

## 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, 148 assignments were entrusted to 115 people (including 26 executives).

<i>(thousands of euro)</i>	2022	2021 (*)
<b>Total gross compensation</b>	<b>15,648</b>	<b>16,759</b>
of which:		
Non-executive directors and Statutory auditors	4,520	4,576
Non-employee executive directors	234	541
Employee executive directors	4,831	4,865
Employees	6,063	6,777
<b>Short-term benefits (e.g. car, lodging, accident insurance policy, medical assistance) (**)</b>	<b>136</b>	<b>145</b>
<b>Post-employment benefits (e.g. pension fund, supplementary pension scheme) (**)</b>	<b>241</b>	<b>213</b>
<b>Employee termination benefits (e.g. provisions for employee severance pay, other benefits)</b>	-	-

(\*) The figures for the previous year were restated to ensure a like-for-like comparison with the classification of the remuneration of executive directors adopted as at 31 December 2022.

(\*\*) 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:

- 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 "Section 7 Interests in associates and joint ventures" in Part B of these Notes to the consolidated financial statements;
- 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 Co-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;
- 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;
- 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 2022 with the companies subject to significant influence, the joint ventures, management with strategic responsibilities (which include audit bodies) and other related parties.

(thousands of euro)	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	-	4,936	-	-	101	5,037	0.11%
Financial assets measured at fair value through other comprehensive income	-	8,340	-	-	-	8,340	0.07%
Loans to customers	-	2,501,086	-	8,500	84,709	2,594,295	2.41%
Other assets	-	3,837	-	-	-	3,837	0.03%
Due to customers	-	326,150	-	12,982	-47,865	386,997	0.36%
Financial liabilities held for trading	-	1,836	-	-	1,032	2,868	0.03%
Financial liabilities designated at fair value	-	-	-	68	1,496	1,564	0.04%
Other liabilities	-	6,842	-	45	746	7,633	0.10%
Guarantees given and commitments	-	612,842	-	2,106	114,024	728,972	1.28%

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

(thousands of euro)	Entities exercising significant influence (1)	Associated companies	Joint ventures	Executives with strategic responsibilities	Other related parties	Total	% of consolidated total
Net interest income	-	29,963	-	70	2,453	32,486	1.39%
Net fee and commission income	-	507,077	-	8	474	507,559	27.37%
Administrative expenses/recoveries of expenses	-	(9,650)	-	(13,307)	(615)	(23,572)	0.85%
Other costs/revenues	-	(3,365)	-	-	(1,002)	(4,367)	0.55%

(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)	1,152	198	-

## 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 2022, as well as those that are extraordinary and particularly significant.

*Issuing of certificates by Banco BPM for 2022, to be placed through the Parent Company and Banca Aletti Network:*

- *renewal of the framework resolution for 2022, regarding the fee and commission flow relating to the outsourcing to Banca Akros of the structuring of the certificates issued by Banco BPM and the management, by Banca Akros, of the full hedging of the financial risks resulting from the issue of the certificates by Banco BPM;*
- *renewal of the framework resolution for 2022 regarding the fee and commission flow for issues and placements of certificates by Banco BPM through the Parent Company and Banca Aletti Network.*

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 1.1 billion for the January-December 2022 period (of which 1 billion distributed through the Network of Banco BPM and 100 million distributed through the network of Banca Aletti); (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, for 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%; (iii) to proceed with the placement, through the Parent Company and Banca Aletti Network, of the certificates issued by Banco BPM, recognising in favour of Banca Aletti, for the January-December 2022 period, for the placement activities, in the form of a framework resolution, a total amount of up to 1.7 million, set as a 1.75% commission.

On 27 September 2022, the Board of Directors resolved to increase the ceiling for the issue of certificates by Banco BPM to 1.6 million, to be distributed through the Commercial Network of the Parent Company, for the January-December 2022 period, with a consequential increase of 20.5 million, for the same time interval, in the fees and commissions paid by Banco BPM to Banca Akros, benchmarked to an average commission of 1.84% for the structuring of the certificates and the management of the relative financial hedging.

Please note that for the January-December 2022 period, certificates were issued by Banco BPM for a total of 1.3 billion, which generated fees and commissions of 1.1 million for Banca Aletti for placement activities; moreover, note that for the same period, fees and commissions were paid to Banca Akros for the structuring of certificates and the management of the relative financial hedging by Banco BPM of 31 million and by Banca Aletti of 1.5 million.

Subsequently, the Board of Directors, in the meeting of 20 December 2022, resolved (i) the increase in the ceiling relating to the fees and commissions paid by Banco BPM to Banca Akros for the structuring of certificates for the month of January 2023 for 3.9 million; (ii) the extension of the framework resolution concerning the fees and commissions paid by Banco BPM to Banca Aletti for the placement of certificates issued by Banco BPM for a total of 450 thousand euro, representing the residual unused value estimated at the end of December 2022 out of the 2022 ceiling of 1.7 million.

*Framework resolution for the fee and commission flows in 2022 relating to the placement and management of Banca Aletti's asset portfolios by Banco BPM*

The Board of Directors, in its meeting of 14 December 2021, approved, with reference to the placement of Banca Aletti's asset portfolios by Banco BPM with Banco BPM's retail customers, the payment for 2022, and specifically for the January-December 2022 period, of a maximum fee and commission flow to the Parent Company of 0.4 million. For the January-December 2022 period, Banca Aletti paid fees and commissions of 0.374 million to Banco BPM. Subsequently, the Board of Directors in the meeting of 20 December 2022 resolved the extension until 31 January 2023 of the framework resolution for a maximum fee and commission amount of 78 thousand euro, representing the residual unused value estimated at the end of December 2022 out of the 2022 ceiling of 0.4 million

*Renewal of the framework resolution for 2022 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 and Banca Akros*

On 14 December 2021, the Board of Directors approved: (i) the renewal of the framework resolution for which Banco BPM estimated paying for 2022, and specifically for the January-December 2022 period, a maximum fee and commission flow of 14 million to Banca Akros 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 for which Banca Aletti estimates paying for 2022, and specifically for the January-December 2022 period, a maximum fee and commission flow of 3.3 million in favour of Banca Akros 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 2022 period, the fee and commission flow paid by Banco BPM was 10.2 million, while that paid by Banca Aletti amounted to 2 million.

Subsequently, on 20 December 2022, the Board of Directors approved: (i) an amendment of the 2019 framework agreement (hereinafter 2019 Framework Agreement Amended), with which Banco BPM gave Banca Akros 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, excluding from the subject of the same transactions in financial derivatives traded in regulated markets; (ii) the stipulation of a new agreement between Banco BPM and Banca Akros (hereinafter Derivatives Framework Agreement) to regulate activities relating to order execution and netting services on behalf of customers and order receipt and transmission services on financial derivatives traded in regulated markets; (iii) the renewal of the framework resolution relating to the performance of trading activities by Banca Akros, applicable at the same time and jointly both to the 2019 Framework Agreement Amended and to the Derivatives Framework Agreement, for which Banco BPM estimates paying the subsidiary for 2023, and specifically from 1 January to 31 December 2023, a maximum fee and commission flow of 14 million; (iv) the renewal of the framework resolution regarding the performance of trading activities by Banca Akros, for which Banca Aletti, on the basis of the Framework Agreement Banca Aletti - Banca Akros, estimates paying for 2023, and specifically from January to December 2023, a maximum fee and commission flow of 3.3 million.

*Issue of Banca Akros Investment certificates to be placed on third-party networks and 2022 Ceiling for the relative bond issues of Banco BPM, subscribed by Banca Akros and intended for the use of the ensuing liquidity*

At its meeting held on 27 January 2022, the Board of Directors approved a ceiling for the issue by Banco BPM, during 2022, of bonds for a maximum of 200 million, which will be offered for subscription entirely to Banca Akros in order to be able to manage the liquidity ensuing from the placement of certificates.

Subsequently, on 8 November 2022, the Board of Directors resolved to increase the ceiling relating to the issue of bonds by Banco BPM, which will be offered for subscription entirely to the subsidiary Banca Akros in 2022, from the current 200 million up to a maximum amount of 250 million.

Please note that for the January - December 2022 period, bonds totalling 205 million were issued, offered for subscription entirely to Banca Akros.

*Initiatives as part of the Group's Covered Bond ("CB") issue programmes: proposal for (i) the sale of new portfolios of eligible assets as part of the BPM CB1 and BPM CB2 issue programmes; (ii) determination of annual ceilings with maturity on 31 December 2022 for the periodic repurchase of assets sold*

At its meeting held on 1 March 2022, the Board of Directors approved: (i) the sale by Banco BPM to the SPE BPM Covered Bond S.r.l. of the New BPM CB1 Portfolio of eligible assets consisting of residential and commercial mortgage loans, for the amount of approximately 810 million; (ii) the sale by Banco BPM to the SPE BPM Covered Bond 2 S.r.l. of the New BPM CB2 Portfolio of eligible assets consisting exclusively of residential mortgage loans for the amount of approximately 1.8 billion; (iii) the determination of annual ceilings up to a maximum of 100 million each with maturity on 31 December 2022 for each covered bond issue programme, in order to carry out, on the basis of the criteria established in the relative programmes, periodic repurchases of the loans sold to the SPEs BP Covered Bond S.r.l., BPM Covered Bond S.r.l. and BPM Covered Bond 2 S.r.l..

In execution of said resolutions, in March 2022, by signing the relative contracts, Banco BPM sold respectively (i) a new portfolio of residential mortgage loans, including disbursements to Group employees, and commercial mortgage loans, for a total residual debt of around 419 million to the SPE BPM Covered Bond S.r.l. (Fourth Banco BPM Portfolio) and (ii) a new portfolio of residential mortgage loans, excluding disbursements to Group employees, for a total residual debt of 1,754 million to the SPE BPM Covered Bond 2 S.r.l. (Seventh Banco BPM Portfolio).

Please note that for the period January - December 2022, the annual ceilings for the periodic repurchases of assets sold were used for 14.0 million, 24.6 million and 10.8 million, respectively.

At its meeting held on 18 October 2022, as part of the covered bond issue programmes, the Board of Directors resolved to repurchase mortgage loans from the respective SPEs that have: 1) potential gaps in the documentation and limited accuracy of the data entered in the bank's IT systems; 2) expired mortgage collateral, in total for the maximum amounts defined (5 million in mortgage loans with expired mortgage collateral for the vehicle BP CB, 100 million in mortgage loans for the SPE BPM CB1 and 2 million in mortgage loans with mortgage collateral expired for the SPE BPM CB2) and the signature of the Repurchase Documents; in execution of this resolution, in November 2022, Banco BPM repurchased, as part of the BP CB1, BPM CB1 and BPM CB2 issue programmes, a portion of the mortgage loans previously sold to the respective SPEs and no longer classifiable as eligible for an amount of 1.7 million for CB1, 84.8 million for BPM CB1 and 0.4 million for BPM CB2, respectively.

Subsequently, at its meeting held on 29 November 2022, the Board of Directors resolved the renewal, for the period January - 31 December 2023, of the annual ceilings for the periodic repurchase, for up to a maximum of 100 million for each of the outstanding Covered Bonds programmes and on the basis of the criteria established therein, of assets sold to the SPEs BP Covered Bond S.r.l., BPM Covered Bond S.r.l. and BPM Covered Bond 2 S.r.l. as well as the signature of the Repurchase Documents relating to each programme.

*Proposal to review the credit facilities granted to BPL Mortgages S.r.l.*

At its meeting held on 29 March 2022, the Board of Directors approved the revision as at 31 March 2023 of the credit facilities granted to BPL Mortgages S.r.l. and in particular the granting (i) of new banking book lines for a total of 2.5 billion, with maximum maturity at 31 December 2064, for the purchase of new bonds issued as part of the structuring of a new securitisation called BPL 8 approved at the Board of Directors meeting of 14 December 2021, (ii) of a new subordinated loan of 75 million, with maximum maturity at 31 December 2064, in order to increase the cash reserve required by rating agencies to cover any liquidity shortfalls throughout the duration of the above-mentioned securitisation transaction.

Please note that the new securitisation transaction called BPL Mortgages 8 was carried out in March 2022 through the sale by Banco BPM to the SPE BPL Mortgages S.r.l. of a portfolio of eligible loans (for a sale value, including accruals, of 2.45 billion) and completed in April with the issue by the SPE of two classes of securities, both subscribed by Banco BPM, for a total amount of 2.45 billion. The initial Cash Reserve of the transaction, amounting to 72 million, was established mainly through the disbursement by Banco BPM of a subordinated loan for an amount of 67 million. As at 31 December, the subordinated loan amounted to 60.1 million.

*Alba Leasing risk group - confirmation of the lending ceiling for direct risks, reduction of total credit lines and new review date*

At its meeting held on 5 July 2022, the Board of Directors resolved to approve in favour of Alba Leasing S.p.A.: (i) the confirmation of the lending ceiling for direct risks at 1 billion; (ii) the reduction of total credit lines from 973.2

million to 971.2 million, in addition to indirect risks for 0.04 million and evidence risks for 15 million; (iii) the new review date as 30 June 2023.

*Approval of the project for the partial demerger of Tecmarket Servizi S.p.A. in favour of Banco BPM S.p.A.*

At the meeting held on 3 August 2022, the Board of Directors approved the partial demerger, with a simplified procedure pursuant to Articles 2505 and 2506-ter of the Italian Civil Code, through which Tecmarket Servizi S.p.A., a service company wholly owned by Banco BPM, assigned Banco BPM a portfolio of assets relating to all its activities and services, with the exclusion of activities related to POS terminal management services and technical assistance to Banco BPM customers for the POS service, as the most valuable business on which the subsidiary will focus its operations following the demerger.

Following the issue on 18 October 2022 of the ECB's authorisation pursuant to Art. 57 of Italian Legislative Decree no. 385/1993, the next stages of the corporate demerger process were carried out, the last of which was the signature of the demerger deed on 16 December 2022.

The demerger is effective, also for accounting and tax purposes, from 1 January 2023; therefore, from the same date, transactions relating to the demerged business unit were charged to the financial statements of the beneficiary Banco BPM.