# PART G – BUSINESS COMBINATIONS REGARDING COMPANIES OR DIVISIONS

## Section 1 - Transactions carried out during the year

### 1.1 Business combinations

As described in the section on significant events during the year of the Report on operations, in May, Banco BPM, through its subsidiary Banca Akros, acquired, in two distinct transactions, 100% of the share capital of Oaklins Italy S.r.l., a company operating in the "Mergers & Acquisitions" advisory services segment.
Following this acquisition, the company joined Banco BPM Group and, as a result, it was consolidated line-by-line in the Consolidated Financial Statements of Banco BPM Group as of the Consolidated interim financial report as at 30 June 2021.

The transaction is classified as a business combination, according to what is set forth in the IAS/IFRS international accounting standards and in particular IFRS 3, which requires the application of the purchase method.

The consideration for the overall purchase of the shares of the investee was 3.8 million, of which 0.3 million represent the estimated earn-out envisaged in the contract.

Pursuant to IFRS 3, the acquiring entity must allocate the cost of the combination to the assets acquired and liabilities assumed, including contingent ones, which are measured at fair value ("Purchase Price Allocation" - "PPA"); any unallocated positive/negative difference represents the goodwill to be recognised in the statement of financial position or the "bargain purchase" to be credited to the income statement as profit realised with the acquisition, respectively.

In the case in question, the assets and liabilities set forth in the accounting statement at the acquisition date primarily consist of items of insignificant amounts and for which at the date on which this report was drafted there is no evidence of a fair value different from the value represented in the accounting statement.

At the time of the final PPA, during the fourth quarter of the year, no specific intangibles were identified (not recognised in the financial statements of Oaklins) relating to the transaction whose characteristics warranted separate recognition.

Therefore, the net fair value of the assets and liabilities acquired is equal to the book value of shareholders' equity set forth in the statement at the acquisition date, i.e. 74 thousand euro, as shown in the statement below:

| ***(in thousands of euro)*** | **Data as at 10/05/2021** |
|---|---|
| **Assets** | |
| Financial assets at amortised cost | |
| - loans to banks | 647 |
| Property, plant and equipment | 26 |
| Tax assets: | |
| - deferred | 79 |
| Other assets | 62 |
| **Total assets** | **814** |
| **Liabilities** | |
| Financial liabilities at amortised cost | |
| - due to banks | 568 |
| Tax liabilities: | |
| - current | 30 |
| Other liabilities | 75 |
| Provisions for employee severance pay | 44 |
| Provisions for risks and charges | 23 |
| **Total liabilities** | **740** |
| **Shareholders' equity** | **74** |

In conclusion, with reference to the business combination in question, as set forth in detail in the table below, the difference between the cost of the combination (3,832 thousand euro) and the fair value of the assets acquired and the liabilities assumed (determined, as set forth above, as 74 thousand euro), is a positive 3,758 thousand euro. This difference is recognised as Goodwill under "Intangible assets" and is attributed to the "Banca Akros" CGU.

| ***(in thousands of euro)*** | | |
|---|---|---|
| Book value of Oaklins shareholders' equity as at 10/05/2021 | **74** | A |
| Total fair value difference | - | B |
| Fair value of assets and liabilities subject to acquisition | 74 | C=A+B |
| Consideration transferred | 3,832 | D |
| **Goodwill** | **3,758** | **E=C-D** |

In accordance with the provisions of Bank of Italy Circular no. 262, the table below includes data relating to the entity subject to the combination (data in thousands of euro):

| **Company name** | **Transaction date** | **(1)** | **(2)** | **(3)** | **(4)** |
|---|---|---|---|---|---|
| Oaklins Italy S.r.l. | 10/05/2021 | 3,832 | 100% | 3,076 | 78 |

*The total revenue and net profit data are taken from the investee's financial statements referring to 31 December 2020.*
*Key:*
*(1) = Transaction cost*
*(2) = Percentage of interests acquired with voting right in the ordinary shareholders' meeting*
*(3) = Total group revenue*
*(4) = Group net profit/loss*

### Business combinations between companies in the Group (business combination between entities under common control)

As highlighted in the section dedicated to significant events of the year of the Report on operations, on 19 July 2021 the incorporation of ProFamily S.p.A. into the Parent Company Banco BPM was finalised.

This transaction, which took effect for accounting and tax purposes as of 1 January 2021, occurred in the simplified form established for wholly-owned companies.

## Section 2 - Transactions carried out after the end of the year

No business combination transactions with companies outside of the Group were completed after the end of the year.

**Business combinations between companies in the Group (business combination between entities under common control)**

As described in the section dedicated to events subsequent to the reporting date, contained in Part A of these Notes, following the end of 2021, the following mergers by incorporation of wholly controlled companies into the Parent Company were finalised:

- on 1 January 2022, the incorporation of Bipielle Real Estate took effect;
- on 21 February 2022, the incorporation of Release took effect.

Both transactions took effect for accounting and tax purposes on 1 January 2022, in the simplified form envisaged for wholly owned companies.

These transactions do not fall under the scope of IFRS 3 and, in accordance with the Provisions of Circular 262/2005 of the Bank of Italy, they are generally reported in this section. In the absence of a relevant accounting standard, transactions "under common control" are recognised using the principle of continuity in accounting values. Specifically, the values used are those found in the Group's consolidated financial statements as of the date the assets were transferred.
These transactions will not have any impact on the balance sheet or the income statement of Banco BPM Group.

## Section 3 - Retrospective adjustments

It was not necessary to recognise any retrospective adjustments.