

Banco BPM

Issuer View • 18 February 2026

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Ratings

Banco BPM SpA

	Rating	Outlook
Fitch	BBB	Stable
Moody's*	A3	Stable
S&P	BBB	Positive

Banka Popolare di Milano (BPM) and Banco Popolare Società Cooperativa (BP) merged with effect from 01 January 2017 and now operate under the name Banco BPM Group. In terms of total assets (FY/2025: EUR 205.9bn), Banco BPM is one of the largest banks in Italy and is considered a domestic systemically important bank (D-SIB). The bank's business model is broadly diversified, so that in addition to traditional banking business, customers are also offered services in the areas of wealth management, bancassurance and consumer finance. Crédit Agricole is the largest shareholder in Banco BPM, with a stake of 20.1% (February 2026). In November 2024, UniCredit announced its intention to acquire Banco BPM, but strict regulatory requirements, especially the "Golden Power Decree" led to the bank retracting its takeover bid in July 2025. With around 19,000 employees, Banco BPM serves its customers in more than 1,300 branches nationwide (FY/2025). Geographically, the bank focuses its business activities on the northern regions of Italy, with more than 75% of its branches. Banco BPM divides its business activities into the segments "Commercial", "Corporate and Investment Banking", "Asset Management and Insurance", "Strategic Partnerships", "Finance" and "Corporate Centre". The Bank's funding mix consists mainly of customer deposits (FY/2025: 53.1% of liabilities) and is specifically supplemented by the placement of Debt securities (11.2%). Banco BPM is one of the regular issuers of ESG bonds and was able to issue its first senior in the [European Green Bond](#) format in October 2025.

Homepage

www.bancobpm.it

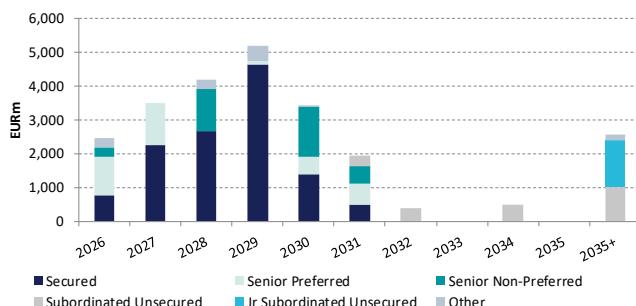
* LT Bank Deposits

Balance Sheet

(EURm)

	2023Y	2024Y	2025Y		2023Y	2024Y	2025Y
Net Loans to Customers	129,760	126,959	131,625	Net Interest Income	3,371	3,718	-
Total Securities	32,816	36,758	30,836	Net Fee & Commission Inc.	1,790	1,859	-
Total Deposits	109,514	109,703	-	Net Trading Income	-55	170	-
Tier 1 Common Capital	9,036	9,275	8,855	Operating Expense	3,070	3,300	-
Total Assets	202,099	198,209	205,896	Credit Commit. Impairment	505	392	-
Total Risk-weighted Assets	63,823	61,639	65,210	Pre-tax Profit	1,778	2,596	-

Redemption Profile

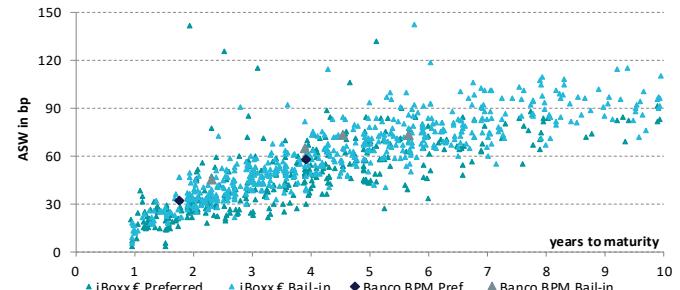


Income Statement

(EURm)

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Net Fee & Commission Inc.	1,790	1,859	-
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Senior Unsecured Bonds (EUR BMK)



Company Ratios

2023Y

	2023Y	2024Y	2025Y		2023Y	2024Y	2025Y
Net Interest Margin	1.88	2.13	-	Liquidity Coverage Ratio	187.00	132.00	147.00
ROAE	9.39	13.38	13.78	IFRS Tier 1 Leverage Ratio	4.55	4.76	-
Cost-to-Income	55.21	51.39	-	NPL/Loans at Amortised Cost	2.93	2.27	1.71
Core Tier 1 Ratio	14.16	15.05	13.58	Reserves/Loans at Amort. Cost	1.75	1.34	1.12

As of: 18 February 2026; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Floor Research

Strengths / Opportunities

- Market position (franchise)
- Capitalisation

Risks / Weaknesses

- Credit risk concentration (SME)
- Profitability

Covered Bonds

Mortgage cover pool with a volume of EUR 7.8bn

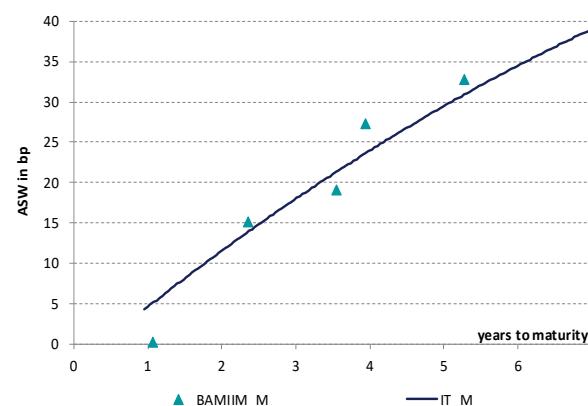
Banco BPM's mortgage cover pool totalled EUR 7.8bn as of the reporting date of 31 December 2025. This compares with covered bonds outstanding at the same time in the amount of EUR 4.4bn. This results in a calculated overcollateralisation ratio of 79.3%. In the February composition of the iBoxx EUR Covered, Banco BPM is represented by five bonds with an outstanding volume of EUR 3.5bn. In addition, the bank has a benchmark issue that is no longer included in the iBoxx EUR Covered due to its remaining maturities (<1y).

Programme data

31 December 2025	Mortgage
Covered bonds outstanding	EUR 4.350bn
Cover pool volume	EUR 7.799bn
Current OC (nominal / legal)	79.3% / 5.0%
Type	100% Residential
Main country	100% Italy
Main region	41.3% Lombardia
Number of loans / exposures	83,621
Share of 10 largest exposures	0.3%
Fixed interest (Cover Pool / CBs)	88.5% / 100%
WAL (Cover Pool / CBs)	9.8y / 2.8y
NPL	0.2%
CB Rating (Fitch / Moody's / S&P)	- / Aa2 / -

Source: Issuer, rating agencies, Bloomberg, NORD/LB Floor Research

Spread overview (BMK) – Italy



Loans in the cover pool with exclusively residential use

As of 31 December 2025, Banco BPM's mortgage cover pool consists almost exclusively of primary cover assets at 98.8%. The total of 83,621 mortgages have a residential character and are entirely located in Italy. The share of owner-occupied residential properties within the primary cover assets amounts to 100%. In addition, 86.7% of the financed properties can be assigned to the "flat or apartment" category. The remaining 13.3% is accounted for by the category "House, detached or semi-detached". The average loan volume as of 31 December 2025 is reported at around EUR 95,100. The high level of granularity of the cover pool is reflected in particular in the low proportion of the ten largest exposures (0.3%). In terms of geographical distribution, the Lombardia region dominates (41.3%); followed by Lazio (14.3%), Veneto (8.8%) and Toscana (8.3%). More than 80% of the loans have a current loan term of at least 36 months. While the average LTV for the non-indexed case is given as 66.7%, the indexed LTV, which takes into account price changes on the real estate market, is 49.4%. The share of non-performing loans (NPLs) in the cover pool is reported at 0.2%.

Rating and regulatory treatment

Banco BPM's mortgage-backed covered bonds are rated AAA by the rating agency Moody's. Due to the rating characteristics, a risk weight of 10% in accordance with CRR is also decisive for covered bonds. In our view, the institution's EUR benchmark issuance meets the necessary requirements to be used as Level 1 assets under LCR governance. In addition, the issuer's covered bonds are suitable as collateral in the context of transactions with the ECB and can be marketed under the label "European Covered Bond (Premium)".

Appendix

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Länder/Regionen	+49 511 9818-9660
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