1**	**-0.6**
in % on Total Govies	***64.1%***	***64.3%***	***82.1%***	***82.1%***			
Equity securities and Open-end funds & Private equity	1.8	2.3	2.2	2.2	-0.3	-0.3	-0.5
TOTAL SECURITIES	**34.7**	**36.2**	**32.4**	**32.4**	**2.3**	**2.3**	**-1.5**

- Stronger diversification of Govies portfolio:
  - Italian Govies at €17.7bn, 64.1% of total Govies portfolio, vs. 82,1% as at year-end 2017
  - Non-Italian Govies at €9.8bn: primarily USA (14.0%), France (11.5%), Spain (5.6%) and Germany (3.5%)
- Total Govies in HTCS down by €1.2bn vs. year-end 2017, thanks to a strong reduction of the Italian component (-€3.3bn)
- Total Govies in HTCS down by €0.2bn in Q4, with Italian component substantially stable (+€37m), but with a modified duration down to ~2.7 years[1]
- Gross HTCS reserve on debt securities at about -€200m at YE 2018, improving by €137m in Q4

Significant decline of Govies in HTCS in H2, particularly in the Italian component

€ bn

	31/12/18	30/09/18	30/06/18	31/12/17 IAS 39
Total Govies in HTCS	**11.7**	**11.9**	**15.1**	**12.9**
o/w: Italian	6.6	6.5	8.4	9.9
in % on Total	56%	55%	56%	77%
o/w: Non Italian	5.1	5.4	6.7	2.9
in % on Total	44%	45%	44%	23%
Duration of Italian Govies in HTCS *(years)*	**2.7**	**2.9**	**3.4**	

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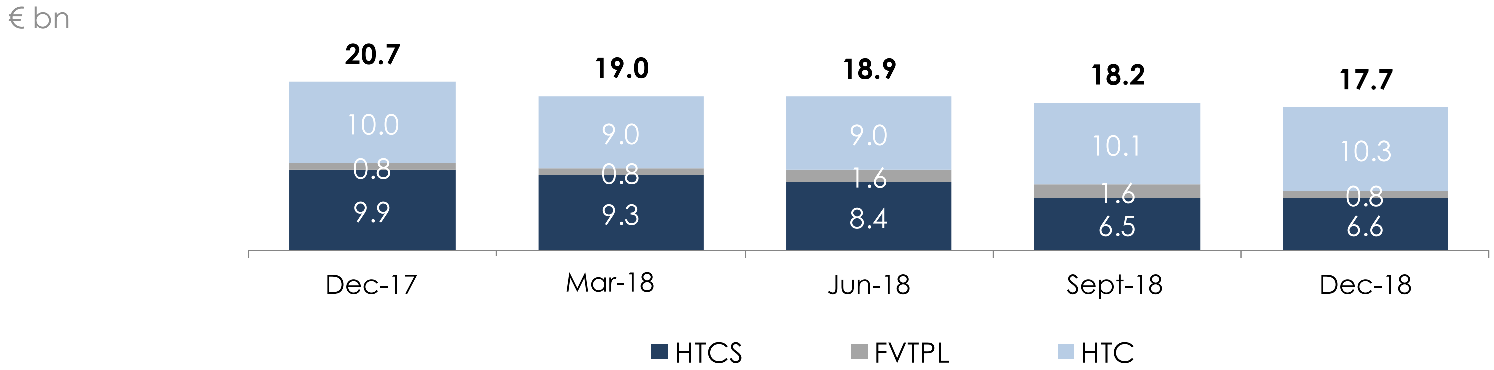
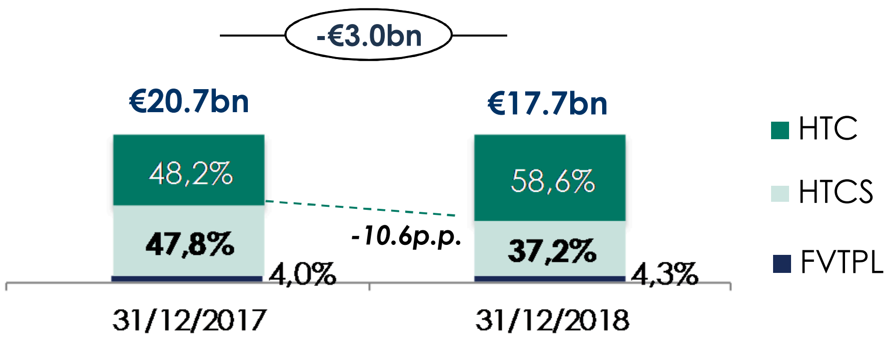
FOCUS ON ITALIAN GOVIES: DECLINE IN HTCS COMPONENT AND STRONG REDUCTION OF SENSITIVITY TO SPREAD EVOLUTION

1bps spread sensitivity down from about €3.5m in Q2 2018 to ~ €1.5m in December

Yearly evolution of Italian Govies portfolio: -€3.0bn in total, o/w -€3.3bn for AFS/HTCS



Classification of Italian Govies: weight of HTC up, with HTCS down to 37%



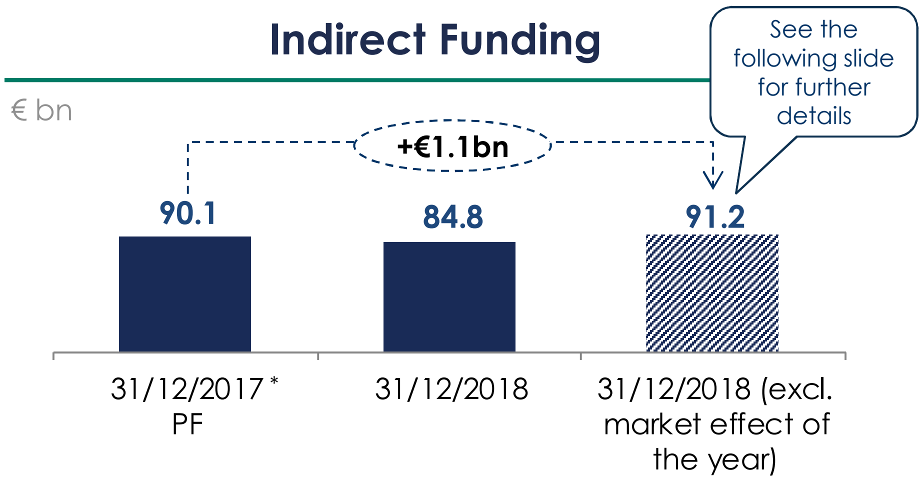
- Strong accounting remix of the Italian Govies portfolio in the FY period:
  - HTCS at €6.6bn (-€3.3bn vs. YE 2017; +€37m in Q4)
  - HTC at €10.3bn (+€0.3bn vs. YE 2017; +€0.2bn in Q4)
  - FVTPL at €0.8bn (stable vs. YE 2017; -€0.8bn in Q4)

31/12/2017 data are based on IAS 39 accounting standards.

INDIRECT FUNDING

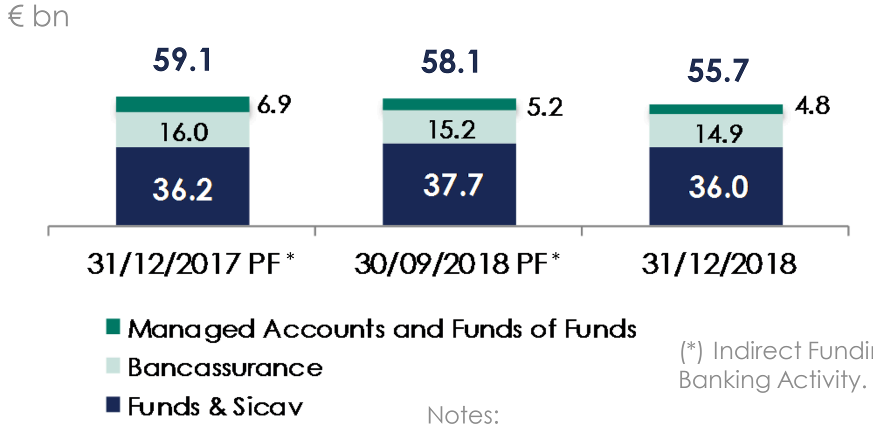
Big impact from market performance

Indirect Funding

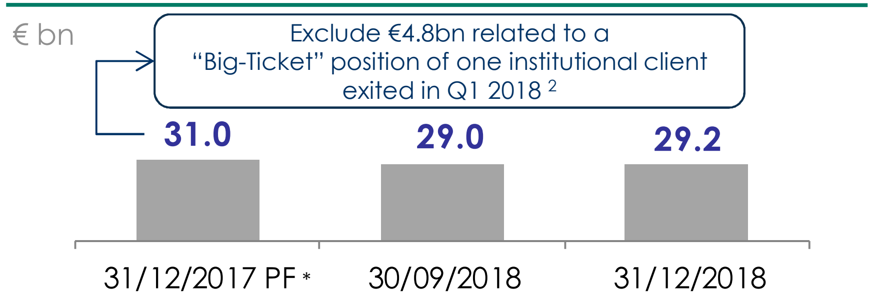


- Net of market effect of the year, Indirect Funding grows by >€1bn in 2018, driven by AuC
- AuM strongly penalised by the market effect (-€2.8bn YTD and -€1.7bn in Q4)
- Net of the negative market trend, which impacted mainly Q4, 'Funds and Sicav' grew by €1.9bn in 2018, notwithstanding a substantial stability in Q4
- On a like-for-like basis[2] and excluding the market pricing effect registered in 2018 (-€3.6bn, o/w -€1.9bn in Q4), AuC grew by roughly €1.7bn in the year, with a strong recovery in Q4 (+€2.1bn)

Assets under Management



Assets under Custody[1]



(*) Indirect Funding data proforma for the exclusion of the volumes related to the Depositary Banking Activity. Last wave of deconsolidated volumes in November 2018.

Notes:
1. AuC are net of capital-protected certificates, as they have been regrouped under Direct Funding (see slide 25).
2. In Q1 2018, AuC registered the outflow of one big institutional client (€4.8bn as at 31/12/2017), with a negligible margin contribution. These volumes are excluded from 31/12/2017 PF data.

TOTAL CORE FUNDING: VOLUME GROWTH WHEN EXCLUDING MARKET TURMOIL EFFECTS

€ bn	31/12/2018	01/01/2018 PF	Chg. vs. 01/01/18	Chg. vs. 01/01/18 excl. Market effect of the year
C/A & Sight Deposits	78.7	74.4	+4.3	+4.3
Indirect funding	84.8	90.1	-5.3	+1.1
- AUM	*55.7*	*59.1*	*-3.4*	*-0.6*
- AUC [1]	*29.2*	*31.0*	*-1.9*	*+1.7*
TOTAL CORE FUNDING	163.6	164.5	-1.0	+5.4

All data Proforma exclude the volumes related to the Depositary Banking Activity

Excluding the market price effect registered in 2018 on Indirect Funding (-€2.8bn in AUM and -€3.6bn in AUC) [2]

Notes:
1. AUC excludes Capital-protected Certificates and, as from 01/01/2018, excludes also €4.8bn of volumes related to one big-Ticket position of an institutional client who left our Group in Q1 2018. See slide 30 for details.
2. Internal management data.

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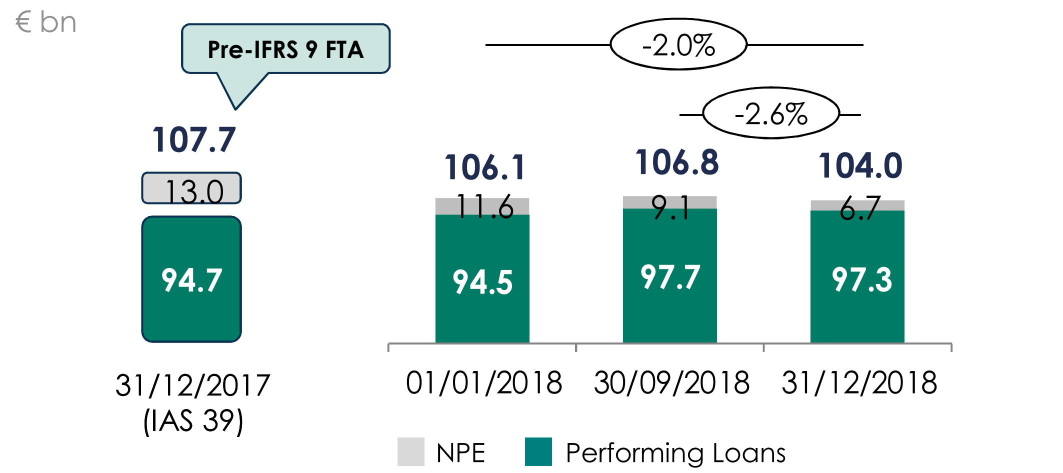
NET CUSTOMER LOANS

Satisfactory increase in Performing Loans, with a strong performance in new loan granting: €20.7bn in 2018

Net Customer Loans[1]



FOCUS ON PERFORMING LOANS	31/12/18	30/09/18	01/01/18	CHANGE In % vs. 01/01/18	CHANGE In % Q4
Core customer loans [2]	88.6	88.7	86.9	1.9%	-0.2%
Leasing	1.0	1.2	1.2	-12.8%	-9.6%
Repos	6.2	6.1	6.4	-2.1%	1.6%
Exodus Senior Notes	1.4	1.7	0.0	NS	-13.7%
Total Perf. Loans	**97.3**	**97.7**	**94.5**	**2.9%**	**-0.4%**

- Trend of total Net Customer Loans impacted above all by the solid derisking (disposal of Bad Loans and workout) and, also, by the subscription of Exodus Senior Notes
- Even when excluding the subscription of the Exodus Senior Notes, performing loans are up by 1.4% YTD, driven by "Core customer loans"[2] (+1.9% YTD)
- €0.3bn Profamily loans reclassified under Discontinued Operations in Q4, net of this effect, Performing loans (excl. Exodus) and Core performing loans grow by +0.1%
- €20.7bn of new mortgage and personal loans granted in the period (€3.8bn to Households and €16.9bn to Corporates)[3], o/w €6.2bn in Q4

Notes:
1. Customer loans refer to Loans and advances to customers at Amortized Cost, including also the Exodus senior notes. FY 2018 data exclude €1.3bn Bad Loans to be disposed with the ACE project and €0.3bn Profamily loans, classified as Discontinued Operations as at 31/12/2018
2. Core customer loans include Mortgage Loans, Current Accounts, Cards & Personal Loans and Other technical forms.
3. Internal management data. 'Corporate' includes SMEs, Large Corporates, Institutional Customers and Third Sector.

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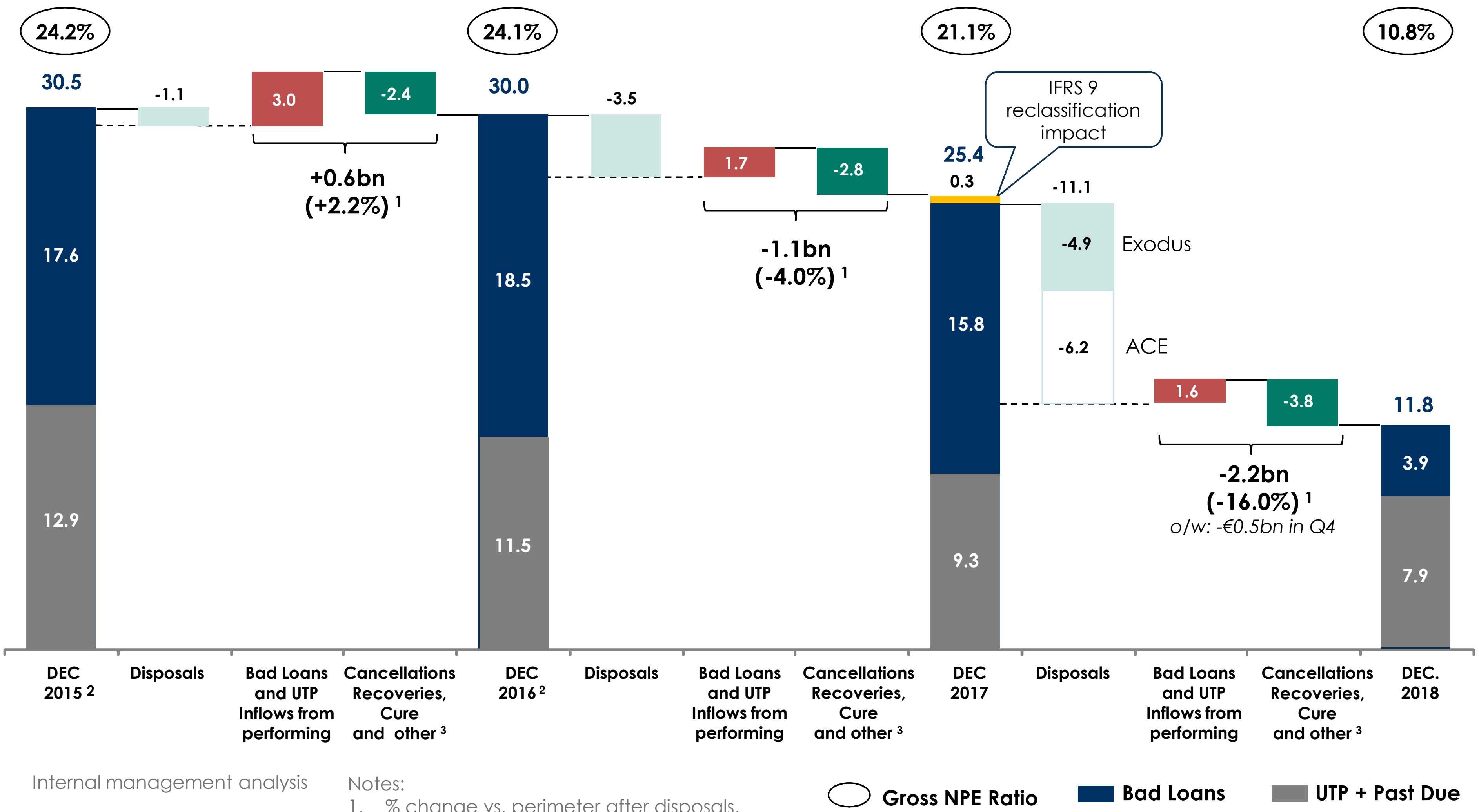
THE FINAL WAVE OF BAD LOAN DISPOSALS FURTHER BOOSTS THE NPE STOCK REDUCTION, BOTH IN TERMS OF GBV…

€ bn – Total NPLs, gross book value



Internal management analysis

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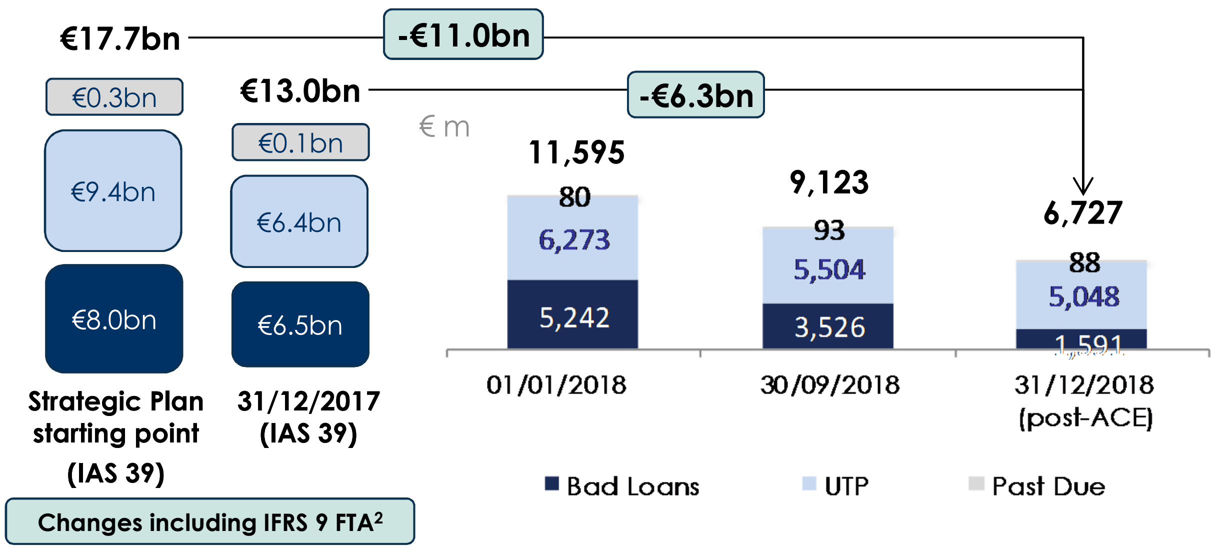
Notes:
1. % change vs. perimeter after disposals.
2. Accounting gross book value, including restatement for managerial purposes (inclusion of a portion of write-offs, in coherence with the restatement done in 2017)
3. Includes also the net change in Past Due.

... AND IN TERMS OF NBV

Net NPE



Net NPE dynamics post-ACE transaction

CHANGE €/m and %	Chg. vs.Strategic Plan starting point (IAS 39)		Chg. vs. 31/12/17 (IAS 39)		Chg. vs. 01/01/18		Chg. in Q4	
	Value	%	Value	%	Value	%	Value	%
Bad Loans	-6,358	-80.0%	-4,896	-75.5%	-3,650	-69.6%	-1,934	-54.9%
UTP	-4,385	-46.5%	-1,411	-21.8%	-1,225	-19.5%	-456	-8.3%
Past Due	-211	-70.7%	7	8.8%	7	8.8%	-6	-6.1%
TOTAL NPE	**-10,954**	**-62.0%**	**-6,300**	**-48.4%**	**-4,868**	**-42.0%**	**-2,396**	**-26.3%**

- Post-ACE transaction[1], net NPE down by €11.0bn vs. the Strategic Plan starting point (o/w -€6.3bn in 2018), confirming the good performance of credit management and the normalization in asset quality trends
- Net NPE ratio down at 6.5% and Net Bad Loan ratio down at 1.5%
- Further improvements are expected to come from the ongoing workout activities and from a strengthened action focus on UTP

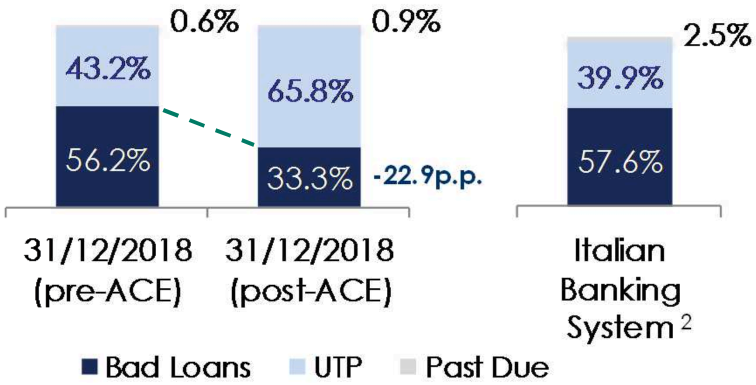
Notes:
1. €1.3bn net Bad Loans classified as Discontinued Operations as at 31/12/2018
2. As at 01/01/2018, €0.2bn Net UTP loans were reclassified from Customer Loans measured at Amortized Cost to Other Financial Assets. Also, the IFRS 9 FTA impact on net NPE for new Impairment models has translated into a reduction of €1.2bn as at 01/01/2018 (specifically in Bad Loans).

SHARP DROP IN BAD LOAN PORTFOLIO, WHILE MAINTAINING CONSERVATIVE COVERAGE LEVELS

Coverage level post-ACE transaction impacted by a higher share of secured positions and by the sharp drop in Bad Loans

NPE composition: very low share of Bad Loans after ACE project

In % on GBV



NPE coverage

Pre-IFRS 9 FTA[1]

	31/12/2018 (post-ACE)	30/09/2018	31/12/2017 (IAS 39)
Bad Loans	59.6%	65.0%	58.9%
UTP Loans	35.0%	33.6%	32.3%
Past Due Loans	17.5%	17.7%	15.7%
NPE	**43.1%**	**50.6%**	**48.8%**

64.0% incl. write-offs

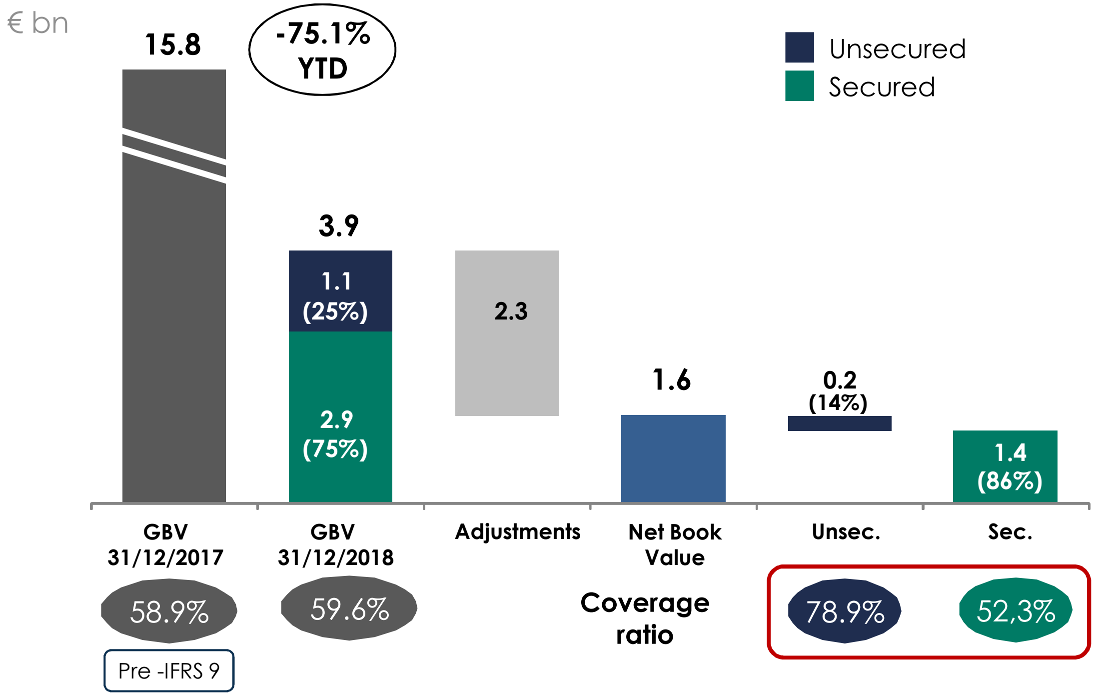
45.3% incl. write-offs

- NPE coverage post-ACE at 43.1% (45.3% incl. write-offs), factoring a lower share of Bad Loans (-22.9 p.p. vs. pre-ACE), better than the Italian Banking System (-24.3 p.p.), as well as a higher share of secured positions and a lower vintage
- Bad Loan coverage post-ACE at 59.6%, (64.0% incl. write-offs), factoring the higher share of secured exposures (75% of total Bad Loans vs. 66% as at 31/12/ 2017) and a lower vintage
- UTP coverage further strengthened, at 35.0% (+270bps vs. year-end 2017 and +140bps in Q4)

Note:
1. The IFRS 9 FTA impact on NPE coverage (specifically on Bad Loans) for new Impairment models translated into an increase of NPE Adjustments of €1.2bn as at 01/01/2018.
2. Bank of Italy: statistics data as Sep.2018.

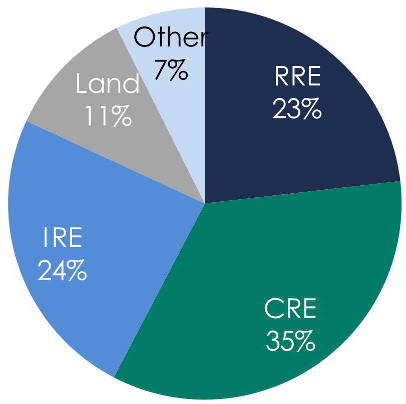
FOCUS ON BAD LOANS: DETAILED ANALYSIS

Bad Loans: evolution and composition – pro forma post ACE



Collateral composition

Fair Value of collateral: €3.3bn



- Coverage levels post ACE transaction factoring a material improvement in bad loan composition: higher share of secured exposures (75% vs. 66% as at 31/12/2017) and a lower vintage
- Secured/Unsecured composition in terms of GBV (75%/25%) well above the industry average (49%/51%)[1].
- Unsecured bad loans limited at NBV of €0.2bn

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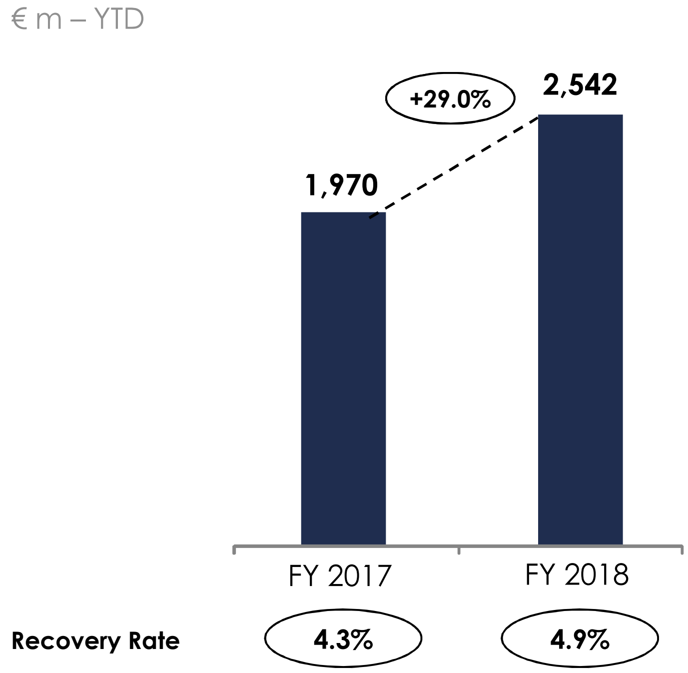
Notes:
1. Report PWC "The Italian NPL Market– Entering a New Era", December 2018.
2. Collateral FV capped at nominal value.

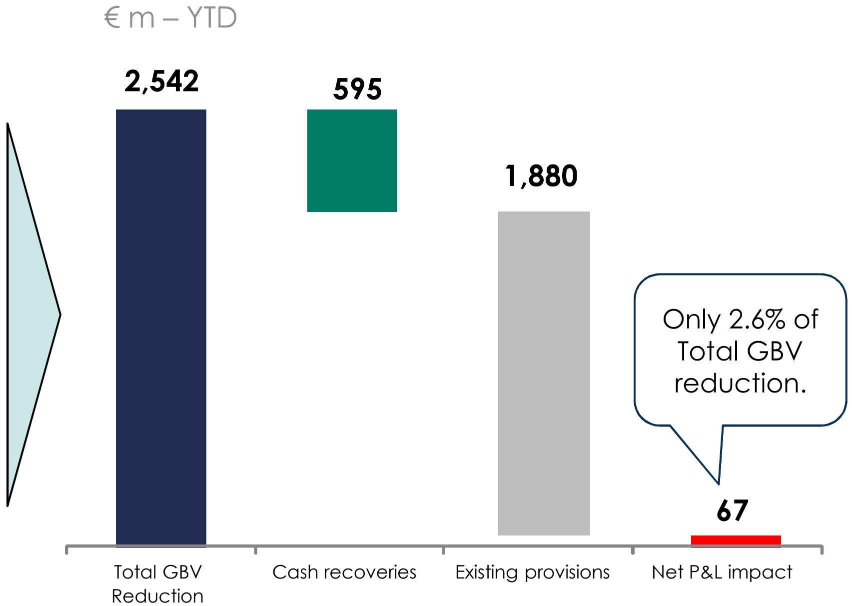
EFFECTIVE WORKOUT ACTIVITY ON BAD LOANS

GBV reduction from internal workout activity is significantly higher compared to the same period of 2017, notwithstanding a materially lower starting point (GBV under management). This is due to the speed-up of the recovery rate, the enhancement of new DPO campaigns[1] as well as the acceleration of cancellations and write-offs

Delta GBV from Bad Loans Workout (Cancellations & Recoveries)



Cost of organic Bad Loan GBV reduction

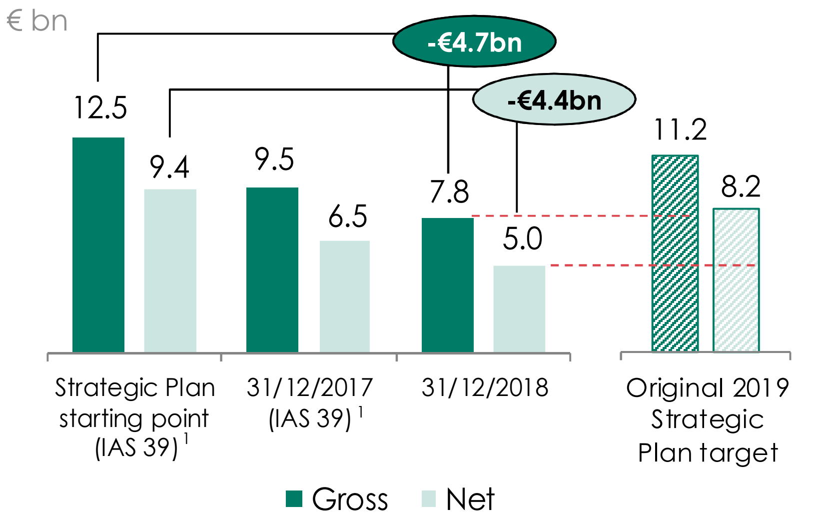


Internal management data.
Includes gains on closed positions and recoveries on single name disposals. Recovery rate calculated over average Gross Book Value of the period.

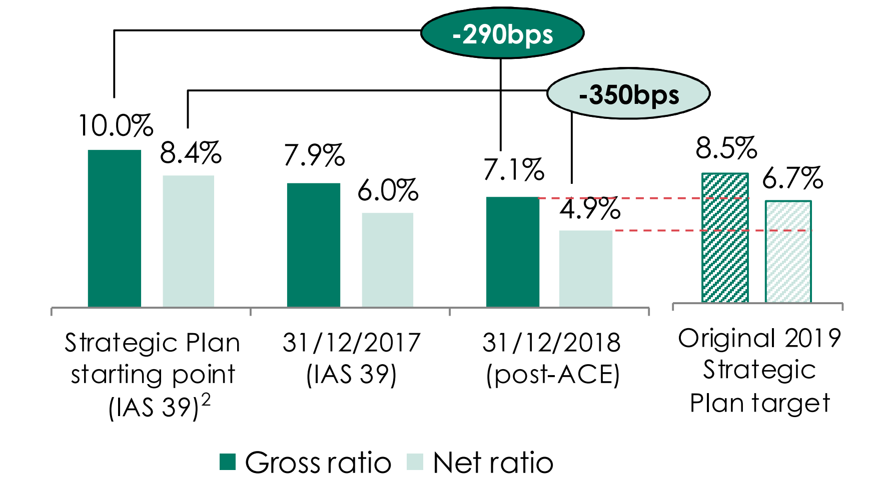
Notes:
1. Discounted pay-off campaigns.

FOCUS ON UTP LOAN EVOLUTION: WELL AHEAD THE ORIGINAL 2019 STRATEGIC PLAN TARGETS

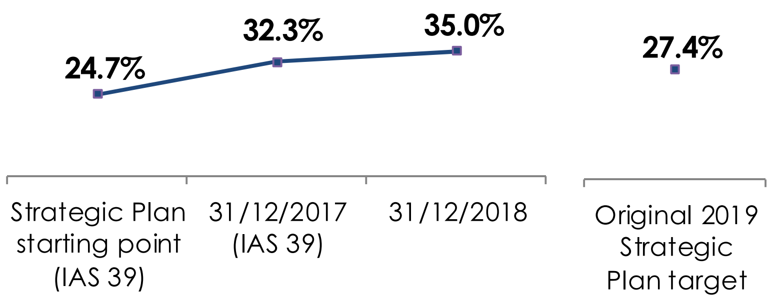
Impressive drop in UTP volumes since Strategic Plan starting point



Evolution of UTP ratios[1]



Strengthening of UTPs coverage



- Since the Strategic Plan starting point, Gross UTPs decreased by €4.7bn and Net UTPs by €4.4bn
- Gross and Net UTP as at 31/12/2018 already significantly below the Original 2019 Strategic Plan targets (-€3.4bn and -€3.2bn, respectively)
- UTP coverage ratio strengthened at 35.0% (+1,030bps vs. Strategic Plan starting point and +760bps vs. Original 2019 Strategic Plan target)

Note:
1. Trend since Strategic Plan starting point and YTD also impacted by IFRS 9 reclassifications (-€0.3bn at Gross level and -€0.2bn at net level as at 01/01/2018).
2. Gross ratio calculated as a % of Total Loans, including, for managerial purposes, a portion of write-offs, in coherence with the restatement done in 2017.

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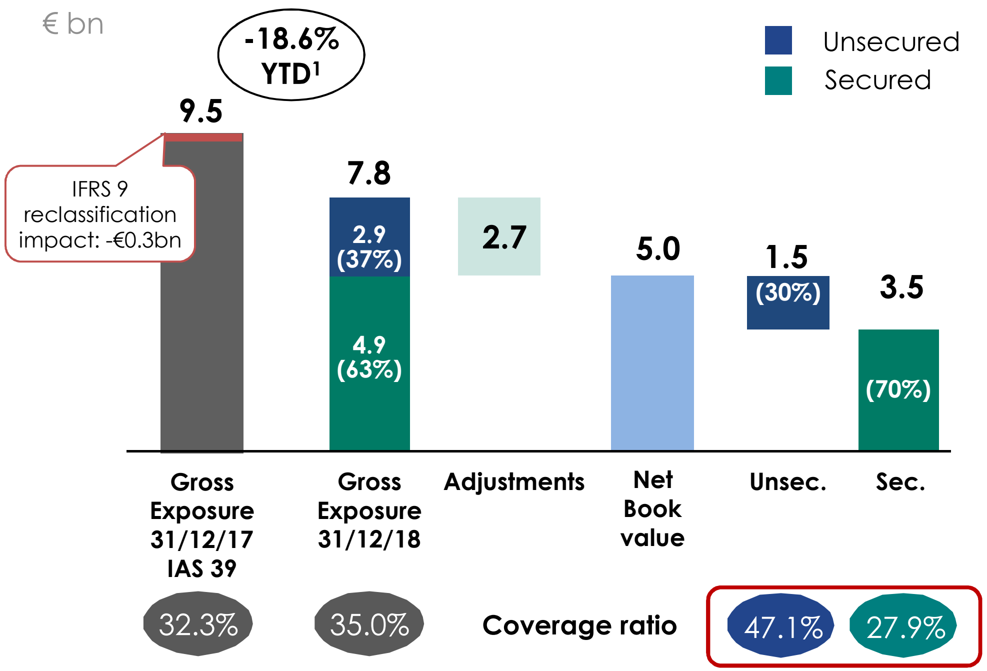
FOCUS ON UTP LOANS: HIGH SHARE OF RESTRUCTURED AND SECURED POSITIONS

UTP analysis



Breakdown of Net UTPs as at 31/12/2018

	31/12/18	31/12/17 (IAS 39)	% Chg.
Restructured	**2.3**	**2.8**	**-17.6%**
- Secured	*1.3*	*1.8*	*-28.8%*
- Unsecured	*1.1*	*1.1*	*1.3%*
Other UTP	**2.7**	**3.6**	**-25.3%**
- Secured	*2.3*	*3.1*	*-27.3%*
- Unsecured	*0.5*	*0.5*	*-13.6%*
	5.0	**6.5**	**-21.8%**

o/w:

- North	*68.8%*	*71.0%*
- Centre	*22.8%*	*21.5%*
- South & Islands	*8.4%*	*7.5%*

- Solid level of coverage for unsecured UTP: 47.1%
- Net Restructured loans (€2.3bn) account for 46% of total net UTP: they are essentially related to formalized underlying restructuring plans and procedures (mainly under Italian credit protection procedures)
- Net unsecured UTP other than Restructured loans are limited to €0.5bn
- 69% of Net UTPs are located in the northern part of Italy

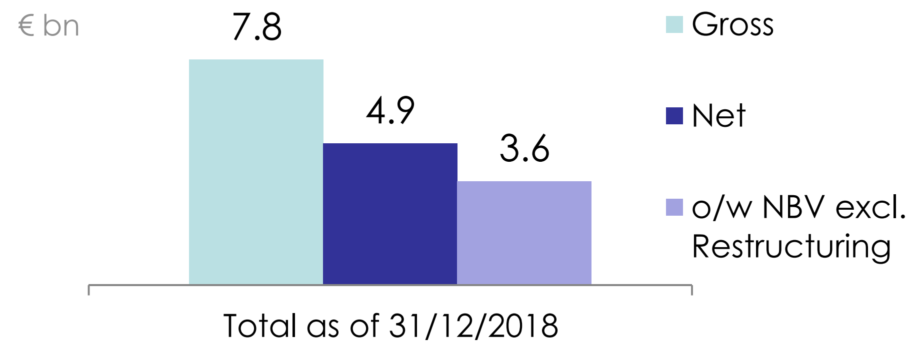
Note:
1. Trend since Strategic Plan starting point and YTD also impacted by IFRS 9 reclassifications (-€0.3bn at Gross level and -€0.2bn at net level as at 01/01/2018).
2. Calculated as a % of Total Loans including Write-offs (Nominal).

COST OF RISK OUTLOOK: BREAKDOWN OF EXISTING NPE STOCK

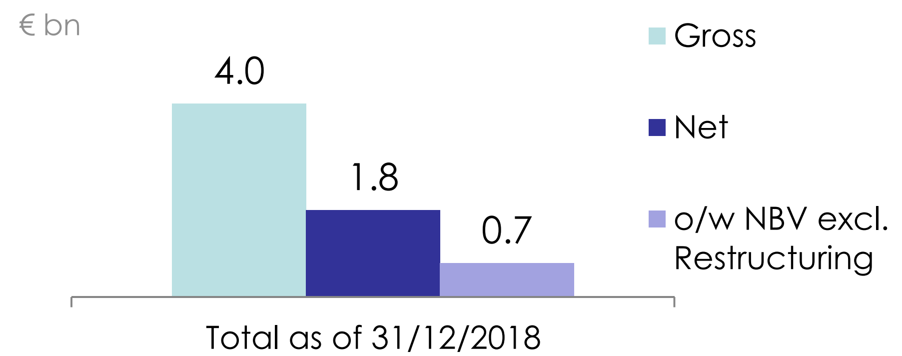
- Banco BPM is committed to apply rigorous accounting rules and provisioning methodologies, factoring potential inputs from regulatory authorities

- With reference to the existing NPE stocks, the Group will continue to reduce volumes building on its recent derisking track record - average decay rate of net NPE (excluding disposals) of 32% per year since the merger - with particular focus on positions which are not (or not yet) addressed through a restructuring agreement

Secured NPE



Unsecured NPE



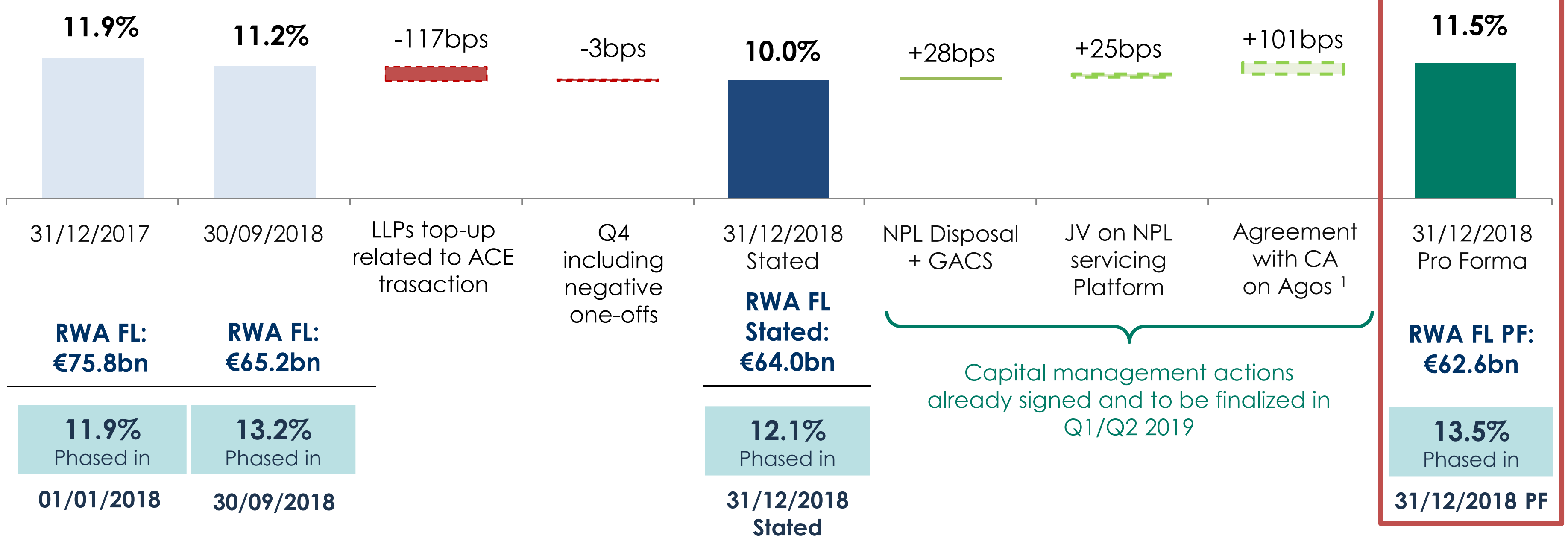
- Current volumes mostly represented by recent vintages
- **Projecting current volumes using the recent derisking track record, the residual NBV (excl. restructured) is expected at about 400/200m in 6/8 years**

Agenda

BANCO BPM

CET1 RATIO: EVOLUTION DETAILS

CET 1 ratio Fully Loaded PF at 11.5%



- Satisfactory capital position, with CET 1 ratio Fully Loaded PF at 11.5%, stable vs. 30/09/2018 but with a dramatically reduced risk profile of the bank (ACE project), thanks to effective capital management actions already signed and to be completed by 30/06/2019
- CET 1 phased-in PF at 13.5%, benefitting from the 5-year phasing of the IFRS 9 impact

31/12/2018 Proforma ratios are prior to any expected impact from the IFRS 16 FTA.

Note:

1. Higher than the +80bps impact previously estimated, with the calculation including a distribution of dividends equal to the full 85% of a higher FY 2018 net profit generated by AGOS.

CONCLUSIONS & PRELIMINARY INDICATIONS FOR 2019

FY 2018:

- Effective implementation of an accelerated path of derisking, while at the same time preserving the Group's satisfactory capital position
- Strong focus on integration, restructuring, reorganization and streamlining

FY 2019:

- Focus on core banking business, leveraging on the competitive position as Italy's third largest banking group
- The Group's profitability in FY 2019 is, among other, set to benefit from a further normalization in the cost of credit risk, benefitting from a significantly improved risk profile

IN SPITE OF THE HEADWINDS IN RELATION TO THE EXTERNAL ENVIRONMENT, THE GROUP IS DETERMINED TO DELIVER A SOLID PERFORMANCE IN FY 2019 IN TERMS OF OPERATING PROFITABILITY AND CAPITAL GENERATION

Agenda

Annex

BANCO BPM COMPLETED A SIGNIFICANT TRANSFORMATION

EXTRAORDINARY OPERATIONS	1. AUM BUSINESS REORGANISATION	
	2. BANCASSURANCE BUSINESS REORGANISATION 3. TRANSFER OF INSURANCE RESERVE MANAGEMENT 4. CUSTODIAN BANK DISPOSAL 5. CONSUMER FINANCE REORGANISATION	AGREED / COMPLETED IN 2018
BANKING MODEL & OPERATING EFFICIENCY	1. NEW COMMERCIAL NETWORK 2. CIB: CONSOLIDATION UNDER AKROS 3. PRIVATE & WM: CONSOLIDATION UNDER ALETTI 4. INTERNAL MODEL VALIDATION 5. IT SYSTEM INTEGRATION	
	6. BRANCH RATIONALISATION 7. STAFF REDUCTION & HR REQUALIFICATION 8. INCORPORATION OF BPM SPA INTO BANCO BPM	FASTER & ABOVE 2019 TARGET
DERISKING	1. NPL STOCK REDUCTION 2. BAD LOAN DISPOSALS 3. STRENGHTEN WORKOUT ACTIVITY	FASTER & ABOVE 2019 TARGET

ANNEX
DIGITAL & OMNICHANNEL TRANSFORMATION

Launch of the «Digital and Omnichannel Transformation» program

.DOT DIGITAL OMNICHANNEL TRANSFORMATION

- *≈ 40 Organizational Units & over 300 Professionals involved*
- *25 Agile Teams set-up*
- *≈ € 40 mln investments in 2018/2019*

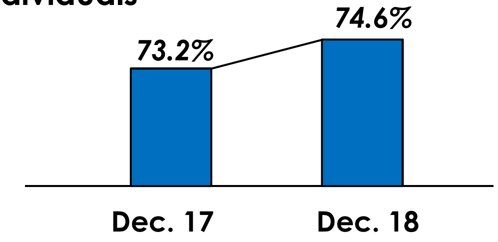
- Main Objectives -

OMNICHANNEL SERVICE	• Omnichannel & paperless end-to-end redesign of main Customer Journeys and customer engagement • Simplification and digitalization of Product Catalogue • Orchestration and sharing of Webank digital services across the group • Remote Offering and Contact Center evolution
NEW DIGITAL SERVICES FOCUSED ON SME/ MID CAPS	• Electronic invoicing and digital management of trade receivables • Smart Lending and digital processes for business clients • New information and operationals digital services for SME/ Mid Caps going global
PSD2-DRIVEN DIGITAL BANKING/ PAYMENTS EVOLUTION	• Requalification and renewal of existing Digital and Mobile banking platforms (both for individuals and business customers) • New PSD2-driven services (aggregator, PFM/BFM) • Merchant-Services and Digital Payments Development

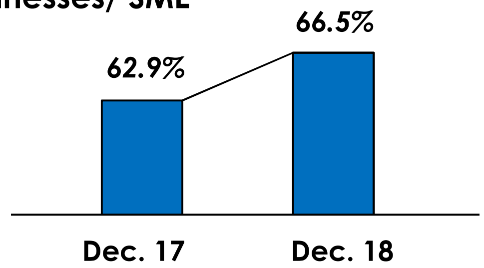
Retail Clients transactions on **REMOTE CHANNELS**

N° of **Retail** Clients transactions on **Web, App and ATM** channels as a % of **total Retail** client transactions (*)

Individuals



Businesses/ SME



(*) Not including Credit Cards, POS and 'batch' transactions

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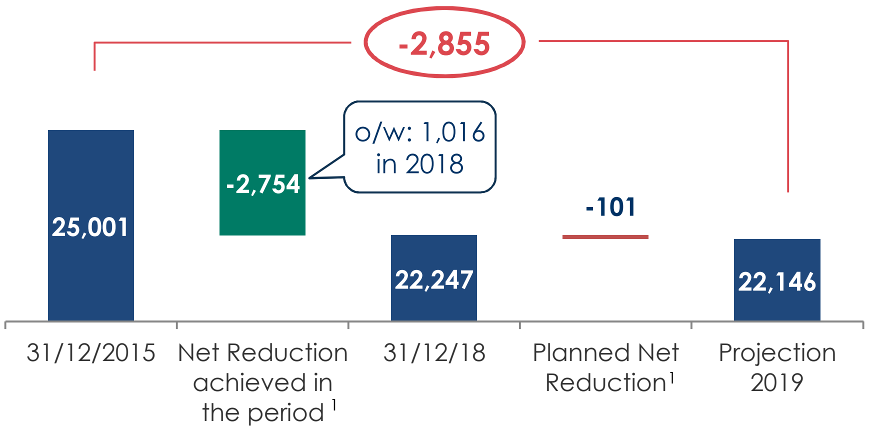
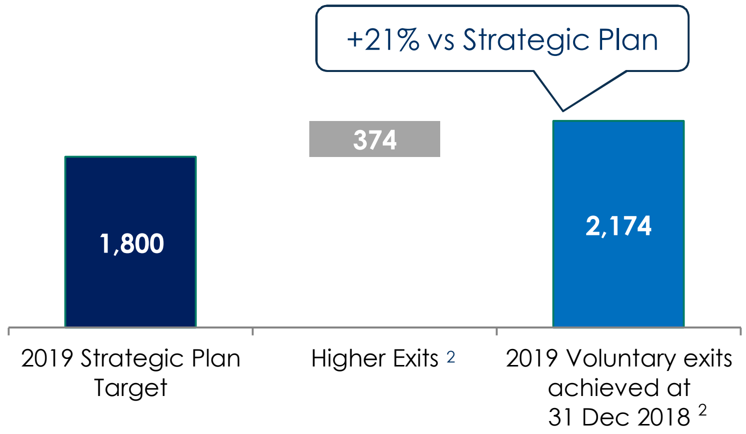
OUTPERFORMANCE OF ORIGINAL COST SYNERGIES: DRIVERS

Headcount evolution



Solidarity Fund



Optimisation of Retail Network[3]: 360 additional branch closures

Notes:
1. Including natural turnover.
2. Including higher Solidarity Fund exits coming from the new agreement signed in June 2017.,
3. The network, consistently with the perimeter underlying the Strategic Plan, does not include: WeBank, Akros, Aletti (Italy and Switzerland) and other minor.
4. Indicated in the Strategic Plan as a level that was potentially going to be considered beyond 2019, but which had not been embedded in the Plan.

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ANNEX

BANCO BPM: GROUP STRUCTURE AS AT 31/12/2018

Branches:

Holding, including Territorial Divisions: 1,727 retail branches as at 31/12/2018

PARENT BANK

BANCO BPM

Includes the ex subsidiary BPM S.p.A., merged into the Parent Bank on 26/11/2018, with accounting and fiscal aspects effective retroactively as from 01/01/2018

Private & Investment Banking

- BANCA ALETTI – 100%
- Banca Akros – 100%

Bancassurance

- JV in Life Insurance - branded as VERA Vita – 35.0%
- JV in Non-Life Insurance - branded as VERA Assicurazioni – 35.0%
- BPMVITA – 19.0%

New strategic partnership with Cattolica Assicurazioni in the life and non-life businesses, with closing perfected in Q1 2018.

Asset Management

- ANIMA CHI RISPARMIA AMA – 14.3%

M.o.U. signed with CA on 30/11/2018, to be completed by 30/06/2019)

Consumer Credit

- AGOS – 39.0%
- ProFamily – 100%

Leasing & Factoring

- alba leasing – 39.2%
- SELMABIPIEMME LEASING S.p.A – 40.0%
- RELEASE – 82.9%
- Factorit – 39.5%

Fully consolidated

Associates

Specialisation of Banca Akros in CIB and of Banca Aletti in Private Banking

BANCO BPM

RECLASSIFIED BALANCE SHEET AS AT 31/12/2018

Reclassified assets (€ m)	A 31/12/2018	B 30/09/2018	C 01/01/2018 restated	MEMO 31/12/2017 (IAS39)	Chg. A/C Value	Chg. A/C %	Chg. A/B Value	Chg. A/B %
Cash and cash equivalents	922	807	977	977	-55	-5,6%	115	14,3%
Loans and advances measured at AC	108.208	111.453	111.045	112.682	-2.837	-2,6%	-3.245	-2,9%
- Loans and advances to banks	*4.193*	*4.639*	*4.937*	*4.939*	*-743*	*-15,1%*	*-445*	*-9,6%*
- Loans and advances to customers (*)	*104.015*	*106.815*	*106.108*	*107.743*	*-2.094*	*-2,0%*	*-2.800*	*-2,6%*
Other financial assets	36.853	38.759	34.885	34.533	1.968	5,6%	-1.906	-4,9%
- Assets measured at FV through PL	*5.869*	*8.011*	*6.417*	*5.185*	*-548*	*-8,5%*	*-2.142*	*-26,7%*
- Assets measured at FV through OCI	*15.352*	*15.860*	*16.750*	*17.129*	*-1.399*	*-8,3%*	*-508*	*-3,2%*
- Assets measured at AC	*15.632*	*14.888*	*11.718*	*12.220*	*3.915*	*33,4%*	*744*	*5,0%*
Equity investments	1.434	1.379	1.257	1.349	177	14,1%	55	4,0%
Property and equipment	2.776	2.848	2.735	2.735	41	1,5%	-72	-2,5%
Intangible assets	1.278	1.285	1.297	1.297	-19	-1,5%	-7	-0,5%
Tax assets	5.012	4.850	4.897	4.520	115	2,3%	163	3,4%
Non-current assets held for sale and discont. operations	1.593	45	106	106	1.487	n.m.	1.548	n.m.
Other assets	2.389	2.459	3.007	3.007	-618	-20,6%	-70	-2,9%
Total	**160.465**	**163.884**	**160.206**	**161.207**	**259**	**0,2%**	**-3.420**	**-2,1%**

Reclassified liabilities (€ m)	A 31/12/2018	B 30/09/2018	C 01/01/2018 restated	MEMO 31/12/2017 (IAS39)	Chg. A/C Value	Chg. A/C %	Chg. A/B Value	Chg. A/B %
Due to banks	31.634	30.979	27.199	27.199	4.434	16,3%	654	2,1%
Direct Funding	105.220	107.999	107.525	107.510	-2.305	-2,1%	-2.779	-2,6%
- Deposits from customers (**)	90.198	91.340	87.848	87.848	2.350	2,7%	-1.142	-1,2%
- Debt securities and financial liabilities desig. at FV	15.022	16.659	19.677	19.662	-4.655	-23,7%	-1.637	-9,8%
Other financial liabilities designated at FV	7.229	8.484	8.704	8.708	-1.476	-17,0%	-1.256	-14,8%
Liability provisions	1.705	1.553	1.617	1.580	88	5,4%	152	9,8%
Tax liabilities	505	564	692	669	-186	-26,9%	-59	-10,4%
Liabilities associated with assets held for sale	3	0	0	0	3	n.m.	3	n.m.
Other liabilities	3.864	3.363	3.576	3.576	288	8,1%	502	14,9%
Minority interests	46	52	58	63	-12	-20,8%	-7	-12,7%
Shareholders' equity	10.259	10.890	10.835	11.900	-575	-5,3%	-630	-5,8%
Total	**160.465**	**163.884**	**160.206**	**161.207**	**259**	**0,2%**	**-3.420**	**-2,1%**

Note:
* "Customer loans" include Exodus Senior Notes.
** In the official Balance Sheet scheme, "Deposits from customers" as at 01/01/2018 and 31/12/2017, differently from data as at 30/09/2018 and 31/12/2018, include Custodian Bank (€3.7bn), which has been classified as discontinued operation as at 30/06/2018 and then sold as at 30/09/2018.

FY 2018 MAIN P&L ITEMS: COMPARISON EXCL. IFRS 9

2018 IFRS9 not directly comparable with 2017 IAS 39

€ m

	A	B	C	
	2018	2018 pre-IFRS9	2017 IAS 39	B/C % change
NET INTEREST INCOME	2,293	2,102	2,113	-0.6%
TOTAL INCOME	4,773	4,582	4,484	2.2%
OPERATING COSTS	-2,793	-2,793	-2,924	-4.5%
PROFIT FROM OPERATIONS	1,980	1,789	1,560	14.7%
LOAN LOSS PROVISIONS	-1,941	-1,750	-1,661	5.4%
PROFIT BEFORE TAX	-130	-130	-230	-43.4%
NET INCOME [1]	-57	-57	558	n.s.

Note:
1. Excluding Badwill and Impairment on goodwill and client relationship after tax

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ANNEX
FY 2018 RECLASSIFIED P&L

2018 IFRS9 not directly comparable with 2017 IAS 39

Reclassified income statement (in euro million)	FY 2018 (IFRS9) Stated	FY 2017 (IAS 39) Stated
Net interest income	2,292.6	2,113.4
Income (loss) from investments in associates carried at equity	159.5	166.0
Net interest, dividend and similar income	**2,452.0**	**2,279.5**
Net fee and commission income	1,848.8	1,950.4
Other net operating income	389.8	98.8
Net financial result	82.4	155.0
Other operating income	**2,320.9**	**2,204.3**
Total income	**4,772.9**	**4,483.8**
Personnel expenses	-1,732.8	-1,784.9
Other administrative expenses	-816.5	-872.4
Amortization and depreciation	-243.5	-266.9
Operating costs	**-2,792.8**	**-2,924.1**
Profit (loss) from operations	**1,980.1**	**1,559.6**
Net adjustments on loans to customers	-1,941.1	-1,661.0
Net adjustments on other assets	3.3	-140.2
Net provisions for risks and charges[1]	-345.3	-13.8
Profit (loss) on the disposal of equity and other investments	173.4	25.7
Income (loss) before tax from continuing operations	**-129.7**	**-229.6**
Tax on income from continuing operations	162.8	92.8
Systemic charges after tax	-100.2	-77.3
Income (loss) after tax from discontinued operations	0.9	762.3
Income (loss) attributable to minority interests	9.6	9.7
Net income (loss) for the period excluding Badwill & Impairment of goodwill and client relationship	**-56.5**	**557.8**
Impairment of goodwill and client relationship	-2.9	**-1,018**
Net income (loss) for the period	***-59.4***	**-459.8**

Note:
1. Net provisions for risks and charges (€345.3m) include the estimate of charges to be incurred for the closure of more than 500 branches during the year, the higher provisions reported to make them compliant with the more stringent regulations on terms and conditions to be applied to customers for fees and commissions related to underwriting, credit lines, contingency funds for complaints and litigations, from a customer care perspective.

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ANNEX

FY 2018 NORMALIZED RECLASSIFIED P&L & ONE-OFF ITEMS

Normalized indicated in this slide simply exclude one-off items from stated figures, while they include the IFRS9 and PPA effects line-by-line

Reclassified income statement (in euro million)	FY 2018 Stated	FY 2018 Normalised	*One- off*	Non-recurring items and extraordinary systemic charges
Net interest income	2.292,6	2.292,6	*0,0*	
Income (loss) from investments in associates carried at equity	159,5	159,5	*0,0*	
Net interest, dividend and similar income	**2.452,0**	**2.452,0**	***0,0***	
Net fee and commission income	1.848,8	1.848,8	*0,0*	
Other net operating income	389,8	76,1	*313,6*	*Transfer of insurance reserves to Anima and disposal of Custodian Bank*
Net financial result	82,4	110,2	*-27,9*	*Impairment on indirect exposure held through the FITD*
Other operating income	**2.320,9**	**2.035,1**	***285,7***	
Total income	**4.772,9**	**4.487,2**	***285,7***	
Personnel expenses	-1.732,8	-1.732,8	*0,0*	
Other administrative expenses	-816,5	-793,8	*-22,6*	*Costs for integration and other expenses*
Amortization and depreciation	-243,5	-190,8	*-52,7*	*Adjustments on tangible and intangible assets*
Operating costs	**-2.792,8**	**-2.717,4**	***-75,3***	
Profit (loss) from operations	**1.980,1**	**1.769,7**	***210,4***	
Net adjustments on loans to customers	-1.941,1	-1.227,2	*-713,9*	*Exodus and ACE transaction's top-up provisions*
Net adjustments on other assets	3,3	3,3	*0,0*	
Net provisions for risks and charges[1]	-345,3	6,2	*-351,6*	*Costs for branch closures, adjustments on customer conditions, charges for litigation and provisions for customer care*
Profit (loss) on the disposal of equity and other investments	173,4	0,0	*173,4*	*Capital gain from Disposal of stake in Avipop and Popolare Vita and other investiments*
Income (loss) before tax from continuing operations	**-129,7**	**552,0**	***-681,7***	
Tax on income from continuing operations	162,8	-134,7	*297,6*	*Impact linked to fiscal effects on non-recurring items*
Systemic charges after tax	-100,2	-81,8	*-18,4*	*Extraordinary contribution to Resolution funds*
Income (loss) after tax from discontinued operations	0,9	0,0	*0,9*	*Other*
Income (loss) attributable to minority interests	9,6	7,3	*2,3*	*Other*
Net income (loss) for the period excluding Badwill & Impairment of goodwill and client relationship	**-56,5**	**342,8**	***-399,3***	

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Note:
1. Net provisions for risks and charges (€345.3m) include the estimate of charges to be incurred for the closure of more than 500 branches during the year, the higher provisions reported to make them compliant with the more stringent regulations on terms and conditions to be applied to customers for fees and commissions related to underwriting, credit lines, contingency funds for complaints and litigations, from a customer care perspective.

ANNEX

Q4 2018 NORMALIZED RECLASSIFIED P&L & ONE-OFF ITEMS

Normalized figures indicated in this slide simply exclude one-off items from stated figures, while they include the IFRS9 and PPA effects line-by-line

Reclassified income statement (in euro million)	Q4 2018 Stated	Q4 2018 Normalised	*One- off*	Non-recurring items and extraordinary systemic charges
Net interest income	554,7	554,7	*0,0*	
Income (loss) from investments in associates carried at equity	50,7	50,7	*0,0*	
Net interest, dividend and similar income	**605,4**	**605,4**	***0,0***	
Net fee and commission income	469,9	469,9	*0,0*	
Other net operating income	21,1	21,1	*0,0*	
Net financial result	-73,9	-46,0	*-27,9*	*Impairment of indirect exposure held through the FITD*
Other operating income	**417,0**	**444,9**	***-27,9***	
Total income	**1.022,4**	**1.050,3**	***-27,9***	
Personnel expenses	-422,2	-422,2	*0,0*	
Other administrative expenses	-205,7	-193,5	*-12,2*	*Costs for integration and other expenses*
Amortization and depreciation	-97,1	-45,9	*-51,2*	*Adjustemnts on tangible and intangible assets*
Operating costs	**-725,0**	**-661,5**	***-63,4***	
Profit (loss) from operations	**297,4**	**388,7**	***-91,3***	
Net adjustments on loans to customers	-987,3	-327,4	*-659,9*	*"ACE" top up provisions*
Net adjustments on other assets	4,0	4,0	*0,0*	
Net provisions for risks and charges[1]	-227,8	-29,9	*-197,9*	*Costs for branch closures, adjustments on customer conditions, charges for litigation and provisions for customer care*
Profit (loss) on the disposal of equity and other investments	5,1	0,0	*5,1*	*Other*
Income (loss) before tax from continuing operations	**-908,6**	**35,4**	***-943,9***	
Tax on income from continuing operations	322,4	-0,8	*323,2*	*Impact linked to fiscal effects on non-recurring items*
Systemic charges after tax	-0,7	-0,7	*0,0*	
Income (loss) after tax from discontinued operations	0,0	0,0	*0,0*	
Income (loss) attributable to minority interests	5,8	3,6	*2,1*	*Other*
Net income (loss) for the period excluding Badwill & Impairment of goodwill and client relationship	**-581,0**	**37,6**	***-618,6***	

BANCO BPM

Note:
1. Net provisions for risks and charges (€227.8 mln) include the estimate of charges to be incurred for the closure of more than 500 branches during the year, the higher provisions reported to make them compliant with the more stringent regulations on terms and conditions to be applied to customers for fees and commissions related to underwriting, credit lines, contingency funds for complaints and litigations, from a customer care perspective.

ANNEX

QUARTERLY ANALYSIS OF STATED RECLASSIFIED P&L

Including PPA line-by-line

Due to the application of the IFRS9 principle, 2018 figures are only partially comparable with 2017

Reclassified income statement (in euro million)	Q4 2018 (IFRS 9)	Q3 2018 (IFRS 9)	Q2 2018 (IFRS 9)	Q1 2018 (IFRS 9)	Q4 2017 (IAS 39)	Q3 2017 (IAS 39)	Q2 2017 (IAS 39)	Q1 2017 (IAS 39)
Net interest income	554.7	557.8	585.0	595.1	528.8	524.9	511.1	548.6
Income (loss) from investments in associates carried at equity	50.7	32.8	33.4	42.6	45.2	38.9	40.4	41.6
Net interest, dividend and similar income	**605.4**	**590.6**	**618.4**	**637.7**	**573.9**	**563.9**	**551.5**	**590.2**
Net fee and commission income	469.9	451.4	451.0	476.5	472.1	458.9	503.6	515.8
Other net operating income	21.1	214.5	130.0	24.2	24.7	29.4	14.4	30.3
Net financial result	-73.9	46.8	80.2	29.3	41.9	13.0	63.3	36.9
Other operating income	**417.0**	**712.7**	**661.2**	**530.0**	**538.7**	**501.3**	**581.3**	**582.9**
Total income	**1022.4**	**1303.2**	**1279.6**	**1167.7**	**1112.7**	**1065.1**	**1132.8**	**1173.1**
Personnel expenses	-422.2	-431.5	-437.1	-442.1	-420.8	-450.6	-456.7	-456.7
Other administrative expenses	-205.7	-196.2	-203.1	-211.5	-204.7	-236.3	-233.1	-198.3
Amortization and depreciation	-97.1	-49.5	-49.0	-47.9	-95.5	-62.2	-56.4	-52.9
Operating costs	**-725.0**	**-677.1**	**-689.2**	**-701.5**	**-721.0**	**-749.1**	**-746.2**	**-707.9**
Profit (loss) from operations	**297.4**	**626.1**	**590.4**	**466.2**	**391.7**	**316.1**	**386.6**	**465.2**
Net adjustments on loans to customers	-987.3	-267.4	-360.2	-326.2	-673.1	-340.8	-354.5	-292.5
Net adjustments on other assets	4.0	-1.3	-1.6	2.2	-12.7	-48.3	-70.8	-8.4
Net provisions for risks and charges	-227.8	-71.9	-20.7	-25.0	-9.2	4.6	-9.6	0.5
Profit (loss) on the disposal of equity and other investments	5.1	-10.3	-1.1	179.7	12.1	0.3	-3.8	17.1
Income (loss) before tax from continuing operations	**-908.6**	**275.2**	**206.8**	**296.9**	**-291.3**	**-68.1**	**-52.1**	**182.0**
Tax on income from continuing operations	322.4	-72.3	-61.3	-25.9	101.8	34.8	1.1	-44.9
Systemic charges after tax	-0.7	-32.1	-18.4	-49.0	-6.2	-26.1	0.0	-45.0
Income (loss) after tax from discontinued operations	0.0	0.9	0.0	0.0	700.0	16.5	25.8	20.0
Income (loss) attributable to minority interests	5.8	0.3	2.2	1.4	0.9	1.4	4.3	3.1
Net income (loss) for the period excluding Badwill & Impairment of goodwill and client relationship	**-581.0**	**171.9**	**129.3**	**223.3**	**505.1**	**-41.5**	**-21.0**	**115.2**

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Excluding PPA line-by-line

ANNEX

QUARTERLY ANALYSIS OF STATED RECLASSIFIED P&L

Due to the application of the IFRS9 principle, 2018 figures are only partially comparable with 2017

Reclassified income statement (in euro million)	Q4 2018 (IFRS 9)	Q3 2018 (IFRS 9)	Q2 2018 (IFRS 9)	Q1 2018 (IFRS 9)	Q4 2017 (IAS 39)	Q3 2017 (IAS 39)	Q2 2017 (IAS 39)	Q1 2017 (IAS 39)
Net interest income	534.3	537.2	541.7	536.0	527.7	514.9	505.2	534.5
Income (loss) from investments in associates carried at equity	50.7	32.8	33.4	42.6	45.2	38.9	40.4	41.6
Net interest, dividend and similar income	**585.0**	**570.0**	**575.1**	**578.6**	**572.8**	**553.8**	**545.6**	**576.1**
Net fee and commission income	469.9	451.4	451.0	476.5	472.1	458.9	503.6	515.8
Other net operating income	31.6	225.1	140.5	34.6	36.4	41.0	25.6	42.2
Net financial result	-73.9	46.8	80.2	29.3	41.9	13.0	63.3	36.9
Other operating income	**427.6**	**723.2**	**671.7**	**540.4**	**550.4**	**512.9**	**592.5**	**594.8**
Total income	**1012.6**	**1293.3**	**1246.8**	**1119.0**	**1123.2**	**1066.8**	**1138.1**	**1170.9**
Personnel expenses	-422.2	-431.5	-437.1	-442.1	-420.8	-450.6	-456.7	-456.7
Other administrative expenses	-205.7	-196.2	-203.1	-211.5	-204.7	-236.3	-233.1	-198.3
Amortization and depreciation	-94.6	-46.5	-46.1	-45.1	-91.7	-59.0	-53.3	-49.7
Operating costs	**-722.5**	**-674.2**	**-686.3**	**-698.6**	**-717.2**	**-745.9**	**-743.1**	**-704.7**
Profit (loss) from operations	**290.1**	**619.1**	**560.5**	**420.4**	**406.0**	**320.8**	**395.0**	**466.2**
Net adjustments on loans to customers	-987.3	-267.4	-360.2	-326.2	-735.8	-382.0	-403.8	-336.6
Net adjustments on other assets	4.0	-1.3	-1.6	2.2	-12.7	-48.3	-70.8	-8.4
Net provisions for risks and charges	-227.8	-71.9	-20.7	-25.0	-9.2	4.6	-9.6	0.5
Profit (loss) on the disposal of equity and other investments	5.1	-10.3	-1.1	179.7	12.2	0.2	-2.8	17.1
Income (loss) before tax from continuing operations	**-915.9**	**268.2**	**176.9**	**251.1**	**-339.6**	**-104.7**	**-92.1**	**138.9**
Tax on income from continuing operations	324.8	-69.9	-51.3	-10.7	117.9	47.0	14.4	-30.6
Systemic charges after tax	-0.7	-32.1	-18.4	-49.0	-6.2	-26.1	0.0	-45.0
Income (loss) after tax from discontinued operations	0.0	0.9	0.0	0.0	700.0	16.5	25.8	20.0
Income (loss) attributable to minority interests	5.8	0.3	2.2	1.4	0.9	1.4	4.3	3.1
Net income (loss) for the period excluding PPA, Badwill & Impairment of goodwill and client relationship	**-586.0**	**167.3**	**109.3**	**192.7**	**472.9**	**-65.8**	**-47.7**	**86.4**
Purchase Price Allocation (PPA) after tax	4.9	4.7	19.9	30.6	32.2	24.3	26.7	28.8
Net income excluding Badwill & Impairment of goodwill and client relationship	**-581.0**	**171.9**	**129.3**	**223.3**	**505.1**	**-41.5**	**-21.0**	**115.2**

ANNEX

FY 2018 RECLASSIFIED P&L – IFRS 9 AND PPA IMPACTS

Reclassified income statement (in euro million)	FY 2018 Stated	o/w IFRS 9 PPA Bad loans	Reclassification net impact	(B+C)	FY 2018 pre-IFRS 9	o/w PPA	FY 2018 pre-FRS9 and without PPA line by line
Net interest income	2,292.6	*119.6*	71.3	190.9	2,101.6	*23.7*	2,078.0
Income (loss) from investments in associates carried at equity	159.5				159.5	*0.0*	159.5
Net interest, dividend and similar income	**2,452.0**	**119.6**	**71.3**	**190.9**	**2,261.1**	**23.7**	**2,237.4**
Net fee and commission income	1,848.8				1,848.8	*0.0*	1,848.8
Other net operating income	389.8	0.0			389.8	*-42.1*	431.9
Net financial result	82.4				82.4	*0.0*	82.4
Other operating income	**2,320.9**	**0.0**	**0.0**	**0.0**	**2,320.9**	**-42.1**	**2,363.0**
Total income	**4,772.9**	**119.6**	**71.3**	**190.9**	**4,582.0**	**-18.4**	**4,600.4**
Personnel expenses	-1,732.8				-1,732.8	*0.0*	-1,732.8
Other administrative expenses	-816.5				-816.5	*0.0*	-816.5
Amortization and depreciation	-243.5				-243.5	*-11.2*	-232.3
Operating costs	**-2,792.8**	**0.0**	**0.0**	**0.0**	**-2,792.8**	**-11.2**	**-2,781.6**
Profit (loss) from operations	**1,980.1**	**119.6**	**71.3**	**190.9**	**1,789.2**	**-29.6**	**1,818.8**
Net adjustments on loans to customers	-1,941.1	*-119.6*	-71.3	-190.9	-1,750.2	*119.6*	-1,869.8
Net adjustments on other assets	3.3				3.3	*0.0*	3.3
Net provisions for risks and charges	-345.3				-345.3	*0.0*	-345.3
Profit (loss) on the disposal of equity and other investments	173.4				173.4	*0.0*	173.4
Income (loss) before tax from continuing operations	**-129.7**	**0.0**	**0.0**	**0.0**	**-129.7**	**90.0**	**-219.7**
Tax on income from continuing operations	162.8	*0.0*			162.8	*-29.9*	192.8
Systemic charges after tax	-100.2				-100.2	*0.0*	-100.2
Income (loss) after tax from discontinued operations	0.9				0.9	*0.0*	0.9
Income (loss) attributable to minority interests	9.6				9.6	*0.0*	9.6
Net income (loss) for the period excluding Badwill & Impairment of goodwill and client relationship	**-56.5**	**0.0**	**0.0**	**0.0**	**-56.5**	***60.1***	**-116.6**

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ANNEX

Q4 2018 RECLASSIFIED P&L – IFRS 9 AND PPA IMPACTS

Reclassified income statement (in euro million)	A Q4 2018 Stated	B o/w IFRS 9 *PPA Bad loans*	C *Reclassification net impact*	(B+C)	A-(B+C) Q4 2018 Pre-IFRS9	D o/w *PPA*	A-(B+C+D) Q4 2018 pre-IFRS9 and without PPA line by line
Net interest income	554.7	*21.3*	8.8	30.1	524.6	*-0.9*	525.5
Income (loss) from investments in associates carried at equity	50.7				50.7	*0.0*	50.7
Net interest, dividend and similar income	**605.4**	**21.3**	**8.8**	**30.1**	**575.3**	**-0.9**	**576.1**
Net fee and commission income	469.9				469.9	*0.0*	469.9
Other net operating income	21.1				21.1	*-10.6*	31.6
Net financial result	-73.9				-73.9	*0.0*	-73.9
Other operating income	**417.0**	**0.0**	**0.0**	**0.0**	**417.0**	**-10.6**	**427.6**
Total income	**1022.4**	**21.3**	**8.8**	**30.1**	**992.3**	**-11.4**	**1003.8**
Personnel expenses	-422.2				-422.2	*0.0*	-422.2
Other administrative expenses	-205.7				-205.7	*0.0*	-205.7
Amortization and depreciation	-97.1				-97.1	*-2.5*	-94.6
Operating costs	**-725.0**	**0.0**	**0.0**	**0.0**	**-725.0**	**-2.5**	**-722.5**
Profit (loss) from operations	**297.4**	**21.3**	**8.8**	**30.1**	**267.3**	**-13.9**	**281.3**
Net adjustments on loans to customers	-987.3	*-21.3*	-8.8	-30.1	-957.2	*21.3*	-978.4
Net adjustments on other assets	4.0				4.0	*0.0*	4.0
Net provisions for risks and charges	-227.8				-227.8	*0.0*	-227.8
Profit (loss) on the disposal of equity and other investments	5.1				5.1	*0.0*	5.1
Income (loss) before tax from continuing operations	**-908.6**	**0.0**	**0.0**	**0.0**	**-908.6**	**7.3**	**-915.9**
Tax on income from continuing operations	322.4				322.4	*-2.4*	324.8
Systemic charges after tax	-0.7				-0.7	*0.0*	-0.7
Income (loss) after tax from discontinued operations	0.0				0.0	*0.0*	0.0
Income (loss) attributable to minority interests	5.8				5.8	*0.0*	5.8
Net income (loss) for the period excluding Badwill & Impairment of goodwill and client relationship	**-581.0**	**0.0**	**0.0**	**0.0**	**-581.0**	**4.9**	**-586.0**

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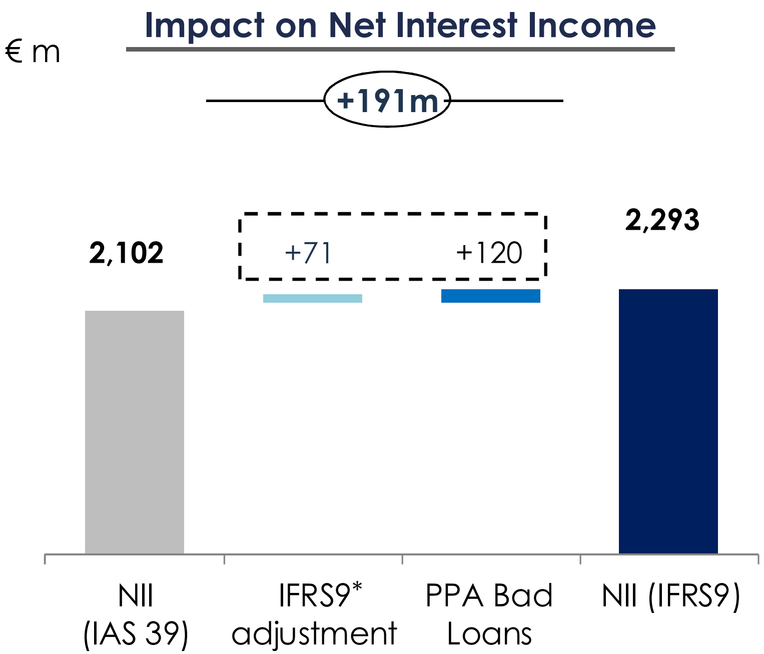
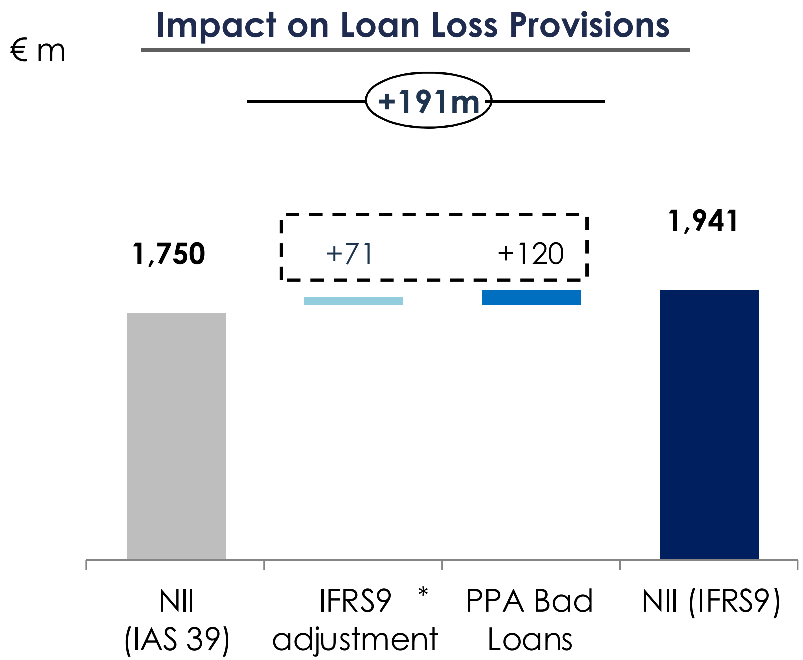
ANNEX
IFRS9 RECLASSIFICATION OF ITEMS IN FY 2018





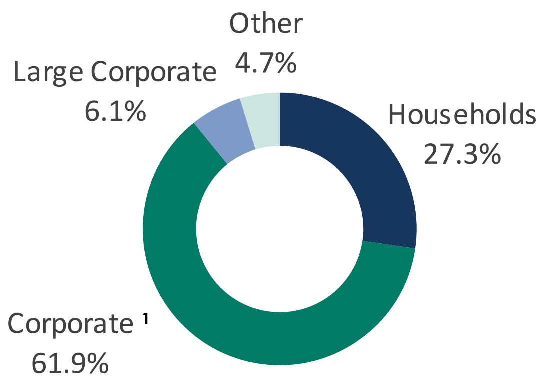
* IFRS9 Adjustments include Time value reversal of Bad Loans and Accrual interest on net UTP

ANNEX

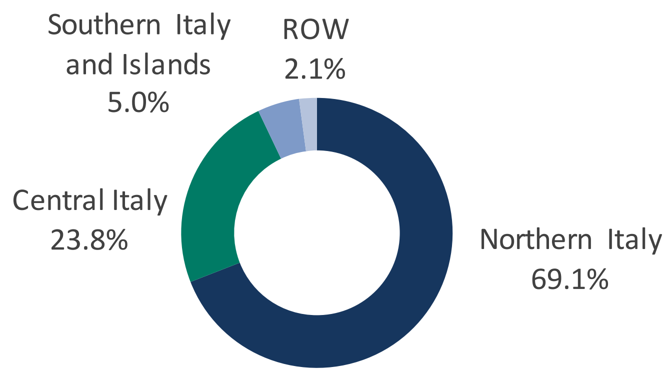
CUSTOMER LOAN ANALYSIS

Retail and SME-oriented banking group, with franchise concentrated in Northern Italy

Breakdown of net loans by customer segment at 31/12/2018



Breakdown of net loans by geographical area at 31/12/2018



- 27.3% of customer loans in relation to the Household segment.
- Corporates[1], excluding Large Corporates, account for 61.9% of the loan book and the average loan ticket is small, coming in at about €287K.
- 69.1% of the portfolio is concentrated in the wealthiest areas of the Country.

Note:
This analysis of Total Net Customer Loans excludes the Exodus Senior Notes.
1. Non-financial companies (mid-corporate and small business) and financial companies. Includes also €5.5bn of Repos, mainly with Cassa di Compensazione e Garanzia.

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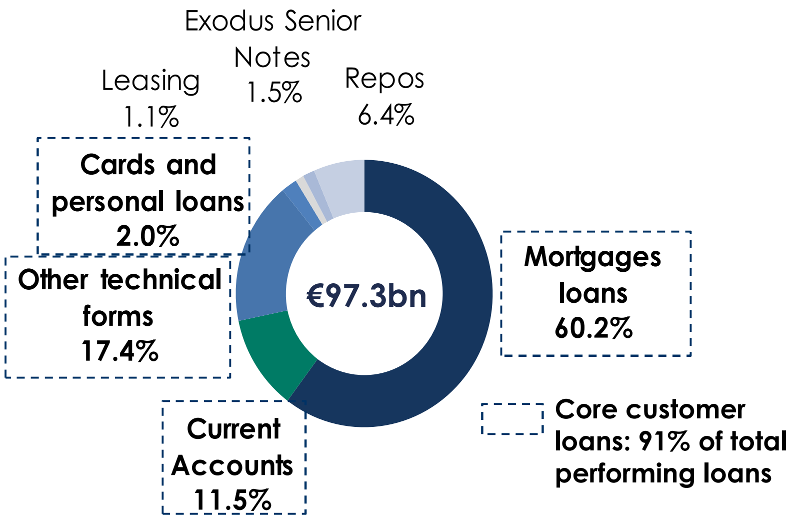
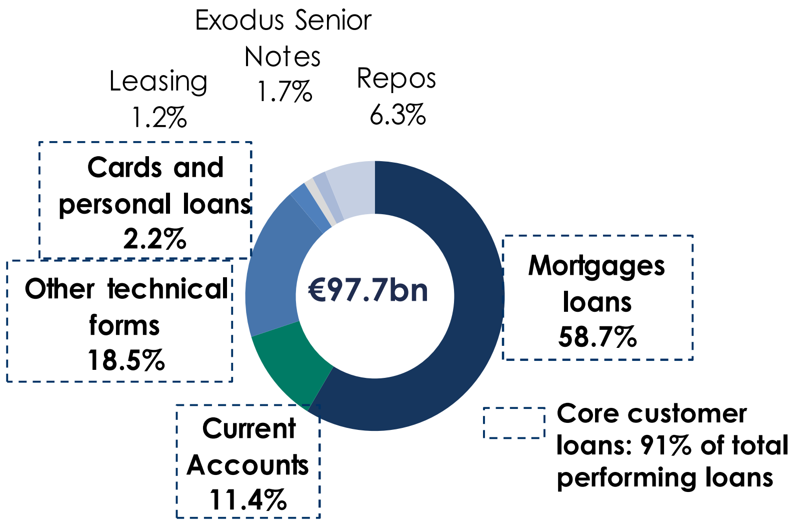
FOCUS ON PERFORMING CUSTOMER LOANS

Net Performing Loan breakdown by Product as at 31/12/2018



Net Performing Loan breakdown by Product as at 30/09/2018



- Net Core performing customer loans at €88.6mld, at 91% of total Performing loans

CREDIT QUALITY DETAILS

FY 2018 data exclude Bad Loans to be disposed with the ACE project and Profamily loans, classified as Discontinued Operations as at 31/12/2018

€ m

	31/12/2018 (IFRS 9)			
	Gross exposure	**Adjustments**	**Coverage**	**Net exposure**
Bad Loans	3.939	2.348	59,6%	1.591
Unlikely to pay	7.768	2.720	35,0%	5.048
Past Due	106	19	17,5%	88
Non-performing Loans	**11.814**	**5.087**	**43,1%**	**6.727**
Performing Loans	**97.659**	**371**	**0,38%**	**97.288**
Total Customer Loans	**109.473**	**5.458**	**5,0%**	**104.015**

	30/09/2018 (IFRS 9)			
	Gross exposure	**Adjustments**	**Coverage**	**Net exposure**
Bad Loans	10.079	6.553	65,0%	3.526
Unlikely to pay	8.293	2.790	33,6%	5.504
Past Due	113	20	17,7%	93
Non-performing Loans	**18.485**	**9.363**	**50,6%**	**9.123**
Performing Loans	**98.071**	**379**	**0,39%**	**97.692**
Total Customer Loans	**116.557**	**9.742**	**8,4%**	**106.815**

	01/01/2018 (IFRS 9) restated			
	Gross exposure	**Adjustments**	**Coverage**	**Net exposure**
Bad Loans	15.794	10.552	66,8%	5.242
Unlikely to pay	9.223	2.950	32,0%	6.273
Past Due	95	15	15,7%	80
Non-performing Loans	**25.112**	**13.517**	**53,8%**	**11.595**
Performing Loans	**94.889**	**376**	**0,40%**	**94.513**
Total Customer Loans	**120.002**	**13.893**	**11,6%**	**106.108**

	31/12/2017 (IAS 39) - EXCLUDING CUSTOMER DEBT SECURITIES			
	Gross exposure	**Adjustments**	**Coverage**	**Net exposure**
Bad Loans	15.794	9.306	58,9%	6.488
Unlikely to pay	9.546	3.087	32,3%	6.459
Past Due	95	15	15,7%	80
Non-performing Loans	**25.435**	**12.408**	**48,8%**	**13.027**
Performing Loans	**95.018**	**303**	**0,32%**	**94.716**
Total Customer Loans	**120.453**	**12.710**	**10,6%**	**107.743**

2018 data refer to Loans and advances to customers measured at Amortized Cost.

Starting from 30/06/2018, Performing loans include also the Exodus Senior Notes.

2017 data restated for the exclusion of Customer Debt Securities.

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CAPITAL POSITION IN DETAIL

PHASED IN CAPITAL POSITION (€/m and %)	31/12/2018 Pro Forma	31/12/2018 Stated	30/09/2018
CET 1 Capital	8,475	7,755	8,652
T1 Capital	8,609	7,889	8,787
Total Capital	10,163	9,442	10,446
RWA	***62,882***	***64,325***	***65,508***
CET 1 Ratio	**13.48%**	**12.06%**	**13.21%**
T1 Ratio	***13.69%***	***12.26%***	***13.41%***
Total Capital Ratio	***16.16%***	***14.68%***	***15.95%***

RWA COMPOSITION (€/bn)	31/12/2018 Proforma	31/12/2018 Stated	30/09/2018
CREDIT & COUNTERPARTY RISK	54.9	56.3	57.0
of which: Standard	*28.1*	*27.7*	*28.4*
MARKET RISK	1.9	1.9	2.4
OPERATIONAL RISK	5.9	5.9	5.9
CVA	*0.2*	*0.2*	*0.2*
TOTAL	**62.9**	**64.3**	**65.5**

FULLY PHASED CAPITAL POSITION (€/m and %)	31/12/2018 Pro Forma	31/12/2018 Stated	30/09/2018
CET 1 Capital	7,224	6,406	7,304
T1 Capital	7,228	6,410	7,309
Total Capital	8,777	7,959	8,963
RWA	***62,593***	***64,035***	***65,218***
CET 1 Ratio	**11.54%**	**10.00%**	**11.20%**
T1 Ratio	***11.55%***	***10.01%***	***11.21%***
Total Capital Ratio	***14.02%***	***12.43%***	***13.74%***

RWA COMPOSITION (€/bn)	31/12/2018 Proforma	31/12/2018 Stated	30/09/2018
CREDIT & COUNTERPARTY RISK	54.6	56.0	56.7
of which: Standard	*27.8*	*27.4*	*28.4*
MARKET RISK	1.9	1.9	2.4
OPERATIONAL RISK	5.9	5.9	5.9
CVA	*0.2*	*0.2*	*0.2*
TOTAL	**62.6**	**64**	**65.2**

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Notes:
- All ratios include the net income of the period.
- 31/12/2018 Proforma ratios include capital management actions already signed and to be finalized by H1 2019 and are prior to any expected impact from the IFRS 16 FTA.

CONTACTS FOR INVESTORS AND FINANCIAL ANALYSTS

INVESTOR RELATIONS

BANCO BPM

Roberto Peronaglio	+39-02-9477.2090
Tom Lucassen	+39-045-867.5537
Arne Riscassi	+39-02-9477.2091
Silvia Leoni	+39-045-867.5613
Andrea Agosti	+39-02-9477.2092

Registered Offices: Piazza Meda 4, I-20121 Milan, Italy
Corporate Offices: Piazza Nogara 2, I-37121 Verona, Italy

investor.relations@bancobpm.it
www.bancobpm.it (IR Section)