

This document constitutes a supplement for the purposes of Article 23, paragraph 1, of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the “**Prospectus Regulation**”) and is prepared in connection with the Certificates Programme of Banco BPM S.p.A. (the “**Issuer**”).



**BANCO BPM S.p.A.**

*(incorporated as a joint stock company (società per azioni) in the Republic of Italy)*

**First Supplement dated 5 June 2024**

(the "**Supplement**")

to the "**CERTIFICATES PROGRAMME**" Base Prospectus dated 12 March 2024 of

**BANCO BPM S.p.A.**

approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**")

(the "**Base Prospectus**")

The terms used in this Supplement have the same meaning as the terms used in the Base Prospectus. Any reference to the Base Prospectus is to be read as a reference to the Base Prospectus as supplemented.

This document is supplemental to, and should be read in conjunction with, the Base Prospectus and, in connection with any issue of securities thereunder, with the relevant Final Terms. Therefore, with respect to issues under the Base Prospectus, references in the Final Terms to the Base Prospectus are to be read as references to the Base Prospectus as amended and supplemented. Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the Commission de Surveillance du Secteur Financier (the “CSSF”), as competent authority under Prospectus Regulation. CSSF has only approved the Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the securities issued under the Programme and investors should make their own assessment as to the suitability of investing in the securities issued under the Programme.

BANCO BPM S.p.A. accepts responsibility for the information contained in this Supplement and declares that the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be deemed amended and/or supplemented in the manner described below.

This Supplement, the Base Prospectus as well as any further supplements to the Base Prospectus are published on the following website of the Issuer: <https://gruppo.bancobpm.it/investor-relations/strumenti-di-debito/emissioni-internazionali/>. Furthermore, this Supplement and the documents incorporated by reference into the Base Prospectus by virtue of this Supplement will be published on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)).

## **RIGHT TO WITHDRAW**

**In accordance with Article 23, paragraph 2, of the Prospectus Regulation, in the case of an offer of securities to the public, investors who have already subscribed for securities to be issued under the Programme before this Supplement, dated 5 June 2024 is published, have the right, exercisable within two working days after the publication of the Supplement, to withdraw their acceptances by contacting the relevant distributor specified in the relevant Final Terms. This right to withdraw shall expire by close of business on 7 June 2024. The right of withdrawal is only granted to those investors who had already agreed to purchase or subscribe for the securities before the Supplement was published and where the securities had not yet been delivered to the investors at the time when the significant new factor, material mistake or material inaccuracy arose or was noted.**

### **Purpose of the Supplement**

This Supplement serves as update to the Base Prospectus in connection with the publication of financial statements for the financial year ending 31 December 2023.

In particular, the purpose of the submission of this Supplement is to update the information included into the following sections or sub-sections of the Base Prospectus:

- (i) *Risk factors;*
- (ii) *Documents Incorporated by Reference;*
- (iii) *Major Shareholders;*

- (iv) *Recent Developments;*
- (v) *Credit ratings assigned to the Issuer;*
- (vi) *Trend information;*
- (vii) *Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses;*
- (viii) *Organisational structure*
- (ix) *Business Overview; and*
- (x) *Regulatory.*

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## Amendments and additions to the Base Prospectus

### 1. RISK FACTORS

The sub-section entitled “A) *Material risks that are specific to the Issuer and that may affect the Issuer’s ability to fulfil its obligations under the Securities*” in the section entitled “Risk Factors”, on pages 14 et seq. of the Base Prospectus, shall be amended as follows.

- a) The risk factor entitled “***Risks related to the impact of global macro-economic factors, the consequences arising from the continuation of the Russia-Ukraine conflict and the onset of the Middle East conflict, and the impact of the geopolitical environment in general***” which may be found on page 14 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

***“Risks related to the impact of global macro-economic factors, the consequences arising from the continuation of the Russia-Ukraine conflict and the onset of the conflict in the Middle East, and the impact of the geopolitical environment in general***

The performance of the Banco BPM Group is influenced by Italian and EU-wide macroeconomic conditions, the conditions of the financial markets in general, and in particular, by the stability and trends in the economies of those geographical areas in which the Banco BPM Group conducts its activity. The earning capacity and solvency of the Banco BPM Group is affected, *inter alia*, by factors such as investor perception, long-term and short-term interest rate fluctuations, exchange rates, liquidity of financial markets, availability and costs of funding, sustainability of sovereign debt, family incomes and consumer spending, unemployment levels, inflation and property prices. Adverse changes in these factors, especially during times of economic and financial crisis, could result in potential losses, an increase in the Issuer’s and/or the Banco BPM Group’s borrowing costs, or a reduction in value of its assets, with possible negative effects on the business, financial condition and/or results of operations of the Issuer and/or the Banco BPM Group.

In 2023 the global economy experienced a moderate growth and the macro-economic conditions were influenced by a high degree of volatility resulting from the trends in inflation and interest rates. The main hurdles to a more sustained growth pace came from a persistent high inflation and the high interest rates reflecting the restrictive monetary policies implemented in the main world economies. Such two factors have in fact slowed down consumption and investments, in a large part of the main Western economies.

These factors were compounded by tensions in the banking markets experienced in March 2023 in relation to the difficulties experienced by four medium-sized banks in the United States (including First Republic Bank) and a Swiss bank of global importance (Credit Suisse). This led to several bank failures (including Silicon Valley Bank) and the acquisition of Credit Suisse by UBS. In addition, in the last quarter of 2023, on the geopolitical front, as well as the ongoing Ukrainian conflict, an acute Israeli-Palestinian clash rekindled the unresolved Middle Eastern crisis. The two conflicts affected the regular functioning of global supply chains and exerted a certain burden on the public finances of Western countries, especially in terms of support to Ukraine, already burdened by the prospect of a rising debt refinancing cost.

With respect to the conflict between Israel and the Palestinian territory of Gaza, as of 31 December 2023, the Group had no credit exposure towards counterparties located in Israel and Palestine while the authorized credit amount in respect of such parties was equal to Euro 12 million; the Group’s exposure represented by securities issued by the State of Israel was equal to Euro 45 million in principal amount, while Group’s exposure to stocks and funds towards Israeli counterparties was equal to Euro 9.4 million. As of 31 December 2023, the Group’s indirect risks for guarantees granted to Israeli counterparties amounted to Euro 4 million.

Additionally, the monetary policies of the major central banks in 2023 strengthened the markedly restrictive nature that they had already assumed in 2022.

The increase in official interest rates by central banks has been passed onto the cost of Italian bank loans in 2023. Indeed, an increase in interest rates can be observed both for outstanding amounts and for new loans to households and enterprises. In December 2023, the interest rate on new Italian banks’ Euro loans to households for house

purchases was 4.42% (3.01% in December 2022). The average rate on new Italian banks' Euro loans to non-financial corporations rose to 5.69% at the end of 2023, from 3.55% at the end of 2022. Lastly, in December 2023 the weighted average rate on Italian banks' total loans to households and non-financial corporations was 4.76% (3.20% in December 2022).

The trends of the national macroeconomic conditions and the Italian sovereign rating may have an impact on the Issuer's credit rating. In particular, any deterioration in the Italian sovereign debt rating (also at a level below an investment grade level) or in the Italian macroeconomic condition may lead to a downgrade of the Issuer's ratings, which could in turn cause adverse effects on the business, financial condition and/or results of operations of the Issuer and/or of the Banco BPM Group. For additional information, see "Risks related to the financial situation of the Issuer and the Group – Risks related to the ratings assigned to the Issuer".

The afore-mentioned uncertain outlook for the Euro area economy is likely to affect the Group's financial forecasts and estimates, as they require a selection of assumptions and hypotheses that may not necessarily be confirmed by actual future developments.

In addition, a number of uncertainties remain in the current macroeconomic environment, namely: (a) confirmation of growth trend, or recovery and consolidation perspectives, for the US and Chinese economies, with the latter burdened by its domestic real estate market downturn; (b) real economy trends, and in particular the probability of global and domestic recession; (c) the effectiveness of the monetary policy of the European Central Bank ("ECB"), in the Euro area, and the Federal Reserve System, in the US, and their future developments, adverse future developments in the Dollar area, the impact of policies implemented by other countries aimed at promoting their currencies' competitive devaluations; (d) sovereign debt sustainability of certain countries and the related recurring tensions on the financial markets; (e) risks related to the trend of inflation rates; and (f) international banking system crises.

All of these factors, in particular in times of economic and financial crisis, could result in potential losses, an increase in the Issuer's and/or the Banco BPM Group's borrowing costs, or a reduction in value of its assets, with possible negative effects on the business, financial conditions and/or results of operations of the Issuer and/or the Banco BPM Group."

- b) The risk factor entitled "***Risks related to legal proceedings and inspections by Supervisory Authorities***" which may be found on page 16 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

***"Risks related to legal and tax proceedings and inspections by Supervisory Authorities***

The Banco BPM Group is subject to litigation in the ordinary course of its business, including civil and administrative legal proceedings, as well as several arbitration and tax proceedings. See "*Description of the Issuer and the Group – Legal Proceedings of the Group*". Negative outcomes in such proceedings or in any investigation by the supervisory authority may create liabilities which reduce the Issuer's ability to meet its obligations.

In this respect, Banco BPM (former Banca Popolare Italiana Soc. Coop.) is defendant in legal proceedings against the Italian Tax Authority, including proceedings related to the claimed non-deductibility for IRES and IRAP purposes in the 2005 fiscal year of costs and value adjustments to receivables relating to facts or actions classified as offences (regarding offences of false corporate reporting, obstacles to supervision and market turbulence alleged to have been committed by Banca Popolare Italiana with relation to the attempted takeover of Banca Antonveneta). The claims amount to 199.8 million (including interest and tax collection fees). With separate judgements filed on 15 October 2014, no. 8562 (IRES) and no. 8561 (IRAP), Provincial Tax Commission of Milan fully rejected the appeals submitted by the Bank, though not justifying in any way the rationale underlying the confirmation of the tax demand. Said judgements were appealed before the Lombardy Regional Tax Commission. The discussion of the appeals was held before Section 2 of the Milan Regional Tax Commission on 6 May 2015. With judgement no. 670 filed on 19 May 2015, also lacking adequate justification, the Commission rejected the joint appeals submitted and confirmed the challenged judgements. On 18 December 2015, an appeal was submitted to the Supreme Court, which is still pending.

The notices illustrated were followed by additional notices of assessment served on 22 December 2014 relating to the formal report on findings dated 30 June 2011 for tax years 2006-2009. The claims contained in these notices also regard the claimed non-deductibility for IRES and IRAP purposes of the costs deemed attributable to facts or actions classified as offences. More specifically, they regard value adjustments on loans already disputed with reference to tax year 2005. Said value adjustments, although recognised by Banca Popolare Italiana in its financial statements for 2005, were deductible on a straight-line basis over the following 18 financial years pursuant to the version in effect at the time of Art. 106, paragraph 3 of Italian Presidential Decree no. 917 of 22 December 1986.

The notices of assessment served therefore dispute the alleged non-deductibility of the portions of the aforementioned adjustments on loans deducted in the years 2006, 2007, 2008 and 2009. Total claims amount to 15.8 million. An appeal has been presented to the Provincial Tax Commission. The Commission suspended the proceedings until the final judgement of the Supreme Court is passed on the notices of assessment relating to 2005, pursuant to the previous paragraph. The claims illustrated, relating to fiscal years 2005 and 2006-2009, amount to a total of 215.6 million.

The Bank assessed the proceedings and confirmed the assessment of the risk of losing as possible, but not probable, meaning that there is therefore no need to recognise provisions in the financial statements as at 31 December 2023 to cover the potential liability related to the outcome of the dispute in question.

Given the complexity of the relevant circumstances and corporate transactions underlying these proceedings, together with the issues relating to the interpretation of applicable law, it is inherently difficult to estimate the potential liability to which the Banco BPM Group may be exposed when such proceedings are decided.

The Issuer considers that it has made appropriate provision in its consolidated financial statements to cover the possible losses that could arise from legal proceedings or other pending disputes, also taking into account indications provided by external legal counsel.

There can be no assurance that legal proceedings which are not included in these provisions would not give rise to additional liabilities in the future, nor that the amounts already set aside in these provisions will be sufficient to fully cover the possible losses deriving from these proceedings if the outcome is worse than expected. This could have a material adverse effect on the business, financial conditions or results of operations of the Issuer and/or of the Banco BPM Group.

In addition, the Banco BPM Group is regularly subject to enquiries and inspections by the ECB in its capacity as the Bank's supervisory authority and other supervisory authorities in the ordinary course of its business. For additional information on pending inspections, see "Description of the Issuer and the Group – Inspection activities and proceedings conducted by the ECB, Bank of Italy and CONSOB on Banco BPM S.p.A.". The outcomes of any such enquiries and inspections may lead to organisational interventions and the Banco BPM Group may be required to implement certain measures aimed at rectifying any shortcomings detected during such enquiries and inspections. A supervisory authority may also take a range of disciplinary actions against the representatives of the Issuer with administrative, management or control functions.

Compliance with any measures required by a supervisory authority may require the Banco BPM Group to take actions which have, and any sanction imposed by a supervisory authority may have, a potentially negative effect on the Group's business, financial condition or results of operations."

- c) The following risk factor shall be added after the paragraph entitled "***Risks related to legal proceedings and inspections by Supervisory Authorities***" which may be found on page 17 of the Base Prospectus:

***"Risks related to the fair value measurement of real estate investments"***

As part of the project of rationalising and promoting the real estate assets of the Group, in December 2019 the Issuer resolved to change the measurement criterion for property and valuable works of art, adopting the fair value for real estate investments and the revaluation value for property used in operations and valuable works of art. The income statement for the year ended 31 December 2023 shows a net negative impact of Euro 146.8 million resulting from the adjustment of the fair value of investment properties following the annual update of valuation reports. For the year ended 31 December 2022, the net impact was a negative Euro 108.3 million. For additional information, see the paragraph entitled "*Significant accounting policies and uncertainties regarding the use of estimates in the preparation of consolidated financial statements – Determination of the fair value of property*" on pages 177-179 of the 2023 Annual Financial Statements, incorporated by reference in this Base Prospectus.

Any change in the fair value of investment properties may have negative effects on the business, financial conditions and/or results of operations of the Issuer and/or the Banco BPM Group."

- d) The risk factor entitled "***Risks related to deferred tax assets***" which may be found on page 17 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

***"Risks related to deferred tax assets"***

Deferred tax assets ("DTAs") and liabilities are recognised in Banco BPM's consolidated financial statements according to accounting principle IAS 12. As of 31 December 2023, DTAs amounted in aggregate to Euro 3,849.8 million, of which Euro 1,845.1 million may be converted into tax credits pursuant to Law No. 214 of 22 December 2011 ("**Law 214/2011**").

The recognition of DTAs not convertible into tax credits and the subsequent maintenance in the balance sheet entails a probability test as to their potential recoverability, which must also consider the tax regulations in force at the date

of preparation of the financial statements. The probability test must be based on reasonable income forecast taken from approved strategic plans and projections, also considering that, for income tax purposes, tax regulations permit tax losses to be carried forward without any time limit.

As a result, the recoverability of the DTAs not convertible into tax assets may be negatively influenced by changes in the tax regulations and in the accounting principles in force, which cannot be forecast at present. For further information on (i) DTAs, see Section 11 of Part B “*Information on the Consolidated Balance Sheet*” of the 2023 Annual Financial Statements, (ii) the timing for the expected recovery of DTAs, see section “*Notes to the consolidated financial statements*” paragraph “*Estimating the recoverability of deferred tax assets*” in the 2023 Annual Financial Statements, each incorporated by reference in this Base Prospectus.”

- e) The following paragraphs under the risk factor entitled “***Risks related to the Issuer’s business activities and industry– Credit risk***” which may be found on page 19 of the Base Prospectus, shall be entirely deleted and replaced as follows:

***“a) Risks connected to the deterioration of the credit quality***

The Banco BPM Group is subject to credit risk. The Banco BPM Group’s policies for managing and controlling the quality of the loan portfolio, and the associated risks, are based on rules of sound and prudent management. The policies are implemented through the processes of distributing, managing and monitoring credit risks that varied according to the circumstances of the market, business sector and characteristics of each borrower. The loan portfolio is closely monitored on a continuous basis in order to promptly identify any signs of imbalance and to take corrective measures aimed at preventing any deterioration.

The recent crisis in the financial markets, the global economic slowdown and the interest rate increases have reduced and may further reduce, the disposable income of households, as well as the profitability of companies and/or adversely affect the ability of bank customers to honour their commitments, resulting in a significant deterioration in credit quality in the areas of activity of the Issuer.

The coverage of the non-performing exposures of the Banco BPM Group as at 31 December 2023 was equal to 50.4%. The coverage of the bad loans of the Banco BPM Group as at 31 December 2023 was equal to 60.9%.

Banco BPM Group’s net non-performing loans, as of 31 December 2023, amounted to Euro 1.9 billion, with a decrease from Euro 2.4 billion as of 31 December 2022, and represented 1.8% of Banco BPM Group’s total net loans.

In addition, the Group’s gross NPL ratio was equal to 3.5% as of 31 December 2023, as compared to 4.2% as of 31 December 2022. In this respect, on 20 March 2017, the ECB published the “*Guidance to banks on non-performing loans*”. These guidelines address the main aspects of the management of non-performing loans, spanning from the definition of the NPL strategy and of the operational plan to the NPL governance and operations, meanwhile providing several recommendations and best practices which will drive in the future, the ECB’s expectations. To this end, the Group constantly monitors the gross NPL ratio reduction target, as from time to time agreed with the competent supervising authorities. See also “*Risks related to the disposal of non-performing loans*” below.

Even though the Banco BPM Group periodically makes provisions to cover potential losses, on the basis of its experience and statistics, the Banco BPM Group may have to increase these provisions further should there be a rise in bad loans or an increasing number of the Banco BPM Group’s debtors subject to insolvency proceedings (including bankruptcy or creditors’ composition). In addition, provisioning may have to increase on the basis of the Prudential Backstop Regulation (as defined below, see also “*Regulatory – Regulatory Measures on NPLs*”).

In this regard, any significant increase in the provisions for non-performing exposures, change in the estimates of credit risk, or any losses that exceed the level of the provisions already made, could have a negative impact on the business, financial condition and/or results of operations of the Issuer and/or the Banco BPM Group.”

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***“c) Risks relating to the real estate market***

The Banco BPM Group is exposed to the real estate sector, as it is a lender to companies in the real estate sector, and to real estate investment funds, whose cash flows are mainly, or exclusively, backed by proceeds deriving from the construction, lease and/or sale of real estate.

The “real estate sector” includes loans to construction and real estate companies/economic groups, to real estate investment funds and to private individuals (in the form of mortgage loans or finance leases to buy a house), together with loans to companies categorised within this sector but whose core business is not real estate (*indotto immobiliare*) as well as to companies in the public infrastructure construction sector.

The real estate sector has been particularly affected by the economic and financial crisis resulting in a fall in asset



prices as well as in the number of transactions, accompanied by an increase in the cost of funding and greater difficulties in obtaining access to credit. Consequently, companies operating in the real estate sector have experienced a decrease in transactions both in terms of volumes and margins, an increase in financial expenses, as well as greater difficulties in refinancing their debt. The past economic dynamic, coupled with an increase in interest rates, could increase the bankruptcy rate of both individual and corporate borrowers of the Banco BPM Group, resulting in defaults in the payment of lease and/or mortgage instalments.

In this scenario, falling prices in the real estate market could adversely affect the Banco BPM Group, both directly as a result of the impact on customers operating in this sector, and indirectly as a result of the fall in the value of real estate properties posted as collateral for loans granted by the Banco BPM Group.

The Banco BPM Group has put procedures in place to handle and monitor the risk of default by the borrowers and is supported, where appropriate, by external and internal experts to evaluate any real estate projects and any exposure to the real estate sector is subject to increased capital requirements imposed by the Bank of Italy or the ECB.

Notwithstanding the foregoing, any further deterioration of the real estate market conditions or of the economic and financial conditions in general and/or fall in the value of real estate properties placed as collateral could adversely affect the debt servicing ability of the Banco BPM Group's borrowers and, in turn, have a negative adverse impact on the business, financial conditions and/or results of operations of the Issuer and/or of the Banco BPM Group."

- f) The risk factor entitled "***Risks related to the exposure to sovereign debt***" which may be found on page 21 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

***"Risks related to the exposure to sovereign debt***

Despite the several initiatives of supranational organisations to deal with the heightened sovereign debt crisis in the Euro Area, the global markets remain characterised by high uncertainty and volatility. Any further acceleration of the European sovereign debt crisis is likely to significantly affect, among other things, the recoverability and quality of the sovereign debt securities held by the Group as well as the financial resources of the Group's clients holding similar securities.

The ECB's unconventional policy (including public sector, covered bond and ABS purchase programme and provision of liquidity *via* Targeted Longer-Term Refinancing Operations ("**TLTRO**")) has contributed to ease market tensions, limiting the refinancing risk for the banking system and leading to a tightening of credit spreads. The possibility that the ECB could halt or reconsider the current set up of unconventional measures, as recent developments have shown, would negatively impact the value of sovereign debt instruments. This would have a materially negative impact on the Group's business, results and financial position.

The Group is exposed to government bonds and, in particular, Italian government bonds. As at 31 December 2023, the Group's total exposure to sovereign debt securities, relating to the banking segment, was equal to Euro 30,410.5 million, mainly concentrated at the Issuer level (Euro 30,067.9 million). Exposure to EU countries sovereign debt represented 87% of the total exposure to sovereign debt securities; exposure to Italian government bonds was equal to Euro 10,967.6 million as at 31 December 2023 (36.1% of total exposure). Consequently, the Issuer is particularly exposed to any adverse changes and fluctuations in the market for Italian government securities, the political situation and the sovereign debt rating. A decrease in the market price for Italian government bonds could negatively affect the value of its assets and therefore have an adverse effect on the Group's business, results of operations, financial condition and cash flows. In addition, if the credit ratings of Italy and/or of other countries to which the Group has sovereign exposures deteriorate, the Issuer may be required to revise the risk weighting attributed to the relevant assets for the calculation of risk-weighted assets ("**RWA**"), which could have an adverse effect on the Issuer's capital ratios. The Issuer may also be required to revise the discount criteria applied by counterparties in refinancing transactions, such as in the ECB's TLTRO refinancing transactions, resulting in an increase in the collateral required or a reduction in the liquidity obtained in relation to such collateral.

In addition, the lingering uncertainties arising from geopolitical tensions, could have a material adverse effect on the economies of the EU Member States in general, and the Italian economy in particular, with a consequential upsurge of the sovereign debt crisis. See also "*Risks related to the impact of global macro-economic factors, the consequences arising from the continuation of the Russia-Ukraine conflict and the onset of conflict in the Middle East, and the impact of the geopolitical environment in general*".

Although in recent years the fiscal and macroeconomic imbalances that contributed to the Euro Area sovereign's debt crisis have been reduced in several countries, there are still concerns about the possible dissolution of the European Monetary Union, or the exit of individual countries from the monetary union (with a possible return to local currencies), fostered, among other factors, by the electoral surge of anti- EU parties across the euro area. Any scenario of this kind would generate unpredictable consequences.

All the factors described above, and particularly any re-emergence or further deterioration of the sovereign debt

crisis, could result in potential losses to the Issuer and/or the Banco BPM Group, an increase in its borrowing costs, and/or a reduction in the value of its assets, with possible negative effects on the economic and financial situation of the Issuer and/or of the Banco BPM Group.”

- g) The risk factor entitled “*Climate and environmental risks*” which may be found on page 23 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

***“Climate and environmental risks***

As part of the Risk Identification process carried out in 2021, the Group identified the issues relating to “Climate change & Environment, Social and Governance (“ESG”)” as a specific risk factor to which it could be exposed. Said issues are seen as the risk drivers underlying prudential risks, for example related to sustainable development in terms of credit and finance and the valuation of internal intangibles, and have shown an increase in terms of both the likelihood of their occurrence and their impact with respect to last year.

As part of the 2022 and 2023 updates of the Risk Identification process, the Group has broken down the specific ESG risk factors into those related to “climate change” and those related to “governance and social sustainability”. To this end, the Group’s risk management proceeded with the assessment process with respect to the current ESG regulatory requirements and consultation procedure, first of all with regard to the “Guide on climate-related and environmental risks” the final version of which was published by the ECB in November 2020.

Such risks could result in potential losses to the Issuer and/or the Banco BPM Group, an increase in its borrowing costs, and/or a reduction in the value of its assets, with possible negative effects on the economic and financial situation of the Issuer and/or of the Banco BPM Group.

In 2023, Banco BPM continued to develop and implement the various project initiatives aimed at analysing and managing climate and environmental risks. In this respect, Banco BPM has (i) integrated climate risks within provisioning measures pursuant to IFRS 9 through post model adjustments; (ii) integrated climate risks in its internal capital adequacy assessment process through advanced approach; and (iii) defined the methodological framework for the purposes of including climate risks within its managerial internal rating system.

It cannot be excluded that the adoption of new policies on climate and environmental risks, future developments in ESG and sustainable growth guidelines, changes in consumer preferences and market confidence, as well as any issue that may arise more generally within ESG factors and their impact on accounting valuations and estimates may have a negative impact on the business, the economic and financial situation of the Issuer and/or Banco BPM Group.”

- h) The risk factor entitled “*Risks connected to the contributions to the Single Resolution Fund and the Interbank Deposit Guarantee Fund*” which may be found on page 24 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

***“Risks connected to the contributions to the Single Resolution Fund and the Interbank Deposit Guarantee Fund***

Directive 2014/49/EU (the “**Deposit Guarantee Schemes Directive**”) and the BRRD (as defined below), as well as the establishment of the Single Resolution Mechanism, introduced significant changes to the framework regulating the financial distress of banks, with the aim of strengthening the single market and the stability of the European banking system.

Based on the legal framework introduced as a consequence of the transposition into Italian law of these directives, financial institutions are required to provide financial resources in order to fund the Italian Interbank Deposit Guarantee Fund (*Fondo Interbancario di Tutela dei Depositi*) and the National Resolution Fund (*Fondo di Risoluzione Unico Nazionale*, which was transferred to the Single Resolution Fund (*Fondo di Risoluzione Unico*)).

In 2023, the banks participating to the Italian Interbank Deposit Guarantee Fund contributed Euro 1.3 billion to its financial endowment, of which Euro 0.8 billion as ordinary contributions and Euro 0.5 billion as additional contributions in order to gradually reintegrate the Italian Interbank Deposit Guarantee Fund’s financial endowment following the initiatives that were undertaken until 2024. As of 31 December 2023, the financial resources amounted to Euro 4.5 billion with the target to reach a total of Euro 5.8 billion in July 2024, corresponding to 0.8% of protected deposits.

With respect to the Single Resolution Fund, the contributions are calculated in proportion to the amount of liabilities of the relevant bank (excluding guaranteed deposits and own funds) to the total liabilities (excluding guaranteed deposits and own funds) of Italian banks and the degree of risk assumed by the relevant bank compared to the degree of risk assumed by all other Italian banks. The BRRD provides that Italian banks must pay annual ordinary contributions until the Single Resolution Fund has financial resources equal to at least 1% of the total guaranteed deposits of financial institutions authorised in all participating Member States. This level must be reached by 1

January 2024.

If the financial resources of the Interbank Deposit Guarantee Fund and/or the Single Resolution Fund are insufficient to cover any losses, or if as a result of costs or other expenses incurred by such funds in compliance with the regulations governing their operation the above percentages are not reached, financial institutions may be required to make extraordinary contributions. For the year ended 31 December 2023, the Group's ordinary contribution to the Italian Interbank Deposit Guarantee Fund was Euro 102.2 million. The Group's ordinary annual contribution to the Single Resolution Fund in 2023 was equal to Euro 85.4 million.

Should the Group be required to make large contributions in future, or should the guarantee funds fail, this could have a material adverse effect on the Group's business, financial condition and results of operations."

- i) The risk factor entitled ***"Risks related to regulatory changes in the banking and financial sectors and to the changes of the other laws applicable to the Banco BPM Group"*** which may be found on page 25 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

***"Risks related to regulatory changes in the banking and financial sectors and to the changes of the other laws applicable to the Banco BPM Group"***

The Banco BPM Group, as with all banking groups, is subject to extensive regulations and to the supervision (being for regulatory, information or inspection purposes, as the case may be) by the Bank of Italy, CONSOB and IVASS with respect to its bancassurance operations. As of and from 3 November 2014, the Banco BPM Group is also subject to the supervision of the ECB which, pursuant to rules establishing a single supervisory mechanism (the **"Single Supervisory Mechanism"** or **"SSM"**), has the duty to, among other things, guarantee the uniform application of the rules of the Euro currency area.

In particular, the Banco BPM Group is subject to the laws and regulations applicable to companies with financial instruments listed on regulated markets, the rules governing banking services (aimed to maintain the stability and the solidity of the banks as well as to limit their risk exposure) and financial services (that govern, among other things, the sale and placement of financial instruments as well as marketing operations). Supervisory authorities have broad administrative powers over many aspects of the financial services business, including liquidity, capital adequacy and permitted investments, ethical issues, money laundering, privacy, transparency, record keeping, and marketing and selling practices.

In particular, the Banco BPM Group is subject to an extensive set of rules governing capital adequacy, liquidity levels and leverage, which derive from the requirements approved by the Basel Committee on Banking Supervision following the 2008 financial crisis, as implemented by EU and Italian legislation.

With its communication of 25 November 2022, the Bank of Italy confirmed Banco BPM Banking Group as an Other Systemically Important Institution (O-SII) for 2023. The O-SII reserve amounts to 0.25% of regulatory requirements. On 21 November 2023, the Bank of Italy confirmed the Banco BPM Banking Group as a systemically important institution also in 2024; taking into account the new methodology envisaged by the ECB for the assessment of the appropriateness of capital buffers, it raised the O-SII reserve to 0.50% of regulatory requirements. With its communication of 22 September 2023, the Bank of Italy confirmed the Countercyclical Capital Buffer ratio for exposures to Italian counterparties at zero percent also for the fourth quarter of 2023.

On 26 April 2024, the Bank of Italy notified its decision to apply to all banks authorised to operate in Italy a capital buffer to meet systemic risks (the systemic risk buffer, or **"SyRB"**) in order to prevent and mitigate systemic risks which would otherwise not be covered by other macroprudential tools. The SyRB must consist of CET1 and will be equal to 1.0% of RWA of domestic exposures. The target rate of 1.0% will be achieved gradually by setting aside a capital buffer of 0.5% by 31 December 2024 and the remaining 0.5% by 30 June 2025.

On 8 December 2023, Banco BPM announced that it had received from the ECB the notification of the prudential decision on the minimum capital ratios to be complied with by Banco BPM on an ongoing basis, based on the outcome of the annual Supervisory Review and Evaluation Process (**"SREP"**), bringing the Pillar 2 capital requirement (P2R) to 2.52%, an improvement compared to that of the previous year (2.57%). Taking into account this additional capital requirement, the ECB determined that the Banco BPM Group is required to meet, for the year 2024, a CET1 ratio of 9.08% on a consolidated basis. Furthermore, the additional requirements that Banco BPM must meet are as follows: (i) Tier 1 capital ratio of 11.00%; and (ii) Total Capital ratio of 13.56%. The Banco BPM Group satisfied these prudential capital ratios on a stated basis as at 31 December 2023, with a CET1 ratio of 14.16%, a Tier 1 ratio of 16.33% and a Total Capital ratio of 19.00%. However, there can be no assurance that the total capital requirements imposed on the Issuer or the Group from time to time may not be higher than the levels of capital available at such time. There can also be no assurance as to the result of any future SREP carried out by the ECB and whether this will impose any further own funds requirements on the Issuer or the Group. For additional information on the capital requirements applicable to the Group, see *"Selected Consolidated Financial Data – Capital Requirements of the Group"* and *"Regulatory"*.

In addition to the capital requirements discussed above, the BRRD introduced requirements for banks to maintain

at all times a sufficient aggregate amount of minimum requirement for own funds and eligible liabilities (the “MREL”). Under the BRRD, where an entity fails to meet its combined buffer requirement when considered in addition to its minimum requirement for own funds and eligible liabilities, resolution authorities have the power to prohibit certain distributions in accordance with the restrictions on distributions provisions by reference to the Maximum Distributable Amount. The Relevant Authority may furthermore exercise its supervisory powers under Article 104 of the CRD IV in case of breach of the minimum requirement for own funds and eligible liabilities. As a result, the powers set out in the BRRD and the application of the MREL requirement will impact the management of credit institutions and investment firms as well as, in certain circumstances, the rights of creditors, including holders of the Securities issued under the Programme.

The strengthening of capital adequacy requirements, the restrictions on liquidity and the increase in ratios applicable to the Banco BPM Group on the basis of the EU Banking Reform and other laws or regulations that may be adopted in the future could adversely affect the Banco BPM Group’s business, results of operations, cash flow and financial position, as well as the possibility of distributing dividends to the shareholders and holders of AT1 instruments. In particular, problems could arise when subordinated bonds which are no longer eligible for regulatory capital purposes reach maturity, as they will have to be replaced by alternative funding sources that comply with the new rules. This could make it harder to comply with the new minimum capital requirements, at least with respect to the combined buffer requirement (and any other relevant buffer requirement applicable to the Issuer from time to time), potentially limiting the Banco BPM Group’s ability to distribute dividends and to pay interests on AT1 instruments as a result of operation of the restrictions on distributions provisions by reference to Maximum Distributable Amount contained in the Applicable Banking Regulations.

Moreover, supervisory authorities have the power to bring administrative or judicial proceedings against the Banco BPM Group, which could result, among other things, in suspension or revocation of the licences, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action (in this respect, see also “*Risks related to legal and tax proceedings and inspections by Supervisory Authorities*”). Such proceedings could have adverse effects on the Issuer’s and the Banco BPM Group’s business, financial condition and results of operations. For additional information on the main laws and regulations applicable to the banking sector, see “*Regulatory*”.

- j) The paragraph “*Accounting changes*” under the risk factor entitled “***Risks related to recent and forthcoming regulatory, tax and accounting changes***” which may be found on page 27 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

“*Accounting changes*

The Banco BPM Group is exposed, like other parties operating in the banking sector, to the effects of the entry into force and subsequent application of new accounting principles or standards and regulations and/or changes to them (including those resulting from IFRS as endorsed and adopted into European law). Specifically, the Banco BPM Group, like other parties operating in the banking sector, may need to revise the accounting and regulatory treatment of some existing assets, liabilities and transactions (and the related income and expense), with possible negative effects, including significant ones, on the estimates in financial plans for future years and this could lead to the Issuer having to restate financial data published previously. Investors should be aware that implementation of new accounting principles or standards and regulations (or changes thereto) may have a material adverse effect on the business, financial condition and/or results of operations of the Issuer and/or of the Banco BPM Group.

In this respect, IFRS 17 “Insurance contracts” has replaced IFRS 4 “Insurance contracts”. In particular, IFRS 17, published by the IASB in May 2017 and subject to subsequent amendments, was endorsed by Regulation No. 2036/2021 and entered mandatorily in force from 1 January 2023. IFRS 17 introduces new measurement criteria and new accounting rules for insurance products; in particular, the accounting models proposed by IFRS 17 introduce deep changes compared to the previous accounting standards, in particular with regard to i) the concept of insurance revenue, ii) the timing of the recognition of losses from onerous contracts iii) the increased complexity of measurement processes, quantitative requirements, the determination of actuarial and financial assumptions, the disclosure and result analysis requirements iv) in the comparison with the data used to measure the regulatory capital. For additional information, see “*Part A (Accounting policies) - Most significant aspects for 2023 financial statement valuations - Impacts of the transition to IFRS 17 Insurance contracts*” on pages 197-212 of the 2023 Annual Financial Statements, incorporated by reference in this Base Prospectus.”

## 2. DOCUMENTS INCORPORATED BY REFERENCE

The following items shall be added at the bottom of the section entitled “*Documents Incorporated by*

Reference” on pages 42 et seq. of the Base Prospectus:

“11. the English translation of the audited consolidated annual financial statements of Banco BPM as at and for the year ended 31 December 2023 (the “**2023 Annual Financial Statements**”), which were audited by PricewaterhouseCoopers S.p.A., together with the audit report prepared in connection therewith. The 2023 Annual Financial Statements are available at: <https://gruppo.bancobpm.it/download/consolidated-2023-annual-report>;

<b>Contents</b>	<b>Pages</b>
<i>Significant events during the year</i>	<b>27-39</b>
<i>Results</i>	<b>40-75</b>
<i>Results by business segments</i>	<b>76-126</b>
<i>Consolidated financial statements:</i>	
<i>Consolidated Balance sheet</i>	<b>160-161</b>
<i>Consolidated Income statement</i>	<b>162</b>
<i>Statement of consolidated comprehensive income</i>	<b>163</b>
<i>Statement of changes in consolidated shareholders' equity</i>	<b>164-165</b>
<i>Consolidated cashflow statement</i>	<b>166-167</b>
<i>Notes to the consolidated financial statements</i>	<b>169-591</b>
<i>Independent Auditors' Report on the consolidated financial statements</i>	<b>597-609*</b>

\* The page numbers identified are those of the complete consolidated annual report of Banco BPM relating to the year ended December 2023 including, *inter alia*, the 2023 Annual Financial Statements.

12. the English translation of the press release issued on 7 May 2024 on the consolidated results of Banco BPM as at and for the three months ended 31 March 2024 (the “**7 May 2024 Press Release**”), which is available at [https://gruppo.bancobpm.it/media/dlm\\_uploads/2024\\_05\\_07-Banco-BPM-Q1-2024-Group-Results-1.pdf](https://gruppo.bancobpm.it/media/dlm_uploads/2024_05_07-Banco-BPM-Q1-2024-Group-Results-1.pdf);

<b>Contents</b>	<b>Pages</b>
Results as of 31 March 2024	1-3
Key balance sheet aggregates	3-4
Key income statement items	4
Capital position	4
Credit quality	4-5
Liquidity profile	5
Economic performance of operations in the first quarter of 2024	6-9
Evolution of the main balance sheet aggregates	10-11
Group capital ratios	11
Business outlook	12*
Explanatory notes	13-19
Reclassified consolidated balance sheet	20
Reclassified consolidated income statement	21
Reclassified consolidated income statement - Quarterly evolution	22

\* with the exclusion of (ii) the last paragraph on page 12.

13. The English translation of articles of association (*statuto*) of the Issuer (incorporated in its entirety for information purposes) (the “**Articles of Association**”), which is available at:

### 3. MAJOR SHAREHOLDERS

The paragraph entitled “*Principal Shareholders*” which may be found on page 159 of the Base Prospectus, shall be deleted in its entirety and replaced with the following:

#### “Principal Shareholders

Pursuant to Article 120 of Italian Legislative Decree No. 58 of 24 February 1998, as amended (the “**Italian Finance Act**”), shareholders who hold more than 3% of the share capital of a listed company are obliged to notify that company and the Italian regulator CONSOB of their holding.

As at the date of this Base Prospectus, the significant shareholders of Banco BPM are the following (source: CONSOB):

	% of Ordinary Shares
Crédit Agricole SA	9.178
Blackrock Inc.	5.238
Capital Research And Management Company	4.988
Fondazione Enasarco	3.010”

### 4. RECENT DEVELOPMENTS

The following paragraphs shall be added at the end of the sub-section entitled “*Recent Developments*” on pages 159 et seq. of the Base Prospectus:

#### “*Early Redemption of Additional Tier 1 Notes*”

On 30 May 2024, the Issuer announced its intention to exercise the call option on its Euro 300,000,000 Additional Tier 1 Notes (ISIN XS1984319316).

This instrument, placed to institutional investors on 18 June 2019, has an outstanding amount of Euro 300,000,000, including Euro 223,345,000 repurchased by the Issuer in November 2023.

According to the instrument terms and conditions, the earliest date for the exercise of the call is 18 June 2024. To this end, the Bank will proceed to the publication of a specific notice to the noteholders, in the manner and within the time limits indicated in the terms and conditions.

The Issuer has obtained the permission of the relevant authority to redeem the additional tier 1 notes in accordance with the applicable banking regulations.

***Approval by the shareholders’ meeting of Banco BPM of, inter alia, the 2023 Annual Financial Statements, the payment of a dividend of Euro 0.56 per share, the appointment of the Board of Directors and the Board of Statutory Auditors for the years 2023-2024-2025 and the purchase and disposal of own shares in service of the Banco BPM share-based payment plans***

On 18 April 2024, the shareholders’ meeting of Banco BPM approved, *inter alia*, (i) the 2023 financial statements of Banco BPM; and (ii) the allocation of Banco BPM’s €1,447.3 million net income for the year ended on 31 December 2023 as follows:

- the allocation, to the establishment of a specific non-distributable reserve pursuant to Article 26 of Decree-Law No. 104 of 10 August 2023 (converted with amendments by Law No. 136 of 9 October 2023), of an amount equal to €378.3 million, equal to two and a half times the extraordinary tax introduced by the above-mentioned provision;

- the allocation, as provided for in Article 39, paragraph 1, of the By-laws, of an amount of €83.9 million to the unavailable reserve pursuant to Article 6 of Legislative Decree No. 38/2005, relating to capital gains arising from the application of fair value;
- the distribution of a cash dividend per share of €0.56 before withholding taxes. More specifically, the proposal provides for the total distribution of €848.5 million, the result of the product of the unit amount of €0.56 for each of the 1,515,182,126 ordinary shares (moreover, no distribution will be made to any treasury shares that the Bank may be holding on the record date indicated below). This distribution took place on 24 April 2024 (payment date) with an ex-dividend date of 22 April 2024(ex date) and record date of 23 April 2024. The allocation was subject to the ordinary tax regime of dividend distribution;
- the allocation of an amount of €4 million to purposes of assistance, charity and public interest pursuant to Article 5.2 of the Articles of Association, under the terms and on the basis of the quotas established by Article 5.3 of the Articles of Association;
- the allocation of the remaining profit to the available extraordinary reserve in the amount of €132.6 million.

In this context, the shareholders' meeting of Banco BPM also approved the purchase of ordinary shares of Banco BPM, in one or more tranches, for a maximum total amount of €45 million to service the share-based compensation plans, starting from 18 April 2024 and until the earlier of: (i) the deadline of the 18th month from the authorising resolution of the shareholders' meeting; and (ii) the date of the shareholders meeting that will be called to approve the financial statements for the year ending 31 December 2024.

More specifically, the purpose of the authorisation is to implement the remuneration policy adopted by the Group.”

## 5. CREDIT RATINGS ASSIGNED TO THE ISSUER

The table under the first paragraph of the sub-section entitled “**Credit ratings assigned to the Issuer**” and the notes (1) to (4) relating thereto on pages 161-162 of the Base Prospectus shall be deleted and replaced with the following:

<b>“DBRS Morningstar</b>	<b>Rating</b>
Long-term Deposits / Trend	BBB (high) / Stable <sup>(1)</sup>
Short-term Deposits / Trend	R-1 (low) / Stable <sup>(2)</sup>
Long-term Senior debt and Long-term Issuer Rating / Trend	BBB / Positive <sup>(3)</sup>
Short-term Debt and Short-term Issuer Rating / Trend	R-2 (high) / Positive <sup>(4)</sup>

<sup>(1)</sup> BBB (high) / Stable: Adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events.

<sup>(2)</sup> R-1 (low) / Stable: Good credit quality. The capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favorable as higher rating categories. May be vulnerable to future events, but qualifying negative factors are considered manageable.

<sup>(3)</sup> BBB / Positive: Adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events.

<sup>(4)</sup> R-2 (high) / Positive: Upper end of adequate credit quality. The capacity for the payment of short-term financial obligations as they fall due is acceptable. May be vulnerable to future events”.

## 6. TREND INFORMATION

The paragraph entitled “*Any material adverse change in the prospects of the issuer and any significant*

***change in the financial performance of the Group***” on pages 163 to 164 of the Base Prospectus shall be amended as follows:

***“Any material adverse change in the prospects of the issuer and any significant change in the financial performance of the Group***

The Issuer confirms that since 31 December 2023, which is the date of its last published audited financial statements, there has not been any material adverse change in the prospects of the Issuer, considering the potential direct and indirect risks that are discussed in the section “*Risk Factors*” at pages 14-15 above in relation to global macro-economic factors, the Russia-Ukraine and Middle East conflicts, the geopolitical environment in general and their related negative impact on the economy. The Issuer also confirms that since 31 March 2024, which is the end date of the last financial period for which financial information has been published to the date of this Base Prospectus, there has not been any significant change in the financial performance of the Issuer.”

## 7. FINANCIAL INFORMATION CONCERNING THE ISSUER’S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES

- a) The paragraph entitled “***Financial information – Incorporation by reference***” on page 165 of the Base Prospectus shall be deleted in its entirety and replaced as follows:

### **“Selected Consolidated Financial Data**

The information set out in this Base Prospectus in relation to the Group has been derived from, and should be read in conjunction with, and is qualified by reference to:

- (a) the 2022 Annual Financial Statements, which were audited by PricewaterhouseCoopers S.p.A.;
- (b) the 2023 Annual Financial Statements, which were audited by PricewaterhouseCoopers S.p.A.;
- (c) the 8 February 2024 Press Release; and
- (d) the 7 May 2024 Press Release,

that are incorporated by reference into this Base Prospectus.

So long as any of the Securities remain outstanding, copies of the above-mentioned consolidated financial statements and press releases will be made available during normal business hours at the registered office of the Issuer, in each case free of charge.

The statistical information presented in the following tables have been extracted from the Group report on operations included in the Issuer’s consolidated 2023 annual report. Such information has not been audited.

### **Group financial highlights**

<i>(in millions of Euro)</i>	<b>31 December 2023</b>	<b>31 December 2022 Restated (*)</b>
<b>Reclassified income statement figures</b>		
Financial margin	3,433.3	2,450.4
Net fee and commission income	1,860.0	1,887.3
Operating income	5,341.4	4,674.0
Operating expenses	(2,571.2)	(2,530.4)
Profit (loss) from operations	2,770.3	2,143.6
Profit (loss) before tax from continuing operations	2,041.0	1,288.9
Parent Company’s net profit (loss) for the year	1,264.5	685.0

(\*) The figures relating to the year ended 31 December 2022 have been restated following the retrospective application of IFRS 17 by the Group’s insurance companies, as well as IFRS 9 for associates.

<i>(in millions of Euro)</i>	<b>31 December 2023</b>	<b>31 December 2022 Restated (*)</b>
<b>Balance sheet figures</b>		
Total assets	202,132.0	189,808.1
Loans to customers (net) (**)	105,426.7	109,455.0



<i>(in millions of Euro)</i>	<b>31 December 2023</b>	<b>31 December 2022</b> <b>Restated (*)</b>
Other financial assets and hedging derivatives	43,706.4	43,093.5
Group shareholders' equity	14,038.1	13,015.8
<b>Customers' financial assets</b>		
Direct bank funding	120,770.1	120,639.1
<i>Direct funding without repurchase agreements with certificates</i>	<i>124,754.0</i>	<i>123,449.5</i>
Indirect funding	110,772.7	95,029.1
<i>Indirect funding without protected capital certificates</i>	<i>106,166.1</i>	<i>91,327.8</i>
- Asset management	62,003.1	59,408.7
- Mutual funds and SICAVs	41,927.2	39,916.6
- Securities and fund management	4,369.3	3,969.4
- Insurance policies	15,706.6	15,522.7
- Administered assets	48,769.6	35,620.4
<i>- Administered assets without protected capital certificates</i>	<i>44,163.0</i>	<i>31,919.1</i>
<b>Information on the organisation</b>		
Average number of employees and other staff (***)	19,011	19,278
Number of bank branches	1,436	1,504

(\*) The figures relating to the year ended 31 December 2022 have been restated following the retrospective application of IFRS 17 by the Group's insurance companies, as well as IFRS 9 for associates.

(\*\*) Includes senior securities from sales of non-performing loans.

(\*\*\*) Arithmetic average calculated on a monthly basis in terms of full-time equivalent resources. Does not include the Directors and Statutory Auditors of Group Companies.

## Financial and economic ratios and other Group figures

	<b>31 December 2023</b>	<b>31 December 2022</b> <b>Restated (*)</b>
<b>Alternative performance measures</b>		
<b>Profitability ratios (expressed in percentages)</b>		
Return on equity (ROE)	11.18%	6.26%
Return on tangible equity (ROTE)	12.43%	6.99%
Return on assets (ROA)	0.63%	0.36%
Financial margin / Operating income	64.28%	52.43%
Net fee and commission income / Operating income	34.82%	40.38%
Operating expenses / Operating income	48.14%	54.14%
<b>Operational productivity figures (expressed in thousands of euro)</b>		
Loans to customers (net) per employee <sup>(1)</sup>	5,545.5	5,677.6
Operating income per employee <sup>(1)</sup>	281.0	242.4
Operating expenses per employee <sup>(1)</sup>	135.2	131.3
<b>Credit risk ratios (expressed in percentages)</b>		
Net bad loans/Loans to customers (net)	0.59%	0.66%
Unlikely to pay/Loans to customers (net)	1.11%	1.44%
Net bad loans/Shareholders' equity	4.46%	5.54%
Texas Ratio	14.43%	19.82%
<b>Other ratios</b>		
Financial assets and hedging derivatives / Total assets	21.62%	22.70%
Total derivatives/Total assets	1.42%	2.34%
- trading derivatives/total assets	0.94%	1.44%
- hedging derivatives/total assets	0.48%	0.90%
Net trading derivatives /Total assets	0.06%	0.03%
Loan to deposit ratio (net loans/direct funding)	87.30%	90.73%
<b>Regulatory capitalisation and liquidity ratios</b>		
Common equity Tier 1 ratio (CET1 capital ratio) <sup>(2)</sup>	14.16%	12.84%
Tier 1 capital ratio <sup>(2)</sup>	16.33%	15.16%
Total capital ratio <sup>(2)</sup>	19.00%	18.04%
Liquidity Coverage Ratio (LCR)	187%	191%
Leverage ratio	5.22%	4.75%
<b>Banco BPM stock</b>		
Number of outstanding shares	1,515,182,126	1,515,182,126

	31 December 2023	31 December 2022 Restated (*)
Official closing prices of the stock		
- Final	4.781	3.334
- Maximum	5.324	3.630
- Minimum	3.403	2.268
- Average	4.259	2.877
Basic EPS	0.836	0.452
Diluted EPS	0.836	0.452

(\*)The figures relating to the year ended 31 December 2022 have been restated following the retrospective application of IFRS 17 by the Group's insurance companies, as well as IFRS 9 for associates.

(<sup>1</sup>)Arithmetic average calculated on a monthly basis in terms of full-time equivalent resources, as shown in the previous table. Does not include the Directors and Statutory Auditors of Group Companies.

(<sup>2</sup>)The capital ratios as at 31 December 2023 were calculated by including the net result for the year 2023 net of the proposed dividends and other allocations of profit. The capital ratios as at 31 December 2022 were restated with respect to those published in the 2022 Annual Financial Report following the retrospective application of IFRS 17 by the Group subsidiary and associated insurance companies, and IFRS 9 for associates'.

### Alternative Performance Measures

In order to better evaluate the Issuer's financial management performance based on the consolidated financial statements of Banco BPM for the years ended 31 December 2023 and 2022, the 8 February 2024 Press Release and the 7 May 2024 Press Release, the management has identified several Alternative Performance Measures ("APMs"). Management believes that these APMs provide useful information for investors as regards the financial position, cash flows and financial performance of the Issuer, because they facilitate the identification of significant operating trends and financial parameters. For additional information on APMs included in this Base Prospectus and the documents incorporated by reference, see the section entitled "Results – Note on methodology" of the 2023 Annual Financial Statements and "Explanatory Notes – Alternative Performance Measures" of the 7 May 2024 Press Release, which are incorporated by reference in this Base Prospectus."

- b) The table at the top of the sub-section "**Credit Quality**" which may be found on page 170 of the Base Prospectus, shall be deleted and replaced with the following:

#### "Credit quality

(in millions of Euro) (*)	31 December 2023		31 December 2022	
	Net exposure	% impact	Net exposure	% impact
Bad loans	626.2	0.6%	720.6	0.7%
Unlikely to pay	1,168.3	1.1%	1,574.8	1.4%
Non-performing past-due exposures	67.1	0.1%	60.1	0.1%
<b>Non-performing loans</b>	<b>1,861.7</b>	<b>1.8%</b>	<b>2,355.5</b>	<b>2.2%</b>
<b>Performing exposures</b>	<b>103,565.1</b>	<b>98.2%</b>	<b>107,099.5</b>	<b>97.8%</b>
<b>Total loans to customers</b>	<b>105,426.7</b>	<b>100.0%</b>	<b>109,455.0</b>	<b>100%</b>

(\*) The chart sets forth credit quality information in respect of the assets of the Group accounted at amortised cost only."

- c) The last paragraph under the sub-section entitled "**Capital Requirements for the Group**" which may be found on page 171 of the Base Prospectus, shall be deleted and replaced with the following:

"The Banco BPM Group satisfied these prudential capital ratios on a stated basis as at 31 December 2023, with a CET1 ratio of 14.16%, a Tier 1 ratio of 16.33% and a Total Capital ratio of 19.00%."

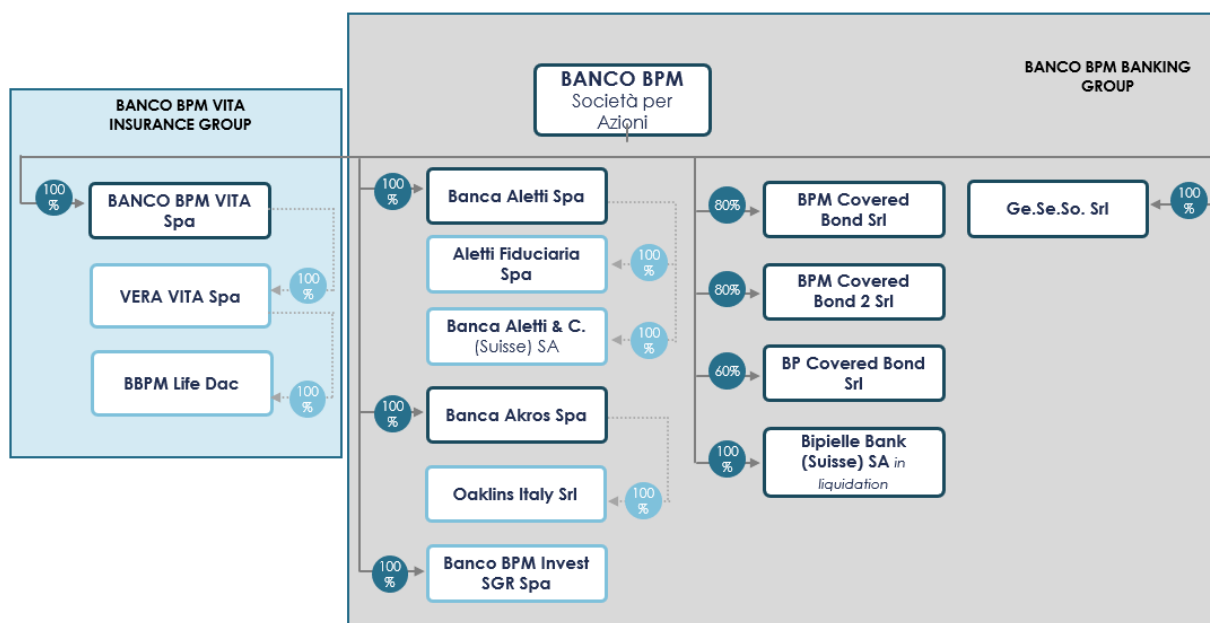
- d) The paragraph entitled "**Significant or material change**" on page 172 of the Base Prospectus shall be deleted in its entirety and replaced as follows:

#### "Significant or Material Change

The conflicts between Russia and Ukraine and in the Middle East have significantly increased the uncertainties in the economy and the financial markets, as discussed in "Risks related to the impact of global macro-economic factors, the consequences arising from the continuation of the Russia-Ukraine conflict and the onset of conflict in the Middle East, and the impact of the geopolitical environment in general" on page 14 of this Base Prospectus. Except for the potential direct and indirect impact of the conflicts between Russia and Ukraine and in the Middle East indicated above, there has been no significant change in the financial position of the Issuer since 31 March 2024."

## 8. ORGANISATIONAL STRUCTURE

The structure diagram on page 114 of the Base Prospectus shall be deleted and replaced with the following:



## 9. BUSINESS OVERVIEW

The paragraphs entitled “*Inspection activities and proceedings conducted by the ECB, Bank of Italy and CONSOB on Banco BPM S.p.A.*” and “*Legal Proceedings of the Group*” on pages 144 and 147 of the Base Prospectus, respectively, shall be entirely deleted and replaced with the following paragraphs:

***“Inspection activities and proceedings conducted by the ECB, Bank of Italy and CONSOB on Banco BPM S.p.A.***

As part of the ordinary course of its business, the Banco BPM Group is subject to a number of inspections and proceedings initiated by relevant supervisory authorities.

More specifically, within the Single Supervisory Mechanism, the Group is subject to the prudential supervision of the European Central Bank (ECB); with regard to specific matters, supervision is the direct responsibility of the Bank of Italy and CONSOB, as well as by IVASS with respect to its bancassurance operations.

For information on the ongoing inspection proceedings involving the Group, see the section entitled “*Inspections and proceedings of the Supervisory Authorities*” starting on page 37 of the 2023 Annual Financial Statements, which are incorporated by reference in this Base Prospectus.”

### ***Legal Proceedings of the Group***

As of 31 December 2023, the provisions allocated against all existing legal and tax disputes, including cases associated with enforcement actions, totalled Euro 68.6 million.

The Group operates in a legal and regulatory context which exposes it to a wide variety of legal proceedings, relating, for example, to the conditions applied to its customers, to the nature and characteristics of the products and financial services it sells, to administrative irregularities, to clawback actions for bankruptcies, and to labour law disputes. For additional information on the ongoing legal and tax proceedings involving the Group, see the section entitled “*10.6 Provisions for risks and charges - other provisions*” starting on page 362 of the 2023 Annual Financial Statements, which are incorporated by reference in this Base Prospectus.”

## 10. REGULATORY

The following paragraph shall be added between the fourth and fifth paragraph from the top of page 175 of the Base Prospectus:

“On 26 April 2024, the Bank of Italy notified its decision to apply to all banks authorised to operate in Italy a capital buffer to meet systemic risks (the systemic risk buffer, or “**SyRB**”) in order to prevent and mitigate systemic risks which would otherwise not be covered by other macroprudential tools. The SyRB must consist of CET1 and will be equal to 1.0% of RWA of domestic exposures. The target rate of 1.0% will be achieved gradually by setting aside a capital buffer of 0.5% by 31 December 2024 and the remaining 0.5% by 30 June 2025.”

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To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Copies of the Base Prospectus and this Supplement, together with the documents incorporated by reference in this Supplement, are available on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)) and the Issuer's website (<https://gruppo.bancobpm.it/en/>).