

PART M – DISCLOSURE ON LEASES

Section 1 – Lessee

QUALITATIVE INFORMATION

The IFRS 16 scope of Banco BPM Group includes the lease contracts on the property units mainly intended for commercial activities (branches), which account for around 95% of the rights of use relating to leases. There was a marginal amount of other contracts, relating to the hiring of the company car fleet and the rights of use of technological equipment.

Short-term or low value lease contracts are recorded according to that set out in par. 6 of IFRS 16. The related costs are indicated in table 12.5 "Other administrative expenses: breakdown".

QUANTITATIVE INFORMATION

According to that set out in Bank of Italy Circular 262, the information required by accounting standard IFRS 16, relating to contracts in which the Group is the lessee, contained in these Notes to the consolidated financial statements, in the sections indicated below:

- the information on rights of use acquired through leases is contained in Part B, Assets – Section 9, Table 9.1 "Property, plant and equipment used in operations: breakdown of assets at cost" and in Table 9.6 bis "Property, plant and equipment used in operations - Rights of use acquired through leases: annual changes";
- the information on lease payables is contained in Part B, Liabilities – Section 1, Table 1.6 "Lease payables";
- the information on interest expense on lease payables is contained in Part C – Section 1 – Table 1.3 "Interest and similar expense: breakdown";
- the information on the depreciation of the rights of use and the related asset classes is contained in Part B, Assets – Section 9, Table 9.6 bis "Property, plant and equipment used in operations - Rights of use acquired through leases: annual changes", under item C.2 "Depreciation".

At the reporting date, there are no material amounts relating to lease commitments.

Section 2 – Lessor

QUALITATIVE INFORMATION

The Group has both finance lease contracts and operating lease contracts in force.

Finance lease operations, which include the contracts of the former Banca Italease and Release (transferred to the Parent Company Banco BPM), are in run-off as a result of the Group's decision to no longer directly disburse that type of financing.

Operating leases refer to commercial leases connected to properties not used for business activities, in particular to properties acquired by way of *datio in solutum* (transfer in lieu of payment) against previous credit exposures or to properties for which there has been a change of destination (e.g. closure of a branch).

QUANTITATIVE INFORMATION**1. Information on the balance sheet and income statement****1. Information on the balance sheet and income statement**

According to that set out in Bank of Italy Circular 262, the information required by accounting standard IFRS 16, relating to contracts in which the Group is the lessor, contained in these Notes to the consolidated financial statements, in the sections indicated below:

- the information on loans for leases is contained in Part B, Assets – Section 4, Table 4.1 “Financial assets at amortised cost: breakdown by product for loans to banks” and Table 4.2 “Financial assets at amortised cost: breakdown by product for loans to customers”;
- the information on assets granted through operating leases is contained in Part B, Assets – Section 9, at the bottom of Table 9.4 “Property, plant and equipment held for investment purposes: breakdown of assets at fair value through profit and loss”, with the related specifics provided at the bottom of that table;
- the information on interest income on loans for leases is contained in Part C – Section 1 – Table 1.1 “Interest and similar income: breakdown”;
- the information on income from operating leases is contained in Part C – Section 16, Table 16.2 “Other operating income: breakdown”.

2. Finance leases**2.1 Classification of payments to be received by time band and reconciliation with loans for leases posted under assets**

Time bands	Total	Total
	31/12/2022	31/12/2021
	Lease payments to be received	Lease payments to be received
Up to 1 year	301,125	448,402
From over 1 year to 2 years	152,012	150,384
From over 2 years to 3 years	77,998	150,998
From over 3 years to 4 years	85,404	99,806
From over 4 years to 5 years	63,106	94,950
Over 5 years	193,786	364,456
Total lease payments to be received	873,431	1,308,996
Reconciliation with loans		
Financial profits not accrued (-)	(92,871)	(85,600)
Residual non-guaranteed value (-)	-	-
Loans for leases	780,560	1,223,396

Loans for leases recorded a gradual decrease, in relation to the Group’s decision to no longer directly disburse that type of financing.

2.2 Other information

There is no other information to report.

3. Operating leases

3.1 Classification by time band of payments to be received

Time bands	Total 31/12/2022 Lease payments to be received	Total 31/12/2021 Lease payments to be received
Up to 1 year	32,143	33,331
From over 1 year to 2 years	23,371	22,517
From over 2 years to 3 years	18,687	19,147
From over 3 years to 4 years	16,990	14,224
From over 4 years to 5 years	8,902	13,395
Over 5 years	8,206	54,939
Total	108,299	157,553

3.2 Other information

There is no other information to report.

OTHER INFORMATION

Disclosure regarding public disbursements pursuant to Art. 1, paragraph 125 of Law 124 of 4 August 2017 (“Annual market and competition law”)

In compliance with that stated in Art. 1, paragraph 125 of Law 124 of 4 August 2017, the amounts received by the Parent Company and its subsidiaries during 2022, in the form of “subsidies, contributions, paid positions and in any case economic advantages of any type” are provided below.

Group company	Type of contributions	Granting authority	Amounts received in 2022 (figures in euro)
Banco BPM	Aid for personnel training (*)	FBA (Bank and Insurance Fund)	3,430,266
Banco BPM	Aid for personnel training (**)	FONDIR (Joint Interprofessional Fund recognised by the Ministry of Labour)	31,090
Terme Ioniche Società Agricola S.r.l.	Agricultural aid (***)	Disbursed by the European Union through ARCEA (Agency of the Region of Calabria for Agricultural Aid), as the paying body	21,348
Sagim S.r.l. Società Agricola	Agricultural aid (***)	Disbursed by the European Union through ARTEA (Tuscan Regional Agency for Agricultural Aid), as the paying body	283,370

(*) Aid for personnel training requested in 2018, 2019 and 2020 and paid in 2022. The amount indicated in the table is gross of the repayment to FBA, on 1 July 2022, of the sum of 69,248.59 euro (69,000 + interest) on the contributions for 2021.

(**) Aid for training requested in 2020 and paid in February 2022.

(***) In particular, these are public resources from EU sources, in which the Italian public administration takes on the role of payer.

To that end, note that in the table, in line with the provisions of the law in question, economic advantages of less than the threshold of 10,000 euro are not stated. This threshold should be understood to refer to all the advantages that the Parent Company or each company in the Group received from the same authority in 2022, whether the benefit was disbursed in one tranche or in several tranches.