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**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE SECOND  
ITEM ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING**

**(PURSUANT TO ARTICLE 125-TER OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS AMENDED  
AND SUBSEQUENT AMENDMENTS AND ADDITIONS)**

**(CONVENEND FOR 31 MARCH 2022 IN SINGLE CALL)**

- 2. Allocation of profits for the year Related and consequent resolutions.**
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**BFF Bank S.p.A.**

Via Domenichino 5 - 20149 Milan

Tax code and VAT n. 07960110158

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Dear Shareholders,

the Board of Directors has convened you, in ordinary session, on Thursday 31 March 2022 at 9.00 a.m. (the "**Shareholders' Meeting**"), conventionally at the registered office of BFF Bank S.p.A. (the "**Company**" or the "**Bank**" or "**BFF**") in Milan, Via Domenichino no. 5 (the "**Registered Office**"), in a single call, to approve, among other things, the proposal for the allocation of the profit for the year.

The Company's financial statements as at 31 December 2021, which are to be approved by the Shareholders' Meeting, show a profit of € 164,289,349, which it is proposed to allocate as follows:

- i) Euro 2,341,720 to the Legal Reserve (to bring the reserve to 20% of the Share Capital as of today's date)
- ii) Euro 36,667,230 to the Retained Earnings Reserve;
- iii) Euro 125,280,399 to the Shareholders.

Shareholders will therefore receive a dividend of approximately € 0.679 for each of the 185,313,378 shares.

Furthermore, as announced by Borsa Italiana S.p.A. with notice no. 5930 of 17 February 2022, on 21 February 2022 American-style option contracts with BFF shares as underlying were admitted for trading on the Derivatives Market (IDEM). In light of the above and in compliance with the provisions of the Instructions to the Rules of the Markets Organised and Managed by Borsa Italiana (Title IA.2, Section IA.2.1, Art. IA.2.1.3), the ex-dividend date for companies issuing shares in the FTSE MIB index or underlying derivative contracts on shares traded on the IDEM market is set to coincide with the first trading day following the third Friday of each calendar month.

Therefore, considering the above, the ex-dividend date for any dividend based on the results of the 2021 financial year will be April 2022, with an ex-dividend date of 19 April 2022.

Pursuant to Article 83-terdecies of Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented (the "**TUF**"), entitlement to the payment of the dividend is determined with reference to the evidence in the accounts of the intermediary referred to in Article 83-quater, paragraph 3, of the TUF, at the end of the accounting day of 20 April 2022 (the "**record date**"). The payment of the aforementioned dividend, gross of withholding taxes, is scheduled for 21 April 2022 (the "**payment date**").

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We submit the following proposed resolution for your approval:

"The Shareholders' Meeting of BFF Bank S.p.A., having examined the illustrative report of the Board of Directors,

**resolved**

- i) to allocate to the Shareholders a portion of the net profit for the year, equal to € 125,280,399, corresponding, gross of withholding taxes, to approximately € 0.679 for each of the 185,313,378 ordinary shares in circulation at the ex-dividend date (no. 5) on 19 April 2022 (**the so-called ex-date**). This dividend includes the portion attributable to any treasury shares held by the company on the record date. Pursuant to Article 83-terdecies of Legislative Decree no. 58 of 24 February 1998 (TUF), entitlement to payment of the dividend is determined with reference to the evidence in the accounts of the intermediary referred to in Article 83-quater, paragraph 3, of the TUF, at the end of the accounting day of 20 April 2022 (**the so-called record date**);
- ii) to allocate Euro 2,341,720 to the Legal Reserve;
- iii) to allocate the remainder of the profit for the year, amounting to €36,667,230, to the "Retained Earnings Reserve;
- iv) to pay the aforementioned dividend from 21 April 2022 (**so-called payment date**). Payment will be made through the authorised intermediaries with whom the shares are registered in the Monte Titoli system.

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For the Board of Directors  
THE CHAIRMAN  
(Salvatore Messina)

Milan, 1 March 2022