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REPORT OF THE BOARD OF STATUTORY AUDITORS
OF BANCO BPM S.P.A. TO THE SHAREHOLDERS' MEETING
AS SET FORTH IN ARTICLE 2429, PARAGRAPH 2 OF THE CIVIL CODE

Financial statements of the year that ended 31 December 2021
of the merged company Bipielle Real Estate S.p.A.

Ordinary Shareholders' Meeting of 7 April 2022



Report of the Board of Statutory Auditors to the Shareholders' Meeting of Banco BPM S.p.A. pursuant to Article 2429 of the Italian Civil Code - Financial statements of the year that ended 31 December 2021, of the merged company Bipielle Real Estate S.p.A.

Introduction

Dear Shareholders,

as you know, the company Bipielle Real Estate S.p.A. (hereinafter also "BRE") was merged to be incorporated in the parent company Banco BPM S.p.A. (hereinafter also "Banco BPM" or "parent company" with legal, accounting and tax validity as of 1 January 2022.

To this regard, since BRE's corporate bodies ceased to function on 1 January 2022, the 2021 financial statements (at the time, still being drawn up) were not subjected to the approval of the subsidiary's Board of Directors, and therefore the draft financial statements as at 31 December 2021, were submitted for the approval of Banco BPM's Board of Directors (met on 8 February 2022) which, after the merger, became the liaison for all of the company's legal relationships.

The aforementioned financial statements - comprised of the balance sheet, income statement complete with the information on comprehensive income, explanatory note, financial report and Statement of Changes in Shareholders' equity, also including the Report on operations - was later sent to the Board of Statutory Auditors of Banco BPM, the incorporating company, for the purposes of drawing up this report.

Also for the purposes of drawing up the report, the BPM Bank's Board of Statutory Auditors obtained the necessary information on the activities carried out and the audits conducted by the BRE Control Body (in office up until the merger's effective date) through the acquisition and analysis of the meeting minutes it held over the course of 2021 (including the documentation on the sessions' records) if deemed necessary, as well as in the scope of the periodic exchange of information flows between the parent company and subsidiary control bodies, acknowledging (lastly, on 26 January 2022) the relationships set up for this purpose, the information rendered and the discussions held at those times.

Whereas, with this report, drawn up as set forth in article 2429, paragraph 2 of the Civil Code, Banco BPM's Board of Statutory Auditors reports:

- on the supervisory activity conducted by BRE's Board of Statutory Auditors during 2021 and up until its termination as mentioned above, in compliance with the regulations of reference and also having taken into account the "Rules of Conduct of the Board of Statutory Auditors - Principles of Conduct of the Non-Listed Companies' Boards of Statutory Auditors", issued by the Italian Council of Chartered and Professional Accountants on 18 December 2020, and applicable as of 1 January 2021;

- on the results of the financial year, formulating observations and proposals about the financial statements and their approval, especially concerning any exercising of the waiver under article 2423, paragraph 5, of the Civil Code;
- on any receipt of reports from the Shareholders as set forth in article 2408 of the Civil Code.

Report

In 2021, and up until the effective date of the merger (1 January 2022), BRE's Board of Statutory Auditors carried out the supervisory activities falling under its area of competence and fulfilled its obligations. The analysis of the information acquired as an outcome of the board audits and company events as previously shown and confirmed by the above said Company's Control Body, yielded the following.

Knowledge of the Company, risk assessment and report on the assignments entrusted

The BRE Board of Statutory Auditors - with the help of the Board of Directors and at its board meetings - gained adequate knowledge of the Company which, as a real estate company instrumental to the Banco BPM banking group and up until its incorporation, it performed (in *outsourcing*) the real estate services of management, *advisory* and *project management* for other Group companies, held both operating and non-operating property and controlled some companies to which specific real estate units relate, for which the maintenance of autonomous legal subjectivity is based on the process of disposal of said properties.

The planning of the supervisory activity, which consists in the assessment of intrinsic risks and problems concerning (i) the type of activity carried out and (ii) the organisational and accounting structure, was implemented through the positive results with respect to that already known based on the information acquired over time and by examining the *Audit Reports* prepared.

Following the acquisition of this knowledge, through supervision of the activities characteristic to the Company, BRE's Board of Statutory Auditors was able to confirm that:

- the typical activity performed by the Company, which once again, is a single-shareholder company, did not change over the course of the year in question and is consistent with that foreseen by the company purpose;
- the organisational structure remains unaltered on the whole, the responsible structures of the Banco BPM S.p.A. parent company still being entrusted, through ad hoc *outsourcing* contracts, with the performance of all company functions except for those linked to the enhancement of buildings and property development;

- despite the prolongation of the crisis caused by the well-known pandemic scenario, in 2021 the Company ran its operations in a way comparable to the last financial year, and as a consequence, the ledger entries for the year 2021 were comparable with the corresponding values from last year. Indeed, the disposal and enhancement of the real estate portfolio continued; the management of the receivables for rental income, in the industries hardest hit by the pandemic, required some transactions and temporary lowering of the lease payments.

Over the course of the year, BRE's Board of Statutory Auditors regularly held meetings as set forth in article 2404 of the Civil Code and drew up their minutes, signed for unanimous approval.

Activity carried out

During the periodic audits, BRE's Board of Statutory Auditors learned of the evolution of the activity performed by the Company, placing particular emphasis on the problems of an overriding and/or extraordinary or non-recurring nature, in order to identify its economic and financial impact on the net profit (loss) for the year and on the balance sheet, not to mention any risks.

Constant information flows were maintained with the Managers of the Internal Audit Function, entrusted to the Parent company's Audit Function, that over the course of the year conducted audits following a *risk-based* and *process-driven* approach in the scope of the broader Group Audit Plan (approved by the Banco BPM Board of Directors) which indirectly concerned and/or involved the Company.

The summary of the audits that the Parent company Audit Function conducted on the risk control systems and BRE's operations made it possible to express an overall judgement of "adequacy" on the Internal Control System of the Company.

BRE's Board of Statutory Auditors then periodically assessed the adequacy of the Company's organisational and functional structure and any changes with respect to the minimum requirements postulated by the business performance.

The relations with the people working in the cited structure - Directors, Employees and Outside consultants - are inspired by mutual collaboration in respecting the roles entrusted to each individual and BRE's Board of Statutory Auditors has been periodically informed by the Directors on the business performance and on its foreseeable evolution, not to mention on the most important transactions the Company made in terms of size and characteristics, as well as on the performance of BRE's subsidiaries. BRE's Board of Statutory Auditors met the managers of the Auditing Firm charged with the independent audit, acquiring information, and periodically reported to the undersigned Board of Statutory Auditors of the parent company regarding the activity carried out in the scope of a mutual exchange of information.

In conclusion, it is hereby acknowledged that as far as it was possible to discern during its activity in the

year, BRE's Board of Statutory Auditors was able to affirm that:

- the decisions that the Shareholders and the Board of Directors made were compliant with the law and the Articles of Association and were not blatantly imprudent or such as to jeopardise the integrity of the company assets;
- enough information was acquired on the general business performance and on the foreseeable evolution, as well as on the most significant transactions the Company made in terms of size or characteristics;
- the transactions carried out were also compliant with the law and the Articles of Association and not potentially in conflict with the resolutions passed by the Shareholders' Meeting or such that would jeopardise the integrity of the company assets;
- specific observations were formulated neither on the adequacy of the organisational structure of the Company nor the adequacy of the administrative and accounting system, nor the latter's reliability in correctly representing the management-related issues, also taking into account the entrustment of certain services in *outsourcing* to the parent company;
- over the course of the supervisory activity as described above, no significant events emerged such that would require their being reported in this Report;
- no action had to be taken due to omissions by the Board of Directors as set forth in article 2406 of the Civil Code;
- from the exchange of information with the Auditing firm no significant events or information emerged that must be brought up in this Report;
- no reports were received as set forth in article 2408 of the Civil Code;
- no reports were filed as set forth in article 2409, paragraph 7 of the Civil Code;
- regarding Related Parties transactions, the Company implemented and adopted a regulation with procedural and substantial rules to keep those transactions under constant observation, even at Group level. Transactions to be deemed relevant and not made at normal market conditions did not emerge;
- no censurable facts or violations in the Organisational model *pursuant to* Legislative Decree no. 231/2001 emerged from the exchanges with the Supervisory Body as set forth in Legislative Decree no. 231 of 8 June 2001 (hereinafter also "Supervisory Body") of the Company, nor did the Supervisory Body learn of acts or conduct that may imply violations of the provisions in the cited Decree.

Observations and proposals on the Financial statements and their approval

The Financial statements for the year ended on 31 December 2021, for BRE, approved by Banco BPM's Board of Directors as stated in the introduction, are comprised of the Balance sheet, Income statement integrated with the information on Comprehensive income, Explanatory note, Financial report and the Statement of changes in Shareholders' equity.

Moreover:

- The Board of Directors also drew up the Report on operations as set forth in article 2428 of the Civil Code;
- these documents were delivered to Banco BPM's Control Body in time for them to be lodged at the Banco BPM parent company headquarters together with this report, and this, regardless of the deadline set by article 2429, paragraph 1, of the Civil Code;
- the independent auditing of the accounts is assigned to PricewaterhouseCoopers S.p.A., which on 16 March 2022, drafted its Report as set forth in article 14 of Legislative Decree no. 39/2010 without any exceptions and noting the merger for incorporation of the Company into Banco BPM S.p.A. with accounting and tax validity from 1 January 2022.

Then the draft Financial statements were examined, regarding which the following additional information is also provided:

- the criteria for assessment of the asset and liability items were checked and were not substantially different from those adopted in past years, being compliant with that set forth in article 2426 of the Civil Code;
- emphasis was placed on the style of the Draft financial statements, its general compliance with the law for that which concerns its formulation and structure - and to this regard there are no observations that must be brought up in this Report;
- compliance with legal regulations inherent to the preparation of the Report on operations was verified and to this regard there are no observations that must be brought up in this Report;
- when drafting the Financial statements, the Board of Directors did not deviate from the legal regulations as set forth in article 2423, paragraph 4, of the Civil Code;
- the Financial statements substantially corresponded with the facts and information that the BRE Board of Statutory Auditors learned of after fulfilling its duties, and to this regard there are no further observations;
- as set forth in article 2426, paragraph 1, numbers 5 and 6 of the Civil Code, it was acknowledged that costs allocated to intangible fixed assets that have to be recognised with the consent of the Board of Statutory Auditors do not subsist in the Financial statements.

Regarding the Board of Directors' proposal on allocation of the net profit for the year in the Note to the Consolidated financial statements and in closing the Report on operations, Banco BPM's Board of



Statutory Auditors has nothing to remark, moreover pointing out that the decision to this regard is up to the Shareholders' Meeting.

Net income for the financial year

The net income that the Board of Directors ascertained for the year ended on 31 December 2021, as also clearly seen in reading the Financial statements, is positive by 54,492,811 Euros.

Conclusions

Based on the activities carried out and audits conducted by BRE'S Board of Statutory Auditors (in office up until 31 December 2021), of that set forth, and for that which Banco BPM's Board of Statutory Auditors was made aware, it is unanimously held that there are no obstacles to your approving the Draft financial statements for the year ended on 31 December 2021, as it has been drawn up and proposed to you by Banco BPM's Board of Directors as the incorporating company.

Milan, 16 March 2022

The Board of Statutory Auditors of Banco BPM S.p.A.

signed Prof. Marcello Priori, Chairman

signed Mr. Maurizio Lauri

signed Ms. Silvia Muzi

signed Mr. Alfonso Sonato

signed Ms. Nadia Valenti