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Testo del comunicato

Vedi allegato

BANCO BPM

PRESS RELEASE

THE BOARD OF DIRECTORS OF BANCO BPM APPROVES THE RESULTS AS OF 31 DECEMBER 2024 AND THE UPDATE OF THE STRATEGIC PLAN

IN 2024, BANCO BPM ACHIEVED UNPRECEDENTED RESULTS, IN TERMS OF BOTH PROFITABILITY AND SHAREHOLDER REMUNERATION

IN VIEW OF THE OVERPERFORMANCE RECORDED IN 2024 AND THE EARLY EXCEEDING OF THE 2026 TARGETS, THE STRATEGIC PLAN HAS BEEN UPDATED, INCLUDING THE CONTRIBUTION DERIVING FROM THE COMPLETION OF THE TENDER OFFER ON ANIMA.

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RESULTS AS OF 31 DECEMBER 2024[1]

RESULTS ACHIEVED IN 2024 AT HISTORICAL HIGH LEVELS

- **STATED NET INCOME €1.9 BILLION (+52% YOY)**
- **ADJUSTED NET INCOME[2] €1.7 BILLION (+18% YOY): 24% HIGHER THAN 2024 GUIDANCE AND 13% HIGHER THAN 2026 TARGET**
- **ROTE ADJUSTED AT 16% (COMPARED TO 14.1% IN 2023)**

[1] The definitions of the indicators and the main balance sheet and income statement figures commented on in this press release are provided in explanatory note no. 1 "Basis of presentation and accounting policies - Alternative performance indicators".
[2] Result net of non-recurring items detailed in Explanatory Note no. 5 of this press release.

EXCELLENT 2024 PERFORMANCE HAS ALLOWED INCREASED SHAREHOLDER REMUNERATION TO HISTORICAL PEAKS

- **DIVIDEND PAYOUT RATIO OF ~ 80% (COMPARED TO 67% IN 2023)**
- **2024 DIVIDENDS OF ~ € 1.5 BILLION: + €650 MILLION COMPARED TO 2023**
- **CUMULATIVE DIVIDENDS 2023-2024 EQUAL TO €2.35 BILLION: OVER €500 MILLION ABOVE THE GUIDANCE OF THE 2023-2026 PLAN**
- **2024 DIVIDEND PER SHARE (DPS) OF €1.00 WITH A DIVIDEND YIELD[3] OF 11.2%**

SIGNIFICANT RESULTS SUPPORTED BY A SOLID AND DIVERSIFIED BUSINESS MODEL:

- **CORE REVENUES AT €5.7 BILLION (+5.4% Y/Y), SIGNIFICANTLY ABOVE THE 2026 TARGET (+3%)**
- **NET INTEREST INCOME AT €3.4 BILLION (+4.6% Y/Y), CONFIRMING THE EFFECTIVENESS OF MANAGEMENT ACTIONS IMPLEMENTED**
- **NET FEES AT ALL-TIME HIGH: €2.0 BILLION (+4.4% Y/Y)**
- **TOTAL REVENUES AT € 5.7 BILLION (+6.8% Y/Y), LARGELY ABOVE THE 2026 TARGET (+5.6%)**
- **PRE-PROVISION INCOME[4] AT €3.0 BILLION (+10% YOY), WELL ABOVE THE 2026 TARGET (+11%)**
- **REVENUES FROM KEY PRODUCT FACTORIES INCREASED TO €968 MILLION, +12% COMPARED TO 2023, HIGHER THAN EXPECTED IN 2023-26 STRATEGIC PLAN**
- **PROSPECTS FOR FURTHER GROWTH THANKS TO:**

  - **THE STRONG CONTRIBUTION OF THE NEW INTEGRATED LIFE & ASSET MANAGEMENT FACTORY THAT WILL BE ACHIEVED ON COMPLETION OF THE TENDER OFFER ON ANIMA**

[3] Ratio between the unit dividend paid in the 2024 financial year (including interim dividends) and the closing price of Banco BPM shares on February 11, 2025.

[4] This interim result does not include systemic charges, equal to €-105.0 million, the accounting impacts deriving from the Purchase Price Allocation (PPA), equal to €-50.7 million, the impacts deriving from the change in its creditworthiness on the issues of certificates of deposit, equal to €+1.8 million, and the amount of charges relating to leaving incentives, equal to -€211.9 million. These components, net of the related tax effects, are shown in separate items in the reclassified income statement.

- **THE PROGRESSIVE FURTHER CONTRIBUTION THANKS TO THE FULL STEAM OF THE NEW PARTNERSHIPS IN P&C AND PAYMENT BUSINSESSES**

CONTINUOUS IMPROVEMENT OF EFFICIENCY

- **REDUCTION OF COST/INCOME TO 47% THANKS TO A RIGOROUS COST DISCIPLINE**
- **FULL POSITIVE CONTRIBUTION FROM THE SOLIDARITY FUND IN 2025 AND 2026**

ASSET QUALITY AT RECORD LEVELS

- **LOAN LOSS PROVISIONS EQUAL TO €461 MILLION (-17% COMPARED TO 2023) RESULTING IN A LOWER COST OF RISK EQUAL TO 46 BPS (54[5] BPS IN 2023)**
- **GROSS NPE RATIO[6] DOWN TO 2.8%, BELOW THE TARGET OF ~3% FOR 2026**
- **NET NPE RATIO OF 1.6%**
- **EXCLUDING LOANS GUARANTEED BY THE STATE, NET NPEs ARE AT €961 MILLION, OF WHICH NET BAD LOANS VIRTUALLY AT ZERO LEVEL[7]**

HIGH CAPITALIZATION[8]

- **CET 1 RATIO AT 15.0% (VS 14.2% IN 2023), WELL ABOVE THE "LANDING POINT" OF THE 2023-2026 STRATEGIC PLAN (~14%) AND ALREADY FACTORING IN A HIGHER PAYOUT RATIO OF ~80% (UP FROM 67%)**
- **MDA BUFFER[9] EQUAL TO 587 BPS**

[5] Figure restated for comparison purposes.
[6] Starting from December 31, 2024, the ratio excludes from both the numerator and the denominator the senior notes subscribed for securitization transactions of non-performing loans originated by the Group. Please refer to explanatory note no. 1 "Basis of presentation and accounting policies - Alternative performance indicators".
[7] Managerial data
[8] For more details on how to calculate the capital ratios, please refer to Explanatory Note no. 6 of this press release.
[9] Difference between the CET1 ratio measured at December 31, 2024, including the result for the 2024 financial year net of the *payout*, and the corresponding level of the minimum regulatory requirement for the year 2025 including the so-called Pillar 2 Requirement (P2R), reduced to compensate for any deficiencies in Additional Tier 1 Capital or Tier 2 Capital compared to the requirements that can be covered with these classes of capital and inclusive of the *Systemic Risk Buffer (SyRB) phased in* requirement.

SOLID LIQUIDITY AND FUNDING POSITION

- **LCR EQUAL TO 132% (COMPARED TO 187% IN 2023)**
- **NSFR[10] EQUAL TO 126% (COMPARED TO 129% IN 2023)**
- **MREL BUFFER EQUAL TO 10.27 P.B.[11] (COMPARED TO 8.51 P.B. IN 2023[12])**

COMMERCIAL VOLUMES

- **NEW LENDING AT €21.5 BILLION (+10.4% Y/Y)**
- **CURRENT ACCOUNTS AND DEPOSITS AT €100.3 BILLION (+1.4% Y/Y)**
- **SIGNIFICANT INCREASE IN INDIRECT FUNDING, EQUAL TO €116.2 BILLION, INCREASING COMPARED TO €106.2 BILLION IN 2023**

INVESTMENT GRADE ISSUER RATING FROM ALL AGENCIES SINCE THE END OF 2023

UPGRADES IN 2024:

- **ON OCTOBER 24, STANDARD & POOR'S UPGRADED BY ONE NOTCH ITS LONG- AND SHORT-TERM ISSUER CREDIT RATING (FROM BBB-/A-3 TO BBB/A-2) AND ITS RATING ON SENIOR UNSECURED DEBT (FROM BBB- TO BBB)**
- **FITCH RATINGS, ON MARCH 21, UPGRADED BY ONE NOTCH THE RATINGS ON THE SENIOR PREFERRED DEBT (TO BBB) AND ON THE SENIOR NON-PREFERRED DEBT (TO BBB-)**

MAIN RESULTS ON THE ESG SUSTAINABILITY FRONT IN 2024:

- **NEW LOW-CARBON MEDIUM/LONG-TERM NEW LENDING AT €5.7 BILLION OVER TWELVE MONTHS (VS. TARGET 2024 OF €5 BILLION[13])**

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[10] Managerial data.
[11] MREL buffer calculated on RWA, with the new requirement for 2025 and considering the *SyRB phased in*. Management data.
[12] MREL buffer calculated on RWA, with the requirement for 2023.
[13] New loans to households, companies and businesses with an original maturity > 18 months, including "green" loan products (special purpose loans, project financing and SLL) and ordinary loans granted to sectors classified as "green" or with low exposure to climate transition risk factors.

- **ISSUED TWO BONDS, FOR A TOTAL OF €1.5 BILLION, UNDER THE GREEN, SOCIAL AND SUSTAINABILITY BONDS FRAMEWORK[14]**
- **SHARE OF ESG BONDS ON THE TOTAL BONDS IN THE CORPORATE PROPRIETARY PORTFOLIO[15]: 35.0% BY THE END OF 2024 (29.1% BY THE END OF 2023)**
- **SHARE OF WOMEN IN MANAGERIAL POSITIONS AT YE 2024 AT 30.7% (29.7% AT YE 2023)**
- **NEW LENDING TO THIRD SECTOR UP 19.5% Y/Y, TO MORE THAN €200 MILLION IN 2024[16]**
- **DONATIONS AND CONTRIBUTIONS FOR SOCIAL AND ENVIRONMENTAL PROJECTS €6.3 MILLION (€5.8 MILLION IN 2023)**
- **HOURS OF ESG TRAINING FOR EMPLOYEES 178,000 (164,000 IN 2023)**
- **HOURS OF TRAINING ON ESG FACTORY FOR COMPANIES 1,800 (1,300 IN 2023)**

[14] In addition, a €0.5 billion social bond was issued in January 2025.
[15] Share calculated on the nominal operating aggregate of the banking book portfolio of corporate and financial securities managed by the Finance department.
[16] Normalized figure.

BANCO BPM

STRATEGIC PLAN

STRATEGIC PLAN UPDATE IN LIGHT OF 2024 OVERPERFORMANCE ALONG WITH ANIMA ACQUSITION AND INTEGRATION

NEW TARGETS HAVE BEEN SET FOR 2027, APPLYING SAME DRIVERS AS IN 2023-26 STRATEGIC PLAN TO BETTER STARTING POINTS, THANKS TO 2024 EXCELLENT RESULTS

- **NET INCOME TARGET IN 2027 EQUAL TO € 2.15 BILLIONS, THANKS TO THE COMBINATION OF "STAND ALONE" GROWTH OF BANCO BPM (€ 1.95 BILLION) AND ANIMA INTEGRATION (€ 0.20 BILLION)**

- **CUMULATIVE NET INCOME 2024-2027 > € 7.7 BILLION, NOTWITHSTANDING THE STRONG DECREASE IN INTEREST RATES**

- **>€7 BILLION OF 2024-27 CUMULATIVE SHAREHOLDER DISTRIBUTION (>€6 BILLION REGARDLESS OF THE REGULATORY TREATMENT RELATED TO ANIMA ACQUISITION)**

- **CET1 RATIO LANDING POINT >14% AT END OF PLAN (>13% IN THE PLAN HORIZON REGARDLESS OF THE REGULATORY TREATMENT RELATED TO THE ANIMA ACQUISITION)**

- **ROTE >24% AT END OF PLAN**

- **GUIDANCE FOR 2025: 2025 NET PROFIT HIGHER THAN 2024 ADJUSTED NET PROFIT**

7 KEY PILLARS CONFIRMED + ANIMA SAME GROWTH DRIVERS IN AN EVOLUTIONARY PATH TOWARDS A MORE DIVERSIFIED, HIGH-VALUE-ADDED, BUSINESS MODEL

MORE AMBITIOUS TARGETS, BACKED BY A SOLID TRACK RECORD OF DELIVERY

SIGNIFICANT AND SUSTAINABLE VALUE CREATION, ENABLING FACTOR FOR SUBSTANTIAL SHAREHOLDER REMUNERATION, WHILE MANTAINING A STRONG FINANCIAL POSITION

BANCO BPM

2027 MAIN FINANCIAL TARGETS

- **CORE REVENUES € 6.24 BILLION**
- **OPERATING INCOME € 6.36 BILLION**
- **COST/INCOME 44%**
- **NET INCOME € 2.15 BILLION**
- **ROTE >24%**
- **GROSS NPE RATIO 3.0%**
- **COST OF RISK 40 BPS**
- **CORE GROSS PERFORMING CUSTOMER LOANS € 100.3 BILLION**
- **C/A AND CUSTOMER DEPOSITS € 101.8 BILLION**
- **INDIRECT FUNDING € 137 BILLION**
- **LCR AND NSFR RATIOS WELL ABOVE REGULATORY LIMITS**
- **A SOLID BUFFER IS PRESERVED IN RELATION TO MREL REQUIREMENTS FOR THE WHOLE PLAN HORIZON**

MAIN ESG TARGETS

- **LOW-CARBON NEW M/L TERM LENDING UP TO € 7 BILLION IN 2027**[17]
- **GREEN SOCIAL AND SUSTAINABILITY BONDS ISSUED FOR A TOTAL OF € 5 BILLION OVER THE PERIOD 2025-2027**
- **ESG BOND INVESTMENTS UP TO 40% OF TOTAL CORPORATE BOND PROPRIETARY PORTFOLIO SINCE 2026**[18]
- **WOMEN IN MANAGERIAL POSITIONS STEADILY GROWING TO AT LEAST 36% BY END 2027**
- **NEW LENDING TO THIRD SECTOR COUNTING MORE THAN €255 MILLION IN 2027**
- **OVER 200K OF ESG TRAINING HOURS FOR EMPLOYEES IN 2027**
- **#800 NEW HIRES FOR GENERATIONAL TURNOVER DURING 2025-2026 PERIOD**

[17] New loans to households, businesses, and enterprises with original maturity > 18 months, including "green" loan products (special purpose loans, project financing, and SLLs) and ordinary loans made to sectors classified as "green" or with low exposure to climate transition risk factors

[18] Share of Corporate and Financial bonds managed for investment purposes by the Finance Department (banking book, nominal values).

- **PERCENTAGE OF NEW SPECIALIZED PROFILES IN CYBERSECURITY OUT OF TOTAL NEW HIRES IN IT & DIGITAL AREA IS APPROXIMATELY 15% DURING THE 2025-2027 PERIOD**

The year 2024 was characterized by an overall positive general macroeconomic picture, despite the persistence of elements of uncertainty deriving, in particular, from the geopolitical situation in Ukraine and the Middle East; however, in this context, the Group's commercial and organizational commitment led to a significant growth in operating performance. In particular, core operating income showed excellent dynamics, amounting to €5,689 million, with a growth of 5% compared to the previous year.

Pre-provision income rose to €3,048 million compared to €2,770 million as of December 31, 2023, an increase of 10%. Net Income for the year amounted to €1,920 million, an increase of 52% compared to 2023. On an adjusted basis, net income amounted to €1,691 million, an increase of 18% y/y.

The balance sheet figures confirm the significant results achieved:

- ***direct funding from banking business amounted to €132.0 billion, an increase of 4.8% compared to the end of 2023;***
- ***indirect funding reached €116.2 billion, an increase of €10.0 billion compared to December 31, 2023;***
- ***net "core" performing customer loans (consisting of mortgages, loans, current accounts and personal loans) amounted to €94.8 billion (€95.3 billion gross) with a volume of new disbursements of €21.5 billion during the year.***

As for the quality of the portfolio, as of December 31, 2024, the share of NPEs on total gross loans decreased further to 2.8%, from 3.5% as of December 31, 2023. The cost of credit is down to 46 bps compared to 54 bps[19] in 2023, while ensuring significant levels of coverage of non-performing loans.

The Group's capital position is confirmed as solid, reaching an all-time high since the merger as of December 31, 2024:
- ***CET 1 Ratio at 15.0% (from 14.2% at the end of 2023);***
- ***MDA buffer at 587[20] bps (from 508[21] bps at the end of 2023).***

Main balance sheet aggregates

- Direct funding from banking business[22] € 132.0 billion: +4.8% compared to the end of December 2023; core deposits from customers (deposits and current accounts) at € 100.3 billion;
- Indirect funding from customers € 116.2 billion (+9.4% compared to December 31, 2023), of which:
  - assets under management € 66.1 billion (+6.6% compared to December 31, 2023);
  - assets under custody € 50.1 billion (+13.3% compared to December 31, 2023);

[19] Figure recalculated for comparison purposes.
[20] Calculated on the basis of the requirements communicated by the ECB for 2025, considering the SyRB at the phased in level.
[21] Data recalculated to take into account the requirements communicated by the ECB for 2024.
[22] Starting from the 2024 financial year, the aggregate also includes repurchase agreements; the figure for the previous financial year has been restated for the sake of comparison.

- Net loans to customers € 99.7 billion: -4.1% compared to December 31, 2023 (of which performing loans -3.9% and non-performing loans -15.1%).

Main income statement items

- Net interest income:
  - €855.3 million in Q4 2024 (€861.9 million in Q3 2024; -0.8%)
  - €3,440.0 million as of December 31, 2024 (€3,289.2 million in 2023; +4.6%)
- Net fee and commission income[23]:
  - €494.4 million in Q4 2024 (€488.1 million in Q3 2024; +1.3%)
  - € 2,003.8 million as of December 31, 2024 (€ 1,919.6 million in 2023; +4.4%)
- Operating costs:
  - € 661.0 million in Q4 2024 (€ 656.1 million in Q3 2024; +0.7%)
  - € 2,655.7 million as of December 31, 2024 (€ 2,571.2 million in 2023; +3.3%)
- Pre-provision Income:
  - €773.3 million in Q4 2024 (€818.8 million in Q3 2024; -5.6%)
  - €3,047.8 million as of December 31, 2024 (€2,770.3 million in 2023; +10.0%)
- Loan Loss Provisions:
  - € 159.6 million in Q4 2024 (€ 107.8 million in Q3 2024; +48.1%)
  - € 461.5 million as of December 31, 2024 (€ 558.6 million in 2023; -17.4%)
- Profit (loss) before tax from continuing operations:
  - €577.7 million in Q4 2024 (€684.0 million in Q3 2024; -15.5%)
  - € 2,503.4 million as of December 31, 2024 (€ 2,041.0 million in 2023; +22.7%)
- Net Income:
  - €224.6 million in Q4 2024 (€945.7 million in Q3 2024; -76.3%)
  - €1,920.4 million as of December 31, 2024 (€1,264.5 million in 2023; +51.9%)
- Adjusted Net Income:
  - €445.9 million in Q4 2024 (€468.7 million in Q3 2024; -4.9%)
  - €1,690.6 million as of December 31, 2024 (€1,432.4 million in 2023; +18.0%)

Capital position[24]

- CET 1 ratio 15.0% (14.2% as of December 31, 2023);
- MDA buffer 587 bps

[23] Starting from the 2024 financial year, the income components relating to the proceeds from payment services transferred to Numia Group are shown under "Net fees" in the reclassified income statement instead of under "Other net operating income". In order to ensure a like-for-like comparison, the figures for the previous year have been reclassified accordingly.
[24] For more details on how to calculate the capital ratios, please refer to Explanatory Note 6 of this press release.

Asset Quality[25]

- Gross NPEs equal to € 2.9 billion, down 23.9% compared to the end of 2023:
  - Bad loans: € 1.2 billion (-27.5% from the end of 2023);
  - Unlikely-to-pay: € 1.6 billion (-24.5% from the end of 2023);
  - Past due loans: € 142.6 million (€ 93.5 million at the end of 2023);
- Total net non-performing exposures equal to €1.6 billion: -15.1% compared to the end of 2023

Liquidity profile

- Liquidity at €48.4 billion (cash + deposits with the ECB + unencumbered assets);
- LCR 132% and NSFR 126%[26].

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Milan, February 12, 2025 – The Board of Directors of Banco BPM met under the chairmanship of Massimo Tononi and approved the Banco BPM Group's separate and consolidated financial statements for the year ended December 31, 2024.

The year 2024 was characterized by an overall positive general macroeconomic situation, despite significant elements of uncertainty remaining, deriving in particular from the international geopolitical situation and the persistence of restrictive monetary and financial conditions that could hinder the growth of domestic demand. In this context, the Group nevertheless recorded excellent levels of profitability with a gross profit before tax from continuing operations of €2,503.4 million and a net profit of €1,920.4 million. On an adjusted basis, these results are €2,616.6 million and €1,690.6 million respectively.

The Group's operations, especially in the latter part of 2024, were characterized by extraordinary transactions that further accelerated the achievement of the objectives of the 2023-2026 Strategic Plan and made it advisable to update it in advance.

Specifically, in November 2024, In line with the Group's strategy of strengthening its product factories, the Boards of Directors of Banco BPM and Banco BPM Vita approved the promotion by Banco BPM Vita of a voluntary public purchase offer pursuant to and for the purposes of Articles 102, paragraph 1 and 106, paragraph 4, of the TUF and the relative implementation provisions on all the ordinary shares of Anima Holding S.p.A., at the price of € 6.20 (cum dividend) per share. In this context, on November 13, the purchase of a 5% stake in the share capital of Banca Monte dei Paschi di Siena S.p.A. was also completed, for a total value of €364.8 million, as part of an accelerated bookbuilding offering procedure promoted by the Ministry of Economy and Finance.

During 2024, the process of rationalizing the Group's activities also continued; more specifically, on September 30, Banco BPM, BCC Iccrea Group and FSI completed the various corporate transactions

[25] Data calculated considering only exposures represented by loans to customers measured at amortized cost and excluding loans held for sale.
[26] Management data.

that initiated the strategic partnership in Numia Group S.p.A. (in which FSI holds a 42.86% stake and Banco BPM S.p.A. and BCC Banca Iccrea S.p.A. each hold a 28.57% stake), which led to the creation of the second national player in the electronic money sector.
As part of the operation, Banco BPM transferred the business unit relating to electronic payment instrument acquiring and issuing services to Numia[27]. The operation resulted in the recognition of a capital gain in the income statement for the year of €500 million (€493 million net of the specific applicable taxation).

As regards the Bancassurance sector, with the corporate reorganization completed at the end of 2023, the process of internalizing the activities of the Vera Vita company carried out in outsourcing by Generali Italia began, with the aim of migrating to a new technological platform during the next financial year.

With reference instead to the rationalization process of its real estate portfolio, in September the Board of Directors of the Parent Company approved an operation for the sale through securitization (the "Square" Project) of a portfolio of over 330 properties owned for non-instrumental use, with a total book value of ~ € 295 million, at a price substantially in line with fair value. The sale is expected to take place in several tranches, starting from the end of 2024, in favor of a securitization vehicle managed by Phoenix Asset Management S.p.A. and SPF Investment Management L.P., leading companies in the asset management and structured credit sectors respectively[28].

As regards the rationalization of its organizational and corporate structure, Banco BPM and Banco BPM Invest SGR[29], with effect from July 1, 2024, have finalized the contribution agreement through which the Parent Company has transferred to the SGR the business unit represented by the set of assets and resources pertaining to the "Alternative Investments and Funds" organizational structure. The SGR is currently managing the portfolio on behalf of Banco BPM, including through the potential identification of new investment opportunities.

With regard to the de-risking process, the Board of Directors has approved an increase in the disposal targets as part of the non-performing loan management strategy: taking into account the portfolio sales finalized during 2024 and those approved, totalling ~€820 million, the residual sales target as of December 31, 2024 amounts to ~€210 million. The expected impact of the increase in the sale targets has already been charged to the 2024 income statement.

In terms of funding and capital transactions, in 2024 the Parent Company completed four issues, reserved for institutional investors, as part of the Euro Medium Term Notes Program: the first, in January 2024, related to Green Senior Non-Preferred securities for an amount of €750 million; the second in March 2024, relating to Tier 2 subordinated securities for an amount of €500 million; the third in September 2024, relating to Social Senior Non-Preferred securities for an amount of €750 million; the fourth in November 2024, relating to Tier 2 subordinated securities for an amount of €500 million.
In January 2025, a new issue of Social Senior Preferred securities for an amount of €500 million was added to these transactions.

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[27] Including the total stake in Tecmarket S.p.A.
[28] For more details on the impact of the aforementioned operation, please refer to Explanatory Note no. 1 of this press release.
[29] In March, the company received authorization from the Bank of Italy to carry out collective asset management and portfolio management activities pursuant to art. 34 of Legislative Decree no. 58 of February 24, 1998.

Furthermore, during the period Banco BPM completed two issues of European Covered Bonds (Premium) for institutional investors: the first in January 2024 for €750 million and the second in May 2024 for €500 million.
Finally, in July 2024, the Parent Company completed the issuance of an Additional Tier 1 capital instrument with perpetual duration and callable starting from January 2031, for an amount equal to €400 million. At the same time, Banco BPM launched a tender offer to repurchase a perpetual bond issued in 2020 for a nominal amount of €400 million, which ended with €179.5 million in subscriptions; the bond was then redeemed early in January 2025. It should also be noted that Banco BPM, in June 2024, proceeded with the early redemption of an Additional Tier 1 capital instrument issued in 2019 for a nominal €300 million, already subject to partial repurchase in November 2023 for €223.3 million, and in October 2024 it repaid in advance the Tier 2 security issued on October 1, 2019.

As regards the share buyback programs, intended to service short and long-term employee incentive plans, during 2024:
- as part of the program approved by the Ordinary Shareholders' Meeting of April 20, 2023, 905,286 treasury shares were purchased (equal to 0.06% of outstanding ordinary shares) for a total value of €5 million;
- as part of the program, approved by the Ordinary Shareholders' Meeting of April 18, 2024, which provided for the purchase of Banco BPM ordinary shares for a maximum total amount of €45 million within 18 months and no later than the date of the Shareholders' Meeting called to approve the financial statements for the 2024 financial year, in the period from June 19 to 24, 2024, the first tranche of the program was carried out with the purchase of 4,911,328 treasury shares (equal to 0.32% of outstanding ordinary shares) at an average unit price of €6.11, for a total value of €30 million. The program was completed in the period from September 17 to 18, 2024 with the purchase of 2,464,487 treasury shares (equal to 0.16% of outstanding ordinary shares) at an average unit price of €6.09, for a total value of €15 million.

Following the transactions described, Banco BPM, taking into account the allocations that took place during the period and the other treasury shares already in the portfolio, as of December 31, 2024, directly owns 13,799,807 treasury shares, equal to 0.91% of the share capital.

CREDIT RATING

During 2024 Banco BPM recorded the following upgrades:
- on October 24, 2024, after the assignment on November 7, 2023 of new ratings in the Investment Grade area by S&P Global Rating, the rating company improved by one notch both the long- and short-term Issuer Credit Rating (ICR) of Banco BPM (from BBB-/A-3 to BBB/A-2), and the rating for Senior Unsecured debt (from BBB- to BBB). This rating action was driven by the strengthening of Banco BPM's Additional Loss-Absorbing Capacity, resulting from the success of the Group's Senior Non-Preferred and Tier 2 instrument issuance activities, which have created more than adequate buffers within the capital and liability structure. In the same communication, S&P also indicated its expectation that Banco BPM's strong presence in the wealthiest areas of Northern Italy and its well-diversified business model are likely to support business stability in the coming years;
- On March 21, 2024, Fitch Ratings upgraded the ratings on the Senior Preferred debt (carried to BBB) and on the Senior Non-Preferred debt (carried to BBB-) by one notch, recognizing the significant strengthening of the Group's financial profile.

This consolidates the investment grade status obtained at the end of 2023 for all the main ratings assigned by the four credit rating agencies that cover Banco BPM (Morningstar DBRS, Fitch Rating, Moody's, S&P Global).

ESG SUSTAINABILITY

In terms of **environmental** initiatives, in 2024 the Group disbursed over €5.7 billion in new medium- and long-term loans aimed at supporting decarbonization projects and/or counterparties operating in sectors characterized by low levels of greenhouse gas emissions (so-called "New medium- to long-term low-carbon loans"), thus exceeding the €5 billion target set for the year just ended.
Furthermore, as evidence of the Group's contribution in supporting the transition of its Corporate customers towards a carbon-free economy, after joining the Net-Zero Banking Alliance (NZBA) in March 2023, at the beginning of August 2024 Banco BPM set and communicated the intermediate decarbonization targets for 2030 for its Banking Book credit and securities portfolios for each of the 5 sectors (Automotive, Cement, Coal, Oil and Gas, Power Generation) that had been identified as priorities when joining the initiative.
The impacts directly deriving from the Group's operations showed an annual decrease of 2.4% in direct energy consumption, from 498 thousand GJ (2023) to 486 thousand GJ (2024)[30], and a level of gross Scope 1 & 2 market-based[31] emissions of less than 11 thousand tCO^2.[32]
In the **Social** sphere, the Group has accelerated along the path of valuing female personnel, reaching, at the end of 2024, a percentage of women in managerial positions equal to 30.7%, an increase of +1 p.p. compared to 29.7% at the end of 2023. Furthermore, in the year just ended, 133 young people were hired (123 in 2023), 178 thousand hours of ESG training were provided to employees compared to 164 thousand in 2023 and our ESG Factory provided 1,800 hours of ESG training to client companies (1,300 hours in 2023).
New lending to third sector rose by 19.5% to €202 million[33] from €169 million in 2023 and, finally, the amount of donations and contributions for social and environmental projects increased from €5.8 million in 2023 to €6.3 million in 2024.
In the area of **Governance**, to further strengthen the implementation of its Sustainability strategy, Banco BPM has created the new "Transition and Sustainability" function, operational from July 2024, reporting directly to the Co-General Manager - CFO. This department, which has been entrusted with the coordination of ESG activities carried out within the Group, is in turn divided into two structures: "ESG Strategy", responsible for the development of the framework (approaches, methodologies, metrics and KPIs) and ESG disclosure, and 'ESG Business Advisory', responsible for supporting the company functions and Group companies in the implementation of the ESG strategy, with particular reference to the business units, in the dissemination of the ESG culture and in the indispensable related training activities. From 2024, the Group has also adopted a new structure within the Finance Department dedicated to sustainable funding operations and ESG consultancy, such as supporting the decarbonization of the proprietary portfolio. Finally, during 2024, intense activity was carried out to produce internal ESG regulations, which made it possible to integrate the

[30] GigaJoule, excluding properties owned by the Group and leased to third parties.
[31] Indirect emissions from energy consumption (Scope 2) derive from the procurement of electricity and heat produced by third parties and used by the Bank for its activities. The market-based approach allows for the attribution of a zero CO^2 equivalent emission factor for energy consumption derived from certified renewable sources.
[32] Excluding HFC gas emissions.
[33] Normalized data.

PAI (Principle Adverse Impact) management framework into the "Guidelines on the integration of sustainability risks in the provision of investment services to customers", as well as to approve the " Guidelines for the integration of sustainability factors in investment strategies for the proprietary portfolio"; furthermore, as part of the activities of the subsidiary Banco BPM Invest SGR, the 'Regulations on the integration of sustainability factors in the provision of investment services' were approved.
Finally, with reference to **ESG finance**, as part of its Green, Social and Sustainability Bond Framework, Banco BPM has i) successfully completed the issuance of a Green Senior Non-Preferred bond in the amount of €750 million in January 2024 and a Social Senior Non-Preferred bond for an additional €750 million in September 2024 and ii) published the Green, Social and Sustainability Bonds Report in July, relating to bonds issued up to December 31, 2023. Finally, considering the bonds in the proprietary corporate portfolio accounted for in the Banking Book, it should be noted that, at the end of 2024, 35.0% of the securities have ESG characteristics (29.1% at the end of 2023)[34].

DIGITAL AND OMNICHANNEL BANKING

In 2024, the activities of the .DOT Program for Digital and Omnichannel Transformation made further progress, resulting in:

- an increasingly wide range of digitized customers, with over 1.6 million individual customers who have signed up for digital identity, a contract that enables paperless processes and remote commercial operations, and with more than 45% of corporate customers who have activated the mobile APP dedicated to them;
- a richer product catalogue available for remote sales, to which the possibility of subscribing to term deposits and personal loans from the mobile APP has recently been added;
- constantly evolving digital platforms with the introduction of new web functionalities and the start of the development of a new web banking solution for small and medium enterprises;
- a more flexible digital onboarding capability which, leveraging the distinctive and complementary brands of Webank and Banco BPM, contributed 24% to overall customer acquisition;
- more effective support from the "Digital Branch" (an evolution of the Customer Centre) for retail commercial activities, both to support local branches and direct sales of products/services, with an increasing focus on Small Business customers (more than 41% of commercial activities).

86% of customer transactions are carried out remotely (transactions in branches therefore represent 14% of the total), with a constantly growing incidence of 25% of transactions on mobile APPs. So-called "omnichannel"[35] sales make up 42% of total retail sales and include 21% of so-called "fully remote"[36] sales.

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[34] Share calculated on the nominal aggregate management of the banking book portfolio of corporate and financial securities managed by the Finance department of the parent company.
[35] Sales finalized in branch but with a significant contribution from digital channels in the commercial proposal/process (e.g. online quote) and remote sales (finalized in self or fully remote).
[36] Sales finalized remotely (Self + Remote Offer Network + Remote Offer Digital Branch + Webank).

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The economic performance of operations in the 2024 financial year compared to the 2023 financial year

The **Net interest income** stands at €3,440.0 million, up 4.6% compared to the figure for 2023 (€3,289.2 million), mainly thanks to the managerial initiatives put in place to counteract the contraction of the commercial spread, consequent to the drop in interest rates.

The **income from associates valued at equity** amounted to €151.7 million, compared to €144.1 million in the previous year.
The main contribution to this item was provided by consumer credit, conveyed by the shareholding in Agos Ducato, equal to €76.7 million, in line with the figure of €76.6 million in 2023, as well as the contribution of the associate Anima Holding, equal to €48.5 million (€29.5 million as at December 31, 2023).

Net fee and commissions income for the 2024 financial year amounted to €2,003.8 million, an increase of 4.4% compared to the previous year due to the performance recorded in the savings products sector (+9.8% compared to December 31, 2023). The contribution of the commercial bank and other services was also positive (+1.5% compared to December 31, 2023), thanks to the contribution of commissions from investment banking and lending activities, which offset the higher costs associated with synthetic securitization transactions, equal to € -23.0 million, and the absence, starting from the second quarter of 2023, of commissions for liquidity management, equal to ~ € 15 million[37].

The aggregate of **other net operating income** as of December 31, 2024 amounts to € 23.4 million compared to € 21.7 million in 2023.

The **net financial result**[38] for the year is negative and equal to € -8.8 million, compared to the figure of € -79.0 million recorded as of December 31, 2023.
The aggregate in question includes dividends for € 34.0 million (€ 24.2 million as of December 31, 2023), gains on trading of €166.4 million (€19.0 million at December 31, 2023) and on the sale of financial assets of €43.0 million (€20.1 million at December 31, 2023), which were partially offset by the negative contribution of liabilities designated at fair value and related derivatives, equal to € -271.4 million (€ -157.7 million as of December 31, 2023) mainly due to the higher cost of funding through certificates.
The item also includes non-recurring effects for € 15.4 million; excluding these impacts, the net financial result would be positive for € 6.5 million.

The **result of the insurance business** for the 2024 financial year is €93.4 million and includes the contribution of the companies Banco BPM Vita, Vera Vita and BBPM Life. This amount is not fully comparable with the figure as of December 31, 2023, equal to €45.9 million, which instead included the contribution of Banco BPM Vita and Banco BPM Assicurazioni[39].

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[37] Management data.
[38] This item does not include the accounting effect of the change in its credit rating on the fair value measurement of its own liabilities (certificates), which resulted in a positive impact of €1.8 million for the year, compared to €-5.2 million as of December 31, 2023. This effect is shown, net of taxes, in a separate item in the reclassified income statement.
[39] The contribution to the item in question relating to Vera Vita and its subsidiary BBPM Life, control of which was acquired near the end of the 2023 financial year, is in fact subject to recognition starting from the 2024 financial year.

As a result of the above, total operating income amounted to €5,703.5 million, up from €5,341.4 million in the previous year (+6.8%).

Personnel expenses, equal to €1,745.2 million, show an increase of 4.4% compared to €1,672.0 million in 2023; the increase is mainly attributable to higher costs resulting from the renewal of the national collective bargaining agreement.
As of December 31, 2024, the total number of employees is 19,490 (of which 150 are related to insurance companies), compared to 19,761 as of December 31, 2023 (of which 146 are related to insurance companies)[40].

Other administrative expenses[41] amounted to €644.8 million, down 1.2% compared to the figure for 2023, equal to €652.4 million.

Net value adjustments on tangible and intangible assets amounted to a total of €265.7 million, compared to €246.8 million in the previous financial year, which included positive non-recurring effects of €16.9 million.

Total operating costs therefore amounted to €2,655.7 million, an increase of 3.3% compared to €2,571.2 million as of December 31, 2023.

The **cost income ratio** for the year was 46.6%, lower than the figure for 2023 (48.1%).

The **Pre-provision income** for 2024 amounted to €3,047.8 million, up 10.0% compared to €2,770.3 million in the previous year.

Loan Loss Provisions in 2024, equal to €461.5 million, show a decrease compared to the figure as of December 31, 2023, equal to €558.6 million (-17.4%).
The aggregate includes the impact, equal to €34.1 million, deriving from the increase in the objectives for the transfer of non-performing loans following the change in the strategy for managing impaired loans approved by the Parent Company.
As of December 31, 2024, the cost of credit, measured by the ratio of net credit risk losses to net loans, was 46 bps, down from 54 bps[42] at the end of 2023.
This result was achieved while safeguarding the solid coverage levels achieved in previous periods.

The result of the **fair value measurement of property, plant and equipment** at December 31, 2024 is €-54.6 million (€-146.8 million in 2023).

Net adjustments to securities and other financial assets include net capital losses of €-8.6 million (€-2.0 million at December 31, 2023).

Net provisions for risks and charges for the year amount to €-22.2 million, in line with the figure recorded at December 31, 2023.

[40] As of December 31, 2022, the company had 20,157 employees.
[41] The aggregate does not include "systemic charges", represented by contributions to the Interbank Deposit Protection Fund and the new Guarantee Fund of the Life Insurance sector, shown, net of the related tax effect, in a separate item of the reclassified income statement.
[42] Data re-determined for homogeneity.

The item **gains/losses on equity and other investments** at December 31, 2024 amounted to € +2.4 million (€ +0.3 million at December 31, 2023).

As a result of the above, the **gross income from continuing operations** amounted to €2,503.4 million compared to €2,041.0 million in the previous year (+22.7%).

Income taxes on continuing operations amounted to €-789.6 million (€-604.8 million as of December 31, 2023).

The **net profit from continuing operations** therefore amounts to €1,713.8 million, an increase of 19.3% compared to the figure of €1,436.3 million in 2023.

The income statement for the year was charged with **systemic charges, net of taxes**, totaling €71.0 million (€105.0 million gross), represented by the amount of the last annual contribution due to the Interbank Deposit Protection Fund (FITD), equal to €98.7 million gross, and the estimated amount of the first contribution due to the new Guarantee Fund of the Life insurance sector, equal to € 6.3 million gross. In the previous financial year, on the other hand, the contribution to the FITD, equal to € 102.2 million gross, and the last annual contribution due to the Single Resolution Fund, equal to € 85.4 million gross[43], were charged. The overall impact on the income statement as of December 31, 2023, net of the related tax effect, amounted to €126.6 million (€187.5 million gross).

The item **charges relating to the leaving incentive, net of taxes**, includes the estimate of the charges expected to be incurred in relation to the agreement signed with the Trade Unions in December for voluntary redundancy through access to the extraordinary benefits of the Solidarity Fund, as well as the amount of charges relating to the Incentivized Retirement Plan activated by the Parent Company in June 2024. The overall impact, net of the related tax effect, amounts to € -141.9 million (€ -211.9 million gross).

The item **monetary impact, net of taxes,** includes positive effects totaling €493.1 million, attributable to the transactions completed on September 30, 2024 for the reorganization of the payment systems sector[44].

The item **bancassurance impacts**, net of taxes, shows the effects for a total of +€2.5 million, attributable to the revision of the estimates made in the 2023 financial statements, following the definition of the prices of purchase and sale transactions related to the reorganization of the bancassurance business, net of the related tax effect[45].

The item **impairment on equity** investments includes the capital loss recorded on some equity investments, equal to €-42.4 million.

During the year, the **change in creditworthiness on the Certificates issued by the Group, net of taxes,** generated a positive impact of €1.2 million (€1.8 million gross of tax effects), compared to the

[43] For further details regarding the charges arising from the contribution to resolution mechanisms, please refer to Explanatory Note no. 3.
[44] For further details, please refer to Explanatory Note no. 1, paragraph "Reorganization of the e-money business"
[45] For further details, please refer to Explanatory Note no. 1, paragraph "Reorganization of the bancassurance business".

negative effect recorded as of December 31, 2023, equal to €-3.5 million (€-5.2 million gross of tax effects).

At December 31, 2024, the impact of the **Purchase Price Allocation, net of taxes,** amounted to €-34.9 million, compared with the 2023 figure of €-28.3 million. Starting from the first quarter of 2024, the item in question also includes the effects related to the reversal of the PPA related to the acquisition of control of Vera Vita and BBPM Life, which was finalized at the end of 2023[46].

As a result of the above dynamics, the 2024 financial year closes with a positive **net income** of €1,920.4 million (€1,264.5 million as of December 31, 2023).

The **adjusted net income** for the year is €1,690.6 million, (+18.0% compared to €1,432.4 million at December 31, 2023)

<u>The economic performance of operations in the fourth quarter of 2024 compared to the third quarter of 2024</u>

The **Net interest income** stands at €855.3 million, slightly down compared to the figure for the third quarter of 2024 (€861.9 million), due to the dynamics of market rates.

The **income from associates valued at equity** was a profit of €45.6 million, an increase compared to the third quarter (€31.1 million). Within this aggregate, the main contribution came from consumer credit, through the stake held in Agos Ducato, and the result relating to Anima Holding.

Net fee and commissions income in the fourth quarter amounted to €494.4 million, up 1.3% compared to the result recorded in the third quarter, equal to €488.1 million, thanks to the contribution of investment banking activities (€+9.3 million) and collection and payment services (€+5.3 million), partially offset by the lower contribution of commissions on savings products (€ -2.9 million).

Other net operating income amounted to € +31.3 million compared to the negative figure of € -10.4 million in the third quarter of 2024. The change in the quarter is mainly related to the re-entry of rental income no longer intended to be retroceded following the contractual change in the structure of the reorganization of the Group's real estate assets ("Square project"), as extensively illustrated in Explanatory Note no. 1, to which reference is made.

The **net financial result** for the fourth quarter was negative and equal to € -14.8 million compared to € +48.0 million in the third quarter. The trading result includes the loss of €15.4 million arising from the sale of mezzanine securities subscribed by Banco BPM as part of the revision of the contractual agreements relating to the "Square project".

The **result of insurance business** in the fourth quarter was €22.4 million, compared to the contribution of €56.2 million in the third quarter.

[46] The PPA relating to the combination of Vera Vita and BBPM Life, provisionally recognized at December 31, 2023, was definitively determined at December 31, 2024 with no further impact on the fair value of the acquired companies. For further details, please refer to Explanatory Note 2.

Due to the dynamics described, total operating income therefore amounted to €1,434.3 million, down 2.8% compared to €1,474.9 million recorded in the third quarter, mainly due to the effect of the net financial result described above.

Personnel expenses, equal to €449.1 million, show an increase compared to €435.6 million in the third quarter.

Other administrative expenses went from €152.3 million in the third quarter of 2024 to €143.5 million in the fourth quarter of 2024.

Net value adjustments on tangible and intangible assets amounted to a total of €68.5 million, compared to the figure for the third quarter (€68.2 million).

Total operating costs therefore amounted to €661.0 million, a slight increase (+0.7%) compared to €656.1 million in the third quarter.

The **Pre-provision income** for the quarter amounted to €773.3 million, down 5.6% compared to €818.8 million in the third quarter.

Loan loss provisions amounted to €159.6 million, compared to €107.8 million in the third quarter. The figure for the fourth quarter of 2024 includes the impact, equal to €34.1 million, deriving from the increase in the objectives for the transfer of non-performing loans following the change in the strategy for managing impaired loans approved by the Parent Company.

The result of the **fair value measurement of property, plant and equipment** in the fourth quarter shows capital losses of €14.5 million following the adjustment of the value of some properties; in the third quarter of 2024, write-downs of €14.1 million were recognized.

Net adjustments to securities and other financial assets in the fourth quarter amounted to €-6.5 million (€+1.2 million in the third quarter).

The item **net provisions for risks and charges** in the fourth quarter shows net provisions of €-14.3 million; in the third quarter of 2024, net provisions of €-16.1 million were recognized.

The item **profits/losses on equity and other investments** in the fourth quarter amounted to € -0.7 million (€ +2.1 million in the third quarter).

As a result of the above, the **gross income from continuing operations** amounted to € 577.7 million compared to € 684.0 million in the third quarter.

Income taxes for the period from continuing operations amounted to € -170.8 million (€ -223.0 million in the third quarter).

The **net profit from continuing operations** for the fourth quarter therefore amounted to € 406.9 million, down 11.7% compared to the figure of € 461.0 million in the third quarter.

The item **systemic charges, net of taxes,** includes the estimated amount of the first contribution due to the new Guarantee Fund of the Life insurance sector, equal to € 4.4 million (€ 6.3 million gross).

The item **charges relating to leaving incentives, net of taxes,** includes the estimate of the charges expected to be incurred in relation to the agreement signed with the Trade Unions in December for voluntary redundancy through access to the extraordinary benefits of the Solidarity Fund, equal to €130.2 million (€194.5 million gross).

The item **impairment on equity investments** includes the capital loss recorded on some equity investments, equal to €-42.4 million.

In the fourth quarter, the **change in creditworthiness on the issuance of Certificates, net of taxes,** generated a positive impact of €1.5 million (€2.3 million gross of tax effects); in the third quarter, a positive impact of €1.0 million (€1.5 million gross) was recognized.

In the fourth quarter, the impact of **Purchase Price Allocation, net of taxes,** amounted to €-6.9 million, compared to €-9.4 million in the third quarter of 2024.

As a result of the above, the fourth quarter of 2024 closed with a **net income** for the period of €224.6 million, compared to the net profit of €945.7 million achieved in the third quarter (-76.3%).

The **adjusted net income** for the fourth quarter was €445.9 million, compared to €468.7 million in the third quarter of 2024.

The evolution of the main balance sheet aggregates

Direct funding from banking business as of December 31, 2024 amounted to €132.0 billion, up 4.8% compared to December 31, 2023.
More specifically, compared to the beginning of the year, there has been an increase of €4.5 billion, equal to 23.7%, in the component represented by bonds issued as a result of new issues that have exceeded redemptions of maturing securities. Core funding, represented by current accounts and deposits, is up 1.4% compared to the end of 2023.
Funding guaranteed by the stock of certificates with unconditionally protected capital and by other liabilities at fair value as of December 31, 2024, stands at €5.9 billion, an increase of 11.8% compared to the figure of €5.3 billion as of December 31, 2023.

Direct insurance funding and insurance liabilities, which include the aggregate of insurance and financial liabilities of insurance companies, amounted to €16.2 billion and included the contribution of Banco BPM Vita, Vera Vita and BBPM Life (€15.0 billion as of December 31, 2023).

Indirect customer funding amounted to €116.2 billion, up 9.4% compared to December 31, 2023.
Assets under management amounted to €66.1 billion, an increase compared to €62.0 billion as of December 31, 2023 (+6.6%). Growth is mainly concentrated in the funds and Sicavs segment, which shows an increase of €2.8 billion; assets under management and the bancassurance segment are also up.

BANCO BPM

Assets under custody reached €50.1 billion, an increase of €5.9 billion (+13.3%) compared to the end of 2023.

Financial assets pertaining to the banking segment[47] amounted to €51.3 billion, up 13.7% compared to €45.1 billion as of December 31, 2023; the increase is mainly concentrated in debt securities (€ +4.3 billion) and in particular in the segment of securities at amortized cost (€ +1.7 billion) and in that of securities measured at fair value through other comprehensive income (€+ 2.2 billion). As of December 31, 2024, the aggregate in question includes debt securities for €42.3 billion, equity securities and UCITS units for €3.7 billion, derivative instruments and other loans for €5.3 billion. Exposure to debt securities issued by sovereign states amounts to €32.9 billion, of which €12.6 billion is represented by Italian government bonds. Investments in Italian government bonds are classified as financial assets measured at amortized cost for €10.5 billion, in the portfolio of financial assets measured at fair value through other comprehensive income for €1.5 billion and among financial assets measured at fair value through profit or loss for €0.7 billion.

The item **financial assets pertaining to insurance companies** includes the contribution as of December 31, 2024 of the insurance companies Banco BPM Vita, Vera Vita and BBPM Life for a total of €16.7 billion (€15.3 billion as of December 31, 2023).

Net loans to customers[48] amounted to €99.7 billion as of December 31, 2024, down by €4.3 billion compared to December 31, 2023. The contraction is attributable to both performing exposures (-3.9%) and non-performing exposures (-15.1%). During the year, the volume of new disbursements amounted to €21.5 billion[49]. The quality of the core loan portfolio is confirmed, characterized by a high percentage of secured positions for the non-financial corporate segment (54%[50]).

Non-performing exposures (bad loans, UTPs and past due) amounted to €1.6 billion as of December 31, 2024.
An examination of the components of the aggregate shows the following trend:

- net bad loans equal to €0.5 billion, down 21.5% compared to December 31, 2023;
- net Unlikely-to-pay equal to €1.0 billion, down 16.2% compared to the beginning of the year;
- net past due exposures equal to € 110.1 million (€ 67.1 million as of December 31, 2023).

The incidence of NPEs on total loans before value adjustments is equal to 2.8%, down from 3.5% as of December 31, 2023. Even net of value adjustments, there is a decrease in incidence to 1.6% compared to 1.8% as of December 31, 2023.

The coverage ratio of the entire aggregate of non-performing exposures stands at 44.6% (50.4% as of December 31, 2023), in detail:

- bad loans 57.6% (60.9% as of December 31, 2023);
- UTPs 36.9% (43.2% as of December 31, 2023);

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[47] Starting from the accounting situation as of December 31, 2024, the aggregate also includes senior securities deriving from the sale of impaired loans, previously included in net loans to customers. The figures referring to the previous year have been restated for a homogeneous comparison.
[48] Starting from the accounting situation as of December 31, 2024, senior securities deriving from the sale of impaired loans, previously included in the aggregate of net loans to customers, are included under financial assets. The figures relating to the previous year have been restated for like-for-like comparison. This item also excludes loans to customers which, following the application of IFRS 9, must be measured at fair value, included under financial assets.
[49] Management data.
[50] Management data.

- past due exposures 22.8% (28.2% as of December 31, 2023).

This change in coverage reflects the significant derisking process carried out by the Group, which has also led to a positive decline in the vintage of impaired loans.

The coverage ratio of performing exposures is 0.45%, up from 31 December 2023 (0.41%).

The Group's capital ratios[51]

The Common Equity Tier 1 ratio is 15.0%, compared to 14.2% as of December 31, 2023, reaching the highest level since the establishment of Banco BPM in 2017. The increase is due both to the growth in regulatory capital, which benefits from the result for the year (net of the payout), and to the decrease in risk-weighted assets, which benefited from the lower impact of the application of the new internal models on credit risk compared to the conservative estimates applied at December 31, 2023.
Compared to the figure as of September 30, 2024, equal to 15.5%, the decrease is mainly due to the increase in the payout decided in the last quarter of the year and to the voluntary deduction pursuant to art. 3 of the CRR aimed at covering the "shortfall" deriving from "calendar provisioning".

The Tier 1 ratio is equal to 17.3% compared to 16.34% as of December 31, 2023, while the Total Capital ratio is equal to 20.3% compared to 19.00% as of December 31, 2023. The increase in the Total Capital ratio is also linked to the issue of Tier 2 subordinated securities for a nominal amount of €500 million during the first quarter of 2024.

The buffer with respect to the limit for the possibility of distributing dividends (Maximum Distributable Amount or MDA buffer) is equal to 587 bps (compared to 508 bps as of December 31, 2023).

BUSINESS OUTLOOK

The macroeconomic picture at the end of 2024 showed a moderate slowdown that is also affected by the persistent weakness of the German economy due to the difficulties in some key sectors (e.g., automotive). For Italy, expectations for 2025 remain moderately positive, with stable inflation and GDP growth positioned, in the most recent estimates, between 0.8% (Bank of Italy) and 0.7% (International Monetary Fund). Confirmation of the expansionary policies initiated by the ECB is expected to give a positive stimulus to investment trend, which has been held back by the lack of tax incentives for renovations, and to favor household consumption, which is recovering thanks to the recovery of real income.
On the funding side, stock of current accounts and deposits is expected to remain stable, as also the total amount of customer direct funding is expected to remain substantially stable. On the lending side, it may benefit from good growth in disbursements, supported more by a level of interest rates favorable to investment than by a still moderately improving trend in the real economy. At the overall level, net interest income is expected to be affected by the gradual loosening of monetary policy, the effects of which will gradually be mitigated by thanks to continuation of supportive managerial actions in continuity with what occurred in 2024.

On the fees and commissions front, the market rate scenario will be a strong driver for asset management business referable to customers, including the fees from insurance business, which will benefit from the gradual entry into full operation of the new internal set-up for the life

[51] For further details on the calculation of the capital ratios, please refer to Note 6 of this press release.

Bancassurance and the long-term partnership with Credit Agricole for the non-life component. Investment product fees expected to grow thanks to the support of higher Investment product placement should help push the amount of net commissions up year-on-year, despite the substantial elimination of the contribution of the component deriving from the purchase of fiscal credits from building bonuses and commissions on instant bank transfers.

Operating expenses, the HR component will begin to benefit from a reduction of personnel thanks to solidarity fund signed on 19th December 2024 with the trade union related to the Voluntary Exit Plan, fully offsetting the impacts of new national labour contract. Regarding administrative expenses, the higher burden resulting from the implementation of the initiatives outlined in the new Business Plan is currently more than balanced by the effect of the optimization measures and the positive dynamics of operating expenses. With reference to credit, the level of the NPE ratio is expected to be basically stable also introducing a prudentially an expected default rate higher than 2024. In this context, caution shall anyway remain high on the front of credit policies, oriented to a careful selection of customers, just as coverage levels will remain stable at precautionary levels on both performing and nonperforming exposures.
Fully consistent with what has been anticipated so far, the solidity of the results achieved and the resilience of the same despite a context of falling rates, led us to update the Strategic Plan, in the 2025-2027 horizon, revising upward the targets compared to those in the last Plan. In particular, with reference to the current year, also following the expected integration of Anima starting from the end of the second quarter of 2025, the net profit is expected to be higher than the adjusted level of 2024.

PROPOSED DISTRIBUTION OF PROFITS
The Board of Directors has resolved to propose to the next Shareholders' Meeting the payment of a cash dividend per share of €0.60, gross of withholding taxes, for a total amount of €909.1 million[52]; however, no payment will be made to any treasury shares that the Bank may hold at the record date.
Considering also the interim dividend of €0.40 per share already paid on November 20, 2024, for an amount equal to €600.6 million, the total remuneration for the 2024 financial year is equal to €1.00 per share, for a countervalue of €1,509.1 million.

This distribution, if approved by the Shareholders' Meeting, will take place on May 21, 2025 (payment date) with an ex-dividend date of May 19, 2025 (ex date) and a record date of May 20, 2025. The allocation will be subject to the ordinary tax regime foreseen for the payment of dividends.
Furthermore, as provided for by art. 5 of the Company Bylaws, the Board of Directors has resolved to propose to the next Shareholders' Meeting the allocation of a portion equal to € 5 million of the net profit for assistance, charity and public interest purposes.

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STRATEGIC PLAN UPDATE

[52] Result of the product of 60 cents by the number of shares issued 1,515,182,126.

BANCO BPM

At its meeting yesterday, 11 February 2025, the Board of Directors of Banco BPM, chaired by Dr. Massimo Tononi, also approved the update of the Group's Strategic Plan with a three-year horizon to 2027.

The update of the Strategic Plan with a three-year horizon to 2027 (and related targets) has been developed based on the unique and distinctive competitive positioning that Banco BPM holds in Italy, in particular:

- A “best-in-class” territorial footprint, supported by a concentrated presence in Italy's most dynamic and wealthy regions (75% of loans to core customers and ~76% of retail branches concentrated in northern Italian regions)
- A solid business model capable of providing a wide and comprehensive range of financial products and services, leveraging a complete set of product factories as an enabling factor of a strong presence in high value-added specialized segments and a competitive distribution franchise. Specifically:
    - Some product factories are “in-house”: asset management (Anima) and life insurance (Banco BPM Vita, Vera Vita and BBPM Life)
    - Others are in joint ventures: non-life-insurance (Banco BPM Assicurazioni, Vera Assicurazioni), consumer credit (Agos), payments (Numia)

In particular, with reference to Banco BPM's presence in specialized segments and the events that took place during the 2024 fiscal year:

- In the third quarter of 2024, Numia transaction was successfully completed, leading to the creation of the second-largest national player in the payments system. Banco BPM holds a 28.6% stake in Numia Group (other shareholders FSI 42.9%, BCC Banca 28.6%). The launch of business is already well under way: merchant offering is already started, and POS migration is scheduled to be completed in 2025, together with issuing set-up.
- On November 6, 2024, Banco BPM Vita launched a voluntary tender offer for the entire share capital of Anima Holding, a strategic partner of Banco BPM for over 15 years. This offer is mainly aimed at strengthening Banco BPM Vita's business model, with the goal to transforming it into an integrated Life Insurance and Asset Management player.

The Strategic Plan update also leverages a new starting point, fiscal year 2024, which has been an exceptional year of unprecedent results for Banco BPM, exceeding 2026 targets of the 2023-26 Strategic Plan for the main KPIs. These results have also allowed for an increase in shareholder remuneration to historical highs.

The overperformance achieved in 2024 further confirms a solid and reliable track record built over the years and the credible and consistent commitment of the management in the significant growth and sustainable value creation path for the Bank.

- Net income acceleration: 2024 adjusted net income equal to €1.691 billion (compared to €710 million in 2021), a >+€300m result compared to 2024 Strategic Plan 2023-2026 guidance (of ~€1.360 billion);
- Non-performing loans reduction: 2024 gross NPE ratio equal to 2.8% (compared to 5.8% in 2021), already below the ~3% 2026 threshold of Strategic Plan 2023-26
- Capital strength: 2024 CET1 ratio equal to 15% (compared with a value of 13.4% in 2021), aligned with the 15% threshold of the 2024 guidance of Strategic Plan 2023-2026

The results outlined above have enabled unprecedented value creation, with an extraordinary share performance, growing +770% over the past 5 years (from May 2020 to early February 2025), as well as the dividend yield ranking in the top performers at the European level for 2024 (at 11.2%)[53].
Considering the above, the Bank has updated its Strategic Plan targets, setting new 2027 performance targets that are even more ambitious but at the same time realistic and highly feasible, maintaining the same growth drivers as in the 2023-2026 Strategic Plan, based on extraordinary results in 2024, combined with even higher shareholder remuneration targets.
The update, on a three-year 2024-2027 basis, was developed by incorporating the new macroeconomic outlook with more conservative assumptions (Euribor 3M -110pb in 2026 compared to the 2023-26 Plan).

	2024A	2026E	2027E
GDP Italy real growth (YoY %) – Reference scenario	0.6%	0.7%	0.4%
Italy consumer price index (YoY%)	1.2%	2.0%	2.0%
Euribor 3M (yearly average)	3.6%	2.0%	2.0%

Banco BPM's Strategic Plan update is based on the same 7 strategic pillars of the 2023-26 Strategic Plan, with the addition of a new pillar that factors Anima integration, starting in the second half of 2025, as an enabling factor of an evolutionary and transformative path into an integrated player in asset management.
Banco BPM's macro-strategy for the next three years:

- consolidates the Bank's focus on corporates and SMEs;
- confirms the intention to strengthen wealth management and life insurance;
- envisions the development of product factories to strengthen a more diversified and high value-added business model;
- focuses on enhancing omnichannel for an increasingly digital bank;
- confirms innovation as a priority to make the Bank more "lean" and safer in cybersecurity domain;
- aims to foster closeness to people and communities, supporting their growth;
- confirms the goal to further strengthen the Group's capital profile.

In consideration of the strategic framework declined above, the ambition of the Bank is to achieve a 2027 net income of €2.15 billion (starting from the excellent result of €1.69 billion adjusted to 2024), reflecting:

- A declining trend in net interest income in a less favorable macroeconomic scenario (3M Euribor at 2% average in 2026-27);
- The increase in the non-interest income component by € ~0.45 billion, of which € ~0.28 billion from commissions, considering contribution from main product factories at full steam, together with the increasing contribution to fees from the strategic partnership with Anima;

[53] Calculated on the closing price of February 11, 2025.

- the decrease in the total cost base, amounting to € ~0.06 billion, driven by rigorous cost containment efforts already implemented by the Bank to address inflationary dynamics, capable of offsetting the increase in depreciation and amortization in line with the investment plan;
- Anima's contribution to net income of ~€0.2 billion, starting from the latest market consensus estimates for Anima's income statement items and also including a conservative estimate of revenue and cost synergies.

At the end of the plan, a ROTE >24% is expected, driven by an improved business mix, which is the result of a transformational path, already undertaken by the Bank and which will continue over the plan horizon toward a higher value-added business model. The contribution to 2027 net income from Wealth & Asset management, Protection and Specialty Banking Solutions is expected to increase up to ~45-50% against commercial banking at ~50-55%.
Regarding asset quality, the Strategic Plan also envisages the continuation of intensive workout activity, which will enable the achievement of a gross PE ratio of ~3.0% and a cost of risk at 40bp by the end of the plan.
In terms of shareholder remuneration, management is committed to achieving over €6 billion in cumulative remuneration 2024-2027 (+ €1 billion of additional distribution following a positive feedback on the so-called Danish Compromise application), compared to the €4 billion cumulative over-plan under the Strategic Plan 2023-2026. Capital position remains solid (CET1 ratio >13% over the entire plan horizon, >14% factoring in positive feedback on the application of the regulatory treatment of the so-called Danish Compromise).

KEY FINANCIAL TARGETS

	€ bn	2024	2026	2027
Profit & Loss	Total revenues	5.70	6.07	6.36
	o/w NII	3.44	3.01	3.15
	o/w Net fees & commissions	2.00	2.65	2.78
	Core revenues	5.69	5.93	6.24
	o/w key product factories[1]	0.97	1.60	1.72
	Operating costs	2.66	2.79	2.79
	Net Income	1.69 adj	1.95	2.15
Key ratios	Non-interest income on total revenues	40%	50%	50%
	Cost/Income ratio	47%	46%	44%
	CoR (bps)	46	43	40
	RoTE	16.0%	>20%	>24%
	RoE	14.5%	>15%	>18%
	CET1 ratio	15.0%		14.4%[2]
Balance sheet & Asset Quality	Core gross perf. customer loans	95.3		100.3
	C/A & Customer Deposits	100.3		101.8
	Indirect funding	116.2		137.0
	Gross NPE ratio	2.8%		3.0%

Notes: 1. Including net fees & commissions + income from associates for Agos, Vera Assicurazioni, BBPM Assicurazioni, Numia and Anima + income from Life Insurance. **2.** Upon obtainment of positive feedback on Danish Compromise application.

MAIN AMBITIONS IN SUSTAINABILITY ESG

Banco BPM Group continues to be deeply committed to supporting ESG sustainability paths of its customers, promoting i) the decarbonization of production processes to support the transition to a net-zero greenhouse gas emissions economy, in line with the European Green Deal objectives, ii) support for the territories in which Banco BPM operates and the communities within them, also through training and awareness initiatives on sustainability issues as well as providing contributions for the development of social and environmental projects, iii) the promotion of interventions aimed at ensuring the production and housing continuity of our stakeholders and, finally, iv) ESG training for the Group's employees, an indispensable driver for developing and spreading the ESG culture among our stakeholders.

At the same time, Banco BPM is continually seeking actions aimed at minimizing the direct impacts on people and the environment resulting from its operations, while also being strongly committed to the activities necessary to mitigate the consequences that ESG sustainability issues determine on its risk profile. The Bank is also capitalizing on the significant opportunities offered by the implementation of a new paradigm designed to align, in the medium and long term, the company's economic-financial performance with the climate and environmental sustainability of the business, while fully respecting the social and labor context.
Regarding **Environmental** initiatives, the Group plans to increase new medium- and long-term financing for decarbonization projects and/or counterparties operating in sectors characterized by low levels of greenhouse gas emissions, reaching up to € 7 billion per year over the plan horizon, that represents a significant increase compared to 2024.
Furthermore, as evidence of the Group's contribution in supporting the transition of its corporate customers to a carbon-free economy, after publishing the 2030 decarbonization interim targets for its loan and securities portfolios in the Banking Book for each of the 5 priority sectors identified under the first wave Net-Zero Banking Alliance in August 2024, the Bank will publish the new Transition Plas during the three-year Plan period. These plans will outline how Banco BPM intends to achieve the stated targets, in addition to evaluating the potential extension of NZBA scope and approach to additional sectors of economic activity characterized by production processes with high GHG emission intensity.

Actions aimed at containing direct Scope 1 and 2 emissions resulting from the Group's operations will also continue. By 2027, these emissions are expected to decrease by approximately 1%, reaching 10.9 thousand tons compared to 2024[54]. Similarly, direct energy consumption, which will be reduced by at least 3 percent to below 472 thousand GigaJoule[55].

As regarding **Social** area, the Group will further accelerate its virtuous path of enhancing female talent, aiming to increase the percentage of women in managerial positions to 36% by the end of 2027, more than 5 p.p. higher than the 2024 figure. In addition, Banco BPM's contribution to the local area and community will be reflecting in the hiring of #800 new employees by 2026 for generational turnover[56]. The Group's employees will also benefit from 200 thousand hours of ESG training annually by 2027, compared to 178 thousand in 2024. Furthermore, by the end of the Plan, the share of working

54 HFC gas leaks excluded
55 Property owned and leased to third parties excluded.
56 It does not include additional #100 temporary hires.

hours spent in smart working by headquarters staff will reach 40% of the total. Finally, by the end of 2027, new loans to the third sector will exceed 250 million euros, representing a growth of more than 25% from 2024.

As regarding **Governance**, Banco BPM's focus on potential issues arising from exposure to cybersecurity risks is demonstrated by its commitment to increase the share of IT hires dedicated to cyber security specialists up to 15% of its total hires. This will further enhance efforts to prevent cyber-attacks and mitigate their impacts, also protecting customers who prefer the use of digital channels to access the products and services offered by the Group. In addition, activities aimed at integrating ESG sustainability aspects within the lending, finance, insurance, and asset management businesses in which the Group operates will continue, strengthening ESG data collection, control and usage frameworks. These efforts will support the development of suitable methodologies to calculate sustainability metrics that, through even more efficient IT procedures and adequately regulated internal rules, can be used in the main corporate governance, control, and operational processes.

Finally, about **ESG finance**, as part of its Green, Social and Sustainability Bond Framework, Banco BPM plans to issue bonds totaling € 5 billion over the three-year plan period. Additionally, the cumulative amount of ESG bond issues managed by Banca Akros as joint bookrunner or lead manager is expected to reach €19.5 billion. In terms of sustainability-focused investments, ESG bonds will reach 40% of the total owned non-government portfolio in the Banking Book, managed by the parent company's Finance function, starting from 2026 (up from 35.0 percent recorded as of December 31, 2024).

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The Chairman and the Chief Executive Officer, on behalf of the entire Board of Directors of Banco BPM, underlines that:

"The achievements reached in 2024 demonstrate once again the strength that Banco BPM has been able to express since its beginning across all sectors of its business and certify the early achievement and overachievement of the main targets of the Strategic Plan, goals reached thanks to the evolution of traditional banking activities in support of households and corporates as well as the progressive revenue sources diversification.

The Strategic Plan update is designed to steer these extraordinary results toward new development and growth prospects that take into account both the still unexpressed value of product factories, such as those related to payment business and bancassurance, that have only begun to unfold their potential in recent months, and the transformative contribution that Anima can provide, once the company is integrated into the Group.

This overall picture confirms what Banco BPM's Board of Directors has already emphasized regarding the public exchange offer announced by UniCredit. Indeed, in the press releases issued on November 26, 2024 and December 17, 2024, it was pointed out that the conditions were unusual for these type of operations; today, with the release of the Group's excellent results and the updating of the plan's targets, this offer contrasts in an increasingly evident manner with Banco BPM's proven ability to produce outstanding performances, with concrete, credible and achievable prospects for further growth and profitability.

BANCO BPM

In this light, the market has recognized our strong execution capacity in recent years, as confirmed by the overperformance of the Strategic Plan's targets and the realization of important initiatives aimed at strengthening in high-margin commission sectors.

These operations, together with Banco BPM's distinctive footprint in northern Italy, have allowed us to create value for our shareholders and all other stakeholders-customers, employees, and the local communities -while keeping them safe from the uncertainties associated related with presence in geographical areas currently facing economic or political crises, such as Russia, Germany, and Eastern Europe.

We are confident in Banco BPM's strength and wish to continue to express it in serving our customers, with our people, in our Country."

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Mr. Gianpietro Val, as the manager responsible for preparing the company's financial reports, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

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The Banco BPM Group's results as of December 31, 2024 as well as the update of the Strategic Plan will be presented to the financial community in a conference call scheduled for February 12, 2025, at 9:00 a.m. (C.E.T.). The documentation supporting the conference call is available on the authorized storage mechanism website (www.emarketstorage.it) and on the Bank's website (www.gruppo.bancobpm.it), where details on how to connect to the event are also provided.

The draft financial statements and the consolidated financial statements as at December 31, 2024, together with the reports of the independent auditors and the Board of Statutory Auditors, will be made available to the public, in accordance with the law, at the company's registered office and at Borsa Italiana, as well as on the website www.gruppo. bancobpm.it and on the authorized storage mechanism website www.emarketstorage.com.

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Explanatory Notes

The comments on the performance of the key balance sheet and P&L items described in this press release refer to the reclassified consolidated financial and income statements attached below, that have been approved today by the Board of Directors.
Please find below some Explanatory Notes that are deemed useful to better understand the approach followed in preparing the above-mentioned accounting statements as at 31 December 2024, as well as the evolution of FY results contained in this news release.

1. Accounting policies and reference accounting standards

Accounting policies

Reclassifications in the reclassified income statement

The balance sheet and income statement layouts contained in this news release have been reclassified along management criteria in order to provide an indication of the Group's overall performance based on more easily understandable operating and financial aggregate 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 (hereinafter "Circular"), applying the same aggregation and classification criteria presented in the consolidated annual report as at 31 December 2023, except for what specified below.
As of the accounting position on 31 March 2024, profits generated by activities tied to the monetics sector carried out by the subsidiary Tecmarket Servizi S.p.A., as well as profits from the management of digital payment services, provided by the Parent company after the partial demerger of the abovementioned subsidiary on 1 January 2023, are posted under the line-item "Net fees and commissions" of the reclassified income statement. For the sake of a like-for-like comparison, the data of the prior periods, that were posted under the line-item "Other net operating income", have been reclassified under "Net Fees and Commissions".
This representation enables a more homogeneous comparison with the commission income that will be earned by the Group for the distribution of services tied to monetics[57], following the completion of the monetics business enhancement plan on 30 September 2024.
Moreover, the gain registered from the reorganization of the payment systems is represented in the new line-item of the reclassified income statement "Monetics impact after tax"; this is an ad hoc line-item that was added under the aggregate line-item "Income (loss) before tax from continuing operations", to simplify the illustration of the P&L results and guarantee a swifter and like-for-like comparison of results. For further details, please refer to the paragraph below "Reorganization of the monetics business".

[57] Services related to the *Merchant Acquiring* business and POS management, as well as to the issuing and distribution of payment cards.

Reclassifications in the reclassified balance sheet

With regard to the balance sheet, certain comparative balances had to be reclassified in Q4, to reflect a different exposure of certain financial assets and to account for the outcome of the completion of the cost allocation process for the combination of the insurance companies, as described in the following paragraph "Reorganization of the bancassurance business".
More specifically, as of 31 December 2024, the aggregate of senior debt securities from the securitizations originated by the Group, with underlying non-performing loans, is classified under the reclassified balance sheet line-item "Other financial assets" (€ 1,067.0 million on 31 December 2024); for the sake of consistency, the same criterion has been adopted across all comparative periods (€ 1,414.1 million on 31 December 2023). Note that in the prior periods, the securities under examinations were posted under the line-item "Financial assets at amortized cost", although they were shown separately to account for their peculiar characteristics; these securities are indeed almost fully backed by the Italian State's NPL Securitization Guarantee (Garanzia Cartolarizzazione Sofferenze - "GACS" pursuant to Decree 18 of 14 February 2016), therefore their coverage level is not comparable to that of the other loans. For a more straightforward and simple understanding of the evolution of the credit quality of customer loans, said securities have been removed from "Financial assets at amortized costs" and reclassified under the line-item "Other financial assets".

Reference accounting standards

The accounting standards adopted to prepare the consolidated financial statements as at 31 December 2024 are the ones set forth in the international accounting standards IAS/IFRS issued by the International Accounting Standards Board (IASB) and in the related interpretations by the International Financial Reporting Interpretations Committee (IFRIC), endorsed by the European Commission and in force on 30 September 2024 as provided under Regulation (EC) no. 1606 of 19 July 2002. Said standards are in line with those adopted to prepare the consolidated financial statements as at 31 December 2024, since new standards or amendments to existing standards that would significantly affect the Group's operating and financial position have not become applicable.

Insofar as applicable, the communications from the Supervisory Authorities were taken into account (Bank of Italy, ECB, EBA, Consob and ESMA), together with documents issued by the Italian Accounting Board (Organismo Italiano di Contabilità (OIC), by the Italian Banking Association (ABI) and by the Italian Valuation Board (OIV), providing recommendations on certain key accounting aspects or on the accounting treatment of specific transactions.

The adoption of certain accounting standards necessarily calls for the use of estimates and assumptions that have an impact on the value of assets and liabilities recognized in the balance sheet. The assumptions used to calculate estimates take into account all information available on the date of preparation of the consolidated financial statements as at 31 December 2024, together with the assumed scenarios that are considered reasonable, also based on past experience.
It is not possible to rule out that these assumptions, albeit reasonable, may fail to reflect future scenarios the Group will operate in.
More specifically, the macroeconomic scenario is marked by a global growth – albeit displaying different dynamics across the areas – while still exhibiting significant elements of uncertainty. The delicate geopolitical balance, the announced tightening of the US trade policy, the crisis of the Chinese real estate market, the upward pressures of natural gas prices could hamper economic growth, sparking a deterioration of household and corporate confidence. Domestic demand could also be affected by continued restrictive monetary and financial conditions, as well as by the downsizing of home restructuring subsidies that are not offset by the momentum offered by the projects of the National Recovery and Resilience Plan.
These uncertainties affect the budget estimates and require that we rely more heavily on judgmental elements when selecting the hypotheses and assumptions underlying a given estimate.
Therefore, future actual results may differ from the estimates generated for the consolidated financial statements as at 31 December 2024 and may therefore call for adjustments that cannot be predicted or estimated today with respect to the carrying amount of assets and liabilities recognized in the balance sheet. To this regard, please note that it might be necessary to revise the estimates should the circumstances they have been based on change, as a result of new information or the longer experience accrued.
The Consolidated annual report as at 31 December 2024, that will be made public within the required deadline, provides a detailed description of the estimation processes that require the use of a significant amount of discretion when selecting the underlying assumptions and hypotheses. A full cross-reference to the above-mentioned description is suggested, since it is connected also to the financial and operating position as at 31 December 2024, which is the subject of this news release.

Described below are some transactions or events which took place in FY2024 that are deemed relevant for the definition of their accounting treatment and/or financial or P&L effects.

Reorganization of the monetics business

With respect to the payments system business, on 30 September 2024, Banco BPM S.p.A. – together with Numia S.p.A., Numia Group S.p.A., Iccrea Banca S.p.A., Fondo Strategico Italiano SGR S.p.A. (FSI), Fondo Strategico Italiano Holding S.p.A. – finalized the transaction involving the strategic partnership announced on 14 July 2023, that gave rise to the second national player in the monetics sector.
At the closing of the transaction, after regulatory and statutory approvals were obtained, Banco BPM held a 28.57% stake in Numia Group S.p.A., which in turn fully owns Numia S.p.A., while FSI held a 42.86% share and Iccrea Banca S.p.A. the remaining 28.57% share.

In more detail, the finalization of the transaction under examination was achieved through the following steps:

- Acquisition of a 38.162% stake in Numia S.p.A., by subscribing to the share issuance (no. 39,550 shares), against the transfer of the business line engaging in the production of monetics owned by Banco BPM, as well as of the entire stake held in Tecmarket Servizi S.p.A., amounting to a total value of € 500 million;
- Transfer to Numia Group S.p.A. of all the above acquired shares in Numia S.p.A., against a consideration of € 500 million, of which € 228 million were settled in cash, and the remaining € 272 million were offset against the debt owed to Numia Group S.p.A., as a result of the subscription of the capital increase as explained in the following bullet point;
- Banco BPM S.p.A. became a shareholder of Numia Group S.p.A., by purchasing a 28.57% stake in the company's share capital. The capital increase subscription totaling € 272 million was settled by offsetting the amount against the outstanding credit illustrated above.

With respect to the transfer, the value of the transferred net assets was basically nil; in fact the agreements provided for the business line transfer to take place at balanced accounts, i.e., balancing off any imbalance between the business line's assets and liabilities in cash, based on the outstanding balances at the date of effectiveness of the transfer. On 30 September 2024, the business line's net liabilities totaled € 208.6 million, mainly ascribable to the balances of the prepaid cards; this imbalance was balanced off with an equal amount in cash, settled in compliance with the contract's provisions.
Even the value of the shareholding in Tecmarket Servizi S.p.A. was basically nil, considering the distributions in the first nine months of 2024 and the net income recognized over the same period.
On 31 December 2023, pursuant to the accounting standard IFRS 5, the business line and the shareholding under transfer were recorded among assets and liabilities under disposal; in more detail, on 31 December 2023, the liabilities disposal group included the balances of prepaid cards, totaling € 204.3 million, balanced off with the same amount in cash, classified in the assets disposal group.
On 31 December 2024, following the finalization of the above-described transaction, the reclassified balance sheet item "Equity investments" contained the shareholding in the associate Numia Group S.p.A., accounted for using the equity method, and amounting to € 268,8 million.
The positive P&L impact of the reorganization, recognized in Q3 2024, came to € 500 million, as a result of the difference between the value of the transfer and the book value of net transferred asset, of which € 475.5 million pertaining to the monetics business, and € 24.5 million to the stake in Tecmarket Servizi S.p.A.. Net of taxes, it produced a net gain of € 493 million, posted as a non-recurring item in the reclassified income statement, under the ad hoc line-item "Monetics impact, after tax".

Rationalization of the real estate portfolio (Project "Square")

Under the 2024-26 Business Plan, which maps out the disposal of 50% of non-capital assets, on 12 September 2024 the Board of Directors of Banco BPM approved the disposal of a portfolio of more than 330 properties, represented almost exclusively by investment real estate, for a total consideration of € 289.3 million, against a book value of about € 295 million (Project "Square").
The disposal is expected to take place in three tranches by June 2026, in favor of a special purpose vehicle (Square SPV, hereinafter also SPV), created under art. 7.2 of Law no. 130/99, and managed by Phoenix Asset Management S.p.A. and by SPF Investment Management L.P., leading companies in the asset management and in the structured credit sectors, respectively.
The purchase of the transferred properties shall be financed by the SPV by drawing on a senior credit facility of max. € 260 million granted by Banco BPM – to be classified in the portfolio of "Financial assets to be mandatorily measured at fair value" – and the issuance of mezzanine and junior notes, subscribed by a third-party investor (Phoenix Asset Management S.p.A.), totaling € 29.3 million
Upon executing the transactions, there were complications with the issuance and the management of the mezzanine notes in accordance with the terms that had been initially arranged, which made it necessary to amend the agreements. More specifically, compared to the initial agreements – according to which the SPV was to be assigned the proceeds from the rents generated by the property included in the project under examination, amounting to € 15.4 million for FY 2024 – amendments were made based on which these amounts were due from Banco BPM through the subscription of a mezzanine tranche amounting to € 15.3 million, with the commitment to concurrently sell it to the third-party investor against a consideration of 1 euro.
Upon preparing the financial report as at 31 December 2024, following the sales finalized in December 2024 for € 70.7 million, the property portfolio was classified under the line-item "Non-current assets held for sale and discontinued operations", with a carrying value of € 218.6 million aligned to the selling price. In compliance with IAS 40 and IFRS 15, the properties included in the project under examination shall be written off the financial statements at the dates when the legal transfer of the property ownership comes into effect, which should take place in FY 2025 and FY 2026, when all the risks and benefits shall be transferred over to the SPV, as there are no buyback clauses, options or obligations on Banco BPM's part, nor guarantees in favor of the SPV, aiming at limiting the latter's losses.
As to the transferred property, note that there is no obligation – nor shall there be for future disposals - to consolidate Square SPV's financial statements or its separate assets, as the Group has no control over the SPV's activities, whose management is the exclusive responsibility of the asset manager.

From a P&L standpoint, the transaction gave rise to the recognition of a negative impact totaling € 32.2 million (€ 27.2 million net of tax effect). More precisely, the above impact was generated by:

- the alignment of the book value to the lower disposal price, giving rise to a negative impact of € 6.6 million recognized under the line-item "Profit (loss) on fair value measurement of tangible assets";
- loss of € 15.4 million tied to the transfer of the mezzanine tranche subscribed by Banco BPM, as a result of the transaction changes introduced in December 2024, as described above;

- the commitments undertaken by Banco BPM to hold the SPV harmless from costs to be incurred for the execution of a series of prearranged works on two properties, amounting to a cost estimate of € 10.2 million, recognized under the line-item "Net provisions for risks and charges".

With regard to the Q4 contribution, it is worth mentioning that the amendment of the contract framework involved:
- the re-entry under the line-item "other net operating income" of rents which are no longer going to be rebated (+€ 11.6 million credited in Q4), which in Q3 had been debited under the line-item under examination;
- the recognition under the line-item "net financial result" of the loss from the sale of the mezzanine notes, with € 15.4 million debited in Q4.

The mathematical sum of the above impacts (€ -3.8 million) actually corresponds to the rental income collected by Banco BPM in Q4, which under the new agreement has been assigned through the subscription of the mezzanine tranche by Banco BPM, in accordance with the terms described above.

Reorganization of the bancassurance business

As to the Bancassurance business, its reorganization was completed at the end of 2023, with the finalization of certain purchase and sale transactions with Generali Italia and Crédit Agricole Assurances leading to the Group's full ownership of the Life insurance companies (Vera Vita and BBPM Life) and a 35% shareholding in the P&C insurance companies (Banco BPM Assicurazioni, Vera Assicurazioni and indirectly Vera Protezione) in joint venture with Crédit Agricole Assurances.

Please find below an illustration of the evolution up to the preparation date of this financial report as at 31 December 2024, as well as useful clarifications for a correct comparison between balances.

Pricing the purchase from Generali Italia and the sale to Crédit Agricole Assurances

The prices of the above purchase and sale transactions that were taken as a reference point to prepare the 2023 financial statements and the related accounting effect reflected the best estimates available at the time, as, in line with the agreement provisions, they were dependent on the evolution of certain parameters, whose final quantification was agreed between the parties only after the approval of the 2023 results.
The revision of the estimates for the 2023 financial statements, following the abovementioned transaction pricing, has produced already as of Q1 2024 a positive impact of € 2.5 million, net of tax effect, posted under the reclassified P&L line-item "Bancassurance impact after tax", in line with the classification criteria adopted in the prior financial year. Please note that in FY 2023 the estimated impact from the transactions under examination, after tax, came in at € -22.2 million.

Notes for a correct comparison of the respective balances

In light of the above reorganization, for the sake of a correct comparison of the respective balances, please note that as of 1 January 2024 the P&L contribution of the subsidiaries Vera Vita and BBPM Life is recognized on a line-by-line basis in the consolidated balance sheet, while throughout FY 2023 the contribution of the above associates was limited to a 35% portion and was posted in the reclassified P&L line-item "Income (loss) from investments in associates carried at equity".
Conversely, as of 1 January 2024, the contribution of the associate Banco BPM Assicurazioni is posted under the reclassified P&L line-item "Income (loss) from investments in associates carried at equity", while throughout FY 2023, when the subsidiary was fully owned, the contribution was recognized on a line-by-line basis in the consolidated balance sheet.
Finally, as regards Vera Assicurazioni, the comparison is already like-for-like: as it qualified as associate based on the same shareholding interest (35%) both in FY 2023 and in FY 2024, its operating contribution was posted across all periods under the reclassified P&L line-item "Income (loss) from investments in associates carried at equity".

Purchase Price Allocation

With regard to the acquisition of control of Vera Vita and of its subsidiary BBPM Life on 31 December 2023, conventionally set as the combination date for accounting purposes, the purchase price, amounting to € 417.3 million, was allocated to the acquired identifiable net assets, inclusive of contingent liabilities, based on the related fair values (i.e., *Purchase Price Allocation* – PPA). Upon completion of this process, that was conducted with the support of independent experts, there was no residual difference to be recognized as *goodwill/badwill* in the 2023 balance sheet. Note that, as provided for by IFRS 3[58], the above PPA had to be considered provisional, as the short time available before the combination date would make it impossible to consider all the necessary information.
The analyses carried out in 2024, with the help of independent experts, did not bring to light any additional or different information compared to what had been considered provisionally; on 31 December 2024 the PPA tied to the reorganization under examination is to be considered final.
The combination cost resulted € 87.9 million higher than the net book value of the companies acquired on 31 December 2023, net of preexisting intercompany relations. The entire difference was allocated to identifiable net assets measured at fair value, with no residual difference to be recognized as badwill/goodwill.

[58] Under IFRS 3, par. 45, the measurement period during which the necessary information must be acquired to carry out the fair value measurement of the acquired net assets – so as to complete the combination allocation process - ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date. Therefore, for the combination under examination the allocation process ended on 31 December 2024.

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Note that upon verifying the final PPA, it was necessary to carry out certain limited reclassifications of balance sheet items tied to the fair value adjustments of the identifiable net assets. For a like-for-like comparison with 31 December 2024, the balances of the prior period have been restated; on 31 December 2023 the restatement led to a € 33.2 million decrease in assets and a corresponding decrease in liabilities. No impact on quarterly P&L contributions in FY 2024 were recognized in the reclassified P&L line-item "Purchase Price Allocation (PPA), after tax".
The table below summarizes the PPA process on 31 December 2023, with the provisional and final calculation, highlighting the impact of the above-described balance sheet reclassifications and the related impacted line-items in the reclassified balance sheet.

(amounts in thousands of euro)		PPA (proforma) 31/12/2023	PPA (actual) 31/12/2023	Delta	Impacted balance sheet items
Total acquisition cost on 31 December 2023	**A**	**417.270**	**417.270**	**-**	
Net book value Vera Vita and BBPM Life	B	322.178	322.178	-	
Difference to be allocated (net of intercompany relations)	C= D+E+F+G+H+I+L	**87.906**	**87.906**	**-**	
- FV adjustment of insurance liabilities	D	102.469	100.869	-1.600	Insurance liabilities
- Write-off of Deferred Income Reserve (DIR)	E		34.800	34.800	Other liabilities
- Write-off of Deferred Acquisition Cost (DAC)	F	0	-29.200	-29.200	Other assets
- Recognition of Value of Business Acquired (VoBA)	G	18.900	14.900	-4.000	Intangible assets
- FV adjustment of financial liabilities	H	7.810	7.810	-	
- Other minor adjustments	I	-2.945	-2.945	-	
- Total deferred tax effect	L	-38.328	-38.328	-	
Net equity at fair value on 31 December 2023	**I=B+C**	**410.084**	**410.084**	**-**	
Loss from elimination of preexisting relations between Vera Vita and Banco BPM net of tax effect	**M**	**-7.186**	**-7.186**	**-**	
Residual difference for goodwill/badwill	**N=A-I+M**	**-**	**-**	**-**	

For a detailed description of the PPA process, please refer to the Consolidated annual report as at 31 December 2023 ("Part G – Business combinations regarding companies or divisions").

<u>One-off levy calculated on the increase in net interest income under art. 26 of LD no. 104 of 10 August 2023</u>

With regard to the windfall levy under examination, amounting to € 151 million, please note that at the Annual general meeting of Banco BPM, held on 18 April 2024, the Shareholders approved the proposal to allocate a share of the 2023 net income, equal to 2.5 times the windfall levy, i.e., € 378.3 million, to an ad-hoc reserve. A similar decision was passed by the Shareholders of Banca Aletti, with the allocation of € 2.4 million to an ad-hoc reserve.
In view of the preparation of the consolidated financial statements as at 31 December 2024, the Board of Directors of Banco BPM resolved to retain the above reserve in its entirety; hence there is no "obligating event" that under IFRIC 21 and IAS 37 would trigger the recognition of a liability and the related charge for an amount equal to the due levy.

<u>Alternative performance measures</u>

In addition to the financial report prepared in compliance with IAS/IFRS, this news release also includes some alternative performance measures (APM) that have been selected to provide an easier understanding of the operating and financial performance of Gruppo Banco BPM's management.
Said measures are based on the guidelines issued by the European Securities and Markets Authority (ESMA) on 5 October 2015 (ESMA/2015/1415) and transposed in Consob's Communication no. 0092543 of 3 December 2015.

More specifically, the alternative performance measures:

- are based exclusively on historic data and are not indicative of future performance;
- are not calculated according to IFRS standards and do not undergo accounting audits;
- are calculated based on the reclassified accounting statements attached to this news release, unless otherwise specified, and are to be read in combination with the Group financial information illustrated in this new release;
- as not all companies calculate APMs along the same methodology, the measures used by Banco BPM might not be consistent with similar parameters used by other companies;
- are calculated in a consistent and homogeneous way across the periods to which the information covered by this news release refers.

Below is a list of the main APMs included in this news release, together with the calculation methodology:

- **direct banking funding**: include customer funds represented by sight and term deposits and current accounts, issued bonds, certificates of deposit and other securities, payables, and certificates with capital protection tied to the Group's banking activity. As of the accounting period at 31 March 2024, the aggregate includes also short term repo transactions, while funds related to insurance companies are excluded;
- **core direct funding**: customer funds represented exclusively by deposits and current accounts;

- **direct insurance funding and insurance liabilities**: include funds classified under insurance liabilities and financial liabilities connected to insurance companies;
- **indirect funding**: management data representing customer financial assets managed (assets under management) or administered (assets under custody) by the bank, net of funds underlying the certificates with protected capital, included in direct funding;
- **net customer loans:** aggregate amount represented by customer loans measured at amortized cost, net of customer loans which must mandatorily be measured at fair value under IFRS 9. Moreover, as of the accounting report as at 31 December 2024, senior securities from NPL disposals were excluded from this aggregate and posted under financial assets, as explained in more detail in the paragraph “Accounting policies” above;
- **core net performing loans**: aggregate amount made up by mortgages and other credit facilities, current accounts, credit cards and personal loans;
- **net non-performing exposures**: aggregate amount comprised of bad loans, unlikely-to-pay loans and past due loans;
- **gross NPE ratio**: ratio of gross non-performing loans to gross total loans tied to the balance sheet aggregate amount represented by “Customer loans measured at amortized cost”;
- **net NPE ratio**: ratio of net non-performing loans to net total loans tied to the balance sheet aggregate amount represented by “Customer loans measured at amortized cost”;
- **Cost of credit** or **cost of risk**: calculated as the ratio of net write-downs on customer loans to total customer cash exposures measured at amortized cost, net of write-downs;
- **NPE coverage ratio**: calculated as the ratio of total net write-downs on non-performing loans to gross non-performing loans to customers measured at amortized cost;
- **NPE coverage ratio including write-offs**: calculated as the ratio of total net write-downs on non-performing loans to cash gross non-performing loans to customers measured at amortized cost (inclusive of gross exposures and related write-downs tied to loans that were charged off, but whose recovery actions have not been completed yet);
- **bad loans coverage ratio**: calculated as the ratio of write-downs on bad loans to gross bad loans;
- **bad loans coverage ratio including write-offs**: calculated as the ratio of write-downs on bad loans to gross bad loans (inclusive of gross exposures and related write-downs tied to loans that were charged off, but whose recovery actions have not been completed yet);
- **unlikely to pay loans coverage ratio**: calculated as the ratio of write-downs on unlikely to pay loans to gross unlikely to pay loans;
- **past due loans coverage ratio**: calculated as the ratio of write-downs on past due loans to gross past due loans;
- **performing loans coverage ratio**: calculated as the ratio of write-downs on performing loans to gross performing loans;
- **core revenues**: includes net interest income, profit or loss from equity method investments, net fees and commissions and insurance income;
- **cost/income ratio**: calculated as the ratio of operating cost to operating income as shown in the reclassified income statement;
- **DPS (dividend per share):** calculated as the ratio of total expected dividends (obtained by applying the expected payout ratio to the book net income) to the number of shares outstanding;
- **ROTE (Return on Tangible Equity, *adjusted*):** calculated as the ratio between the net *adjusted result* for the year and equity, determined by excluding the result for the year, the AT 1 capital instruments, the advance on dividends and intangible assets from equity, net of the related tax effects;
- **adjusted net income**: income net of non-recurring items described in section 5 below.
- **low-carbon medium/long-term lending:** new medium/long-term loans disbursed by the Group during the year aimed at supporting the environmental transition to a net zero carbon economy and counterparties operating in sectors with a low transition risk;
- **emissions of Green & Social Bonds:** amount of the Bank's issues of *Green and* Social funding instruments finalized during the year and placed within the *Green, Social & Sustainability Bonds Framework* defined by the Group;
- **share of ESG bonds on the total bonds in the proprietary corporate portfolio:** percentage of ESG bonds calculated on the nominal management aggregate of the banking book portfolio of non-governmental corporate securities managed by the Finance function of the Parent Company. This scope does not include, therefore, supranational securities, securities in the commercial portfolio, GACS senior notes,
- **share of women in managerial positions:** an indicator that monitors the number of women in managerial positions out of the total number of Group resources with codified responsibilities;
- **new lending to the third sector:** the amount of “social” loans disbursed to counterparties operating in non-profit activities identified on the basis of the relevant commercial segmentation;
- **hours of ESG training for employees:** hours of training on ESG issues provided during the year to Group employees;
- **hours of training for ESG Factory companies:** hours of training on ESG issues provided to Group business customers through the “ESG Factory” project.

2. PPA (*Purchase Price Allocation*) impacts from business combinations carried out in previous financial years

In compliance with IFRS 3, the income statement of Gruppo Banco BPM includes the P&L reversal effects mainly caused by the allocation of the prices paid for the following transactions:

- business combination between former Gruppo Banco Popolare di Verona e Novara and Gruppo Banca Popolare Italiana, carried out in FY 2007;
- business combination between former Gruppo Banco Popolare and Gruppo Banca Popolare di Milano, finalized in 2017;

- acquisition of control on the insurance company Banco BPM Vita, in July 2022;
- acquisition of control on the insurance company Vera Vita (and indirectly on its subsidiary BBPM Life) finalized in the month of December 2023, whose P&L reversal effects were first displayed as of the first quarter of 2024.

These effects have been recognized, net of the tax effect, under the separate line-item of the reclassified income statement "Purchase Price Allocation, after tax".

More specifically, the impact on the consolidated P&L as at 31 December 2024 caused by the reversal effect of value adjustments of purchased net assets on net interest income came in at € -6.4 million (in connection with the evolution of the various valuations of purchased assets), € -33.0 million on other net operating income (due to the depreciation of intangibles recognized under the PPA), and € -11.4 million on income from insurance business.

Net of the tax effect, the overall impact posted under the reclassified P&L line-item "Purchase Price Allocation, after tax" in FY 2024 added up to € -34.9 (€ -28.3 million in the prior financial year).

As explained in the above Explanatory Note no. 1, note that PPA impacts tied to the business combination of Vera Vita and BBPM Life, recognized on a provisional basis on the date of acquisition of control, conventionally set on 31 December 2023, are to be deemed final as no additional or different information came to light compared to what was taken into consideration provisionally. No restatement of the balance sheet balances as at 31 December 2023 was therefore necessary with regard to the quarterly balances calculated in 2024 upon preparing the Group's financial and operating quarterly reports. The only impacts refer to simple balance sheet reclassifications of fair value adjustments to identifiable net assets, as explained in the Explanatory Note no. 1 above.

3. Charges generated by the contribution to the resolution mechanisms

The line-item "Systemic charges after tax" as at 31 December 2024 was debited with the last annual contribution payment to the Deposit Guarantee Scheme (hereinafter, FITD, Fondo Interbancario Tutela Depositi) that was necessary to reach within 3 July 2024 the target level of the financial endowment under the *Deposit Guarantee Scheme Directive*[59], calculated in proportion to the covered deposits of the member banks as at 31 March 2024. The amount of the above portion, net of the related tax effect, came in at € 66.6 million (€ 98.7 million pre-tax), and has been charged to income right from the first quarter of 2024.
In Q4 2024, the estimated amount of the first contribution tranche due to the new Life Insurance Guarantee Fund (Fondo di Garanzia del settore assicurativo Vita)[60] was recognized, totaling € 4.4 million (€ 6.3 million gross).

The overall P&L impact in FY 2024 added up to € 71.0 million (€ 105.0 million before tax).
In the prior financial year, the P&L was charged with the contribution to the FITD, amounting to € 102.2 million gross, and with the last annual contribution payment due to the Single Resolution Fund (SRF)[61], amounting to € 85.4 million gross. The total P&L impact as at 31 December 2023, net of the related tax effect, came to € 126.6 million (€ 187.5 million before tax).

4. Changes in consolidation scope

During the year the main changes in the consolidation scope were tied to the above-described effects of the transactions carried out to reorganize the payment system business, finalized on 30 September. In summary, as of this date, the subsidiary Tecmarket Servizi is no longer fully consolidated, while the associate Numia Group is included among the companies consolidated under the equity method, as illustrated under Explanatory Note no.1, to which you may refer for further details.

Among the minor changes in the consolidation scope under the full consolidation method, worth noting is the exit of the SPV BP Mortgages S.r.l., after the company was wound up following the early closing of the last outstanding securitization, and the entry of the companies Burgos Leasco S.r.l. and Tago S.r.l., acquired as part of the disposal of the non-performing lease portfolio of the Parent company (Project Toledo).
Finally, during the year there was the execution of the deed of merger of Terme Ioniche Società Agricola S.r.l. into Terme Ioniche S.r.l., both subsidiaries of Banco BPM. The transaction, finalized on 30 June, with accounting and fiscal effects starting on 1 January 2024, followed the simplified procedure with no exchange ratio or cash settlements, with no impact on the Group's P&L and financial situation.

5. Non-recurring items in the income statement of Gruppo Banco BPM

With Communication no. DEM/6064293 dated 28 July 2006, CONSOB invited companies that issue financial instruments listed on Italian regulated markets to provide a disclosure on the impact of non-recurring events and transactions.
According to the policy adopted by the Group, the following items are to be classified as non-recurring:

[59] The DGS regulation (Deposit Guarantee Schemes Directive – "DGSD" 2014/49/EU) provided that the target level (0,8% of the amount of the covered deposits) was to be reached by 3 July 2024. The DGS statute (art. 42 bis) provided that, for the last year of contribution, the amount of contributions of each single member bank be proportional to their outstanding covered deposits as at 31 March 2024 (instead of 30 September as in FY from 2015 to 2023) as compared to the total covered deposits of Italian DGS member banks and to the bank's risk level as compared to the risk levels of all the other DGS member banks as at 31 March 2024.
[60] Fund established under Law no. 213 of 30 December 2023.
[61] The ordinary contribution phase, whose aim was to guarantee the accrual of the fund's minimum financial endowment, corresponding to 1% of guaranteed deposits, was completed in 1H 2023.

- gains or losses on the sale of all fixed assets (shareholdings, tangible fixed assets except for financial assets included in the "Hold to Collect" (HtC) portfolio (that can be sold according to the materiality and frequency thresholds under IFRS9);
- gains and losses on non-current assets held for sale;
- loan write-downs/write-backs (due to valuations or to actual impairment losses) that were caused by a change in the NPE Strategy approved during the year by the Board of Directors entailing a change in targets and/or in the type of loans under disposal compared to what had been previously planned;
- P&L components with a large carrying amount tied to efficiency gain or reorganization actions, etc. (i.e., redundancy fund charges, voluntary redundancy schemes, merger/integration charges);
- P&L components with a large carrying amount that are not likely to occur frequently (e.g., fines, impairment of tangible assets, goodwill and other intangible assets, impact from regulatory changes, exceptional results);
- P&L impact generated by the fair value measurement of property and other tangible assets (works of art);
- tax effect tied to the above P&L impacts.

Conversely, the following impacts are generally considered recurring:
- P&L impacts from the sale or valuation of all financial assets (other than loans), including those held in the HtC and the financial liabilities portfolios;
- barring exceptional cases, P&L impacts from valuation aspects (loan loss provisions, write-downs on other financial assets or provisions for risks and charges);
- P&L impacts from changes in reference valuation parameters implemented in valuation models adopted on an ongoing basis;
- P&L impacts whose single amount is not material or not measurable, meeting the definition of contingent assets and/or liabilities (e.g., costs and revenues and/or adjustment of costs and revenues accrued in other financial years);
- tax effect tied to the above P&L impacts.

Whenever deemed significant, information on the impact on the Group's net income and/or on the financial position caused by events or transactions that are non-recurring or that do not occur frequently during the usual course of business is provided in the comments on the evolution of balance sheet and income statement items.

Based on the criteria described above, the following non-recurring items were reported in FY 2024:
- the line-item "net financial result" includes the € 15.4 million loss from the disposal of the mezzanine notes subscribed by Banco BPM as part of the amendment of the agreements on the reorganization of the Group's real estate portfolio (project Square), as explained in Explanatory Note no. 1 above, to which you may refer for further details;
- the line-item "loan loss provisions" includes the € 34.1 million impact from the increase in non-performing loan disposal targets following the change in the NPL management strategy established by the Parent company;
- the line-item "profit (loss) on fair value measurement of tangible assets" includes a net write-down of € -54.6 million, to account for valuation updates or prices derived from ongoing sales negotiations, of which € -6.6 million tied to the real estate portfolio related to the project Square, as illustrated in the above Explanatory Note no. 1, to which you may refer for further details;
- the line-item "Net provisions for risks and charges" includes the € 10.2 million provision related to the estimated charges Banco BPM undertook to refund to the buyer with regard to two properties included in the portfolio under disposal (project Square), as illustrated in the above Explanatory Note no. 1, to which you may refer for further details. It also includes provisions for the estimated charges tied to certain contract obligations amounting to € 1.4 million. The overall impact on this line-item added up to € 11.6 million;
- the line-item "profit (loss) on the disposal of equity and other investments" includes the positive result of € 2.4 million from the disposal of tangible assets;
- "Tax on income from continuing operations" includes the tax effect of the above non-recurring components totaling € +31.7 million;
- The line-item "charges for redundancy incentives, after-tax" shows the estimated charges to be incurred under the agreement signed with the Trade Unions in December for voluntary redundancy through access to the extraordinary benefits of the Solidarity Fund (Fondo di Solidarietà), amounting to € 130.2 million (€ 194.5 million gross). This line-item also includes the total charges tied to the voluntary retirement incentive plan (Piano di Pensionamento Incentivato) launched by the Parent company, amounting to € -11.7 million, net of tax effect (€ -17.5 million gross). As a result, the overall impact on this line-item came to € -141.9 million (€ 211.9 million gross);
- the line-item of the reclassified P&L "Impact from monetics, after tax" includes the positive effect totaling € 493.1 million tied to the transactions finalized on 30 September to reorganize the monetics business, as illustrated in the above Explanatory Note no. 1, to which you may refer for further details;
- the line-item "Bancassurance impact after tax" includes the total effects, amounting to € 2.5 million, tied to the revision of the estimates made in the 2023 financial statements for the pricing of the purchase and sale transactions underlying the reorganization of the bancassurance business, net of the related tax effect, as illustrated above in the Explanatory Note no. 1, to which you may refer for further details;
- the line-item "impairment on equity investments" includes the € -42.4 million capital loss from certain equity investments.

Overall, non-recurring items generated a positive impact on the net income for the year of € 230.0 million.
Excluding the above effects, the (adjusted) net income would have come to € 1,690.6 million.

The following non-recurring items were recognized in last year's income statement:

- the line-item "personnel expenses" included the allocation tied to expected charges as a result of the agreements entered with Trade Union for personnel early retirement totaling € 10.2 million, net of the release of€ 20.8 million liabilities recognized in prior financial year. The impact on the line-item under examination totaled € +10.6 million;
- the line-item "net amortization and depreciation of tangible and intangible assets" included the € 16.9 million non-recurring impact from the recalculation of amortization of operating lease assets;
- the line-item "net write-downs on customer loans" included the impacts from the increase in NPL disposal targets as following the change in NPE management strategy, amounting to € -91.7 million;
- the line-item "gain/loss on the fair value measurement of tangible assets" posted a net write-down of € -146.8 million;
- the line-item "provisions for risks and charges" included the allocation of € 19.4 million tied to the estimated charges relative to outstanding agreement obligations;
- the line-item "gain/loss on equity and other investments" included the positive impact of € +0.3 million from the disposal of tangible assets;
- "income tax on continuing operations" included the tax impact of the above non-recurring components, totaling € +75.7 million;
- the line-item "Impact from realignment of tax values to book values" recognized the € +8.8 million impact from the expiry of the recapture period under the regulation on the realignment of tax values of certain real estate assets whose carrying amount had been revalued in prior financial years;
- the line-item "Bancassurance impact, after tax" showed the € -22.2 million effect generated by the non-recurring transactions finalized at the end of 2023 as part of the bancassurance reorganization.

Overall, FY 2023 non-recurring items generated a negative impact of € -168.0 million.
Excluding the above effects, the (adjusted) net income would have come to € 1,432.4 million.

6. Regulatory capital requirements

Clarifications on the capital ratio calculation procedure

The capital ratios as at 31 December 2024 reported in this news release have been calculated by including the net income at year-end 2024, net of the proposed dividends and other income allocations[62].

Minimum requirements

With communication of 24 November 2023, the Bank of Italy confirmed that the banking group Banco BPM in FY 2024 remains an 'Other Systemically Important Institution' (O-SII), establishing the obligation to set aside an O-SII reserve equal to 0.50% of capital requirements. This decision was confirmed also for 2025 with the Bank of Italy's communication of 22 November 2024.

With communication of 27 September 2024, the Bank of Italy confirmed the Countercyclical Capital Buffer ratio for the exposures to Italian counterparties at zero percent also for Q4 2024.

On 8 December 2023, the European Central Bank (ECB) notified Banco BPM its SREP decision for FY 2024, lowering the Pillar 2 capital requirement (P2R) to 2.52%, compared to the previous year's requirement at 2.57%.

Considering also the countercyclical capital buffer established by the competent national authorities for exposures towards countries where the Group operates (equal to 0.04%), as well as of the introduction, starting from 31 Dec. 2024 at phased in level of the Systemic Risk capital reserve (Systemic Risk Buffer SyRB) at 0,37%, the minimum requirements Banco BPM must comply as at 31/12/2024, are [63]:

- CET 1 ratio: 9.44%;
- Tier 1 ratio: 11.37%;
- Total Capital ratio: 13.93%.

On 11 December 2024, Banco BPM communicated the SREP decision for FY 2025 received from the ECB, which further decreased the Pillar 2 (P2R) capital requirement from 2.52% to 2,25%. Hence, considering the new capital reserve for systemic risk equal to 0.37%, the consolidated minimum capital requirements as of 1 January 2025 come in as follows:

- CET 1 ratio: 9.17%;
- Tier 1 ratio: 11.10%;
- Total Capital ratio: 13.67%.

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[62] It should be noted that Banco BPM has already been authorized by the ECB to include the FY 2024 interim net income accruing as at 30 September 2024, net of the expected dividend payout at that time equal to 67%. The net income amount included on 31 December 2024 è was adjusted in keeping with the decision to increase the payout ratio to ~80%.

[63] These requirements are calculated as follows:

- The Pillar I minimum requirement of 8% (of which 4.5% CET1; 1.5% AT1 and 2% Tier2)
- the P2R requirement of 2.52% set by the ECB must be met: i) with 1.53% of CET 1 capital (calculated as follows: 100% of the calendar provisioning shortfall requirement, equal to 0,27%, plus 56.25% of the residual requirement, equal to 2.25%), ii) with 0.42% of AT 1 capital and iii) with 0.56% of Tier 2 capital;
- the Capital Conservation buffer of 2.50% to be fully met with CET1 capital;
- the O-SII buffer of 0.50% to be fully met with CET1 capital;
- the Countercyclical Capital buffer of 0.04% to be fully met with CET1 capital.
- The Systemic risk capital reserve (SyRB) equal to 0.37% to be fully met with CET 1 capital.

7. Sovereign risk exposure represented by debt securities

The table below provides an illustration of the banking Group's sovereign debt securities exposure at 31 December 2024, broken down by single Country and by category of the classification accounting portfolio:

31 December 2024 *(data in million euro)* **Countries/Accounting portfolios**	**Fin. ass. measured at amortized cost**	**Fin. ass. measured at fair value through other comprehensive income**	**Fin. ass. measured at fair value through profit or loss**	**Total**
Italy	10.478	1.501	663	12.642
France	4.557	2.123	0	6.680
USA	721	2.710	0	3.431
Spain	3.894	886	0	4.780
Germany	2.882	1.270	7	4.159
Other Countries	736	427	0	1.163
Total	**23.268**	**8.917**	**670**	**32.855**

On 31 December 2024 the banking Group's sovereign debt exposure totaled € 32.9 billion (€30.4 billion as at 31 December 2023), of which 71% was classified in the portfolio of financial assets measured at amortized cost, 27% under financial assets measured at fair value through other comprehensive income, and 2% in the portfolio of financial assets measured at fair value through profit or loss, as they were held for trading.
About 88% of this exposure refers to securities issued by members of the European Union; notably about 38% by Italy.
As regards financial assets measured at fair value through other comprehensive income, as at 31 December 2024 the reserves generated by the fair value measurement of debt securities posted a negative amount equal to € 509.0 million, net of tax effect, of which € -511.7 million refer to government bonds (€ -35.3 million for Italian government bonds and € -476,4 million for other government bonds).
As to financial assets measured at amortized cost, the book value came out at € 23.3 billion, of which € 10.5 billion represented by Italian government bonds. For information purposes only, note that the fair value of the government bonds classified in this accounting category, measured based on the market prices as at 31 December 2024 (level 1 in the fair value classification) totaled € 23.1 billion (€ 10.6 billion being the fair value of the Italian government bonds alone).
The debt securities management is still consistent with the decisions made in the prior financial years; no business model change took place during the financial year that would call for a portfolio reclassification.

8. Other Explanatory Notes

The reclassified balance sheet and income statements reflect on a consolidated basis the financial accounts of Banco BPM and its subsidiaries with respect to 31 December 2024, or, when not available, the most recently approved financial reports. Similarly, the equity method-based accounting of associates was carried out based on the accounting information as at 31 December 2024 submitted to Banco BPM, or, if not available, on the most recent financial reports prepared by the associates.

Attachments

- Reclassified consolidated statement of financial position as at 31 December 2024 compared with data as at 31 December 2023
- FY 2024 reclassified consolidated income statement compared with FY 2023 data
- Reclassified consolidated income statement – 2024 and 2023 quarterly evolution
- FY 2024 reclassified consolidated income statement net of non-recurring items
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BANCO BPM

BANCO BPM Group

Reclassified consolidated balance sheet

TOTAL ASSETS *(in euro thousand)*	31/12/2024	31/12/2023*	Chg.	Chg. %
Cash and cash equivalents	12,124,840	18,297,496	-6,172,656	-33.7%
Financial assets at amortised cost	103,089,541	108,154,286	-5,064,745	-4.7%
- Due from banks	3,362,267	4,141,630	-779,363	-18.8%
- Customer loans	99,727,274	104,012,656	-4,285,382	-4.1%
Other financial assets	51,301,101	45,120,454	6,180,647	13.7%
- Financial assets designated at FV through P&L	9,318,563	7,391,989	1,926,574	26.1%
- Financial assets designated at FV through OCI	13,279,954	10,692,718	2,587,236	24.2%
- Financial assets at amortised cost	28,702,584	27,035,747	1,666,837	6.2%
Financial assets pertaining to insurance companies	16,689,586	15,345,008	1,344,578	8.8%
Equity investments	1,708,439	1,454,249	254,190	17.5%
Property and equipment	2,513,905	2,857,953	-344,048	-12.0%
Intangible assets	1,256,612	1,253,425	3,187	0.3%
Tax assets	3,372,636	4,201,154	-828,518	-19.7%
Non-current assets held for sale and discontinued operations	444,525	468,685	-24,160	-5.2%
Other assets	5,707,902	4,946,063	761,839	15.4%
TOTAL ASSETS	**198,209,087**	**202,098,773**	**-3,889,686**	**-1.9%**

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY *(in euro thousand)*	31/12/2024	31/12/2023*	Chg.	Chg. %
Banking Direct Funding	126,149,114	120,770,064	5,379,050	4.5%
- Due from customers	102,757,399	101,861,964	895,435	0.9%
- Debt securities and other financial liabilities	23,391,715	18,908,100	4,483,615	23.7%
Insurance Direct Funding & Insurance liabilities	16,214,811	15,041,362	1,173,449	7.8%
- Financial liabilities measured at FV pertaining to insurance companies	3,331,610	2,800,121	531,489	19.0%
- Liabilities pertaining to insurance companies	12,883,201	12,241,241	641,960	5.2%
Due to banks	6,332,722	21,690,773	-15,358,051	-70.8%
Debts for Leasing	646,208	670,773	-24,565	-3.7%
Other financial liabilities designated at FV	28,703,792	25,697,583	3,006,209	11.7%
Other financial liabilities pertaining to insurance companies	56,103	72,561	-16,458	-22.7%
Liability provisions	988,625	894,841	93,784	10.5%
Tax liabilities	471,782	453,929	17,853	3.9%
Liabilities associated with assets held for sale	1,215	212,011	-210,796	-99.4%
Other liabilities	4,040,703	2,556,716	1,483,987	58.0%
Total Liabilities	**183,605,075**	**188,060,613**	**-4,455,538**	**-2.4%**
Minority interests	69	68	1	1.5%
Shareholders' equity	14,603,943	14,038,092	565,851	4.0%
Consolidated Shareholders' Equity	**14,604,012**	**14,038,160**	**565,852**	**4.0%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**198,209,087**	**202,098,773**	**-3,889,686**	**-1.9%**

** 2023 figures have been restated to ensure like-for-like comparison. For more details, please refer to Explanatory Note no. 1.*

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Reclassified consolidated income statement

(in euro thousand)	31/12/2024	31/12/2023*	Chg.	Chg. %
Net interest income	3,440,045	3,289,228	150,817	4.6%
Income (loss) from investments in associates carried at equity	151,689	144,097	7,592	5.3%
Net interest, dividend and similar income	**3,591,734**	**3,433,325**	**158,409**	**4.6%**
Net fee and commission income	2,003,846	1,919,571	84,275	4.4%
Other net operating income	23,360	21,724	1,636	7.5%
Net financial result	-8,843	-79,029	70,186	-88.8%
Income from insurance business	93,432	45,851	47,581	103.8%
Other operating income	**2,111,795**	**1,908,117**	**203,678**	**10.7%**
Total income	**5,703,529**	**5,341,442**	**362,087**	**6.8%**
Personnel expenses	-1,745,204	-1,671,952	-73,252	4.4%
Other administrative expenses	-644,781	-652,393	7,612	-1.2%
Net value adjustments on property and equipment and intangible assets	-265,715	-246,818	-18,897	7.7%
Operating costs	**-2,655,700**	**-2,571,163**	**-84,537**	**3.3%**
Profit (loss) from operations	**3,047,829**	**2,770,279**	**277,550**	**10.0%**
Net adjustments on loans to customers	-461,475	-558,594	97,119	-17.4%
Profit (loss) on fair value measurement of tangible assets	-54,627	-146,847	92,220	-62.8%
Net adjustments on other assets	-8,567	-1,986	-6,581	331.4%
Net provisions for risks and charges	-22,192	-22,189	-3	0.0%
Profit (loss) on the disposal of equity and other investments	2,427	342	2,085	n.m.
Income (loss) before tax from continuing operations	**2,503,395**	**2,041,005**	**462,390**	**22.7%**
Tax on income from continuing operations	-789,594	-604,751	-184,843	30.6%
Income (loss) after tax from continuing operations	**1,713,801**	**1,436,254**	**277,547**	**19.3%**
Systemic charges after tax	-71,011	-126,577	55,566	-43.9%
Costs related to the incentivised pension scheme	-141,868	-	-141,868	n.m.
Impact form Payment Business, after Tax	493,125	-	493,125	n.m.
Realignment of fiscal values to accounting values	-	8,802	-8,802	n.m.
Bancassurance impact after tax	2,466	-22,245	24,711	n.m.
Impairment of equity investments	-42,446	-	-42,446	
Impact from the change in Own Credit Risk on certificates issued, after tax	1,213	-3,463	4,676	
Purchase Price Allocation (PPA) after tax	-34,898	-28,340	-6,558	23.1%
Income (loss) attributable to minority interests	11	22	-11	-50.0%
NET INCOME (LOSS) FOR THE PERIOD	**1,920,393**	**1,264,453**	**655,940**	**51.9%**

** 2023 data have been restated, to allow for a like-for-like comparison with 2024, reclassifying the income relating to activities connected to the electronic money sector under "Net fees and commissions", previously shown under "Other operating income and expenses".*

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Reclassified consolidated income statement - Quarterly evolution

(in euro thousand)	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023*	Q3 2023*	Q2 2023 *	Q1 2023*
Net interest income	855,337	861,922	858,390	864,396	867,655	868,673	809,926	742,974
Income (loss) from investments in associates carried at equity	45,639	31,136	44,572	30,342	49,350	34,140	24,295	36,312
Net interest, dividend and similar income	**900,976**	**893,058**	**902,962**	**894,738**	**917,005**	**902,813**	**834,221**	**779,286**
Net fee and commission income	494,392	488,056	499,778	521,620	466,799	474,942	484,699	493,131
Other net operating income	31,309	-10,443	-1,347	3,841	13,724	4,210	1,353	2,437
Net financial result	-14,831	47,996	-50,813	8,805	-13,760	-22,777	-8,356	-34,136
Income from insurance business	22,415	56,222	9,977	4,818	13,113	8,158	14,969	9,611
Other operating income	**533,285**	**581,831**	**457,595**	**539,084**	**479,876**	**464,533**	**492,665**	**471,043**
Total income	**1,434,261**	**1,474,889**	**1,360,557**	**1,433,822**	**1,396,881**	**1,367,346**	**1,326,886**	**1,250,329**
Personnel expenses	-449,064	-435,579	-428,926	-431,635	-461,548	-402,150	-402,858	-405,396
Other administrative expenses	-143,471	-152,342	-176,068	-172,900	-150,516	-165,053	-166,630	-170,194
Net value adjustments on property and equipment and intangible assets	-68,460	-68,187	-64,919	-64,149	-49,083	-68,084	-65,191	-64,460
Operating costs	**-660,995**	**-656,108**	**-669,913**	**-668,684**	**-661,147**	**-635,287**	**-634,679**	**-640,050**
Profit (loss) from operations	**773,266**	**818,781**	**690,644**	**765,138**	**735,734**	**732,059**	**692,207**	**610,279**
Net adjustments on loans to customers	-159,613	-107,810	-111,598	-82,454	-175,043	-124,832	-121,264	-137,455
Profit (loss) on fair value measurement of tangible assets	-14,495	-14,143	-12,605	-13,384	-102,698	-11,774	-30,469	-1,906
Net adjustments on other assets	-6,512	1,193	-287	-2,961	-2,114	-1,041	488	681
Net provisions for risks and charges	-14,304	-16,130	13,220	-4,978	-8,343	-17,164	868	2,450
Profit (loss) on the disposal of equity and other investments	-658	2,062	645	378	267	309	-388	154
Income (loss) before tax from continuing operations	**577,684**	**683,953**	**580,019**	**661,739**	**447,803**	**577,557**	**541,442**	**474,203**
Tax on income from continuing operations	-170,759	-222,975	-180,425	-215,435	-104,676	-182,956	-169,683	-147,436
Income (loss) after tax from continuing operations	**406,925**	**460,978**	**399,594**	**446,304**	**343,127**	**394,601**	**371,759**	**326,767**
Systemic charges after tax	-4,375	-	1,474	-68,110	698	-69,646	-351	-57,278
Costs related to the incentivised pension scheme, after tax	-130,182	-	-11,686	-	-	-	-	-
Impact form Payment Business, after Tax	-	493,125	-	-	-	-	-	-
Realignment of fiscal values to accounting values	-	-	-	-	8,802	-	-	-
Bancassurance impact after tax	-	-	-	2,466	-22,245	-	-	-
Impairment of equity investments	-42,446			-	-	-	-	-
Impact from the change in Own Credit Risk on certificates issued, after tax	1,531	981	476	-1,775	-2,063	1,168	-5,845	3,277
Purchase Price Allocation (PPA) after tax	-6,898	-9,376	-9,954	-8,670	-6,847	-7,260	-6,830	-7,403
Income (loss) attributable to minority interests	3	2	4	2	-412	97	373	-36
NET INCOME (LOSS) FOR THE PERIOD	**224,558**	**945,710**	**379,908**	**370,217**	**321,060**	**318,960**	**359,106**	**265,327**

** 2023 data have been restated, to allow for a like-for-like comparison with 2024, reclassifying the income relating to activities connected to the electronic money sector under "Net fees and commissions", previously shown under "Other operating income and expenses".*

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Reclassified consolidated income statement, excluding non-recurring items

(in euro thousand)	31/12/2024 STATED	31/12/2024 ADJUSTED	Chg.
Net interest income	3,440,045	3,440,045	-
Income (loss) from investments in associates carried at equity	151,689	151,689	-
Net interest, dividend and similar income	**3,591,734**	**3,591,734**	**-**
Net fee and commission income	2,003,846	2,003,846	-
Other net operating income	23,360	23,360	-
Net financial result	-8,843	6,518	-15,361
Income from insurance business	93,432	93,432	-
Other operating income	**2,111,795**	**2,127,156**	**-15,361**
Total income	**5,703,529**	**5,718,890**	**-15,361**
Personnel expenses	-1,745,204	-1,745,204	-
Other administrative expenses	-644,781	-644,781	-
Net value adjustments on property and equipment and intangible assets	-265,715	-265,715	-
Operating costs	**-2,655,700**	**-2,655,700**	**-**
Profit (loss) from operations	**3,047,829**	**3,063,190**	**-15,361**
Net adjustments on loans to customers	-461,475	-427,412	-34,063
Profit (loss) on fair value measurement of tangible assets	-54,627	-	-54,627
Net adjustments on other assets	-8,567	-8,567	-
Net provisions for risks and charges	-22,192	-10,579	-11,613
Profit (loss) on the disposal of equity and other investments	2,427	-	2,427
Income (loss) before tax from continuing operations	**2,503,395**	**2,616,632**	**-113,237**
Tax on income from continuing operations	-789,594	-821,312	31,718
Income (loss) after tax from continuing operations	**1,713,801**	**1,795,320**	**-81,519**
Systemic charges after tax	-71,011	-71,011	-
Costs related to the incentivised pension scheme	-141,868	-	-141,868
Impact form Payment Business, after Tax	493,125	-	493,125
Bancassurance impact after tax	2,466	-	2,466
Impairment of equity investments	-42,446	-	-42,446
Impact from the change in Own Credit Risk on certificates issued, after tax	1,213	1,213	-
Purchase Price Allocation (PPA) after tax	-34,898	-34,898	-
Income (loss) attributable to minority interests	11	11	-
NET INCOME (LOSS) FOR THE PERIOD	**1,920,393**	**1,690,635**	**229,758**

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