



**EXPLANATORY REPORT BY THE BOARD OF DIRECTORS ON THE
SEVENTH ITEM ON THE AGENDA OF THE ORDINARY GENERAL
MEETING OF SHAREHOLDERS**

**(DRAWN UP IN ACCORDANCE WITH ARTICLE 125-TER OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY
1998**

AND SUBSEQUENT AMENDMENTS AND SUPPLEMENTS)

(CONVENED FOR 16 JUNE 2026 IN A SINGLE MEETING)

7. Authorisation to purchase and dispose of own shares pursuant to Articles 2357 and 2357-ter of the Italian Civil Code, Article 132 of Legislative Decree No. 58/1998, and Article 144-bis of the Regulations approved by Consob by Resolution No. 11971/1999, following the revocation of the authorisation approved by the Shareholders' Meeting on 17 April 2025, which was not implemented. Related and consequential resolutions.



Dear Shareholders,

the Board of Directors has convened you to an Ordinary General Meeting exclusively by means of telecommunication, in a single call (the “General Meeting”), to discuss and resolve, amongst other matters, on the proposal to authorise the purchase and disposal of treasury shares pursuant to the combined provisions of Articles 2357 and 2357-ter of the Italian Civil Code and Article 132 of Legislative Decree No. 58/1998, as subsequently amended and supplemented (the “TUF”), with the simultaneous revocation of the previous shareholders’ resolution of 17 April 2025, which was not implemented (**the “2025 Authorisation”**).

Article 73 of the regulations of the National Commission for Companies and the Stock Exchange (Consob) adopted by Resolution No. 11971/1999, as subsequently amended (the “**Issuers’ Regulations**”), provides that the board of directors shall, within a period of twenty-one days prior to the date set for the general meeting convened to resolve on the purchase and disposal of own shares, shall make available to the public at the company’s registered office, on the company’s *website* and by the other means indicated by Consob, an explanatory report prepared in accordance with Annex 3A, Schedule No. 4, of the Issuers’ Regulations.

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1. Reasons for requesting authorisation to purchase and/or dispose of own shares

This request for authorisation (the “**Request for Authorisation**”) is intended to grant the Board of Directors the power to purchase and dispose of the Bank’s own shares, in compliance with the relevant legislation, including EU legislation, in force *at the time*¹, in order to enable the Bank to:

¹It is understood that the actual launch of the share buy-back programme may be resolved by the Board of Directors subject to the Bank of Italy granting authorisation pursuant to Article 78 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 (the “CRR”).



- (a) potentially carry out, directly or through intermediaries, any transactions to stabilise and/or support the liquidity of the Bank's shares;
- (b) to hold treasury shares that may be used: (i) to service share-based incentive schemes reserved for Directors and/or employees of the Bank and/or of companies directly or indirectly controlled by it, *as currently in force*, (ii) to fulfil the purpose of balancing the variable remuneration of so-called "*Risk Takers*" in accordance with the BFF Banking Group's incentive scheme pursuant to *the "Remuneration and Incentive Policy for members of the strategic supervision, management and control bodies, and staff of the BFF Banking Group"* in force from time to time; and
- (c) to have a "securities pool" available for use in connection with any extraordinary transactions, such as, for example, acquisitions, issues of bonds convertible into shares of the Bank, or other transactions in relation to which it may be necessary or appropriate to exchange or dispose of blocks of shares, to be carried out, for example, by way of exchange, contribution or other act of disposal and/or utilisation.

The Request for Authorisation also includes the power of the Board of Directors to carry out repeated and successive transactions involving the purchase and sale (or other acts of disposal) of the shares held in the portfolio, including on a *revolving* basis and in instalments of the maximum authorised quantity. Such transactions will be carried out in such a way that, at all times, the number of shares subject to the proposed purchase, and owned by the Bank, does not exceed the limits set by law and the authorisation of the Shareholders' Meeting, and in such a way that the applicable statutory and regulatory provisions², market practices of

² In this regard, reference is made, by way of example, to the Consolidated Law on Finance (TUF), the Issuers' Regulations, Regulation (EU) No 596 of 16 April 2014 on market abuse (the so-called "MAR"), Delegated Regulation (EU) No 1052 of 8 March 2016 on the conditions applicable to share buy-backs and stabilisation measures.



from time to time permitted³ and the legislative and/or regulatory provisions applicable to banks⁴.

2. Maximum number, class and nominal value of the shares to which the authorisation relates

The maximum number of ordinary shares of the Bank (the “Treasury Shares”) which, in accordance with this Application for Authorisation, it proposes to purchase, on one or more occasions, may not exceed 9,444,958.90 shares with no par value, taking into account the treasury shares already held in stock as at the date of this Report.

For the purposes of assessing compliance with this limit, account must also be taken of any shares purchased by its subsidiaries.

3. Information useful for the purposes of a full assessment of compliance with the provisions of Article 2357, paragraphs 1 and 3, of the Italian Civil Code, and Article 132 of the Consolidated Law on Finance

The maximum number of Treasury Shares referred to in this Application for Authorisation is 9,444,958.90, corresponding – taking into account the treasury shares already held by the Bank as at the date of this Report – to 5% of the 188,898,590 shares with no par value representing, as at the date of this Report, the Bank’s entire subscribed and paid-up share capital, amounting to €145,452,366.98.

The authorisation to purchase the Treasury Shares covered by this proposal is therefore in accordance with the provisions of Article 2357(3) of the Civil Code.

It should be noted that, as at the date of this Report, the Bank does not hold any Treasury Shares.

Pursuant to Article 2357(1) of the Italian Civil Code, the purchase of Own Shares must take place within the limits of distributable profits and available reserves as shown in the latest approved financial statements

³ With regard to the market practice permitted by Consob, reference is made to Consob Resolution No. 21318 of 7 April 2020.



⁴ In this regard, by way of example, reference is made to Delegated Regulation (EU) No 241 of 7 January 2014, adopted by the European Commission for the purposes of Articles 77 and 78 of the CRR, and Part Two, Chapter I, Section VI of the Supervisory Provisions for Banks (Circular No 285/2003).



at the time the transaction is carried out, as well as in compliance with the requirements set out in Article 132 of the TUF, as further specified in paragraph 6 of this Report.

In this regard, reference is made to the draft financial statements for the financial year ended 31 December 2025 (available in the “*Investor/Governance/Shareholders’ Meeting Documentation*” section of the Website), assuming their approval by the Shareholders’ Meeting in accordance with the terms proposed by the Board of Directors. These draft financial statements show available reserves of €366,960.

It should also be noted that the Board of Directors is required to verify compliance with the conditions set out in Article 2357, paragraphs 1 and 3, of the Italian Civil Code, for the purchase of Own Shares at the time it resolves to commence purchases.

Upon the purchase of shares or their disposal, exchange, contribution or write-down, the appropriate accounting entries must therefore be made, in compliance with the applicable legal and regulatory provisions (including the applicable regulations and accounting standards). The proceeds from the sale, exchange, contribution or write-down of the Bank’s Own Shares may be reused for further purchases of Own Shares until the expiry of the authorisation granted by the Shareholders’ Meeting, subject to the quantitative and expenditure limits, as well as the conditions established by the Shareholders’ Meeting.

4. Duration for which authorisation is sought

Authorisation for the purchase of Own Shares is requested for the maximum duration permitted by Article 2357, paragraph 2, of the Italian Civil Code, namely 18 (eighteen) months, from the date of the resolution approving this Request for Authorisation by the Shareholders’ Meeting.

During this period, the Board of Directors may carry out the transactions provided for herein in respect of the Own Shares on one or more occasions and at any time, to the extent and at the times freely determined, in compliance with the relevant legislation, including EU legislation, and the market practices in force *at the time*, with the gradual approach deemed appropriate in the Bank’s interests.



Authorisation for the disposal, transfer and/or use of any Treasury Shares held in the portfolio, and/or those to be acquired, is requested without any time limit, given the absence of regulatory constraints in this regard and the desirability of having maximum flexibility, including in terms of timeframe, for their potential disposal.

5. Minimum and maximum consideration, as well as market valuations on the basis of which these will be determined

The Authorisation Request provides that purchases of Own Shares must be made at price conditions in accordance with the provisions of Article 3(2) of Delegated Regulation (EU) 2016/1052, namely, as at the date of this Report, at a price not exceeding the higher of (i) the price of the most recent independent transaction, and (ii) the price of the highest current independent bid on Euronext Milan, operated by Borsa Italiana S.p.A., or in accordance with the regulations in force from time to time.

In any event, purchases must be made at a price per share that may not deviate, either upwards or downwards, by more than 20% from the reference price recorded by the security in the trading session preceding each individual transaction.

6. Methods by which purchases and disposals will be carried out

The Authorisation Request provides that transactions for the purchase of Own Shares shall be carried out on regulated markets, in the manner to be determined by the Board of Directors, at the pace deemed appropriate in the Bank's interest, in accordance with the laws and regulations, including those at European level, in force from time to time and, therefore, inter alia, by the applicable provisions of the TUF, the Issuers' Regulations, the MAR, the aforementioned Delegated Regulation (EU) No 1052 of 8 March 2016, as well as by market practices permitted from time to time as applicable. In particular, in accordance with the provisions of Article 132(1) of the TUF, purchases of Own Shares must be carried out in such a way as to ensure equal treatment among



shareholders. In this regard, among the methods set out in Article *144-bis*, paragraph 1, of the Issuers' Regulations, it is provided that purchases of Shares may be made:

- a) through a public tender offer or exchange offer; or
- b) on regulated markets, in accordance with the operating procedures laid down in the rules governing the organisation and management of those markets, which do not permit the direct matching of buy orders with pre-determined sell orders.

It should also be noted that, given the exemption provided for in Article 132, paragraph 3, of the Consolidated Law on Finance, the aforementioned operating procedures shall not apply in the event of the purchase of Own Shares held by employees of the Bank, of subsidiaries or of the parent company and allocated or subscribed in accordance with Articles 2349 and 2441(8) of the Italian Civil Code, or arising from remuneration plans approved pursuant to Article *114-bis* of the TUF.

This Application for Authorisation further provides that any disposals or other acts of disposal or use of Treasury Shares held in the portfolio or acquired pursuant to the authorisation requested herein:

- (a) if carried out for cash, must be made at a price per share to be determined on the basis of criteria in accordance with market practices recognised from time to time, which in any event may not deviate, either upwards or downwards, by more than 10% from the reference price recorded by the security in the trading session preceding each individual transaction;
- (b) if carried out as part of extraordinary transactions referred to in paragraph 1(c) above, to be effected, for example, by way of exchange, contribution, swap or other act of disposal and/or use, they must be carried out within the price limits and on the terms and conditions to be determined by the Board of Directors;
- (c) if carried out as part of share-based incentive schemes or remuneration policies, they must be allocated to the beneficiaries of such schemes or remuneration policies in the manner and within the time limits specified in the schemes themselves, or in accordance with the applicable policies and regulatory provisions.



7. Information in the event that the purchase transaction is instrumental to a capital reduction

This Request for Authorisation is not intended to reduce the share capital.

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That being said, the following proposal is therefore submitted for your approval:

“The Shareholders’ Meeting of BFF Bank S.p.A., having examined the report of the Board of Directors on this item on the agenda,

resolves

1. *to revoke the previous authorisation to purchase and dispose of the Bank’s own shares granted by the General Meeting on 17 April 2025, which has not been exercised;*
2. *to authorise the Board of Directors – pursuant to and for the purposes of Article 2357 of the Civil Code – to proceed with the purchase of the Bank’s shares, on one or more occasions and for a period of eighteen months from the date of this resolution, for the purposes set out in the Board of Directors’ explanatory report to today’s General Meeting regarding this item on the agenda, subject to the terms and conditions specified below:*
 - (i) *the maximum number of shares to be purchased is 9,444,958.90 ordinary shares of the Bank, representing, taking into account the treasury shares already held, 5% of the shares into which the Bank’s share capital is divided, which currently amount to 0 ordinary shares; purchases must be made within the limits of the distributable profits and available reserves shown in the latest duly approved financial statements;*
 - (ii) *the purchases must be made:*
 - *at price conditions in accordance with the provisions of Article 3(2) of Delegated Regulation (EU) 2016/1052;*
 - *in any event, at a price per share that may not deviate, either upwards or downwards, by more than 20% from the reference price recorded by the security in the trading session preceding each individual transaction.*



- (iii) *purchases must be made in such a way as to ensure equal treatment of Shareholders and in accordance with the procedures laid down by the relevant legislation, including EU legislation, and by the market practices in force at the time, as referred to in the Board of Directors' explanatory report to today's General Meeting concerning this item on the agenda;*
3. *to authorise the Board of Directors – pursuant to and for the purposes of Article 2357-ter of the Italian Civil Code – to dispose of, on one or more occasions, all or part of the treasury shares held in the portfolio, without any time limit, even before the maximum number of shares that may be purchased has been exhausted, as well as to repurchase such shares to the extent that the treasury shares held by the Bank and, where applicable, by its subsidiaries, do not exceed the limit established by the authorisation referred to in point 2 above. Disposals and/or uses of the treasury shares held in the portfolio may be carried out for the purposes set out in the Board of Directors' explanatory report to today's General Meeting relating to this item on the agenda:*
- *if carried out in cash, they must be executed at a price per share to be determined in accordance with the criteria set out in market practices recognised from time to time, which in any event may not deviate, either upwards or downwards, by more than 10% from the reference price recorded by the security in the trading session preceding each individual transaction;*
 - *if carried out as part of extraordinary transactions referred to in paragraph 1(c) above, to be effected, for example, by way of exchange, contribution, swap or other act of disposal and/or use, they must be carried out within the price limits and on the terms and conditions to be determined by the Board of Directors;*
 - *if carried out as part of share-based incentive schemes or remuneration policies, they must be allocated to the beneficiaries of such schemes or remuneration policies, in the manner and within the time limits specified in the schemes themselves, or in accordance with the applicable policies and regulatory provisions.*



4. *to grant the Board of Directors all powers necessary to implement the resolutions referred to in the preceding points, taking all steps required, appropriate, instrumental and/or related to their successful implementation, as well as to provide the market disclosures required by the relevant legislation, including EU legislation, and by the market practices in force at the time”.*

Milan, 30 April 2026

For the Board of Directors THE
CHAIRMAN
(Ranieri de Marchis)