

## PART H – TRANSACTIONS WITH RELATED PARTIES

### 1. Information on compensation to directors and executives with strategic responsibilities

This information relates to those who, directly or indirectly, have the power and the responsibility to plan, manage and control the business activities of Group companies.

The table below summarises the compensation paid to directors, statutory auditors and executives with strategic responsibilities (general managers and other executives meeting the above characteristics).  
In total, 149 assignments were entrusted to 119 people (including 26 executives).

<i>(thousands of euro)</i>	<b>2021</b>
<b>Total gross compensation</b>	<b>16,759</b>
of which:	
Non-executive directors and Statutory auditors	4,576
Non-employee executive directors	3,006
Employees	9,177
<b>Short-term benefits (e.g. car, lodging, accident insurance policy, medical assistance) <sup>(*)</sup></b>	<b>145</b>
<b>Post-employment benefits (e.g. pension fund, supplementary pension scheme) <sup>(*)</sup></b>	<b>213</b>
<b>Employee termination benefits (e.g. provisions for employee severance pay, other benefits)</b>	<b>-</b>

*(\*) The figure represents the taxable amount of the benefits.*

### 2. Information on transactions with related parties

In accordance with the requirements established by accounting standard IAS 24, the paragraphs below illustrate the criteria applied by Banco BPM Group to identify related parties, expressed in specific company regulations:

- a) companies subject to significant influence and joint control: namely the entities in which the Parent Company Banco BPM or the Subsidiary entities exercise significant influence pursuant to IAS 28 or joint control pursuant to IFRS 11. In particular, these are the "Interests in companies subject to joint control and subject to significant influence" indicated under Part B - Section 7 "Interests in associates and joint ventures" in these Notes to the consolidated financial statements;
- b) executives with strategic responsibilities: the members of the Board of Directors, the acting members of the Board of Statutory Auditors, the General Manager and the Joint General Managers of the Parent Company and the Group companies are classified as such, as well as the top operations and management executives of Banco BPM, identified by a dedicated board resolution, the Manager responsible for preparing the Company's financial reports, the Head of the Compliance function, the Head of the Internal Audit function of Banco BPM, any additional structure heads identified by the Board of Directors of Banco BPM and any extraordinary liquidators;
- c) close family members of executives with strategic responsibilities: only family members that are able to influence (or be influenced by) the party concerned in the relationship between the latter and Banco BPM or Group companies. The following are presumed to be as such, unless otherwise declared in writing by the executive, under the latter's own responsibility and containing adequate and analytical justification of the reasons that exclude any possible influence: spouses, common law spouses (including cohabitants whose status is not indicated in the family status certificate), offspring of the party, of the spouse or common law spouse, individuals dependent on the party, the spouse or common law spouse. Any other individual, which the party believes may influence them (or be influenced by them) in their dealings with Banco BPM or the other Group companies, is also a related party;
- d) equity interests attributable to executives with strategic responsibilities and their close relatives: the following entities are considered to be related parties, those in which executives with strategic responsibilities or their close relatives have control pursuant to Art. 2359, paragraph 1 of the Italian Civil Code, or joint control or exercise significant influence which is presumed when they hold, directly or indirectly, at least 20% of the voting rights which can be exercised during ordinary shareholders' meetings, or 10% if the company has shares listed on organised markets;

- e) Group pension funds: the Pension Funds for employees of the Group and of any other related entity;
- f) holders of a significant interest: shareholders and the relative corporate groups (legal entities which are parent companies, subsidiaries or subject to joint control) which control the Parent Company, even jointly, or which exercise significant influence over Banco BPM, are considered related parties. As a minimum, a situation of significant influence is deemed to exist when the shareholder holds an interest with voting rights exceeding 10% of the share capital of Banco BPM. Parties not belonging to the Group who hold an interest in other Group companies greater than 20% of the voting rights that may be exercised in the ordinary shareholders' meeting, or 10% if the company has shares listed in organised markets, are also considered to be related parties;
- g) parties who themselves are in a position to appoint members of the Board of Directors by virtue of the articles of association or shareholders' agreements.

### Financial and commercial transactions between subsidiaries and companies subject to significant influence and joint control.

Financial and commercial transactions with related parties fall within the sphere of ordinary operations and have been conducted as arm's length transactions.

The tables below indicate the balance sheet and income statement transactions as at 31 December 2021 with the companies subject to significant influence, the joint ventures, management with strategic responsibilities (which include audit bodies) and other related parties.

<i>(thousands of euro)</i>	Entities exercising significant influence (1)	Associated companies	Joint ventures	Executives with strategic responsibilities	Other related parties	Total	% of consolidated total
Financial assets held for trading	-	8,700	-	-	181	8,881	0.20%
Financial assets measured at fair value through other comprehensive income	-	9,978	-	-	-	9,978	0.09%
Loans to customers	-	3,053,190	-	9,525	85,515	3,148,230	2.94%
Other assets	-	6,065	-	-	-	6,065	0.01%
Due to customers	-	596,001	-	12,311	50,029	658,341	0.61%
Debt securities in issue	-	-	-	387	2,113	2,500	0.02%
Financial liabilities held for trading	-	-	-	-	24	24	0.00%
Financial liabilities designated at fair value	-	-	-	20	-	20	0.00%
Other liabilities	-	7,713	-	256	6	7,975	0.16%
Guarantees given and commitments	-	580,730	-	2,508	72,593	655,831	1.18%

(1) Authorised parties who possess a shareholding greater than 10% of the share capital.

<i>(thousands of euro)</i>	Entities exercising significant influence (1)	Associated companies	Joint ventures	Executives with strategic responsibilities	Other related parties	Total	% of consolidated total
Net interest income	-	17,125	-	54	2,624	19,803	0.98%
Net fee and commission income	-	590,763	-	20	366	591,149	31.10%
Administrative expenses/recoveries of expenses	-	1,450	-	(13,491)	(377)	(12,418)	0.45%
Other costs/revenues	-	894	-	-	-	894	0.14%

(1) Authorised parties who possess a shareholding greater than 10% of the share capital.

## Other related party transactions

The table below discloses other transactions (supplies of goods and services and transactions on real estate) entered into with the related parties shown in the table above under "Administrative expenses/recoveries of expenses", in correspondence with "executives with strategic responsibilities" and "other related parties".

	Purchases and sales of goods and services	Rental income	Rental expense
a) Directors	-	-	-
b) Executives with strategic responsibilities	-	-	-
c) Close family members of the parties in letters a) and b)	-	-	-
d) Subsidiary, associated company or subject to significant influence by the parties in letters a) and b)	700	211	-

## Other information

In regard to paragraph 8 of Art. 5 "Disclosures to the public on related party transactions" of the CONSOB Regulation containing provisions for related-party transactions (adopted by CONSOB with resolution no. 17221 of 12 March 2010 as amended), the following paragraphs illustrate the most important transactions conducted in 2021, as well as those that are less important yet particularly significant.

*Issuing of certificates by Banco BPM for 2021 and 2022, to be placed through the Parent Company and Banca Aletti & C. S.p.A. Network: review of the roles of the companies involved in the product governance and structuring process.*

*Framework resolution for 2021 and 2022, regarding the fee and commission flow relating to the outsourcing to Banca Akros S.p.A. of the structuring of the certificates that will be issued by Banco BPM and the management, by Banca Akros S.p.A., of the full hedging of the financial risks resulting from the issue of the certificates by Banco BPM.*

*Framework resolution for 2021 and 2022 regarding the fee and commission flow for issues and placements of Banco BPM certificates through the Network of the Parent Company and of Banca Aletti & C. S.p.A.*

On 14-15 December 2020, the Board of Directors resolved to: (i) approve the issues of certificates by Banco BPM for a maximum total amount of up to 1,110 million for the period of January-December 2021 (of which 1,000 million distributed by the Network of Banco BPM and 110 million distributed by the network of Banca Aletti) and to proceed with the placement of said certificates, through the Network of the Parent Company and that of Banca Aletti, recognising in favour of Banca Aletti, for the period of January-December 2021, for the placement activities, in the form of a framework resolution, a total amount of up to 1.3 million, set as a 1.20% commission; (ii) to approve for said activities in the same period a fee and commission flow in favour of Banca Akros, in the form of a framework resolution, for the structuring of the certificates and the management of the relative financial hedging, a total amount of up to 11.1 million (of which, 10 million for the certificates issued and distributed by Banco BPM and 1.1 million for the certificates issued by Banco BPM and distributed by the Network of Banca Aletti) set as an average commission of 1%. Please note that for the January-December 2021 period, Banco BPM certificates were issued for a total of 11.1 million, which generated for placement activities for Banca Aletti commissions of 133 thousand euro; moreover, please note that for the same period of time, fees and commissions were paid to Banca Akros for the structuring of certificates and the management of the relative financial hedging by Banco BPM for 7.2 million and by Banca Aletti for 142 thousand euro.

On 14 December 2021, the Board of Directors resolved to: (i) approve the issues of certificates by Banco BPM for a maximum total amount of up to 1,100 million for the period of January-December 2022 (of which 1,000 million to be distributed through the Network of Banco BPM and 100 million to be distributed through the network of Banca Aletti) and to proceed with the placement, through the Network of the Parent Company and that of Banca Aletti, of said certificates, recognising in favour of Banca Aletti, for the period of January-December 2022, for the placement activities, in the form of a framework resolution, a total amount of up to 1.750 million, set as a 1.75% commission; (ii) to approve for said activities in the same period a fee and commission flow in favour of Banca Akros, in the form of a framework resolution, for the structuring of the certificates and the management of the relative financial hedging, a total amount of up to 11 million (of which, 10 million for the certificates issued and distributed by Banco BPM and 1 million for the certificates issued by Banco BPM and distributed by the Network of Banca Aletti) set as an average commission of 1%.

*Framework resolution for the fee and commission flows in 2021 and 2022 relating to the placement and management of the asset portfolios of Banca Aletti & C. S.p.A. by Banco BPM S.p.A.*

The Board of Directors, in its meeting of 14-15 December 2020, approved, with reference to the placement and management of Banca Aletti's Asset Management activities, by Banco BPM, the opening of Banca Aletti's Private catalogue lines to Banco BPM's retail customers, with the payment for 2021 of a fee and commission flow, in the form of a framework agreement, to the Parent Company for the service rendered of up to 420 thousand euro. For 2021, Banca Aletti paid fees and commissions of 347 thousand euro to Banco BPM.

On 7 September 2021, the Board of Directors resolved a new agreement for the placement of Banca Aletti's Asset Portfolios by the Parent Company Banco BPM, which envisages the opportunity to subscribe, also for Banco BPM customers, lines of investment reserved to Private customers and the increase, from 50% to 65%, of the retrocession percentage of the running fees paid to Banco BPM by Banca Aletti, which resulted, for the period of mid-September-December 2021, in a fee and commission flow of 131 thousand euro.

Subsequently, on 14 December 2021, the Board of Directors approved with regard to the management of Banca Aletti's asset portfolios held by the Retail customers of Banco BPM, a fee and commission flow, in the form of a framework resolution, of a total of 450 thousand euro for 2022 and, specifically, for the period January-December 2022.

*Renewal of the framework resolution for 2021 fee and commission flows relating to the performance of trading on own behalf, order execution on behalf of customers, receipt and transmission of orders between Banco BPM, Banca Aletti & C. S.p.A. and Banca Akros S.p.A.*

On 14-15 December 2020, the Board of Directors approved: (i) the renewal of the Framework Resolution relating to the performance of trading activities by Banca Akros for which Banco BPM estimated to pay for 2021, and specifically for the period of January-December 2021, a total fee and commission flow of 12 million for the assignment to provide trading services on its own behalf, execute orders on behalf of customers, receive and transmit the orders referred to in Art. 1, paragraph 5, lett. a), b) and e) of the Consolidated Finance Law (CFL), with regard to the orders transmitted by Banco BPM and relating to investment accounts that have been and/or will be finalised by Banco BPM itself with its customers; (ii) the renewal of the Framework Resolution relating to the performance of trading activities by Banca Akros for which Banca Aletti estimates to pay for 2021, and specifically for the period of January-December 2021, a total fee and commission flow of 3.3 million for the assignment to provide trading services on its own behalf, execute orders on behalf of customers, receive and transmit the orders referred to in Art. 1, paragraph 5, lett. a), b) and e) of the CFL, with regard to the orders transmitted by Banca Aletti and relating to the investment accounts that have been/or will be finalised by Banca Aletti itself with its customers. Please note that for the January-December 2021 period, the flow of fees and commissions recognised by Banco BPM S.p.A. was 11.5 million, while that recognised by Banca Aletti amounted to 2.2 million.

Subsequently, on 14 December 2021, the Board of Directors approved: (i) the renewal of the Framework Resolution relating to the performance of trading activities by Banca Akros for which Banco BPM estimates to pay for 2022, and specifically for the period of January-December 2022, a total fee and commission flow of 14 million for the assignment to provide trading services on its own behalf, execute orders on behalf of customers, receive and transmit the orders referred to in Art. 1, paragraph 5, lett. a), b) and e) of the Consolidated Finance Law (CFL), with regard to the orders transmitted by Banco BPM and relating to investment accounts that have been and/or will be finalised by Banco BPM itself with its customers; (ii) the renewal of the Framework Resolution relating to the performance of trading activities by Banca Akros for which Banca Aletti estimates to pay for 2022, and specifically for the period of January-December 2022, a maximum fee and commission flow of 3.3 million for the assignment to provide trading services on its own behalf, execute orders on behalf of customers, receive and transmit the orders referred to in Art. 1, paragraph 5, lett. a), b) and e) of the CFL, with regard to the orders transmitted by Banca Aletti and relating to the investment accounts that have been/or will be finalised by Banca Aletti itself with its customers.

*Issue of Banca Akros S.p.A. Investment certificates to be placed on third-party networks and 2021 Plafond for the relative bond issues of Banco BPM, subscribed by Banca Akros S.p.A. and intended for the use of the ensuing liquidity*

At its meeting on 8-9 February 2021, the Board of Directors approved the issue by Banco BPM, during the year 2021, of bonds for a total of 150 million, to be reserved for subscription by Banca Akros in order to be able to manage the liquidity ensuing from the placement of certificates. Please note that for the January - December 2021 period, bonds totalling 103.2 million were issued.

*Approval of the plan for the merger by incorporation of ProFamily S.p.A. in Banco BPM S.p.A.*

At its meeting held on 8-9 February 2021, the Board of Directors approved, pursuant to Art. 2501-ter of the Italian Civil Code, the plan for the merger by incorporation of ProFamily into Banco BPM, with the simplified procedure pursuant to Art. 2505 of the Italian Civil Code.

In accordance with the agreements signed with the Crédit Agricole Group, with a view to further consolidating their partnership in the consumer credit sphere in Italy, the merger of ProFamily within the Parent Company pursues liquidity-related purposes. The transaction is also consistent with the initiatives to rationalise the corporate and operating structure of Banco BPM Group and meets the needs of structure simplification and rationalisation, optimisation and development of personnel and reduction of costs, including corporate costs.

Following the issue on 15 April 2021 of the ECB's authorisation pursuant to Art. 57 of Italian Legislative Decree no. 385/1993, further phases of the corporate merger process continued, most recently with the signing of the merger deed on 22 June 2021, registered with the competent companies' register on 24 June 2021.

The merger became legally effective pursuant to Art. 2504-bis of the Italian Civil Code on 19 July 2021; starting from the merger's effective date, the merging company Banco BPM took over all legal relations, rights and obligations of the merged company. The operations of the merged company were recognised in the financial statements of the incorporating company from 1 January 2021.

*Approval of the plan for the merger by incorporation of Bipielle Real Estate S.p.A. in Banco BPM S.p.A.*

At its meeting held on 8-9 February 2021, the Board of Directors approved, pursuant to Art. 2501-ter of the Italian Civil Code, the plan for the merger by incorporation of Bipielle Real Estate into Banco BPM, with the simplified procedure pursuant to Art. 2505 of the Italian Civil Code.

The purpose of the incorporation of Bipielle Real Estate, a real estate company, whose assets are primarily used for business purposes, is to concentrate the overall ownership of the real estate assets directly in the Parent Company, which also controls the complex of organisational structures responsible for managing said real estate.

Following the issue on 15 April 2021 of the ECB's authorisation pursuant to Art. 57 of Italian Legislative Decree no. 385/1993, further phases of the corporate merger process continued, most recently with the signing of the merger deed on 20 December 2021, registered with the competent companies' register on 21 December 2021.

The merger became legally effective pursuant to Art. 2504-bis of the Italian Civil Code on 1 January 2022; starting from the merger's effective date, the merging company Banco BPM took over all legal relations, rights and obligations of the merged company. The operations of the merged company were recognised in the financial statements of the incorporating company from 1 January 2022.

*Proposed early closure of the BP Mortgages 1 and BPL Mortgages 7 securitisations*

At its meeting on 23 March 2021, the Board of Directors approved the early closure of the following two securitisation transactions: (i) BPL Mortgages 7 carried out with the SPE BPL Mortgages S.r.l. in June 2014, concerning a portfolio of performing mortgages, landed mortgages and unsecured loans or loans backed by other collateral and personal guarantees, disbursed to small and medium sized enterprises and originated by the former Banco Popolare Soc. Coop. and by the former BPM S.p.A, both now Banco BPM S.p.A.; (ii) BP Mortgages 1, carried out with the SPE BP Mortgages S.r.l. in March 2007 concerning a portfolio of performing residential mortgages and landed mortgages disbursed to private parties and originated by the former Banco Popolare di Verona e Novara Scarl, now Banco BPM S.p.A..

With reference to the "BPL Mortgages 7", transaction, on 21 June 2021, by signing the retrocession agreement, Banco BPM repurchased the entire residual portfolio of mortgages underlying the transaction and, on the extraordinary payment date of 28 June 2021, BPL Mortgages S.r.l. closed the transaction and proceeded with the early repayment of the notes still outstanding and entirely subscribed by Banco BPM.

With regard to the "BP Mortgages 1", transaction, on 29 June 2021, by signing the retrocession agreement, Banco BPM repurchased the entire residual portfolio of mortgages underlying the transaction and, on the interest payment date in July 2021, BP Mortgages S.r.l. closed the transaction and proceeded with the early repayment of the notes still outstanding.

*Proposal to (i) assign new portfolios of eligible assets as part of the BPM CB1 and BPM CB2 issue programmes; (ii) repurchase bad loans as part of the CB programmes, for future assignments or securitisations of non-performing loans*

At the meeting of 25 May 2021, the Board of Directors decided to approve: (i) Banco BPM's assignment to the SPE BPM Covered Bond S.r.l. of the New BPM CB1 Portfolio of eligible assets comprised of residential mortgages, including disbursements to employees of the Group, and commercial mortgage loans, for an amount of around 600 million; (ii) Banco BPM's assignment to the SPE BPM Covered Bond 2 S.r.l. of the New BPM CB2 Portfolio of eligible assets comprised exclusively of residential mortgages, excluding disbursements to employees of the Group, for an amount of around 2.7 billion; (iii) the granting of a credit limit of up to 16 billion to be used by both Counterparties; (iv) the review (with a new maturity of 30 June 2061) with remodulation of the credit lines available at Banco BPM for BPM Covered Bond and BPM Covered Bond 2; (v) the repurchase by Banco BPM of three portfolios of bad mortgage loans as part of the CB programmes for the maximum amounts specified.

In execution of such resolutions, on 30 June 2021, by signing the related contracts, Banco BPM sold (i) a new portfolio of residential mortgage loans, including disbursements to employees of the Group, and commercial mortgage loans, for a total residual debt equal to around 503 million to the SPE BPM Covered Bond and (ii) a new portfolio of eligible residential mortgage loans, excluding disbursements to employees of the Group, for a total residual debt equal to around 2.5 billion to the SPE BPM Covered Bond 2. Furthermore, also on 30 June 2021, by signing the related contracts, Banco BPM repurchased "en bloc" the positions present in all three Banco BPM Covered Bank Bond issue programmes which, as at 31 May 2021, were classified as bad loans.

*Alba Leasing S.p.A. risk group: increase in total credit lines and increase and new review date for the lending ceiling*

At its meeting held on 15 June 2021, the Board of Directors approved in favour of Alba Leasing: (i) an increase in the lending ceiling for direct risks from 1,055 million to 1,100 million, of which 100 million temporary maturing on 31 December 2021; (ii) an increase in the total credit lines from 969.7 million to 1,077.2 million, of which 100 million temporary maturing on 31 December 2021, alongside indirect risks for 2.2 million and evidence risks for 15 million.

*Approval of the plan for the merger by incorporation of Release S.p.A. in Banco BPM S.p.A.*

At its meeting held on 20 July 2021, the Board of Directors approved, pursuant to Art. 2501-ter of the Italian Civil Code, the plan for the merger by incorporation of Release into Banco BPM, with the simplified procedure pursuant to Art. 2505 of the Italian Civil Code.

The transaction in question is consistent with the initiatives to rationalise the corporate and operating structure of Banco BPM Group and meets the needs of structure simplification and rationalisation, optimisation and development of personnel and reduction of costs, including corporate costs.

Following the issue of the authorising provision of the ECB on 13 October 2021, pursuant to Art. 57 of Italian Legislative Decree no. 385/1993, the next stages of the corporate merger process took place, through the approval, on 23 November 2021, of the merger plan by the Board of Directors of Banco BPM (pursuant to Art. 2505, second paragraph, of the Italian civil code and of Art. 24.2.3 of the Articles of Association) and by Release's Shareholders' Meeting. The merger was finalised on 21 February 2022, with accounting and tax effect from 1 January 2022.

*BPL Mortgages S.r.l.: Proposed structuring of a new securitisation transaction of loans disbursed to SMEs*

On 14 December 2021, the Board of Directors resolved to structure a new securitisation transaction with the SPE BPL Mortgages, called BPL 8: more specifically, it approved (i) the sale by Banco BPM to BPL Mortgages of a portfolio of performing mortgage, landed and unsecured loans or loans backed by other collateral and personal guarantees, disbursed to small and medium sized enterprises and originated by Banco BPM, with a residual principal debt of around 2.5 billion, (ii) the subscription of Senior securities, Mezzanine securities and Junior securities issued by BPL Mortgages to fund the purchase of the above-mentioned loans, (iii) financing, if necessary, BPL Mortgages with a subordinated loan to establish a cash reserve as part of the transaction, (iv) to sign all of the contractual documentation useful and/or necessary and/or appropriate relating to or in any event associated with the performance by Banco BPM of said functions and to the performance of the aforementioned transactions.