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Oggetto : RESULTS AS OF 31 MARCH 2025

Testo del comunicato

Vedi allegato



PRESS RELEASE

RESULTS AS OF 31 MARCH 2025¹

THE FIRST QUARTER OF 2025 MARKS AN ALL-TIME RECORD BY RECORDING THE BEST NET INCOME EVER²:

- NET INCOME € 511 MILLION (+38% Y/Y)
- NET INCOME INCLUDING FULL INTEGRATION OF ANIMA: € 549 MILLION³ (ALREADY HIGHER THAN THE 2027 TARGET)⁴

UPWARD REVISION OF 2025 GUIDANCE, THANKS TO PERFORMANCE ABOVE STRATEGIC PLAN EXPECTATIONS: 2025 NET INCOME OF ~€1.95 BILLION

Q1 2025 RESULT ALREADY IN LINE WITH 2027 PLAN TARGET AT ~€ 2.15 BILLION NET INCOME

ESSENTIAL STARTING POINT FOR STAND-ALONE AND PRE-SYNERGIES EVALUATION OF ANY M&A TRANSACTIONS

EXECUTION OF STRATEGIC PLAN ACTIONS AS AN ENABLING FACTOR OF OVERPERFORMANCE:

STRONG VOLUME GROWTH CONFIRMS ABILITY TO GENERATE SHAREHOLDER VALUE THROUGH CONTINUED SUPPORT FOR THE ITALIAN ECONOMY

- CORE GROSS PERFORMING LOANS: € 97.6 BILLION (+€ 2.4 BILLION COMPARED TO END 2024, +2.5%)

¹ It should be noted that the definitions of the indicators and key balance sheet and income statement figures discussed in this press release are explained in Explanatory Note No. 1, "Basis of Preparation and Reference Accounting Principles - Alternative Performance Indicators."

² Excluding the impacts of extraordinary transactions in previous quarters.

³ Including minority interests. For more details, please refer to Explanatory Note No. 1 - "Acquisition of Control of Anima Holding Group").

⁴ Quarterly average calculated on 2027 target.

- **POSITIVE TREND OF NEW LENDING: € 8.2 BILLION⁵ (+68% Y/Y), EXCEEDED € 10 BILLION IN APRIL 2025**

SOLID AND SIGNIFICANT CONTRIBUTION OF NON-INTEREST INCOME...

- **TOTAL REVENUES AT € 1,476 MILLION (+2.9% VS Q1 2024)**
- **NON-INTEREST INCOME AS A PERCENTAGE OF TOTAL INCOME: 45%, WHICH BECOMES 49% INCLUDING FULL ANIMA INTEGRATION (VS. 50% 2027 PLAN TARGET)**

...TOGETHER WITH EXCELLENT PERFORMANCE IN TERMS OF BOTH COST/INCOME AND COST OF RISK:

- **OPERATING COSTS: € 645 MILLION (-3.5% VS Q1 2024)**
 - **COST/INCOME: 44% (47% IN Q1 2024)**
- **LOAN LOSS PROVISIONS: € 76 MILLION (€ 82 MILLION IN Q1 2024)**
- **COST OF RISK: 30 BPS (VS. 40 BPS 2027 STRATEGIC PLAN TARGET)**

FURTHER IMPROVEMENT OF ASSET QUALITY:

- **GROSS NPEs: € 2.8 BILLION (-22.8% Y/Y)**
 - **DEFAULT RATE: 0.97% (1.07% IN 2024)**
- **DERISKING TARGET OF € 1,020 MILLION, INCLUDING € 820 MILLION COMPLETED IN 2024 AND ~ € 200 MILLION EXPECTED IN 2025**

PUBLIC TENDER OFFER ON ANIMA HOLDING SUCCESSFULLY COMPLETED:

- **ACQUISITION OF ANIMA ADDS NEW ADDITION TO DIVERSIFIED BUSINESS MODEL: € 377 BILLION IN TOTAL CUSTOMER FINANCIAL ASSETS AS OF 31 MARCH 2025**
 - **FULL CONSOLIDATION FROM Q2 2025**
 - **INTEGRATION PROCESS STARTED**
- **~€500 MILLION IN ADDITIONAL ANNUAL FEES AT THE END OF THE STRATEGIC PLAN (2027)**

⁵ Management data.

SOLID CAPITAL POSITION, LIQUIDITY AND FUNDING⁶ :

- CET 1 RATIO AT 14.76%⁷ INCLUDING BASILEA 3+ IMPACT AND CAPITAL INCREASE OF BANCO BPM VITA, IN FAVOUR OF ANIMA TRANSACTION
 - MDA BUFFER AT 559 BPS⁸
 - CONFIRMED CET 1 RATIO TARGET OF 13% IN "NO DANISH" SCENARIO⁹
- MDA BUFFER >350 BPS OVER THE PLAN HORIZON, FOLLOWING COMPLETION OF ANIMA INTEGRATION
 - LCR AT 136%, NSFR AT 125%¹⁰

DIRECT FUNDING FROM BANKING BUSINESS AT € 131.6 BILLION, UP € 2.6 BILLION Y/Y AND SUBSTANTIALLY STABLE FROM € 132.0 BILLION AS OF 31 DECEMBER 2024

INDIRECT FUNDING AT € 117.2 BILLION, INCREASING FROM € 116.2 BILLION AS OF 31 DECEMBER 2024 AND € 110.3 BILLION AS OF 31 MARCH 2024

A POSITIVE START TO THE YEAR INCREASES CONFIDENCE IN ACHIEVING PLAN TARGETS:
INCREASED 2025 GUIDANCE IN TERMS OF NET INCOME:
FROM ~€1.7 BILLION TO ~€1.95 BILLION

- POSITIVE REVENUE TREND EVEN ASSUMING A 2% EURIBOR STARTING FROM Q3 2025
- NET INTEREST INCOME "AT FULL FUNDING COST"¹¹ IN LINE WITH STRATEGIC PLAN TRAJECTORY
- INCREASED NET FEES, DUE TO THE ANTICIPATED CONSOLIDATION OF ANIMA
 - FURTHER DECREASE IN COST/INCOME AND PROVISIONS

⁶ More details on how capital ratios are calculated can be found in Explanatory Note No. 6 of this release.

⁷ CET 1 ratio phased-in 15.94%. For more details on how the capital ratios are calculated, please refer to Note 6 of this press release.

⁸ Difference between the CET 1 ratio measured as of March 31, 2025, including the first quarter result net of the expected pay-out, 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 shortfall in Additional Tier 1 Capital or Tier 2 Capital compared to the requirements that can be covered with these classes of capital. Buffer calculated with the fully phased-in requirement.

⁹ This is the situation in which the application of the so-called Danish Compromise, as provided for in Article 49 of the CRR, is not recognized, which allows the shareholding held in Banco BPM Vita, for the portion related to the acquisition of Anima Holding, to be treated as a credit risk exposure to be weighted in accordance with the CRR rather than as a direct deduction from CET 1 Capital.

¹⁰ Management data.

¹¹ Including the cost of certificates.

IMPROVEMENTS IN BANCO BPM'S RATINGS AS OF APRIL 2025:

- **MORNINGSTAR DBRS RAISED LONG-TERM ISSUER RATING FROM "BBB" TO "BBB (HIGH)" AND SHORT-TERM ISSUER RATING FROM "R-2 (HIGH)" TO "R-1 (LOW)"**
- **S&P GLOBAL RATING IMPROVED OUTLOOK FROM STABLE TO POSITIVE**

MAIN ACHIEVEMENTS IN SUSTAINABILITY **IN Q1 2025:**

- **NEW MEDIUM- TO LONG-TERM LOW-CARBON NEW LENDING.
FOR € 2.4 BILLION (€ 1.3 BILLION IN Q1 2024)¹²**
- **ISSUED TWO SOCIAL BONDS, TOTALING € 1.25 BILLION, UNDER THE GREEN, SOCIAL AND SUSTAINABILITY BONDS FRAMEWORK**
- **SHARE OF ESG BONDS ON TOTAL CORPORATE BOND PROPRIETARY PORTFOLIO¹³:
38.6% AT THE END OF MARCH 2025 (30.7% AT THE END OF MARCH 2024)**
- **SHARE OF WOMEN IN MANAGERIAL POSITIONS AT THE END OF MARCH 2025 AT
31.0%.
(30.3% AT THE END OF MARCH 2024)**
 - **IMPROVED ESG RATINGS:**
 - **ISS Corporate Rating at "C" (Prime Status) from "C-" in January 2025**
 - **MSCI ESG Rating¹⁴ to "AA" from "A" in March 2025**

The first quarter of 2025 was characterized by a situation of increasing geopolitical instability, resulting, in particular, from the continuation of conflicts in Ukraine and the Middle East and the intensification of protectionist policies that have affected the world economy and international balances; however, in this context, the Group's commercial and organizational efforts enabled an excellent start to fiscal year 2025, which resulted in significant growth in operating performance. In particular, operating income showed excellent dynamics, coming in at € 1,476 million, up 2.9% from the first quarter of 2024.

¹² New loans to households, businesses and enterprises with original maturity > 18 months, including "green" loan products (special purpose loans, project financing and Sustainability Linked Loan) and ordinary loans made to sectors classified as "green" or with low exposure to climate transition risk factors. For comparison purposes, first quarter 2024 figure determined on a like-for-like basis.

¹³ Share calculated on the nominal management aggregate of the banking book of Corporate and Financial securities managed by the Finance structure.

¹⁴ Please note that Banco BPM's use of any data from MSCI Research LLC or its affiliates ("MSCI") and the use of their logos, trademarks, service marks or index names does not constitute sponsorship, endorsement, recommendation or promotion of Banco BPM by MSCI. MSCI's services and data are the property of MSCI or its service providers and are provided "as is" and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Operating income rises to € 831 million compared to € 765 million in the first quarter of 2024 with an increase of 8.6%. Net income for the period stands at € 511 million with a growth of 37.9% compared to March 31, 2024.

Balance sheet figures confirm the significant achievements:

- **direct funding from banking business amounted to € 131.6 billion, essentially stable compared to 31 December 2024 (-0.3%) and up 2.0% year-on-year;**
- **indirect funding reaches € 117.2 billion, up € 1.1 billion from 31 December 2024 and € 7.0 billion year-on-year;**
- **net "core" performing customer loans (consisting of mortgages, loans, current accounts and personal loans) stood at € 97.2 billion (€ 97.6 billion gross) with a volume of new lending of € 8.2 billion.**

In terms of asset quality, as of 31 March 2025, the share of gross non-performing loans on total loans was further reduced to 2.7% from 2.8% as of 31 December 2024. The annualized cost of risk is declining to 30 bp from 46 bps in FY 2024, while still providing significant levels of coverage for non-performing loans.

The capital position is confirmed to be very solid:

- **CET 1 Ratio fully phased in at 14.76%;**
- **MDA buffer fully phased at 559 bp.**

Main balance sheet aggregates

- Direct funding from banking business € 131.6 billion: -0.3% from end-December 2024 and +2.0% from 31 March 2024; "core" customer deposits (deposits and current accounts) at € 100.2 billion;
- Indirect customer funding € 117.2 billion (+0.9% from 31 Dec. 2024 and +6.3% from 31 Mar. 2024), of which:
 - assets under management € 66.0 billion (-0.1% compared to 31 Dec. 2024 and +3.8% compared to Mar. 31, 2024);
 - Assets under custody € 51.2 billion (+2.2% from 31 Dec. 2024 and +9.7% from Mar. 31, 2024);
- Net customer loans € 100.8 billion: +1.1% from 31 Dec. 2024 (of which performing loans +1.2% and non-performing loans -3.6%) and -2.7% from Mar. 31, 2024 (of which performing loans -2.5% and non-performing loans -13.8%).

Main income statement items

- Net interest income € 816.9 million compared to € 864.4 million in Q1 2024 (-5.5%) and € 855.3 million in Q4 2024 (-4.5%);
- Net fee and commissions income € 554.0 million compared with € 521.6 million in the first three months of 2024 (+6.2%) and € 494.4 million in the fourth quarter of 2024 (+12.1%);

- Operating costs € 645.2 million compared to € 668.7 million as of March 31, 2024 (-3.5%) and € 661.0 million in Q4 2024 (-2.4%);
- Gross operating income¹⁵ € 830.6 million compared with € 765.1 million as of March 31, 2024 (+8.6%) and € 773.3 million in Q4 2024 (+7.4%);
- Loan Loss Provisions € 75.5 million compared with € 82.5 million in the first three months of 2024 (-8.4%) and € 159.6 million in the fourth quarter of 2024 (-52.7%);
- Profit (loss) before tax from current operations € 760.0 million compared with € 661.7 million in the first three months of 2024 (+14.8%) and € 577.7 million in the fourth quarter of 2024 (+31.6%);
- Net income € 510.7 million compared with € 370.2 million in the first three months of 2024 (+37.9%) and € 224.6 million in the fourth quarter of 2024 (+127.4%).

Capital position¹⁶

- CET 1 ratio "fully phased in" 14.76%;
- MDA buffer "fully phased" 559 p. b.

Asset quality¹⁷

- Net NPE's equal to € 1.5 billion: -3.6% from end-2024 and -13.8% y/y
- Coverage ratios of non-performing loans:
 - Bad loans: 57.2 % (57.6 % as of 31 Dec. 2024 and 60.7 % as of March 31, 2024); considering also *write-offs*, coverage is 67.4 %;
 - Unlikely-to-pay: 36.1 % (36.9 % as of 31 Dec. 2024 and 43.4 % as of March 31, 2024);
 - Total non-performing loans: 44.7 % (44.6 % as of Dec. 31, 2024, and 50.5 % as of March 31, 2024); considering also *write-offs*, coverage is 51.0 %.

Liquidity profile

- Liquidity at € 49.4 billion (cash + deposits with the ECB + unencumbered assets);
- LCR 136% and NSFR 125%.¹⁸

Milan, 7 May 2025 - The Board of Directors of Banco BPM met today under the chairmanship of Dr. Massimo Tononi to approve the balance sheet and income statement as of 31 March 2025 of Banco BPM Group.

¹⁵ This interim result does not include the accounting impacts arising from Purchase Price Allocation (PPA), amounting to € -10.2 million, the impacts arising from the change in its creditworthiness on *certificate* issues, amounting to € +2.2 million, and the amount of charges related to the reorganization of the Group's insurance companies, amounting to € -1.0 million. These components, net of the related tax effects, are shown in separate items in the reclassified income statement.

¹⁶ More details on how capital ratios are calculated can be found in Explanatory Note No. 6 of this release.

¹⁷ Figures calculated assuming only customer exposures measured at amortized cost and excluding loans held for sale

¹⁸ Management data.

The start of fiscal year 2025 was marked by a situation of increasing geopolitical instability, stemming, in particular, from the protracted conflicts in Ukraine and the Middle East and the intensification of protectionist policies that have affected the world economy and international balances. Against this backdrop, the Group recorded record levels of profitability with gross profit from continuing operations of € 760.0 million and net income of € 510.7 million

In early 2025, the Group finalized the Voluntary Public Offering transaction on all the shares of Anima Holding, launched in November 2024.

Referring to the press releases issued from time to time on the main stages of the operation, on April 9, 2025 the final data of the Offer - whose acceptance ended on April 4 - was released, which ended with the acceptance of a total of 221,067,954 shares, representing 67.976% of the share capital of Anima Holding S.p.A., for a total value of € 1,547.5 million.¹⁹

Therefore, taking into account the stake already held (equal to 21.973%), the Group holds a total of 292,527,616 shares, representing 89.949% of the share capital of Anima Holding. As part of the business model outlined in the Group's Strategic Plan, the investment in Anima Holding was fully acquired by Banco BPM Vita.

In this regard, in fact, it should be noted that the transaction is part of the broader context of the Banco BPM Group's Strategic Plan, updated on 11 February 2025 with a three-year horizon to 2027, which leverages a revenue growth model strongly focused on product factories. In more detail, the business model of the entire Banco BPM Financial Conglomerate will benefit from the new integrated Life Insurance and Asset Management factory by strengthening the proven potential of the Group's distribution network.

Anima Holding will be included in the full scope of consolidation as of the second quarter of 2025; in this regard, the ECB, in a communication dated March 21, expressed its view on the non-applicability of the so-called Danish Compromise to the acquisition of Anima Holding.

The Boards of Banco BPM and Banco BPM Vita, convinced of the strong strategic value of the transaction, on 27 March 2025 resolved, to the extent of their respective responsibilities, to waive the benefits of the Danish Compromise and to continue the takeover bid on Anima Holding.

As part of the *derisking* strategy, the first quarter of 2025 saw the finalization of a divestment of the Bank's non performing lease portfolio, now in *run-off*, for a total gross exposure of approximately € 340 million (so-called Toledo Project), the cost of which had already been charged to the income statement in fiscal 2024.

On the funding and capital operations front, in January 2025 the Parent Company concluded a new issue reserved for institutional investors of Social Senior Preferred securities in the amount of € 500 million, fixed coupon of 3.375% and maturity of 5 years.

This is the first Italian 2025 Social Bond issued under the Green, Social and Sustainability Bonds Framework, which increases Banco BPM's total ESG issuance to € 6.25 billion.

In addition, in February 2025, Banco BPM completed an issue of Social Covered Bonds, aimed at institutional investors, in the amount of € 750 million and with a maturity of 4.5 years under its € 10 billion Guaranteed Bank Bonds program.

On April 30, 2025, the General Shareholders' Meeting was held, which approved all items on the agenda by a large majority and, in particular, approved the financial statements as of 31 December 2024 of Banco BPM S.p.A. and the proposals on the allocation and distribution of the year's result.

¹⁹ The Banco BPM Shareholders' Meeting on February 28 had resolved to increase the unit price from €6.20 to €7.00 and to exercise the option to waive all or part of one or more of the voluntary effectiveness conditions attached to the offer by Banco BPM Vita and not yet fulfilled as of the date of the meeting.

Finally, it should be noted that, with regard to the Public Exchange Offer launched by UniCredit on all the shares of Banco BPM, the Board of Directors of the Parent Company, following a careful evaluation of the terms and conditions described in the offer document published by UniCredit on 2 April 2025 and other available information, considered the Offer to be unsuitable and the consideration not congruous.

Please refer to the press release dated 24 April 2025 and further documentation made available on the Group website.

CREDIT RATING.

During the first months of 2025, Banco BPM recorded the following improvements in credit rating agency ratings:

- on April 16, Morningstar DBRS raised the long-term *Issuer Rating* from "BBB" to "BBB (high)" and the short-term rating from "R-2 (high)" to "R-1 (low)," placing them in *Stable Trend*. The upgrade took into account the Group's continued progress on profitability, cost control, cost of credit risk and business diversification (through the development of bancassurance and payment services) as well as the recent acquisition of Anima (which will strengthen the position in *asset management*). The rating action also considered the progress of credit quality, maintenance of adequate capital buffers in 2024, and the capital impact expected from the Anima transaction in the *Danish Compromise* non-application scenario. At the same time, the "BBB (high)/R-1 (low)" long-term and short-term Deposit ratings were confirmed, as they were aligned with those of the Republic of Italy
- on April 18, S&P Global Rating, after raising Italy's rating from "BBB" to "BBB+" on April 11, improved the systemic risk assessment for Italian banks and revised upward the benchmark BICRA from "bbb-" to "bbb." As part of this action, S&P also upgraded Banco BPM's *Outlook* from Stable to Positive and confirmed the long-term *Issuer Credit Rating* at "BBB" and the short-term *Issuer Credit Rating* at "A-2."

In addition, on January 20, Fitch Ratings affirmed the long-term and short-term *Issuer Default Rating* at "BBB-" and "F3," respectively, maintaining the *Rating Watch Positive*.

Thanks to these actions, the *investment grade* status obtained by the Group was further consolidated as early as the end of 2023 for all major ratings assigned by the four agencies that cover Banco BPM (Morningstar DBRS, Fitch Ratings, Moody's Ratings, S&P Global).

The economic performance of operations in the first quarter of 2025

Net interest income amounted to € 816.9 million, down 5.5 % from the figure for the first quarter of 2024 (amounting to € 864.4 million), mainly due to the contraction of the commercial spread, resulting from the dynamics of interest rates.

Compared with the fourth quarter of 2024, the net interest income is down 4.5 %.

The income from associates valued at equity amounted to € 39.8 million, and compares with the figure of € 30.3 million in the corresponding period last year and € 45.6 million in the fourth quarter of 2024.

The main contribution to this item was provided by consumer credit conveyed by the equity stake held in Agos Ducato, amounting to € 18.9 million, compared to € 17.6 million in the first quarter of 2024, as well as the contribution of Anima Holding, amounting to € 15.2 million (€ 10.8 million in the first quarter of 2024).

Net fees and commissions income for the first quarter amounted to € 554.0 million, up 6.2% compared to the corresponding period of the previous year and 12.1% when compared to the fourth quarter 2024 due to the performance recorded in the savings products segment (+14.9% compared to March 31, 2024 and + 31.7% compared to the fourth quarter 2024). The contribution of commercial banking and other services was substantially stable (+0.8% compared to March 31, 2024 and +1.3% compared to the fourth quarter of 2024), thanks to the contribution of fees on loans and lower charges from synthetic securitization transactions, which offset the lower contribution of collection, payment, and payment services.

Other net operating income was € -7.5 million compared to € +3.8 million in Q1 2024 and € +31.3 million in Q4 2024.

The **net financial result**²⁰ for the first quarter was positive and amounted to € 46.2 million and compares with the positive figure of € 8.8 million recorded as of March 31, 2024

The main contribution to this item compared to the corresponding period of the previous year was represented by trading activities (€ +87.5 million), which was offset lower profits from the sale of securities (€ -13.4 million), lower dividends (€ -3.0 million) and the negative contribution of fair value assets and related derivatives (€ -42.1 million).

The comparison with the fourth quarter of 2024, which showed a negative result of € -14.8 million, is mainly explained by the higher contribution from trading activities (€ + 159.6 million).

The result of insurance business the first quarter of 2025 is € 26.3 million (€ 4.8 million and € 22.4 million in the first and fourth quarters of 2024, respectively) and includes the contribution of Banco BPM Vita, Vera Vita, and BBPM Life companies

As a result of the dynamics described above, total **operating income** thus amounted to € 1,475.8 million, up from both € 1,433.8 million recorded in the corresponding period of last year (+2.9%) and when compared with the figure of € 1,434.3 million for the fourth quarter of 2024 (+2.9%).

Personnel expenses of € 434.0 million are stable when compared with the first quarter of 2024 (amounting to € 431.6 million). Compared to the fourth quarter of 2024, the aggregate is down 3.3%. As of March 31, 2025, the total number of employees was 18,964 resources (including 154 pertaining to insurance companies), compared with 19,490 resources on the payroll as of 31 December 2024 (including 150 pertaining to insurance companies).²¹

Other administrative expenses²², amounting to € 144.6 million, show a decrease of 16.4% when compared with the first quarter 2024 figure of € 172.9 million. This item is substantially in line with the figure for the fourth quarter of 2024 (+0.8%).

Net value adjustments on tangible and intangible assets totaled € 66.6 million and compared with the figure of € 64.1 million in Q1 2024 and € 68.5 million in Q4 2024.

As a result, total **operating costs** amounted to € 645.2 million, down 3.5% from € 668.7 million in Q1

²⁰ The item does not include the accounting effect of the change in its own creditworthiness on the *fair value* measurement of its own issued liabilities (*certificates*), which resulted in the recognition of a positive impact of €+ 2.2 million in the quarter, compared to the negative impact of €- 2.7 million recorded as of March 31, 2024 and the positive impact of €+ 2.3 million in the fourth quarter of 2024. This effect is shown, net of taxes, in a separate item in the reclassified income statement.

²¹ As of December 31, 2023, there were 19,761 resources on staff.

²² The aggregate does not include costs related to the reorganization process of the Group's insurance companies, which are shown, net of the related tax effect, in a separate item in the reclassified income statement.

2024 and down 2.4% when compared with Q4 2024.

The **cost income ratio** for the quarter was 43.7%, lower than both the 46.6% for the first quarter of 2024 and the figure for the whole of 2024 (46.6%).

Pre-provision income for the first quarter amounted to € 830.6 million, up 8.6% from € 765.1 million in the corresponding period of the previous year and up 7.4% from the figure of € 773.3 million in the fourth quarter of 2024.

Loan Loss Provision in the first quarter, at € 75.5 million, show a decrease both compared to the March 31, 2024 figure of € 82.5 million and when compared to the fourth quarter 2024 figure of € 159.6 million. As of March 31, 2025, the annualized cost of credit, as measured by the ratio of net loan adjustments to net loans, was 30 bps, down from 46 bps in FY 2024.

This was achieved by safeguarding the solid coverage levels achieved in previous periods.

The result of the fair value measurement of tangible assets as of March 31, 2025 was € -0.8 million (€ -13.4 million in the first quarter and € -14.5 million in the fourth quarter 2024).

Net adjustments to securities and other financial assets include net writebacks of €+ 3.5 million (€ -3.0 million as of March 31, 2024 and € -6.5 million in the fourth quarter of 2024).

Net provisions for risks and charges for the first quarter showed net reversals of provisions of € +1.9 million (compared to net provisions of € -5.0 million as of March 31, 2024 and € -14.3 million in the fourth quarter of 2024).

Gains/losses on equity and other investments as of March 31, 2025 amounted to € +0.3 million (€ +0.4 million as of March 31 and € -0.7 million in the fourth quarter of 2024).

As a result of the above, the **gross income from continuing operations** amounted to € 760.0 million compared to € 661.7 million in the corresponding period of the previous year (+14.8%).

Income taxes on continuing operations amounted to € -243.1 million (€ -215.4 million as of March 31, 2024).

As a result, **net income from continuing operations** amounted to € 516.9 million and was up 15.8% from the figure of € 446.3 million in the first quarter of 2024 and up 27.0% from € 406.9 million in the fourth quarter of the previous year.

The income statement, for the first quarter of 2025, were not charged with **systemic charges, net of taxes**, which instead amounted to € 68.1 million (€ 100.9 million pre-tax) in the first quarter of 2024 and consisted of the estimated last annual contribution due to the Interbank Deposit Protection Fund (FITD).²³

The item **restructuring charges, net of taxes**, includes the estimated costs expected to be incurred for the reorganization of the Group's insurance companies. The total impact, net of the related tax effect, amounts to € -0.7 million (€ -1.0 million gross).

²³ Please refer to Explanatory Note No. 3 for further details regarding the burden of contributing to resolution mechanisms.

In the quarter, the **change in creditworthiness on Certificate issues by the Group, net of taxes**, generated a positive impact of €+ 1.5 million (€+ 2.2 million before tax effects), compared to the negative impact noted in the first quarter 2024 of € -1.8 million (€ -2.7 million before tax effects). In Q4 2024 the impact had been positive and amounted to € +1.5 million (€ +2.3 million before tax effects).

As of March 31, 2025, the impact of the **Purchase Price Allocation after tax** amounted to € -7.0 million and compared with the figures for the first and fourth quarters of 2024, which were € -8.7 million and € -6.9 million, respectively.

As a result of the above dynamics, the first quarter of 2025 closes with a positive **net income for the period of € 510.7 million** (€ 370.2 million as of March 31, 2024 and € 224.6 million in the fourth quarter of 2024).

The evolution of the main balance sheet aggregates

Direct funding from banking business as of 31 March 2025 amounted to € 131.6 billion, essentially stable in comparison with 31 December 2024 (-0.3%) but up 2.0% year-on-year.

In more detail, a decline in the component represented by capital-protected certificates (€ -0.4 billion) was observed in the quarter, while other forms of customer deposits remained substantially stable.

On an annual basis, there is an increase of € 2.8 billion, or 13.3%, in the component represented by bonds issued as a result of new issues in the period that exceeded redemptions of maturing bonds.

Funding secured by the stock of unconditionally capital-protected certificates and other liabilities at fair value as of March 31, 2025 stood at € 5.5 billion, down 7.4% from the 31 December 2024 figure of € 5.9 billion and down 3.9% from € 5.7 billion as of March 31, 2024.

Direct insurance funding and insurance liabilities, which includes the aggregate consisting of financial and insurance liabilities of insurance companies, amounted to € 16.3 billion and includes the contribution of Banco BPM Vita, Vera Vita and BBPM Life (€ 16.2 billion as of 31 December 2024 and € 15.4 billion as of March 31, 2024).

Indirect customer funding to € 117.2 billion, up 0.9% in comparison with 31 Dec. 2024 and 6.3% year-on-year.

The AuM component amounted to € 66.0 billion, in line with the 31 December 2024 figure of € 66.1 billion (-0.1%)

AuC stand at € 51.2 billion, an increase of € 1.1 billion (+ 2.2%) compared to the end of 2024

On a year-over-year basis, the positive dynamics of indirect deposits can be seen: assets under management show an increase of 3.8%, mainly concentrated in the funds and Sicavs segment, while assets under custody are up 9.7%.

Financial assets pertaining to the banking business²⁴ amount to € 58.3 billion and are up 13.6% from € 51.3 billion as of December 31, 2024; the increase is mainly concentrated in debt securities (+€ 6.7 billion) and in particular in the amortized cost securities segment. As of March 31, 2025, the aggregate under review includes debt securities for € 48.9 billion, equity securities and UCITS units for € 3.5 billion, derivatives and other financing for € 5.9 billion. Exposures in debt securities issued by sovereign states

²⁴ As of December 31, 2024, in order to allow a more immediate understanding of the evolution of the credit quality of loans to customers, senior debt securities from securitizations originated by the Group with underlying impaired loans are included in this item, which are reclassified as financial assets at amortized cost. Figures referring to previous periods have been restated to ensure a like-for-like comparison. For further details, please refer to Note 1 this press release.

amount to € 39.7 billion of which € 16.5 billion are represented by Italian government bonds. Investments in Italian government bonds are classified under financial assets measured at amortized cost for € 12.4 billion, under the portfolio of financial assets measured at *fair value* with impact on comprehensive income for € 2.3 billion, and under financial assets measured at *fair value* with impact on the income statement for € 1.8 billion.

The item financial assets pertaining to insurance companies include the contribution as of March 31, 2025 of Banco BPM Vita, Vera Vita and BBPM Life insurance companies totaling € 16.8 billion (€ 16.7 billion as of December 31, 2024).

Net customer loans²⁵ amounted to € 100.8 billion as of March 31, 2025, up € 1.1 billion from the figure as of December 31, 2024; the increase relates to *performing* exposures (+1.2%), while *nonperforming* exposures contracted by 3.6%. On an annual basis, loans recorded a reduction € 2.8 billion (-2.7%), resulting from the contraction of performing exposures by € 2.5 billion (-2.5%) and non-performing loans by € 0.2 billion (-13.8%). In the first quarter, the volume of new lending amounted to € 8.2 billion²⁶. The quality of the core loan portfolio was confirmed, characterized by a high percentage of secured positions for the *Non-Financial Corporate* segment (52%²⁷).

Net non-performing exposures (bad loans, UTP and past due) € 1.5 billion as of 31 March 2025.

An examination of the components of the aggregate shows the following dynamics:

- Net bad loans equal to € 0.5 billion down 0.8% from 31 Dec. 2024 and 19.7% year-on-year;
- Unlikely-to-pay to € 1.0 billion, stable compared to the beginning of the year and down 9.6% year-on-year;
- net past due exposures equal to € 46 million (€ 110 million as of 31 December 2024 and € 67 million as of 31 March 2024).

The gross ratio of NPEs on total loans is 2.7%, down from 2.8% at the beginning of the year and 3.4% as of March 31, 2024. Even net of value adjustments, a decrease in incidence is observed at 1.5% compared to 1.6% last 31 December and 1.7% as of 31 March 2024.

The coverage ratio of the entire aggregate of non-performing loans is 44.7% (44.6% as of 31 December 2024 and 50.5% as of 31 March 2024)

In more detail, as of March 31, 2025, the coverage ratio is as follows:

- bad loans 57.2% (57.6% and 60.7% as of 31 December and 31 March 2024, respectively);
- Unlikely-to-pay 36.1% (36.9% and 43.4% as of 31 December and 31 March 2024, respectively);
- past due exposures 28.5% (22.8% and 26.1% as of 31 December and 31 March 2024, respectively).

The coverage ratio of performing exposures is 0.44%, (0.45% and 0.41% as of 31 December and 31 March 2024, respectively).

Group capital ratios²⁸

²⁵ As of December 31, 2024, in order to allow a more immediate understanding of the evolution of the credit quality of loans to customers, senior debt securities from securitizations originated by the Group with underlying impaired loans, which are reclassified under financial assets at amortized cost, are not included in this item. Figures referring to previous periods have been restated to ensure a like-for-like comparison. For further details, please refer to Note 1 this press release. In addition, the aggregate does not include loans and advances to customers, which, following the application of IFRS 9, must be mandatorily measured at *fair value*. These receivables, amounting to € 0.6 billion are included in financial assets measured at *fair value*

²⁶ Management data.

²⁷ Management data.

²⁸ More details on how capital ratios are calculated can be found in Explanatory Note No. 6 of this release.

As of January 1, 2025, the amendments to Regulation (EU) No. 575/2013 (CRR) introduced by Regulation (EU) No. 2024/1623 of 31 May 2024 came into effect.

As of the reporting date of 31 March 2025, Banco BPM has also exercised the option provided by Article 468 of the CRR, which allows unrealized losses and gains arising from the measurement at Fair Value through Other Comprehensive Income (OCI) of debt securities issued by public administrations classified under financial assets measured at fair value with an impact on comprehensive income to be sterilized when calculating primary tier 1 capital (CET 1). This option is granted by the regulations for a transitional period, until December 31, 2025.

Taking these major changes into account, the Common Equity Tier 1 ratio (CET 1 ratio) as of March 31, 2025 is 15.94% compared to 15.05% as of 31 December 2024. The CET 1 ratio calculated without applying the above transitional rules (CET 1 ratio "fully phased in") is 14.76%.

The "phased-in" Tier 1 ratio is 18.07% (16.90% "fully phased") compared to 17.30% as of 31 December 2024, while the "phased-in" Total Capital ratio is 20.96% (19.80% "fully phased") compared to 20.33% as of 31 December 2024.

With reference to the Anima Holding aggregation transaction and the related impacts under the regime of non-application of the so-called Danish Compromise, quantified by the Group as 268 bps in the illustrative report prepared for the Shareholders' Meeting of February 28 last in the hypothesis of reaching a 100% shareholding, it should be noted that the capital ratios as of March 31, 2025 already take into account the component, amounting to 53 bps, related to the payment on account of future capital increase made in favor of Banco BPM Vita in order to finance the latter's purchase of the controlling interest in the capital of Anima Holding. The residual impacts resulting from the Anima Holding aggregation transaction will be included in the calculation of the Banco BPM Group's capital ratios as of the reference date of June 30, 2025. In this regard, in reminding that at the final outcome of the Tender Offer, Banco BPM Vita holds an 89.95% stake in the capital of Anima Holding, it should be noted that, on the basis of the forecasts made with reference to the information available as of today's date and in light, among other things, of the impact mitigation resulting from having acquired a stake of less than 100%, Banco BPM confirms that it will maintain a CET 1 ratio of not less than 13% also as of that reference date.

The buffer with respect to the limit provided for the ability to distribute dividends (*Maximum Distributable Amount* or MDA buffer) calculated considering the transitional regulations is 676 bps while the corresponding "fully phased" figure is 559 bps.

BUSINESS OUTLOOK

The macroeconomic environment in late 2024 experienced a moderate slowdown affected by international geopolitical tensions and high uncertainty created by the prospects of imposing new trade barriers. These have exerted a predominantly negative effect on business investment decisions and consumer confidence, especially in the US. For Italy, expectations for 2025 have recently been downgraded: GDP growth is estimated at around 0.5% on average, with inflation in line with the ECB's target of 2%. In 2025, support for growth will come from the expansionary policies initiated by the ECB and public (German and EU) plans for infrastructure and defense spending, which are expected to scale back the negative impact of U.S. tariffs.

On the direct funding front, the stock is expected to be stable for Banco BPM; loans to customers, after the important change of pace recorded in the first quarter, should continue to benefit from a

sustained pace of new lending, more as a result of a level of interest rates favorable to investments than of a trend in the economy expected to grow moderately. Overall, however, the dynamics of net interest income is expected to be affected by the gradual loosening of monetary policy, the effects of which it is conceivable will gradually be mitigated by the continuation of managerial actions, in continuation of what occurred in 2024 and the first quarter of 2025.

On the commissions front, the market rate scenario and the strengthened commercial and product synergies resulting from the entry of Anima into the Group's perimeter will be a strong element of support for the dynamics of the placements of asset management and asset under custody products, including the insurance component, which will benefit from the gradual entry into full operation of the new internal structure for the "life" component and the long-term partnership with Crédit Agricole for the "non-life" part. Loan commissions, which are expected to grow from the previous year, are expected to contribute to the year-on-year growth dynamic of overall net commissions, despite the substantial elimination of the contribution of the component from the purchase of tax credits from building bonuses and commissions on instant transfers.

As far as operating expenses are concerned, the component referring to personnel expenses will begin to benefit from a downward dynamic in the workforce as an effect of the labor union agreements signed on December 19 relating to the Voluntary Redundancy Plan; as of the second quarter, the effects of these reductions are expected to be greater than the residual increases resulting from the renewal of the national labour contract (CCNL). With regard to administrative expenses, the higher burden resulting from the implementation of the initiatives outlined in the Business Plan update is currently more than offset 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 substantially stable, the result of a conservative projection of the expected default rate (higher than in 2024). In this context, caution remains high on the front of credit policies, oriented to a careful selection of customers, so as hedges are expected to remain stable at precautionary levels on both performing and nonperforming exposures.

The solidity of the results achieved in the first quarter and the resilience of the same despite a lower-than-expected rate environment by virtue of a business model that, consistent with the Strategic Plan, has become even stronger and more diversified thanks to the entry of Anima into the Group's perimeter starting in the second quarter of 2025, have led to an upward update of the net income guidance for 2025, now expected to be around € 1.95 billion.

Dr. Gianpietro Val, in his role as Manager in charge of preparing corporate accounting documents, declares pursuant to paragraph 2 Article 154 bis of the Consolidated Law on Finance that the accounting information contained in this press release corresponds to the documentary results, books and accounting records.

Banco BPM Group's results as of 31 March 2025 will be presented to the financial community in a *conference call* set for today, 7 May 2025, at 6 p.m. (C.E.T.). Supporting documentation for the *conference call* is available on the website of the authorized storage mechanism (www.emarketstorage.it) and on the Bank's website (www.gruppo.bancobpm.it), there are also details for connecting to the event.

Explanatory notes

This News Release represents the document through which Banco BPM decided to disclose - on a voluntary basis - supplementary periodic information ("quarterly reports") to the public and to the market in addition to the half-year and annual reports, in compliance with the disclosure policy communicated to the market pursuant to art. 82-ter of the Issuers Regulation effective on 2 January 2017. For the sake of completeness, please note that the quarterly report also includes the result presentation handout prepared as a support for the conference call with the financial community to be held after this News Release has been released.

The quarterly report contained in this document includes a comment on the quarterly operating performance that focuses on the dynamics of the key P&L, balance sheet and financial items, and is based on the reclassified balance sheet and income statement.

Please find below some explanatory notes that are deemed useful to better understand the approach followed in preparing the above-mentioned accounting statements, as well as the information on the interim results included in this news release.

1. Accounting policies and reference accounting standards

Accounting policies

The balance sheet and income statement schemes 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 2024.

In this respect, please note that as to the reclassified balance sheet, as of 31 December 2024 certain quarterly comparative balances published previously had to be reclassified, to reflect a different categorization of certain financial assets. More specifically, for a more straightforward and simple understanding of the evolution of the asset quality of customer loans, the aggregate of senior debt securities from the securitization originated by the Group, with nonperforming loans as underlying, is classified under the reclassified balance sheet line-item "Other financial assets", while in prior periods, the securities under examination were posted under the line-item "Financial assets at amortized cost", although they were grouped separately to account for their peculiar characteristics. As a matter of fact, these securities are almost fully backed by the Italian State's NPL Securitization Guarantee (Garanzia Cartolarizzazione Sofferenze - or "GACS" pursuant to Decree 18 of 14 February 2016), therefore their coverage level is not comparable to that of the other loans.

As to the reclassified income statements, as of 2025 costs tied to the reorganization process involving the Group insurance companies, which were originally posted under the line-item "Other administrative expenses", will be grouped under the separate line-item "corporate restructuring charges, after tax".

Reference accounting standards

The accounting standards adopted to prepare the financial accounts as at 31 March 2025, as regards the classification, recognition, measurement and derecognition of assets and liabilities, as well as the recognition of costs and revenues, 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 31 March 2025, 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 2025, since new standards or amendments to existing standards that would significantly affect the Group's operating and financial position have not become applicable.

As to disclosure requirements, the information contained in this news release was not prepared based on IAS 34 covering interim financial reporting.

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 financial report as at 31 March 2025, 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 might have to navigate.

In particular, the macroeconomic scenario is still exhibiting significant elements of uncertainty, mainly tied to the evolution of the international environment. In addition to the delicate geopolitical balance, with the conflicts in Ukraine and in the Middle East still raging, another source of strong uncertainty is the evolution of US trade policies and the possible retaliatory measures by the European Union and the other economies. This greater uncertainty is likely to dampen the trust of households and businesses, and the adverse and volatile market reaction to trade tension may induce a tightening of lending conditions.

Future actual results may differ from the estimates generated for the financial report as at 31 March 2025, 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 annual report of Gruppo Banco BPM as at 31 December 2024 provides a detailed description of the estimation process that requires a heavier reliance on judgmental elements when defining underlying assumptions and hypotheses. This explanation, to which you may refer, holds true also for the financial and operating situation as at 31 March 2025, illustrated in this news release.

Acquisition of control of the Anima Holding group

The acquisition of control of Anima Holding S.p.A. was completed on 11 April 2025, following payment of the price set out in the tender offer to shareholders who accepted the offer. Anima Holding and its subsidiaries will be consolidated on a line-by-line basis starting from the reporting date of 30 June 2025. In order to provide a preliminary indication of the impact of the above acquisition on the Group's profitability, a reclassified income statement has been prepared and attached to this press release, assuming that the acquisition of control of Anima took place on 1 January 2025. More detailed information on the assumptions and methods used to prepare the above income statement is provided below:

- the costs and revenues of the Anima group for the first quarter were fully consolidated, attributing the minority shareholders' share (currently equal to 10.051% of Anima Holding's share capital) to the minority shareholders;
- intercompany costs and revenues were eliminated. These include the extraordinary revenue recognized by the Anima Holding group in relation to the distribution commitments undertaken towards it by the banks of the Banco BPM Group amounting to €31.8 million;
- following full consolidation, the contribution deriving from the valuation at equity of the interest effectively held at 31 March 2025, recorded in the consolidated income statement of the Banco BPM Group, was reversed;
- the acquisition of control of Anima Holding will result in the recognition of a capital gain following the fair value adjustment of the shareholding already held by the Group as of 31 March 2025. This capital gain is not included in the consolidated income statement attached to this press release;
- the Purchase Price Allocation (PPA) process for the Anima Holding group is currently underway. Pending its completion, it has been assumed that the net value of the tangible assets and liabilities acquired measured at fair value at the date of acquisition corresponds to the value at which the aforementioned assets and liabilities are recorded in the consolidated financial statements of Anima Holding as of 31 March 2025, with the exception of the equity interest it holds in Banca Monte dei Paschi, which has been aligned with its fair value as of 11 April 2025. It was also assumed that the total amount of intangible assets with a finite life that will be recorded in Banco BPM's consolidated financial statements following completion of the PPA corresponds, in terms of total amount and amortization profile, to the total amount of intangible assets recorded in the consolidated financial statements of the Anima Holding group as of 31 March 2025.

It should be noted that the information contained in the above consolidated income statement must be assessed taking into due consideration the assumptions and estimates set out above.

Alternative performance measures

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 funds:** 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. Funds related to insurance companies are excluded;
- **core direct funds:** customer funds represented exclusively by deposits and current accounts;
- **direct insurance funds and insurance liabilities:** include funds classified under insurance liabilities and financial liabilities connected to insurance companies;
- **indirect funds:** management data representing customer financial assets under management and assets under custody, net of funds underlying the certificates with protected capital, included in direct banking 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 performing loans:** aggregate amount comprising 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";
- **default rate:** calculated by dividing the sum of the reclassifications from performing to nonperforming exposures during the period by the gross performing exposures, inclusive of loans under disposal at the start of the period, and then annualizing the result;
- **cost of credit or cost of risk:** calculated by dividing net write-downs on customer loans during the period by total customer cash exposures measured at amortized cost, net of write-downs, and then annualizing the result;
- **NPE coverage ratio:** calculated by dividing total net write-downs on non-performing loans by gross non-performing loans to customers measured at amortized cost;
- **NPE coverage ratio including write-offs:** calculated by dividing total net write-downs on non-performing loans by 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 by dividing write-downs on bad loans by gross bad loans;
- **bad loans coverage ratio including write-offs:** calculated by dividing write-downs on bad loans by 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 by dividing write-downs on unlikely to pay loans by gross unlikely to pay loans;
- **past due loans coverage ratio:** calculated by dividing write-downs on past due loans by gross past due loans;
- **performing loans coverage ratio:** calculated by dividing write-downs on performing loans by gross performing loans;
- **non-interest income:** aggregate amount comprised of income from associates carried at equity, net fees and commissions, other net operating income, net financial result and income from insurance business;
- **non-interest income including Anima's full consolidation:** non-interest income as defined above, assuming the full consolidation of Anima Holding as of 1 January 2025 (see Explanatory Note No. 1 - "Acquisition of control of the Anima Holding group");
- **cost/income ratio:** calculated by dividing operating expenses by operating income as shown in the reclassified income statement;
- **net income inclusive of Anima's full consolidation:** net income inclusive of Anima Holding's contribution assuming the full consolidation of Anima Holding as of 1 January 2025 (see Explanatory Note No. 1 - "Acquisition of control of the Anima Holding group").

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 Q1 2025 caused by the reversal effect of value adjustments of purchased net assets on net interest income came in at € -1.0 million (in connection with the evolution of the various valuations of purchased assets), € -7.4 million on other net operating income (due to the depreciation of intangibles recognized under the PPA), and € -1.8 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 Q1 2025 added up to € -7.0 million (€ -8.7 million in the corresponding period of the prior financial year).

3. Charges generated by the contribution to the resolution mechanisms

No systemic charges tied to ordinary and extraordinary contributions to the various resolution mechanisms were accounted for in Q1 2025.

As a matter of fact, in Q1 2024 the ordinary contribution phase to the Fondo Interbancario Tutela Depositi (FITD) was completed, whose aim was to reach by 3 July 2024 the target level of the financial endowment under the *Deposit Guarantee Scheme Directive*, 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 € 68.1 million (€ 100.9 million pre-tax), and has been charged to income right from the first quarter of 2024.

Likewise, no contribution has been requested from the Single Resolution Fund (SRF), for which the accrual period, aimed at guaranteeing a minimum financial endowment of 1% of guaranteed deposits, had already been completed in 2023.

For the Life Insurance Guarantee Fund (Fondo di Garanzia del settore assicurativo Vita) - established under Law no. 213 of 30 December 2023 and aiming at reaching a financial endowment amounting to 0.40% of technical life reserves by 2035 - no charge was recognized in the P&L in Q1 2025. The fund Statute, which is currently being prepared, will provide detailed provisions regulating contributions; as confirmed by the IVASS communication of 18 December 2024, said provisions will make it possible to identify the obligating event, which under IFRIC Interpretation 21 "Levies" will trigger the obligation for the Group to pay the contributions, and hence the due payment will be charged to income.

4. Changes in consolidation scope

In Q1 2025, the changes in consolidation scope compared to the end of the prior year regarded the exit of the SPVs Burgos Leasco S.r.l. and Tago LeaseCo S.r.l following the finalization of the disposal of the Parent company's nonperforming lease portfolio (Project Toledo).

Note that the sale for € 17 million of the associate SelmaBipiemme Leasing S.p.A. was finalized in March 2025, after the collection of an extraordinary dividend of € 24 million. This transaction had no P&L impact as the investment (classified as held for sale in accordance with IFRS 5, in the financial statements at 31 December 2024) was recorded at a value of €41 million.

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. No material non-recurring P&L items were reported in Q1 2025 that would require a disclosure, considering their negligible impact on the quarterly operating result.

6. Regulatory capital requirements

Clarifications on the capital ratio calculation procedure

The capital ratios as at 31 March 2025 reported in this news release have been calculated by including the interim net income accruing at the end of the first quarter of 2025, net of the expected payout ratio based on the specific applicable regulation²⁹ and of the other income allocations. To this regard, please note that we shall apply for the permission to include the above net income in the own funds calculation pursuant to art. 26 paragraph 2 of Regulation (EU) no. 575/2013.

Capital ratios as at 31 March 2025 were determined based on the calculation of risk weighted assets in compliance with the new rules under Regulation EU 2024/1623 ("Basel 3+").

Moreover, on 28 March 2025, Banco BPM informed the ECB of the intention to exercise the option provided by art. 468 of Regulation EU no. 575/2013 (CRR)³⁰, which allows the removal from the CET1 calculation of unrealized gains and losses accrued as of 31 December 2019, recognized in equity as a change in the valuation reserves of financial assets measured at fair value through other comprehensive income referring to exposures to debt instruments issued by central or regional governments or local authorities under article 115, paragraph 2, of CRR and by public sector entities under article 116, paragraph 4, provided that said exposures are not classified under impaired financial assets. Between 1 January 2025 and 31 December 2025, 100% of unrealized gains and losses can be removed, which on 31 March 2025 came to €493.8 million, net of tax effect.

The estimates of the capital ratios for the Group, all else being equal, had it not exercised the above option, are defined "fully phased". Capital ratios defined as "phase-in" are instead calculated along the above temporary provisions.

Minimum requirements

With communication of 22 November 2024, the Bank of Italy confirmed that the banking group Banco BPM in FY 2025 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.

With communication of 20 December 2024, the Bank of Italy confirmed the Countercyclical Capital Buffer ratio for the exposures to Italian counterparties at zero percent also for Q1 2025.

On 11 December 2024, the European Central Bank (ECB) notified Banco BPM its SREP decision for FY 2025, lowering the Pillar 2 capital requirement (P2R) to 2.25%, compared to the prior year's requirement of 2.52%.

Considering also the new systemic risk buffer of 0.37%, the consolidated minimum capital requirements as of 1 January 2025 come in as follows³¹:

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

²⁹ Pursuant to art. 5 of decision (EU) 2015/656 of the European Central Bank of 4 February 2015, dividends to be deducted from the quarterly profits, for which inclusion in own funds is being asked, amount to 79% of the interim results, as, in the absence of a formal decision passed by the Board of Directors on the allocation of the FY 2025 net income, the rules set forth in art. 5.3 of Decision (EU) 2015/66 of the European Central Bank were applied.

³⁰ Article amended by Regulation (EU) no. 2024/1623.

³¹ 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 2.25% set by the ECB must be met with 1.266% of CET 1 capital, with 0.42% of AT 1 and 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 buffer (Syrb) of 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 March 2025, broken down by single Country and by category of the classification accounting portfolio:

31 March 2025 (data in million euro)	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
Countries/Accounting portfolios				
Italy	12,373	2,285	1,818	16,476
France	5,743	3,137	-	8,880
USA	704	2,586	-	3,290
Spain	4,215	1,162	-	5,377
Germany	2,984	1,450	60	4,494
Other Countries	765	391	-	1,156
Total	26,784	11,011	1,878	39,673

On 31 March 2025, the banking Group's sovereign debt exposure totaled € 39.7 billion (€ 32.9 billion on 31 December 2024), of which 67.5% was classified in the portfolio of financial assets measured at cost, 27.8% in the portfolio of financial assets measured at fair value through other comprehensive income, and 4.7% in the portfolio of financial assets measured at fair value through profit or loss, as they were held for trading.

About 91% of this exposure refers to securities issued by members of the European Union; notably roughly 42% by Italy.

As regards financial assets measured at fair value through other comprehensive income, as at 31 March 2025 the reserves generated by the fair value measurement of debt securities posted a negative amount equal to € 497.7 million, net of tax effect, of which € -493.6 million refer to government bonds (€ -36.8 million for Italian government bonds and € -456.8 million for government bond of other Countries).

As to financial assets measured at amortized cost, the book value came out at € 26.8 billion, of which € 12.4 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 March 2025 (level 1 in the fair value classification), totaled € 26.5 billion (€ 12.5 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 March 2025, 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 March 2025 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 March 2025 compared with data as at 31 December 2024
- Q1 2025 reclassified consolidated income statement compared with Q1 2024 data
- Reclassified consolidated income statement – 2025 and 2024 quarterly evolution
- Reclassified consolidated income statement prepared on the assumption of full consolidation of the Anima Holding group as of 1 January 2025

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BANCO BPM Group

Reclassified consolidated balance sheet

TOTAL ASSETS (in euro thousand)	31/03/2025	31/12/2024	Chg.	Chg. %
Cash and cash equivalents	12,169,783	12,124,840	44,943	0.4%
Financial assets at amortised cost	104,155,117	103,089,541	1,065,576	1.0%
- due from banks	3,318,691	3,362,267	-43,576	-1.3%
- customer loans	100,836,426	99,727,274	1,109,152	1.1%
Other financial assets	58,301,084	51,301,101	6,999,983	13.6%
- Financial assets designated at FV through P&L	10,824,462	9,318,563	1,505,899	16.2%
- Financial assets designated at FV through OCI	15,272,655	13,279,954	1,992,701	15.0%
- Financial assets at amortised cost	32,203,967	28,702,584	3,501,383	12.2%
Financial assets pertaining to insurance companies	16,799,626	16,689,586	110,040	0.7%
Equity investments	1,654,292	1,708,439	-54,147	-3.2%
Property and equipment	2,476,254	2,513,905	-37,651	-1.5%
Intangible assets	1,268,353	1,256,612	11,741	0.9%
Tax assets	3,202,642	3,372,636	-169,994	-5.0%
Non-current assets held for sale and discontinued operations	296,604	444,525	-147,921	-33.3%
Other assets	5,210,023	5,707,902	-497,879	-8.7%
TOTAL ASSETS	205,533,778	198,209,087	7,324,691	3.7%

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (in euro thousand)	31/03/2025	31/12/2024	Variaz.	Var. %
Banking Direct Funding	126,164,421	126,149,114	15,307	0.0%
- Due from customers	102,587,565	102,757,399	-169,834	-0.2%
- Debt securities and other financial liabilities	23,576,856	23,391,715	185,141	0.8%
Insurance Direct Funding & Insurance liabilities	16,294,669	16,214,811	79,858	0.5%
- Financial liabilities measured at FV pertaining to insurance companies	3,555,127	3,331,610	223,517	6.7%
- Liabilities pertaining to insurance companies	12,739,542	12,883,201	-143,659	-1.1%
Due to banks	7,621,171	6,332,722	1,288,449	20.3%
Debts for Leasing	626,787	646,208	-19,421	-3.0%
Other financial liabilities designated at FV	33,213,488	28,703,792	4,509,696	15.7%
Other financial liabilities pertaining to insurance companies	70,144	56,103	14,041	25.0%
Liability provisions	942,373	988,625	-46,252	-4.7%
Tax liabilities	560,735	471,782	88,953	18.9%
Liabilities associated with assets held for sale	-	1,215	-1,215	-100.0%
Other liabilities	5,173,397	4,040,703	1,132,694	28.0%
Total Liabilities	190,667,185	183,605,075	7,062,110	3.8%
Minority interests	65	69	-4	-5.8%
Shareholders' equity	14,866,528	14,603,943	262,585	1.8%
Consolidated Shareholders' Equity	14,866,593	14,604,012	262,581	1.8%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	205,533,778	198,209,087	7,324,691	3.7%

BANCO BPM Group

Reclassified consolidated income statement

<i>(in euro thousand)</i>	Q1 2025	Q1 2024	Chg.	Chg. %
Net interest income	816,934	864,396	-47,462	-5.5%
Income (loss) from investments in associates carried at equity	39,807	30,342	9,465	31.2%
Net interest, dividend and similar income	856,741	894,738	-37,997	-4.2%
Net fee and commission income	553,989	521,620	32,369	6.2%
Other net operating income	-7,473	3,841	-11,314	n.m.
Net financial result	46,212	8,805	37,407	n.m.
Income from insurance business	26,322	4,818	21,504	n.m.
Other operating income	619,050	539,084	79,966	14.8%
Total income	1,475,791	1,433,822	41,969	2.9%
Personnel expenses	-434,029	-431,635	-2,394	0.6%
Other administrative expenses	-144,573	-172,900	28,327	-16.4%
Net value adjustments on property and equipment and intangible assets	-66,599	-64,149	-2,450	3.8%
Operating costs	-645,201	-668,684	23,483	-3.5%
Profit (loss) from operations	830,590	765,138	65,452	8.6%
Net adjustments on loans to customers	-75,519	-82,454	6,935	-8.4%
Profit (loss) on fair value measurement of tangible assets	-831	-13,384	12,553	-93.8%
Net adjustments on other assets	3,491	-2,961	6,452	n.m.
Net provisions for risks and charges	1,897	-4,978	6,875	n.m.
Profit (loss) on the disposal of equity and other investments	339	378	-39	-10.3%
Income (loss) before tax from continuing operations	759,967	661,739	98,228	14.8%
Tax on income from continuing operations	-243,094	-215,435	-27,659	12.8%
Income (loss) after tax from continuing operations	516,873	446,304	70,569	15.8%
Systemic charges after tax	-	-68,110	68,110	n.m.
Restructuring costs, after tax	-686	-	-686	n.m.
Bancassurance impact after tax	-	2,466	-2,466	n.m.
Impact from the change in Own Credit Risk on certificates issued, after tax	1,491	-1,775	3,266	n.m.
Purchase Price Allocation (PPA) after tax	-7,025	-8,670	1,645	-19.0%
Income (loss) attributable to minority interests	2	2	-	0.0%
NET INCOME (LOSS) FOR THE PERIOD	510,655	370,217	140,438	37.9%

BANCO BPM Group

Reclassified consolidated income statement

(in euro thousand)

	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Net interest income	816,934	855,337	861,922	858,390	864,396
Income (loss) from investments in associates carried at equity	39,807	45,639	31,136	44,572	30,342
Net interest, dividend and similar income	856,741	900,976	893,058	902,962	894,738
Net fee and commission income	553,989	494,392	488,056	499,778	521,620
Other net operating income	-7,473	31,309	-10,443	-1,347	3,841
Net financial result	46,212	-14,831	47,996	-50,813	8,805
Income from insurance business	26,322	22,415	56,222	9,977	4,818
Other operating income	619,050	533,285	581,831	457,595	539,084
Total income	1,475,791	1,434,261	1,474,889	1,360,557	1,433,822
Personnel expenses	-434,029	-449,064	-435,579	-428,926	-431,635
Other administrative expenses	-144,573	-143,471	-152,342	-176,068	-172,900
Net value adjustments on property and equipment and intangible assets	-66,599	-68,460	-68,187	-64,919	-64,149
Operating costs	-645,201	-660,995	-656,108	-669,913	-668,684
Profit (loss) from operations	830,590	773,266	818,781	690,644	765,138
Net adjustments on loans to customers	-75,519	-159,613	-107,810	-111,598	-82,454
Profit (loss) on fair value measurement of tangible assets	-831	-14,495	-14,143	-12,605	-13,384
Net adjustments on other assets	3,491	-6,512	1,193	-287	-2,961
Net provisions for risks and charges	1,897	-14,304	-16,130	13,220	-4,978
Profit (loss) on the disposal of equity and other investments	339	-658	2,062	645	378
Income (loss) before tax from continuing operations	759,967	577,684	683,953	580,019	661,739
Tax on income from continuing operations	-243,094	-170,759	-222,975	-180,425	-215,435
Income (loss) after tax from continuing operations	516,873	406,925	460,978	399,594	446,304
Systemic charges after tax	-	-4,375	-	1,474	-68,110
Costs related to the incentivised pension scheme, after tax	-	-130,182	-	-11,686	-
Restructuring costs, after tax	-686	-	-	-	-
Impact from Payment Business, after tax	-	-	493,125	-	-
Bancassurance impact after tax	-	-	-	-	2,466
Impairment of equity investments	-	-42,446	-	-	-
Impact from the change in Own Credit Risk on certificates issued, after tax	1,491	1,531	981	476	-1,775
Purchase Price Allocation (PPA) after tax	-7,025	-6,898	-9,376	-9,954	-8,670
Income (loss) attributable to minority interests	2	3	2	4	2
NET INCOME (LOSS) FOR THE PERIOD	510,655	224,558	945,710	379,908	370,217

BANCO BPM Group	
Reclassified consolidated income statement - Proforma assuming full consolidation of Anima Holding from 1st January 2025	
<i>(in euro thousand)</i>	Q1 2025
Net interest income	817,455
Income (loss) from investments in associates carried at equity	28,916
Net interest, dividend and similar income	846,371
Net fee and commission income	687,994
Other net operating income	-6,740
Net financial result	47,448
Income from insurance business	26,322
Other operating income	755,024
Total income	1,601,394
Personnel expenses	-461,442
Other administrative expenses	-162,331
Net value adjustments on property and equipment and intangible assets	-79,147
Operating costs	-702,921
Profit (loss) from operations	898,473
Net adjustments on loans to customers	-75,796
Profit (loss) on fair value measurement of tangible assets	-831
Net adjustments on other assets	3,491
Net provisions for risks and charges	1,501
Profit (loss) on the disposal of equity and other investments	352
Income (loss) before tax from continuing operations	827,190
Tax on income from continuing operations	-271,757
Income (loss) after tax from continuing operations	555,433
Restructuring costs, after tax	-686
Impact from the change in Own Credit Risk on certificates issued, after tax	1,491
Purchase Price Allocation (PPA) after tax	-7,025
Income (loss) attributable to minority interests	-4,863
NET INCOME (LOSS) FOR THE PERIOD	544,350

