2026

Interim Consolidated Financial Report

as at June 30, 2026

CONTENTS

01 The BFF Group

1985-2026: the Evolution of BFF

1985-2009

BFF is established gaining recognition on the reference market

Founded by a group of **pharmaceutical companies** to meet their needs for managing and collecting receivables from the health system, BFF immediately becomes a **leader in the reference market.**

2010-2014

Resilient during crises, the process of internationalization and transformation into a bank begins

The expansion into **new European countries** begins: in **Spain**, in 2010 and in **Portugal,** in 2014.

BFF's offering is extended to **all suppliers of public bodies**, not only to health systems.

It becomes a bank in 2013.

2015-2020

European listing and leadership

BFF grows in **Central and Eastern Europe**, through a major acquisition in Poland (2016), and is listed on the Italian Stock Exchange (**Borsa Italiana**) (2017).

The international offering is also present in **Greece**, **Croatia** and **France**.

The business in Spain is consolidated with the acquisition of **IOS Finance** (2019).

Since 2021

A leader in specialized finance

BFF is the only pan-European platform, present in 9 countries, specializing in the management and non-recourse purchase of receivables from the Public Administration and National Health Systems.

In **2021**, thanks to the merger with DEPObank S.p.A., BFF also affirmed its leadership in securities services, as the only Italian custodian bank, and in payment services, provided to more than 100 banks and Payment Service Providers (PSPs) in Italy.

BFF is the largest specialized finance operator in Italy, as well as one of the leaders in Europe, in the management and non-recourse disposal of trade receivables due from Public Administrations, and in the area of Securities Services and payment services.

	SECTOR LEADER	CUSTOMERS	OFFER	OPPORTUNITY
Factoring & Lending	#1 in public sector factoring in **EUROPE**	Suppliers of Public Entities Large multinationals Hospitals and Municipalities	Non-Recourse Factoring Financing for the public sector and healthcare Credit Management	€1,000 billion of market opportunities with potential for volume growth in Italy and abroad
Securities Services	#1 independent custodian bank in **ITALY**	Domestic asset managers and banks Pension Funds, Mutual Funds and Investment Funds Social Insurance Funds, Foundations, Social Security Institutions	Custodian Global custody Fund accounting Transfer agent	Long-term growth in assets under management and administration in Italy
Payments Services	#1 in intermediary services in **ITALY**	Banks, Payment Institutions and IMELs Corporates Partnership with Nexi	Payment intermediary Corporate payments Checks and bills	Epochal transition from cash payments to digital payments in Italy

ORGANIC GROWTH

Business model

The Group operates in Italy, Croatia, France, Greece, Spain and Portugal, where it engages in non-recourse factoring and credit management activities with respect to the Public Administration. It also has operations in Poland, the Czech Republic and Slovakia, offering a diversified range of financial services designed for ensuring access to credit as well as providing liquidity and solvency support to the private system of companies that interface with the Public Administration.

As well as providing the Factoring & Lending services mentioned above the Group is a leader in Italy in Securities Services and banking payment services. It provides these services to more than 400 clients including investment funds, banks, payment and money institutions, large corporations and Public Administrations.

The services offered and the relative benefits for customers are presented below.

BFF manages operational complexity, facilitates cost reduction and eliminates risks for customers, including through:

FACTORING & LENDING

- **The optimization of liquidity** and the management of working capital of private businesses operating with the Public Administration.
- **Planning and maintenance of a target collection time**, irrespective of the actual payment times of the Public Administrations.
- **Improvement in financial statements ratios**, thanks to the possibility of definitively deconsolidating exposure to public agencies.
- **Reduction in operating cost**s**,** thanks to revolving agreements for the assignment of trade receivables and an integrated Business Model that combines non-recourse factoring and credit management services to guarantee the best possible performance on loans and receivables.
- **Direct funding of public bodies** in Central and Eastern Europe, with vendor finance solutions and loans for medium/long-term investments.
- **Multi-country operations**, for a better and more efficient management of country risk and the exposure of multinationals to the nine European countries that the Group operates in.

SECURITIES SERVICES

PAYMENTS

- **The structural reduction of costs for the customer thanks to outsourcing services that guarantee constant adaptation to and compliance with the regulatory framework without the financial burden that usually follows.**
- **A single interlocutor – "one stop shop" – for all back office services for better cost efficiency and management.**
- **Rapid, customized solutions** thanks to a superior flexibility and agility in managing customer needs.
- **Operational simplification for PSPs*** thanks to a single interbank account, which can be monitored in real time, to join all Italian and European payment services at the same time.

* Payment Services Providers

Mission

Work with honesty and transparency, respecting and valuing people, maintaining leadership in innovation, customer service and execution in the markets, with a low risk profile and high operational efficiency.

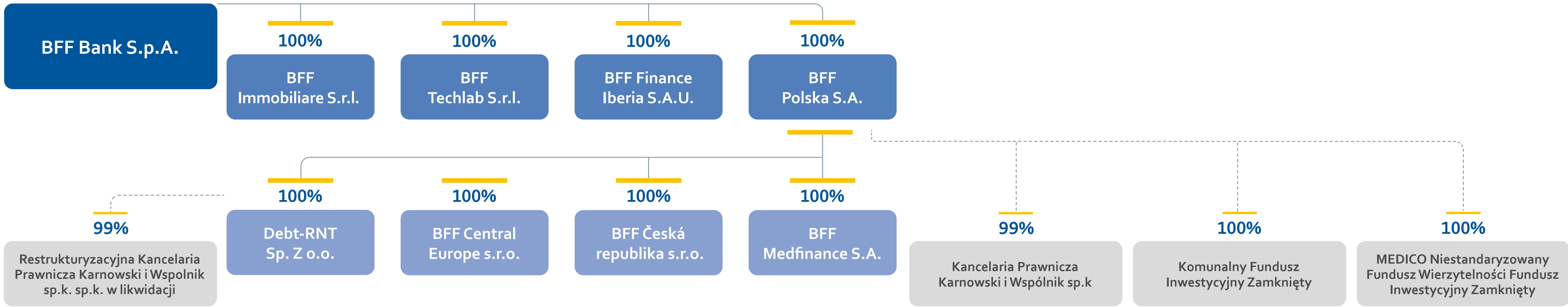
Vision

Be a leader in specialty finance thanks to a value proposition that is unique in its target markets: a highly specialized and sustainable bank like no other.

Values

Meritocracy, ownership, pursuit of excellence (continuous improvement), results oriented, respect.

Group Structure



At December 31, 2025, BFF Banking Group included the Parent BFF Bank S.p.A. and the following companies:

Company name	Registered and operating office	Type of relationship [1]	Ownership relationship		Voting rights % [2]
			Held by	Holding %	
1. BFF Immobiliare S.r.l.	Milan - Viale Scarampo , 15	1	BFF Bank S.p.A.	100%	100%
2. BFF Techlab S.r.l.	Brescia - Via C. Zima, 4	1	BFF Bank S.p.A.	100%	100%
3. BFF Finance Iberia. S.A.U.	Madrid - Paseo de la Castellana, 81	1	BFF Bank S.p.A.	100%	100%
4. BFF Polska S.A.	Łodz - Jana Kilińskiego, 66	1	BFF Bank S.p.A.	100%	100%
5. BFF Medfinance S.A.	Łodz - Jana Kilińskiego, 66	1	BFF Polska S.A.	100%	100%
6. BFF Česká republika s.r.o.	Prague - Roztylská 1860/1	1	BFF Polska S.A.	100%	100%
7. BFF Central Europe s.r.o.	Bratislava - Mostova, 2	1	BFF Polska S.A.	100%	100%
8. Debt-RNT Sp. Z o.o.	Łodz - Jana Kilińskiego, 66	1	BFF Polska S.A.	100%	100%
9. Komunalny Fundusz Inwestycyjng Zamknięty	Warsaw - Sienna, 75	4	BFF Polska S.A.	100%	100%
10. MEDICO Niestandaryzowany Fundusz Wierzytelności Fundusz Inwestycyjny Zamknięty	Warsaw - Sienna, 75	4	BFF Polska S.A.	100%	100%
11. Kancelaria Prawnicza Karnowski i Wspólnik sp.k.	Łodz - Jana Kilińskiego, 66	4	BFF Polska S.A.	99%	50%
12. Restrukturyzacyjna Kancelaria Prawnicza Karnowski i Wspolnik sp.k. sp.k. w likwidacji	Łodz - Jana Kilińskiego, 66	4	Debt-RNT Sp. Z o.o.	99%	50%

Key:

1) Type of relationship:
   1. having the majority of voting rights at ordinary shareholders' meetings
   2. dominant influence at the ordinary shareholders' meeting
   3. arrangements with other shareholders
   4. other forms of control

2) Voting rights at ordinary shareholders' meetings, distinguishing between actual and potential voting rights or percentage of shares.
As far as points 9 and 10 are concerned, voting rights refer to the investors' right to vote at the Shareholders' Meeting.
The companies in points 11 and 12 above are limited partnerships and are measured according to the equity method since their total asset figures are not significant.
BFF Bank also holds a stake in Unione Fiduciaria S.p.A. amounting to 24% of the shares issued, which is measured with the equity method (and not line-by-line), as it is a company subject to significant influence.
Since November 2024, the Bank has subscribed 33% of the share capital of €6,600 of the new law firm "PB & Partners Società tra Avvocati a responsabilità limitata" (hereinafter referred to as "STA"). On June 19, 2025, the Bar Council approved the registration of STA with the special register of companies between lawyers.
As at July 2025, STA is fully operational.
During the last quarter of 2025, the securitization vehicle SPV Project 2214 Srl (hereinafter the "Vehicle") left the scope of consolidation. In fact, the closed-end, reserved alternative investment fund called "FPAM1", which had completed a single investment transaction in ABS securities issued by the Vehicle, was liquidated early.
The measurement criteria are adopted with a view to a going concern and comply with the principles of accruals, relevance and materiality of accounting information and the precedence of economic substance over legal form.

Corporate Boards as at June 30, 2026

BOARD OF DIRECTORS

Chairperson:	Ranieri De Marchis
Chief Executive Officer:[1]	Giuseppe Sica
Deputy Chairperson:	Anna Kunkl
Directors:	Alexia Ackermann
	Guido Cutillo
	Domenico Gammaldi
	Mimi Kung
	Susana Mac Eachen
	Piotr Henryk Stepniak

The Board of Directors will remain in office until the Shareholders' Meeting that will approve the Financial Statements at December 31, 2026.

ROLE OF MEMBERS OF THE BOARD OF DIRECTORS AND INDEPENDENCE REQUIREMENTS

NAME	OFFICE HELD IN BFF	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT
Ranieri De Marchis	Chair			✓
Anna Kunkl	Deputy Chairperson			✓
Giuseppe Sica[1]	Chief Executive Officer and General Manager	✓		
Alexia Ackermann	Director			✓
Guido Cutillo	Director			✓
Domenico Gammaldi	Director	✓		
Mimi Kung	Director			✓
Susana Mac Eachen	Director			✓
Piotr Henryk Stepniak	Director		✓	

The composition of BFF's Board of Directors meets the diversity and gender criteria and ensures the presence of a consistent number of Non-executive and/or independent directors, recommended by the Corporate Governance Code as set out in the Corporate By-laws, the Board of Directors' Regulations most recently approved by the Board on June 27, 2023 and the Board of Directors' Diversity Policy, most recently approved by the Board on July 28, 2021.

BOARD OF STATUTORY AUDITORS

Chairperson:	Simone Scettri
Standing Auditors:	Simona Elena Pesce
	Vittorio Dell'Atti
Alternate Auditors:	Carlo Carrera
	Francesca Masotti

The Board of Statutory Auditors will remain in office until the Shareholders' Meeting that will approve the financial statements as at December 31, 2026.

INDEPENDENT AUDITORS

KPMG S.p.A.

FINANCIAL REPORTING OFFICER

Antonio Carnevale

1 During the meeting on February 1, 2026, the BoD appointed Giuseppe Sica as General Manager of the Bank, giving him all powers assigned up to that time to Massimiliano Belingheri. In fact, Massimiliano Belingheri stepped down from his position as Chief Executive Officer, with the aim of promoting greater cohesion and full alignment within the BoD and with the company's management. The consequent redefinition of proxies has made it possible to strengthen the supervision of management operations, ensuring a more integrated governance consistent with the needs of continuity, stability and coordinated managerial action. Subsequently, following the resignation of Massimiliano Belingheri, on March 17, 2026 the Board of Directors – having obtained the favorable opinion of the Appointments Committee, having taken note of the suitability of Giuseppe Sica to take office and having obtained the approval of the Board of Statutory Auditors – resolved, pursuant to Article 2386 of the Italian Civil Code, to co-opt Giuseppe Sica as Board Director, at the same time appointing him as Chief Executive Officer and Director responsible for the internal control system pursuant to the Corporate Governance Code. It should be noted that Giuseppe Sica has maintained his position as General Manager, already conferred on him on February 1, 2026. The Shareholders' Meeting held on June 16 and the Board of Directors meeting held after the Shareholders' Meeting confirmed Giuseppe Sica as Director of the Board of Directors and Chief Executive Officer.

Composition of Board Committees as at June 30, 2026

REMUNERATION COMMITTEE

NAME	QUALIFICATIONS	POSITION
Guido Cutillo	Independent director	Chairperson
Mimi Kung	Independent director	Committee member
Susana Mac Eachen	Independent director	Committee Member

APPOINTMENTS COMMITTEE

NAME	QUALIFICATIONS	POSITION
Mimi Kung	Independent director	Chairperson
Susana Mac Eachen	Independent director	Committee Member
Piotr Henryk Stepniak	Independent director	Committee Member

COMMITTEE FOR THE EVALUATION OF TRANSACTIONS WITH RELATED PARTIES AND ASSOCIATED ENTITIES

NAME	QUALIFICATIONS	POSITION
Anna Kunkl	Independent director	Chairperson
Alexia Ackermann	Independent director	Committee Member
Guido Cutillo	Independent director	Committee member

CONTROL AND RISKS COMMITTEE (*)

NAME	QUALIFICATIONS	POSITION
Alexia Ackermann	Independent director	Chairperson
Mimi Kung	Independent director	Committee member
Piotr Henryk Stepniak	Non-Executive Director	Committee Member

(*) As at 2020, the Board of Directors assigned the following responsibilities in the Environment, Social and Governance ("ESG") area to the Control and Risks Committee: fact-finding, advisory and proposal functions and, more generally, support to the Board of Directors on sustainability issues. This includes the periodic review of updates on the progress of sustainability measures and the subsequent impact on the Consolidated Sustainability Statement. Furthermore, since 2023, in order to incorporate the provisions introduced by the Bank of Italy's Supervisory expectations for ESG climate-related and environmental risks published on April 8, 2022 in line with analogous ECB initiatives and supplemented on November 24, 2022, the Control and Risks Committee has also supported the Board of Directors in approving the strategic aims and policies on sustainability, including the model for social and cultural responsibility and combating climate change, contributing towards ensuring better risk oversight and taking into account the objectives of the robust and sustainable creation and distribution of value for Bank stakeholders.

Shareholder Structure

BFF represents one of the few Italian listed companies that is truly shareholder-owned, with a free float equal to almost the entire share capital.

As at June 30, 2026, Management and their Closely Associated Persons held 0.1% of the share capital, stable when compared to December 31, 2025. Please note that, on February 1, 2026, Massimiliano Belingheri stepped down from his position as Chief Executive Officer and, effective March 17, 2026, he no longer holds the position of non-executive Director of the Board of Directors following the submission of his resignation. As at June 30, 2026, the Bank held no treasury shares.

Total number of shares issued as at 06/30/2026: 188,899,178

Source: CONSOB and BFF sources.

(1) As at 09/20/2024, Artisan Partners Limited Partnership held 9.4 million shares, accounting for 5.0% of the Bank's share capital.

(2) As at 03/10/2023, the Bali Trust indirectly held 9.0 million shares equal to 4.8% of the Bank's share capital. The Bali Trust is an irrevocable trust attributable to Massimiliano Belingheri and his heirs.

(3) As at 06/29/2026, JPMorgan Chase & Co. held 7.7 million shares, accounting for 4.1% of the Bank's share capital. On the same date, JPMorgan Chase & Co. also held 0.4 million voting rights through financial instruments, holding an aggregate position equal to 4.3% of the Bank's share capital.

(4) As at 06/09/2026, the Heritage Trust held 5.9 million shares, accounting for 3.1% of the Bank's share capital. The Heritage Trust is an irrevocable trust attributable to Almoner Private Foundation, Antonio Lefebvre D'Ovidio di Clunieres di Balsorano Philanthropy.

(5) The portion refers to the BFF shares held by the 4 Deputy Chairs as at that date, and by their respective Closely Associated Persons.

02 Consolidated Report on Operations

Operational Context and Significant Events

In the first half of 2026, the international macroeconomic landscape was significantly influenced by the outbreak of war between Iran, the United States and Israel, which began at the end of February. One of the main consequences of the conflict was the closure of the Strait of Hormuz, a strategic passage through which about one-fifth of global oil trade and a significant share of global liquefied natural gas supplies pass. The steep drop in energy flows led to a sharp rise in oil and gas prices in March and April, fueling fears of a new wave of imported inflation at a global level.

Subsequently, following the achievement of a ceasefire between the parties and the start of negotiations aimed at normalizing relations, concerns about the security of energy supplies gradually eased. The prospect of reopening the Strait of Hormuz and a gradual return of trade flows contributed to a partial reversal in energy prices from the peaks recorded in the spring. As a result, inflation expectations, which had initially risen due to the energy shock, also cooled.

In this context, the global economy continued to show good resilience, but tensions in energy prices led the main central banks to shift their focus from supporting growth to tackling inflation. The Federal Reserve kept the Federal Funds rate unchanged in the 3.50%-3.75% range, deeming it appropriate not to ease monetary conditions until the degree of persistence of inflationary pressures following energy price increases became clearer. Instead the ECB raised official rates by 25 basis points in June (bringing, in particular, the deposit rate to 2.25%), in order to prevent possible second-round effects stemming from the increase in energy prices.

The European economy

THE MAIN MACROECONOMIC INDICATORS OF THE EUROPEAN UNION

Indicators			Consensus forecasts	
	2024	2025	2026	2027
Real GDP (annual change)	1.2%	1.4%	1.1%	1.5%
Inflation rate (annual change)	2.5%	2.3%	2.9%	2.3%
Unemployment rate	6.6%	6.7%	6.7%	6.5%
Balance of payments (% of GDP)	3.4%	2.7%	2.1%	2.1%
Public Budget Balance (% of GDP)	-3.1%	-3.1%	-3.5%	-3.5%

(*) Consensus estimates from Bloomberg, updated at 7/8/2026.

In the first half of the year, the European economy slowed and inflation rose sharply, affected by the surge in energy prices caused by the outbreak of the war in the Middle East. In particular, growth in production activity fell from 2.2% year over year at the end of 2025 to 0.3% in May, with Germany, the leading manufacturing nation, experiencing a contraction. Higher energy costs weighed on business confidence in the services sector and, above all, on that of households, weakening demand; by contrast, in the manufacturing sector sentiment improved, thanks to a combination of inventory accumulation aimed at addressing supply chain disruptions and expectations of higher public investment, with defense spending in Germany playing a particularly important role. Overall, according to consensus estimates, GDP growth is expected to slow from 1.4% in 2025 to 1.1% in 2026, before rebounding in 2027 to 1.5%.

In June, inflation rose to 2.8% from 2.0% in December 2025, driven higher by sharp increases in energy prices and with a slight increase in the core figure (excluding the volatile components of food, energy, alcohol and tobacco) from 2.3% to 2.4%. On average, analysts estimate inflation this year will rise to 2.9% from 2.3% in 2025, before returning to 2.3% in 2027.

In order to counter the rise in inflation and avoid second-round effects on wages and inflation expectations, the European Central Bank first adopted a more hawkish tone and then raised official rates by a quarter point in June.

In bond markets, yield curves flattened markedly, reflecting the restrictive stance of the main central banks and concerns about the resilience of economic growth. While two-year Treasury yields rose by 70 basis points and Bund yields by 41 basis points, thirty-year rates increased by only 11 basis points on US bonds and actually fell by 6 basis points on German ones. It should be noted that, despite the sharp rise in inflation, inflation expectations implied by long-term Treasuries and Bunds remained unchanged in the US and recorded only a slight increase (10 basis points) in the eurozone.

In Italy, the tightening of credit conditions decided by the ECB and fears of a more restrictive monetary policy stance caused a slight increase in the 10-year BTP-Bund spread, which rose from 70 to 77 basis points. The BTP yield curve flattened in line with those of the benchmark markets, with yields rising by 51 basis points at the 2-year maturity and by 4 basis points at the 30-year maturity. Overall, our bond market gained 1.0% (based on the Mts General index), driven higher by inflation-linked BTPs (+3.2%), CCTs (+1.3%) and long-dated BTPs (+1.3%).

With regard to public finances, based on consensus estimates, this year slower growth and the expansionary fiscal policy adopted to counter higher energy costs should push the EU deficit up to 3.5% of GDP from 3.1% in 2025.

This increase in the deficit should be the result of a revenue increase which is less than that of government spending. The European Commission estimates an increase of 5.7% for the latter, with the impact on GDP rising to 50.3% from 49.5% in 2025. Looking at the countries where BFF operates, public spending is expected to grow by 4.9%, with an impact on GDP rising to 51.7% from 51.3% last year; the largest increases are expected to be achieved by Greece (+9.8%), Portugal (+9.7%), Poland (+8.4%) and Croatia (+8.1%).

PUBLIC EXPENDITURE OUTLOOKS IN THE COUNTRIES WHERE BFF IS PRESENT

Countries	2025 Public Expenditure (billion euros)	2025 Public Expenditure (% of GDP)	2025/2024 Chg.	2026 Public Expenditure (billion euros)	2026 Public Expenditure (% of GDP)	2026/2025 Chg.	2027 Public Expenditure (billion euros)	2027 Public Expenditure (% of GDP)	2027/2026 Chg.
European Union (27 countries)	9.322	49.5	5.2%	9.851	50.3	5.7%	10,185	50.1	3.4%
BFF countries	**4,613.7**	**51.3**	**4.7%**	**4,839.3**	**51.7**	**4.9%**	**4,989.8**	**51.4**	**3.1%**
France	1,711	57.2	2.3%	1,765	57.4	3.2%	1,827	57.8	3.5%
Italy	1,156	51.2	4.2%	1,198	51.3	3.6%	1,228	51.2	2.5%
Spain	764	45.3	5.4%	816	45.8	6.8%	845	45.5	3.5%
Poland	470	50.9	12.0%	509	51.8	8.4%	530	50.9	4.1%
Czech Republic	150	43.2	8.0%	157	43.2	4.6%	161	42.4	3.1%
Portugal	131	42.7	6.6%	144	44.7	9.7%	143	42.8	-0.2%
Greece	120	48.3	5.3%	132	50.2	9.8%	132	48.2	0.0%
Slovakia	65.5	47.9	6.1%	69.2	48.3	5.7%	71.2	47.4	2.8%
Croatia	46.5	50.1	11.9%	50.3	50.6	8.1%	53.0	50.4	5.4%

Source: BFF Insights calculations based on European Economic Forecast, Spring 2026 and Eurostat data.

In the area of government spending, trends in spending on goods and services and investment are of particular significance to BFF's business.

In the European Union, the dynamics of public spending on goods and services has been less lively than in recent years. In 2025, public spending grew by 5.1% (from 6.0% in 2024), with intermediate consumption and social benefits in kind increasing by 4.3% and 6.1%, respectively. In countries where BFF is present, growth was just lower than that of the European Union, at 4.7%, but with a dynamic that was slightly more sustained for intermediate consumption (+4.5%) and slower for social benefits in kind (+5.2%). The increase in public spending on goods and services was particularly strong in Poland (+11.8%), Greece (+11.1%) and Croatia (+11.0%), while it was lower in France (+2.4%) and Italy (+3.6%).

THE TREND OF PUBLIC EXPENDITURES FOR GOODS AND SERVICES IN THE COUNTRIES WHERE BFF IS PRESENT

Countries	2025 Intermediate Consumption (billion euros)	2025 Intermediate Consumption (% GDP)	Chg. yoy	Social Benefits in Kind 2025 (billion euros)	Social Benefits in Kind 2025 (% GDP)	Chg. yoy	Public Expenditure on Goods and Services 2025 (billion euros)	Public Expenditure on Goods and Services 2025 (% GDP)	Chg. yoy
European Union (27 countries)	1,156.8	6.1	4.3%	1,024.1	5.4	6.1%	2,181.0	11.6	5.1%
BFF countries	**520.0**	**5.8**	**4.5%**	**343.1**	**3.8**	**5.2%**	**863.1**	**9.6**	**4.7%**
France	163.0	5.4	0.4%	191.5	6.4	4.2%	354.5	11.9	2.4%
Italy	133.0	5.9	3.6%	53.0	2.3	3.3%	185.9	8.2	3.6%
Spain	96.0	5.7	7.3%	44.6	2.6	5.0%	140.6	8.3	6.6%
Poland	63.2	6.9	9.4%	21.7	2.4	19.5%	84.9	9.2	11.8%
Czech Republic	20.0	5.8	6.9%	12.1	3.5	7.0%	32.1	9.3	7.0%
Portugal	15.7	5.1	4.3%	5.9	1.9	2.8%	21.6	7.1	3.9%
Greece	14.1	5.7	15.0%	6.9	2.8	3.9%	21.0	8.4	11.1%
Slovakia	7.8	5.7	5.1%	5.2	3.8	6.6%	13.0	9.5	5.7%
Croatia	7.3	7.8	11.5%	2.1	2.3	9.2%	9.4	10.1	11.0%

Source: BFF Insights calculations based on European Economic Forecast, Spring 2026 and Eurostat data.

Public expenditure on goods and services includes intermediate consumption and social benefits in kind acquired in the market. Intermediate consumption is all goods and services destined to be transformed into production processes for the direct provision of health and welfare services and the provision of welfare and social security benefits in cash. The social benefits in kind acquired in the market regard goods and services produced by parties that are not part of Public Administrations and made available directly to households; spending on those goods and services regards the Healthcare (expense for pharmaceutical assistance and for healthcare services provided under agreement) and Social Protection functions for the acquisition of welfare services.

Last year, public investment in the EU grew by 10.0% compared with 2024, mainly supported by the final phase of implementation of the Next Generation EU program and, in particular, the Recovery and Resilience Facility (RRF), as Member States accelerated project execution to meet the deadline scheduled for August 2026. RRF resources were allocated mainly to investments in the green and digital transitions, energy infrastructure, transportation, the digitalization of public administration and strengthening economic resilience. In addition, the REPowerEU program, incorporated into the national plans, provided a further boost to investments linked to energy autonomy and reducing dependence on fossil fuel imports. For 2026 and 2027, based on European Commission estimates, growth in public investment is expected to slow to 6.7% and 3.8%, respectively, with its share of GDP expected to stabilize at around 4.0%. In countries where BFF is present, its weight on the economy is estimated to remain at slightly higher levels, at 4.1% in 2025, 2026 and 2027, albeit with growth slowing from 10.1% last year to 6.2% in 2026 and 1.8% in 2027. Looking at individual countries, for the two-year period 2026-2027 performance is expected to be significantly higher than that of the EU for Greece (+5.6% in 2026 and +25.9% in 2027) and Poland (+8.5% in 2026 and +7.9% in 2027).

PUBLIC INVESTMENT OUTLOOKS IN THE COUNTRIES WHERE BFF IS PRESENT

Countries	2025 Public Investments (billion euros)	2025 Public Investments (% of GDP)	Chg 2025/2024	2026 Public Investments (billion euros)	2026 Public Investments (% of GDP)	Chg 2026/2025	2027 Public Investments (billion euros)	2027 Public Investments (% of GDP)	Chg 2027/2026
European Union (27 countries)	734.4	3.9	10.0%	783.4	4.0	6.7%	813.2	4.0	3.8%
BFF countries	**365.2**	**4.1**	**10.1%**	**388.0**	**4.1**	**6.2%**	**394.9**	**4.1**	**1.8%**
France	131.6	4.4	4.3%	132.2	4.3	0.5%	135.9	4.3	2.8%
Italy	85.8	3.8	8.2%	88.7	3.8	3.4%	91.1	3.8	2.7%
Spain	48.9	2.9	13.7%	57.0	3.2	16.5%	55.7	3.0	-2.3%
Poland	48.0	5.2	17.3%	52.1	5.3	8.5%	56.2	5.4	7.9%
Czech Republic	18.0	5.2	19.5%	18.1	5.0	0.6%	17.9	4.7	-1.3%
Portugal	9.2	3.0	17.6%	13.8	4.3	50.2%	9.4	2.8	-32.1%
Greece	11.9	4.8	17.1%	12.6	4.8	5.6%	15.9	5.8	25.9%
Slovakia	6.2	4.5	31.3%	7.0	4.9	14.1%	6.8	4.5	-3.8%
Croatia	5.6	6.0	24.8%	6.4	6.4	14.1%	6.1	5.8	-4.1%

Source: BFF Insights calculations based on European Economic Forecast, Spring 2026 and Eurostat data.

The Factoring Market in Europe

During the first half of 2026, the European factoring market continued to operate in a context featuring moderate economic growth, persistent geopolitical tensions and uncertainty over international trade. Although there are no consolidated data for the entire European market for the period, the underlying picture remains consistent with the positive trend recorded in 2025, when final EUF data revised the initial preliminary indications upward, placing European turnover at around €2,558 billion, up 4.2% compared with the previous year[2].

In 2025, the factoring market in Europe showed moderate but resilient growth dynamics, in a context characterized by high macroeconomic uncertainty and geopolitical tensions that continue to affect trade flows and supply chains. In this scenario, factoring confirmed its structural role as a tool to support working capital and corporate financing. This trend was mainly supported by: 1) persistent demand from companies for flexible liquidity management solutions, in a context of low economic growth and greater attention to financial resilience; 2) the maturity of the European market, alongside differentiated development dynamics between countries and further room for growth in specific areas and segments; 3) the gradual development of regulatory frameworks and advocacy initiatives at the European level, as well as the spread of digital solutions, e-invoicing and advanced data management and analytics tools, which are helping to improve transparency, operating efficiency and risk management; 4) the reduction in interest rates in the eurozone, which helped improve the economy's overall financial conditions, supporting business activity and creating a generally favorable environment for growth in the European factoring market.

With reference to the Italian factoring market[3], the data as at May 31, 2026 show a turnover increasing by 2.2% over the previous year to €109.7 billion (of which 18% in recourse and 82% in non-recourse), net of purchases of tax credits from building bonuses (operations that are now ending, however). The outstanding amount reached €58.1 billion (of which 23% was recourse and 77% non-recourse), up 1.7% compared to the previous year. Advances and fees paid amounted to €46 billion (+1.5% compared to May 2025) and the ratio between advances and outstanding amounts came to 79%, in line with 2025. In addition, in the first half of 2026 international turnover, which accounts for 24.7% of the Italian market, recorded a slowdown in growth, with a marginal increase of 0.4% compared to the same period of 2025, in a context characterized by less dynamic international trade and persistent elements of geopolitical uncertainty. At the same time, domestic turnover[4] returned to growth (+6.5% year over year), reversing the trends of previous quarters. Based on estimates in the ForeFact Report[5], which gathers the assessments of industry players, expectations for the Italian factoring market in 2026 are for growth in both factoring volumes (+3.6%), outstanding amounts (+2.7%) and average loan size (+2.7%). Sector consolidation is therefore expected, despite the persistent considerable uncertainty at a global macroeconomic level.

Restricting the analysis only to factoring for the Italian public administration[6], in the first quarter of 2026 there was a 1.7% increase in turnover compared to the same period in 2025, with a total turnover rising to €4.6 billion, equal to 6.8% of the overall factoring volume in Italy. Outstanding loans to public bodies as at March 2026 amounted to a total of €6.9 billion. Past due receivables amounted to a €3.3 billion, of which €1.7 billion were past due by over a year. Based on the breakdown of outstanding receivables by type of debtor, those from the health care sector were equal to 33.2% of the total, and those from central, local and other Public Bodies were equal to 66.8%.

Non-performing loans as a percentage of total gross exposures with PA stood at 27.3%. This share is much higher than for private loans, for which past due accounts for 2.5% of gross exposures.

The relevance of impaired exposures for factoring for the Public Administration also appears significant in relation to the banking system as a whole: although exposures for factoring for the PA represent a marginal share (0.4%) of total bank loans, impaired exposures make up more than 80% of impaired bank loans to PA[7].

In this scenario, BFF's market share in relation to the PA[8] came to 35.6% in terms of non-recourse outstanding amounts and 19.8% in terms of overall turnover (non-recourse and recourse).

2 Source: EUF Full Year Statistics 2025.
3 Assifact – Monthly statistics, preliminary data May 2026.
4 Assifact – Monthly statistics, March 2026.
5 Source: Assifact – ForeFact 2026, no. 3, May 2026.
6 Source: ASSIFACT - Quarterly Statistics, March 2026.
7 Source: Assifact, *The definition of default in factoring and the PA*, February 2025.
8 Source: Internal reports. The market share in terms of outstanding amounts is calculated based on the market value of non-recourse receivables due from the PA (central and local government bodies, healthcare authorities and social security institutions), while the market share in terms of turnover is calculated based on the market value of both non-recourse and recourse receivables (as no breakdown is available), excluding tax receivables. Updated as at 31 December 2025.

The Securities Services Market

BFF is the main independent player in Italy in the field of custodian banking, fund accounting, transfer agent, security custody and settlement services.

In the first five months of 2026, the value of assets under management in Italy, to which the performance of the Group's Fund Services and Global Custody businesses is closely linked, rose to €2,667 billion, up 1.2% from the end of 2025, benefiting from the strong performance of equity markets (Standard & Poor's 500 +10.7%, Euro Stoxx +6.1%, Ftse Mib +11.3%, MSCI Emerging Markets +24.8%) despite the decline in bond markets and the slight decrease in net inflows (-€370 million).

THE ITALIAN MANAGED SAVINGS INDUSTRY

Management Schemes	Net inflows Jan-May 2025 (*) € million (A)	(A)/ Assets under management Dec. 2025	Net inflows I quarter 2026 € million (B)	(B)/ Assets under management Dec. 2025	Assets under management May 2026 (*) € million	Assets under management May 2026/Dec 2025	Assets under management Mar. 2026 € million	Assets under management Mar. 2026/Dec. 2025	Assets under management Dec 2025 € million
Collective management	**7,136**	**0.5%**	**3,885**	**0.3%**	**1,454,392**	**2.4%**	**1,403,808**	**-1.2%**	**1,420,868**
Open funds	4,305	0.3%	2,085	0.2%	1,374,631	2.3%	1,324,803	-1.4%	1,343,528
Italian-law funds	-2,971	-1.0%	-3,740	-1.2%	314,091	1.8%	299,723	-2.9%	308,658
Funds under foreign law	7,276	0.7%	5,825	0.6%	1,060,539	2.5%	1,025,080	-0.9%	1,034,870
Harmonized (UCITS)			336	0.0%			1,275,085	-1.6%	1,295,192
Non-reserved alternatives			42	6.4%			709	7.6%	659
Reserved alternatives			1,707	3.6%			49,008	2.8%	47,678
Alternatives			1,749	3.6%			49,717	2.9%	48,337
Closed funds	2,831	3.7%	1,800	2.3%	79,761	3.1%	79,005	2.2%	77,339
Portfolio management	**-7,506**	**-0.6%**	**-3,597**	**-0.3%**	**1,212,786**	**-0.2%**	**1,178,161**	**-3.0%**	**1,214,859**
Management of retail assets	4,170	2.4%	2,561	1.5%	182,916	5.1%	172,906	-0.7%	174,053
Management of institutional assets	-11,675	-1.1%	-6,158	-0.6%	1,029,869	-1.1%	1,005,255	-3.4%	1,040,806
Management of insurance products			-7,398	-1.0%			707,078	-4.2%	738,396
Management of social security assets			2,280	1.7%			132,812	-2.5%	136,208
Other management			-1,039	-0.6%			165,365	-0.5%	166,203
Total managed savings	**-370**	**0.0%**	**288**	**0.0%**	**2,667,177**	**1.2%**	**2,581,969**	**-2.0%**	**2,635,727**

(*) Provisional data.

Source: BFF Insights calculations based on Assogestioni data.

Analyzing the disaggregated data, net inflows showed a mixed trend, decreasing for institutional portfolio management (-€11.7 billion) and Italian open-end funds (-€3.0 billion) while increasing for foreign open-end funds (+€7.3 billion), retail asset management (+€4.2 billion) and closed-end funds (+€2.8 billion). Compared to December 2025, the decrease was 1.1% for institutional asset management and 1.0% for Italian open-end funds, while the increase was 3.7% for closed-end funds, 2.4% for retail asset management and 0.7% for foreign open-end funds.

Among open-end funds, first-quarter data indicate that growth essentially occurred for alternative funds (+€1.7 billion, +3.6% from the end of 2025) while the increase in harmonized funds was modest (+€336 million, +0.03% from the end of 2025).

Assets under management thus stood at €1,375 billion at the end of May for open-end funds (accounting for 51.5% of the total), €79.8 billion for closed-end funds (3.0%), €182.9 billion for retail portfolio management (6.9%), and €1,029.9 billion for institutional portfolio management (38.6%). Compared to the end of the previous year, the value of assets under management increased by 1.8% for Italian open-end funds, 5.1% for retail asset management, 3.1% for closed-end funds and 2.5% for foreign open-end funds, while it decreased by 1.1% for institutional asset management.

Among institutional portfolio management, pension assets – relevant to BFF's business – fell back to €132.8 billion (-2.5%) in the first quarter, affected by the decline in markets (both equity and bond) although net inflows increased (+€2.3 billion, up 1.7% compared to the end of 2025).

The Payment Market in Italy

In line with observations made in recent years, volumes of digital payments other than payment cards (e.g. wire transfers and inflows), with particular reference to instant transfers, continue to increase.

The Instant Payments Regulation (IPR), which entered into force in 2024, was fully implemented as early as October 9, 2025 for banks located in eurozone countries and will become mandatory during 2027 also for all other types of Payment Service Providers in the eurozone and in countries that have not adopted the euro as their national currency. With IPR, the envisaged further growth phase of instant payments is taking shape. In addition to being used by citizens and businesses for new uses, they are partially replacing ordinary wire transfers or other payment instruments (e.g. checks, cards, etc.).

Within the scope of these changes required by the aforementioned IPR, BFF Bank developed specific brokerage services and to date has activated processing with more than 65 customer PSPs (Banks, IMELs and Payment Institutions), with prospects for further growth in the near future. The volume of instant wire transfers settled by BFF recorded a more than four-fold increase over the observation period compared to the previous year. As mentioned, a portion of ordinary wire transfers handled by BFF as processing are being replaced with the new instant wire transfers; at present, the replacement rate of ordinary wire transfers with instant transfers is approximately 3%.

In November 2025, an agreement was reached between the European Parliament and the Council of the European Union on the revision of the Payment Services Directive (PSD2).

In April 2026, Coreper10 confirmed the texts and final adoption is expected by the end of 2026. In addition to the already adopted Payment Services Regulation (PSR), the legislative package also includes the new PSD3 Directive, which will contain new rules on licensing and supervision of payment institutions (PIs) and electronic money institutions (IMELs) and will incorporate the provisions of the E-money Directive (EMD), which will be repealed at the same time.

These regulations would, among other things, change the supervisory framework for Crypto-Asset Service Providers (CASP), the Central Securities Depositories Regulation (CSDR), the DLT Pilot Regime and the Settlement Finality framework.

In parallel, the process continues for the regulatory framework on Financial Data Access (FIDA); following the adoption of the general approach by the Council in December 2024, the trilogue is continuing in order to define the rules for Open Finance (who can access data and how).

These two initiatives by the legislator are intended to significantly change the payments market in the coming years by opening up further competitive challenges in the industry and pursuing the goals outlined by the European Commission's 2020 Retail Payments Strategy and by the Eurosystem's global strategy on payments, published by the ECB in 2026.

The proposed update to the PSD, in addition to addressing security issues in the "customer to bank" portion, aims to harmonize equity investments and supervision rules for Payment Institutions (a category that will encompass current Payment Institutions and IMELs). Other important developments include the incorporation of the Second E-money Directive into the PSD3 and the revision of the authorization requirements for the activity of Payment Service Providers. The regulation on Open Finance (FIDA) is also continuing its approval process: the provision for opening the system to third-party enablers, other than PSPs, also on services not strictly related to payments, could represent a breakthrough in the possible entry of new players who will be able to offer competitive services (e.g. information on investments, insurance policies and individual financial assessments). Among the main issues still under discussion is access to the market of international Big Tech companies. On June 23, 2026, the ECON Committee voted and adopted the consolidated version of the compromise amendments to the proposal for a Regulation on the Digital Euro (D€). The mandate to launch interinstitutional negotiations was also approved (the trilogues will start on July 7, 2026). As is well known, in addition to having specific distinctive features (for example, usability in off-line mode), the Digital Euro will complement other payment instruments already used by citizens, including cash, and will offer the same benefits namely, no fees.

BFF is part of the Digital Euro working groups of the Bank of Italy, ABI and ABILab, which are overseeing the evolution of the project in the interbank sphere. In this context, BFF participates in working groups with the aim of facilitating and optimizing access to and functionality of the new services linked to the Digital Euro for its PSP customers (Banks, IMELs and Payment Institutions).

At the same time, the first phase of experimentation of the Digital Euro is beginning, reserved for national central banks and a limited group of European PSPs, in order to begin testing both the basic functions envisaged and the necessary technical infrastructure. The possible market launch of the D€, once all relevant legislative and technical procedures have been completed, could take place between 2029 and 2030.

Therefore, with the Digital Euro, every European citizen may have a "digital wallet" tied to a payment account, to be used for transactions, both offline and online, with a spending limit managed at operational level by their PSP that will provide the wallet service. Online transactions would offer the same level of data protection as existing digital means of payment, while offline payments would also guarantee a high level of privacy and data protection for users.

Banks and other PSPs across the EU would distribute the Digital Euro to citizens and businesses, providing basic Digital Euro services free of charge to individuals. PSPs that will deliver the Digital Euro are left with the option of charging a fee for payments to merchants and offering value-added services for a fee to develop innovation. Merchants throughout the Eurozone would be required to accept the Digital Euro, except for very small merchants or specific cases defined by law, who will be able to choose not to accept digital payments.

Given its role as a collector and intermediary for many banks and PSPs, BFF could play an important role in ensuring interoperability and reachability among counterparty PSPs involved in D€ transactions, including enabling greater efficiency and effectiveness for the System in the distribution and reporting of the D€ among the PSPs themselves.

Key Events in the Group

This section describes the main events that occurred during the first half of 2026.

On February 2, 2026, Massimiliano Belingheri stepped down from his position as Chief Executive Officer, while remaining a non-executive Director of the Board of Directors. The Board of Directors of BFF Bank appointed Giuseppe Sica as General Manager, giving him all powers exercised up until that time by Massimiliano Belingheri.

On February 13, 2026, the rating agency Moody's confirmed all BFF ratings, including the Baseline Credit Assessment (BCA) of "Ba2" and the investment grade ratings on long-term (LT) and short-term (ST) deposits, respectively equal to "Baa2"/"Prime-2". The Outlook on the ratings for Long-Term Deposits, Long-Term Issuer Ratings and Senior Unsecured Debt Ratings is Stable.

On February 20, 2026, the rating agency Morningstar DBRS ("DBRS") revised its credit ratings of BFF downwards, including the Long-Term Issuer Rating to "BB" from "BB (high)" and the Short-Term Issuer Rating to "R-4" from "R-3". In addition, DBRS downgraded the Bank's Long-Term Deposit rating to "BB (high)" from "BBB (low)". The rating agency finally changed the Outlook on BFF's long-term creditworthiness from Stable to Negative.

On March 17, 2026, the Board of Directors resolved to co-opt Giuseppe Sica in his capacity as Director, appointing him as Chief Executive Officer. Giuseppe Sica will also continue to act as General Manager, appointed to this position in February 2026. Massimiliano Belingheri also stepped down from his position as non-executive Board Member.

On March 28, 2026, the Bank received an Order pursuant to Articles 69 octiesdecies and following of the Consolidated Law on Banking from the Bank of Italy as part of its supervisory inspections. With this Provision, the Bank of Italy appointed Raffaele Lener and Francesco Fioretto as External Administrators temporarily alongside the Board of Directors, pursuant to Article 75-bis of the Consolidated Law on Banking, in order to assist it in the rapid process to re-organize its operational/accounting framework and in the management of remedial actions, also in the factoring sector and internal control system, already started by the Bank (below, the "Remedial Actions"). The findings and Remedial Actions also refer to the internal control system and organizational safeguards, with particular reference to accounting and credit management systems.

On April 1, 2026, the rating agency Moody's revised all Ratings and evaluations of BFF downwards by one notch and placed them under review for a downgrade, including the Adjusted BCA. The latter was subject to a further negative adjustment of a notch relating to Strategy, Risk Appetite and Governance, changing to "ba3" from "ba2". The long-term (LT) and short-term (ST) deposit ratings of BFF equal to "Baa3"/"Prime-3" respectively have remained at Investment Grade.

On April 2, 2026, the rating agency Morningstar DBRS ("DBRS") downgraded its credit ratings of BFF, including the Long-Term Issuer Rating to "BB (low)" from "BB". In addition, DBRS lowered its credit rating to "BB" from "BB (high)" on the Bank's Long-Term Deposits. The rating agency also placed the long-term credit ratings of the Bank Under Review, including the Long-Term Issuer Rating of "BB (low)".

On June 15, 2026, Luigi Lubelli was appointed Chief Financial Officer (CFO). The role had been held on an interim basis by Giuseppe Sica, Chief Executive Officer and General Manager of BFF.

On June 16, the Shareholders' Meeting approved the 2025 annual financial statements, and the proposed allocation of the result for the year ended December 31, 2025 to the legal reserve in the amount of €78.7 thousand and retained earnings in the amount of €27,536.2 thousand. The Shareholders' Meeting also approved the Remuneration Policy, the Policies for determining compensation in the event of early termination of office, the appointment of Giuseppe Sica as a director and the revocation of the previous authorization to repurchase and dispose of treasury shares, granted by the shareholders' resolution of April 17, 2025 and not executed as of the date of the Shareholders' Meeting.

On June 29, 2026, the rating agency Morningstar DBRS ("DBRS") confirmed its Long-Term Issuer Rating of "BB (low)", with a negative outlook. At the same time, following the formal communication sent by the Bank in April 2026 regarding termination of the rating service, DBRS withdrew all outstanding credit ratings assigned to BFF. As a result of the above, the Bank's credit ratings were removed from the "Under Review with Negative Implications" category, in which they had been placed on April 2, 2026.

Events after the Reporting Period

On July 9, 2026, the Bank announced that the Board of Directors resolved to pay the semiannual coupon relating to the bonds classified as Additional Tier 1 (AT1) capital. The coupon was paid on July 20, 2026.

On July 14, 2026, the Bank announced that it had received the Inspection Report (the "Report") relating to the checks carried out by the Bank of Italy between December 4, 2025 and May 29, 2026. The Report contains an unfavorable opinion, confirming the findings already set out in the Order received on March 28. That Order had led – also with the support of the Commissioners appointed for temporary assistance in the same circumstance – to recognition of the related capital impacts in the 2025 financial statements. In particular, the Bank of Italy identified issues relating to the factoring and lending business and to the prudential classification of loans. Based on analyses carried out after the Order, the Report highlighted the need for additional credit adjustments attributable to invoices prior to 2016 and to the classification of certain Polish public hospitals, resulting in a reduction in Common Equity Tier 1 capital of approximately €20.8 million, with an impact on the CET1 ratio partially offset by lower risk-weighted assets ("RWA") of approximately €25 million. In line with the Order, the Report contains findings relating to corporate governance, the accounting process, the credit business, organization and internal controls. Following the Order, the Board of Directors and the other corporate bodies, assisted by the Commissioners appointed for temporary assistance to the Bank, had already started the remedial process, which will continue following the outcome of the Report. The assessments under way also take into account the fact that, in the absence of interventions, current capital ratios would be expected to decrease as a result of the deductions provided for under so-called calendar provisioning. In this context, the Bank – in line with the Report – is continuing to assess changes to the way all phases of the factoring process are carried out, including through strategic initiatives.

On July 22, 2026, the Bank of Italy, at the end of the process for determining the minimum consolidated requirements for own funds and eligible liabilities ("MREL"), notified the Bank of the new consolidated capital requirements, revised downward compared to those previously in force:

- the MREL in terms of TREA (Total Risk Exposure Amount) equal to 19.67% (compared to the previous 20.00%), to which the Combined Buffer Requirement ("CBR") equal to 3.36% as at June 30, 2026, is added;
- the MREL in terms of LRE (Leverage Ratio Exposure) equal to 5.33% (compared to the previous 5.40%). No subordination requirement was assigned for the purpose of meeting the requirements and calculating other eligible liabilities.

On July 28, 2026, the Bank completed the sale and reinvestment of Italian government bonds classified as Held to Collect ("HTC"). The sale and reinvestment amount to approximately €3.1 billion in nominal value, generating a pre-tax capital gain of approximately €62 million. The transaction is in line with the possible measures envisaged by the Capital Conservation Plan. At the same time, the Bank announced that – in line with the EBA's interpretive Q&A guidelines published on July 3, 2026 – the effects of calendar provisioning, arising from exposures reclassified as past due on June 30, 2024 and previously expected in the third quarter of 2026, were recognized in the first half of 2026.

Pursuant to IAS 10, in the period between June 30, 2026 and the date of approval of these condensed interim consolidated financial statements, no subsequent events occurred that would require adjustments to the values shown in the financial statements. For more details, please refer to the section "Key events in the Group".

Operating Performance

KEY HIGHLIGHTS

FOCUS ON EXECUTION IN A CHALLENGING ENVIRONMENT

- Adjusted Profit for the first half of 2026 equal to €81.3 million, +8% year-on-year
- Strong performance by the Payments and Security Services BUs
- Disciplined management of the F&L BU
- Pro-forma capital ratios above regulatory limits[9]
- Assessment of strategic options

9 The TCR is above the minimum regulatory ratio only on a pro-forma basis, considering the capital gain realized on the sale of part of the HTC securities portfolio. It should be noted that, in line with the EBA's interpretive Q&A guidelines published on July 3, 2026, capital ratios reflect the effects on calendar provisioning, arising from exposures reclassified as past due on June 30, 2024 and previously expected in the third quarter of 2026, which were instead recognized in the first half of 2026.

MAIN ITEMS IN THE INCOME STATEMENT

(values in € million)

Normalized Income Statement[10]	H1 2026	H1 2025	%
Factoring & Lending Revenue	157,3	204,3	-23%
Payments Revenue	34,3	32,9	4%
Securities Services Revenue	18,3	13,4	37%
Other revenue	103,1	97,2	6%
of which HTC Securities Portfolio	59,6	69,3	-14%
Total Revenue(*)	313,0	347,7	-10%
Cost of money[11]	(119,5)	(149,2)	-20%
Total Net Revenue	193,5	198,6	-3%
Operating Costs incl. depreciation, amortization and net impairment losses on property equipment and intangible assets	(99,6)	(94,7)	5%
Cost/Income ratio (%)	51%	48%	4 bps
Net impairment losses/gains for credit risk	16,5	(0,9)	n.a.
Normalized pre-tax profit	110,4	103,0	7%
of which F&L	69,6	82,3	-19%
of which Payments	18,4	18,9	-2%
of which Securities Services	9,0	5,1	78%
of which Corporate Center	16,0	(3,2)	n.a.
Normalized profit for the period	81,3	75,3	8%
Reported profit for the period[12]	**51,4**	**70,4**	**-27%**

(*) the item total revenue also includes the net positive effect of adjusting the value of equity investments measured at equity.

In the first half of 2026, total net revenue showed a slight 3% decrease compared to the first half of 2025, driven by the performance of the F&L BU, which was affected by the consequences of the retrocessions carried out during the period.

The normalized pre-tax profit shows a 7% increase compared to the same period in 2025, thanks to the contribution of (i) the Payments and Security Services BUs of €27.5 million (+15% year-on-year) and the corporate center of €16 million (-€3.2 million in the first half of 2025), partially offset by the F&L BU (-19% year-on-year) which, as indicated above, was impacted by the negative effects of the retrocessions.

The normalized profit of €81.3 million increased by 8% compared to the same period in 2025 thanks to the strong performance of the Payments and Securities Services BUs and efficient cost management.

Note that the BFF Group has no commercial exposure to the Russian and Ukrainian markets and is committed to strictly monitoring the processing activities of the Payments business unit to ensure compliance with the restrictions imposed on Russia.

10 Income statement normalized in order to eliminate the impact of certain non-recurring items during the period, details of which are provided in the following note.
11 Including the profit on trading in derivatives used to hedge exposures to interest rates and currencies.
12 The reported profit for the period includes some non-recurring items. In the first half of 2026, these items refer to (i) income relating to stock options of (€7.8) million, (ii) the amortization of customer contracts of €0.9 million, (iii) adjustments to loans and receivables arising from the inspection report issued by the Bank of Italy of €21.2 million, (iv) provisions relating to adverse legal rulings on loans of foreign subsidiaries of €3.6 million and (v) other extraordinary items of approximately €12.0 million. In the first half of 2025, these items refer to the cost of stock options amounting to €2.0 million, the amortization of customer contracts amounting to €0.9 million, the sanction imposed by Bankit as a result of the inspection concluded in 2024 amounting to €1.5 million, and other non-recurring costs amounting to €0.5 million.

GROUP INCOME STATEMENT

Reported profit for the period

In terms of overall profitability, the cumulative performance of the Group's BUs, influenced by the phenomena indicated above, led to a reported profit of €51.4 million, including the non-recurring items that influenced the profit for the period, the details of which are shown in the table below.

Normalized profit for the period

Eliminating the non-recurring items that impacted the results for the first half off 2026, the Group's normalized profit would stand at €81.3 million, up by 8.0% compared to the same period of the previous year.

The main elements affecting the Group's normalized performance can be summarized as follows:

- Net revenue of the F&L BU, equal to €157.3 million, decreased by 23% compared to the same period of 2025 (€204.3 million), due to a reduction in purchase volumes and other actions, such as retrocessions, aimed at reducing portfolio risk;
- Combined pre-tax profit of the Payments and Securities Services BUs increased by 15% compared to the same period in 2025, mainly thanks to the contribution of the Securities Services BU, which recorded an increase in fees and commissions resulting from an increase in both assets under deposit and assets under custody;
- The cost/income ratio increased to 51%, from 48% in the same period of 2025, mainly due to the reduction in revenue of the F&L BU, as described above.

The table below explains the transition from the reported profit to the normalized data.

Adjustments – €m	H1 2026	H1 2025	YoY %
BFF Group - Reported profit	**51.4**	**70.4**	**-27%**
Stock Options & Stock Grants	(7.8)	2.0	
Amortization of DEPObank's "customer contracts"	0.9	0.9	
Administrative fine received from the Bank of Italy	-	1.5	
Provisions relating to adverse legal rulings on loans of foreign subsidiaries	3.6	-	
Adjustments to loans and receivables arising from the inspection report issued by the Bank of Italy	21.2	-	
Other non-recurring items	12.0	0.5	
BFF Group - Normalized profit	**81.3**	**75.3**	**8%**

On the following pages, in order to provide a precise presentation of the performance of the various BUs, the comments will refer to normalized income statement data, eliminating the non-recurring elements that influenced the results for the six-month periods ended June 30, 2026 and June 30, 2025.

GROUP STATEMENT OF FINANCIAL POSITION

Loans and receivables with customers amounted to €5.5 billion and recorded a slight reduction compared to December, mainly due to the reduction in purchase volumes and other actions aimed at reducing portfolio risk.

The HTC securities portfolio amounted to €4.6 billion (€4.5 billion as at December 31, 2025). As indicated in the section "Events after the reporting period", on July 28, 2026, the Bank completed the sale and repurchase of Italian government bonds classified as Held to Collect ("HTC"), for a nominal amount of approximately €3.1 billion. The transaction generated a capital gain, before tax effects, of approximately €62 million. For further details, please refer to the events after the end of the period within the report on operations and to the section "sale of the HTC securities portfolio" in section 5 of Part A of the Notes to the Condensed Interim Consolidated Financial Statements.

Liquidity was in line with the size of the loan portfolio, with a Loan-to-Deposit ratio at 75%.

The Transaction Services department, with its Securities Services and Payments BUs, raised approximately €5.9 billion, a decrease of 10% compared to €6.6 billion as at December 31, 2025. The reduction in funding of the Transaction Services department was offset by an increase in online deposits, +12% compared to the same period of the previous year.

Statement of Financial Position	06.30.2026	12.31.2025[13]	% change
Assets			
Loan portfolio	5,503	5,776	-5%
Government securities (HTC)	4,558	4,547	0.2%
Intangible assets	62	67	-8%
Other assets[14]	1,755	1,844	-5%
Total Assets	**11,878**	**12,234**	**-3%**
Liabilities and equity			
Deposits Transaction Services	5,925	6,557	-10%
Online deposits[15]	1,407	1,258	+12%
Repos	2,373	2,350	1%
Bonds and other liabilities	1,229	1,182	4%
Equity	944	888	6%
Total liabilities and equity	**11,878**	**12,234**	**-3%**
Ratio			
Loan / deposit ratio (%)	**75%**	**74%**	
Leverage ratio (%)	**6.1%**	**6.1%**	

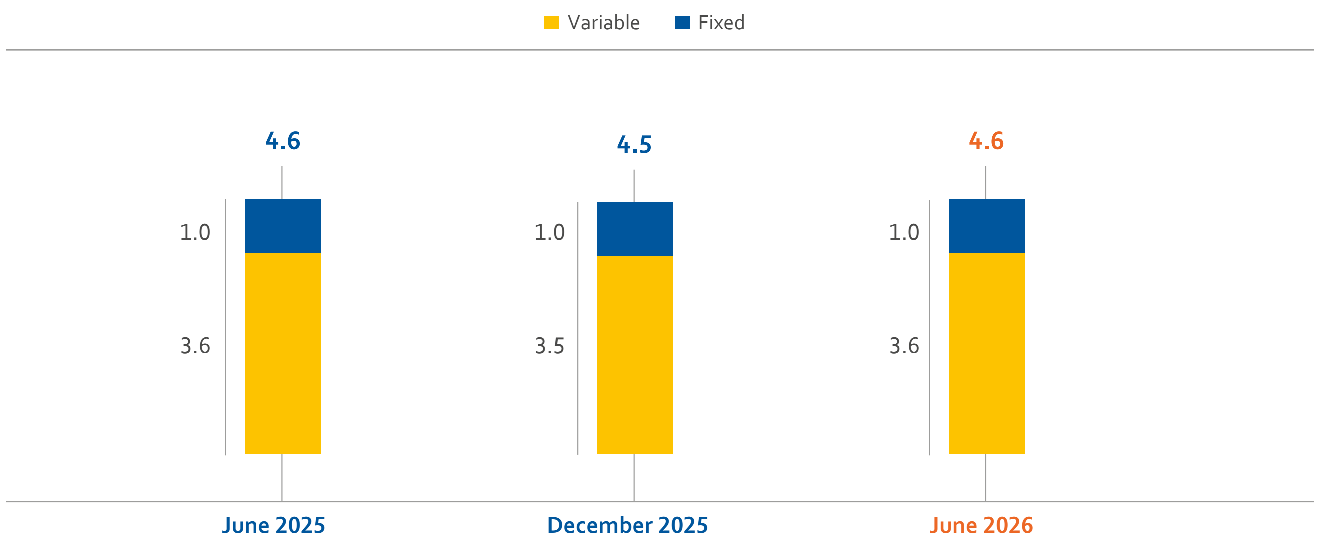
Lending

The Factoring & Lending Loan Portfolio was €5.5 billion, down compared to December 2025. International markets now account for around 39.1% of total loans to customers.

Loan Portfolio (€ mln)[16]	06.30.2026	12.31.2025
Italy[13]	3,349	3,442
Spain	260	446
Poland	1,106	1,102
Slovakia	235	236
Portugal	190	208
Greece	206	205
France	157	135
Other countries	1	1
Total	**5,503**	**5,776**

The government bond portfolio reached €4.6 billion (€4.5 billion and €4.6 billion as at December 31, 2025 and June 30, 2025, respectively).

HTC SECURITIES PORTFOLIO (€ BILLION)



13 Some amounts relating to the "Loan portfolio" and "Bonds and other liabilities" items were reclassified for comparative purposes only. For further details, see the section "restatement of certain comparative information" in section 5 of Part A of the Notes to Condensed Interim Consolidated Financial Statements. The 2025 balances have also been restated considering the changes made in accordance with the provisions of IAS 8 (Accounting policies, changes in accounting estimates and errors). In particular, Italy's loan portfolio decreased by approximately €19.7 million. For details of the impacts on the various items of the statement of financial position, please refer to the section "Adjustment of the balances of the previous year in accordance with the provisions of IAS 8 (Accounting policies, changes in accounting estimates and errors)" in the notes to the consolidated financial statements as at December 31, 2025.

14 This item includes deposits with the European Central Bank, tax assets, repos (€515 million in first half of 2026), equity investments and other assets.

15 Online deposits in equity amounted to €373 million.

16 Including "Ecobonus" tax assets for €101.5 million according to the HTC Business Model (€158.7 million as at December 31, 2025) and €205.7 million according to the Trading Business Model (€269 million as at December 31, 2025), recognized under Other Assets in the Statement of Financial Position, and "statement of financial position" provisions relating to late payment interest and the flat-rate compensation for debt collection (so-called "40 euros") for €739 million (€789 million as at December 31, 2025).

Loan quality for prudential purposes

In order to analyze its credit exposures, aimed among other things at identifying any impairment losses on financial assets in accordance with IFRS 9, the Banking Group classifies exposures as Performing and Non-Performing.

With regard to credit quality, total net impaired exposures decreased to €2,905.0 million as at June 30, 2026, from €3,083.7 million as at December 31, 2025.

In line with the disclosure provided in the financial statements for previous years, the classification of impaired assets is based on the prudential definition of default (i.e. past due, unlikely to pay and non-performing), regardless of the representation of a related credit risk. Therefore, with reference to exposures to public bodies classified as defaulting due to late payments, there may be significant mismatches between accounting and prudential data and actual prospects for collection by the Bank.

Non-Performing exposures, whose overall gross amount was €3,091.8 million at June 30, 2026 with impairment losses totaling €186.8 million, are divided into the following categories.

Non-performing loans

These are exposures to parties that are in a state of insolvency or in basically similar situations, regardless of any loss projections recognized by the Bank.

At June 30, 2026, the total non-performing loans of the Banking Group, net of impairment, amounted to €70.8 million. Among these non-performing exposures, €64.7 million (91.5% of the total) concerned regional authorities in financial distress, which will return to performing status once the recovery procedure has been completed.

Gross non-performing loans amounted to €100.2 million (€128.9 million as at December 31, 2025) and related adjustments amounted to €29.5 million (€35.0 million as at December 31, 2025).

Please note that, as for the exposures to Local Authorities (Municipalities and Provincial Governments), the portion subject to the relevant settlement procedure, the claims included in OSL's liabilities, are classified as non-performing, even though all claims can be collected under the law at the end of the insolvency procedure.

Unlikely to pay positions

Unlikely to pay exposures reflect the judgment made by the intermediary about the unlikelihood, excluding such actions as the enforcement of guarantees, that the debtor will fully fulfill (for principal and/or interest) its credit obligations. This assessment should be carried out independently of the existence of any past due and unpaid amounts (or installments). Therefore, it is not necessary to wait for an explicit sign of anomaly (e.g., failure to repay) when there are factors that signal a default risk situation for the debtor.

As at June 30, 2026, gross exposures classified as unlikely to pay amounted to €206.0 million (€85.6 million as at December 31, 2025) and related adjustments amounted to €28.4 million (€11.3 million as at December 31, 2025) for a net amount of €177.6 million (€74.3 million as at December 31, 2025).

It should be noted that a significant portion of these net exposures, amounting to approximately €66.6 million, relates to Polish public hospitals, which the Bank has prudentially classified as unlikely to pay as they have undertaken restructuring procedures, to which the Bank believes they are not entitled, and which, in themselves, are not representative of an actual deterioration in asset quality.

Impaired past due exposures

Impaired past due exposures consist of positions vis-à-vis entities with a past-due situation, where the overall amount of past-due and/or overdue exposures has been higher than, for at least 90 consecutive days, *(i)* the relative materiality threshold (relative limit of 1% given by the ratio between the total past-due and/or overdue amount and the total amount of all credit exposures to the same Debtor) and (ii) the absolute materiality threshold (absolute limit equal to €100 for retail exposures and €500 for non-retail exposures).

As at June 30, 2026, net past due exposures amounted to a total, for the entire Banking Group, of €2,656.7 million (€2915.5 million as at December 31, 2025). Gross exposures amounted to €2,785.6 million and relevant adjustments amounted to around €128.9 million. 93.4% of these exposures relate to public counterparties.

(Values in thousand euro)

Type	06.30.2026			12.31.2025 (*)		
	Gross amount	Impairment losses	Net value	Gross amount	Impairment losses	Net value
Impaired exposures purchased as performing (Stage 3)	3,090,464	(186,601)	2,903,864	3,248,365	(167,360)	3,081,005
Impaired exposures purchased as non-performing (Stage 3)	1,380	(196)	1,184	3,090	(415)	2,675
Performing exposures (Stage 1 and 2)	2,301,311	(10,927)	2,290,383	2,305,134	(10,929)	2,294,205
Total	**5,393,155**	**(197,724)**	**5,195,431**	**5,556,589**	**(178,704)**	**5,377,885**

(*) Please note that the data relating to item 40 b) "Financial assets measured at amortized cost - loans and receivables with customers" were reclassified for comparative purposes only. For further details, please refer to the specific section "Restatement of certain comparative information" in Section 5 – "Other aspects" of the Accounting policies.

Funding

On the liabilities side, the optimization of funding sources continues through the maintenance of funding from online deposits and Transaction services as well as in relation to defining the structure of liabilities aimed at meeting regulatory requirements (i.e. MREL).

The Transaction Services department, with its Securities Services and Payments BUs, raised about €5.9 billion compared to €6.6 billion as at December 31, 2025. There is a decrease in funding from both the Securities Services BU of about €0.3 billion (€3.5 billion as at June 30, 2026 and €3.8 billion as at December 31, 2025) and the Payments BU of about €0.3 billion (from €2.4 billion as at June 30, 2026 and €2.7 billion as at December 31, 2025).

The Group continued to offer the online deposit account solution aimed at retail and corporate customers and guaranteed by the Interbank Deposit Protection Fund in Italy with Conto Facto, in Spain, the Netherlands, Ireland and Germany with Cuenta Facto, in Poland with Lokata Facto and finally in Greece with Facto Prothesmiaki.

As at June 30, 2026, inflows from the Facto platform operating in the geographic segments indicated above totaled a nominal €1.4 billion, up compared to December 31, 2025.

The nominal value of outstanding bond issues as at June 30, 2026 was €750 million in total (related to the AT1 issue and the two Social Senior Preferred bond issues) unchanged compared to June 30, 2025.

Repos amounted to €2.4 billion as at June 30, 2026 and in line with December 31, 2025.

Finally, note that BFF continues to have no financing with the European Central Bank (ECB), neither ordinary (OMA) nor extraordinary (PELTRO, TLTRO etc.).

Equity, Own Funds and Equity Ratios

Equity as at June 30, 2026 amounted to €944.0 million, while BFF Banking Group's own funds as at the same date amounted to €749.9 million, including 150 million of Additional Tier 1 unsecured and rated subordinated bonds placed on January 19, 2022. During the first half of 2026, the Bank paid the first coupon of interest accrued on the AT1 loan totaling €4.4 million. The second coupon, for an amount of €4.4 million, was paid during July 2026.

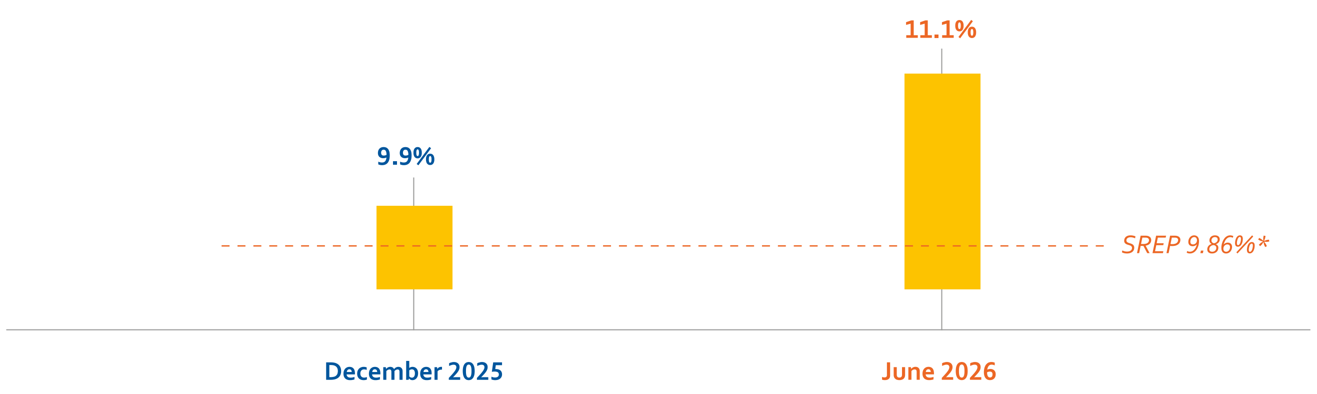
The supervisory capital ratios CET1, Tier 1 Capital Ratio and Total Capital Ratio, which include net profit for the first half of 2026, equal to €51.4 million, come to 10.3% (9.9% as at December 31, 2025), 12.9% (12.3% as at December 31, 2025) and 12.9% (12.3% as at December 31, 2025), respectively. The CET1 and Tier1 capital ratios are higher than the minimum requirements required by the Regulator, equal to 9.9% for the CET1 SREP and to 11.4% for TIER1. On the other hand, the Total Capital Ratio is lower than the minimum required by the Regulator equal to 13.4%. In relation to the MREL requirements, the TREA ratio is 23.38%, compared to the regulatory value of 23.36%. It should be noted that the capital ratios indicated above are affected by the effects on calendar provisioning resulting from exposures reclassified as past due on June 30, 2024, previously expected in the third quarter of 2026 and which, in line with the EBA's interpretive guidelines ("Q&A") published on July 3, 2026, were instead recognized in the first half of 2026. Considering the capital gain realized on the sale of part of the HTC securities portfolio in July 2026, the TCR would be above the minimum regulatory ratio. It should be noted that the Financial Leverage indicator is equal to 6.1%, in line with the value as at December 31, 2025.

The RWA[17] density came to 81%, slightly down from 84% in the first half of 2025.

Finally, it should be noted that on July 22, 2026, the Bank of Italy, as Resolution Authority, adopted the 2024 Resolution Plan for BFF Banking Group, confirming resolution as the crisis management strategy for BFF Bank Group and defining MREL requirements, which are found to be met.

COMMON EQUITY TIER 1 RATIO[18]

	December 2025	June 2026
RWAs	6,352	5,800
RWAs *density*	84%	81%
CET 1	9.9%	11.1%



17 RWA density is calculated as the ratio of RWA to total assets excluding cash and cash equivalents and the HTC securities portfolio.
18 CET1 for the first half of 2026 was calculated on a pro-forma basis, considering the capital gain realized on the sale of part of the HTC securities portfolio. It should be noted that, in line with the EBA's interpretive Q&A guidelines published on July 3, 2026, capital ratios as at June 30, 2026 reflect the effects on calendar provisioning, arising from exposures reclassified as past due on June 30, 2024 and previously expected in the third quarter of 2026, which were instead recognized in the first half of 2026.

Bonds and Ratings

On April 1, 2026, after confirming all ratings of BFF on February 13, 2026, the rating agency Moody's revised all the Ratings and the Bank's assessments downwards by one notch and placed them under review for downgrade, including the Adjusted BCA. The latter was subject to a further negative adjustment of a notch relating to Strategy, Risk Appetite and Governance, changing to "ba3" from "ba2". The long-term (LT) and short-term (ST) deposit ratings of BFF equal to "Baa3"/"Prime-3" respectively have remained at Investment Grade.

The downgrade of BFF's BCA to "ba3" from "ba2" was mainly driven by the potential impacts of the Bank of Italy Order, communicated on March 29, 2026, the contents of which are referred to as already set out in the Bank's press release of the same date.

The review for downgrade will mainly focus on the implications of the Bank of Italy findings and corrective measures in relation to BFF's capital position, volumes and profitability of its business, as well as the stability of funding and liquidity levels.

In summary, the ratings assigned to BFF by Moody's are as follows:

- Outlook: Review for downgrade
- the Baseline Credit Assessment, down to "ba3" from "ba2";
- the Long-Term Bank Deposit Rating, down to "Baa3" from "Baa2";
- the Short-Term Bank Deposit Rating, down to "Prime-3" from "Prime-2";
- the Long-Term Issuer Rating, down to "Ba3" from "Ba2";
- the Senior Unsecured Regular Bond/Debenture Rating, down to "Ba3" from "Ba2".

For further information refer to the Moody's press releases published on the agency's website and the *Investors > Debt > Ratings* section of the Group website.

On February 20, 2026, the rating agency Morningstar DBRS ("DBRS") revised its credit ratings of BFF downwards, including the Long-Term Issuer Rating to "BB" from "BB (high)" and the Short-Term Issuer Rating to "R-4" from "R-3". In addition, DBRS downgraded the Bank's Long-Term Deposit rating to "BB (high)" from "BBB (low)". The rating agency also changed the Outlook on BFF's long-term creditworthiness from Stable to Negative.

Subsequently, on April 2, 2026, DBRS downgraded its credit ratings of BFF, including the Long-Term Issuer Rating to "BB (low)" from "BB". In addition, DBRS lowered its credit rating to "BB" from "BB (high)" on the Bank's Long-Term Deposits. The rating agency also placed the Bank's long-term credit ratings Under Review, including the Long-Term Issuer Rating of "BB (low)". The rating action was mainly driven by the potential impacts of the Bank of Italy Order, communicated on March 29, 2026.

On the same date, the Bank formally notified DBRS of termination of the rating service.

On June 29, 2026, DBRS confirmed its Long-Term Issuer Rating of "BB (low)", with a negative outlook. At the same time, following the formal communication sent by the Bank in April 2026 regarding termination of the rating service, DBRS withdrew all outstanding credit ratings assigned to BFF. As a consequence, the Bank's credit ratings were removed from the "Under Review with Negative Implications" category, in which they had been placed on April 2, 2026.

For further information refer to the DBRS press releases published on the agency's website and the *Investors > Debt > Ratings* section of the Group website.

As regards the bonds issued by BFF, please note that the following issues are outstanding as at June 30, 2026:

- The Additional Tier 1 bonds issued in January 2022 in the amount of €150 million, to which the Moody's rating agency assigned a credit assessment of "B2(hyb)" at the time of issuance. As at June 30, 2026, this rating is "B3(hyb)" following the downgrade by Moody's on April 1, 2026[19];
- the social unsecured senior preferred bonds in the total amount of €300 million maturing on March 20, 2029 and with early redemption in favor of the Issuer on March 20, 2028 at a fixed rate of 4.750% per annum, which Moody's rating agency gave a rating of "Ba2" at the time of issuance. As at June 30, 2026, this rating is "Ba3" following the downgrade by Moody's on April 1, 2026[20];
- the social unsecured senior preferred bonds in the total amount of €300 million maturing on March 30, 2028 and with early redemption in favor of the Issuer on March 30, 2027 at a fixed rate of 4.875% per annum, to which, at the time of issuance Moody's rating agency gave a rating of "Ba2" and DBRS a "BB *(high)*". As at June 30, 2026, as a result of the withdrawal of DBRS ratings on June 29, 2026, as reported above, the rating of the issue is "Ba3" by Moody's. For ESG ratings, please refer to the Consolidated Sustainability Statement.

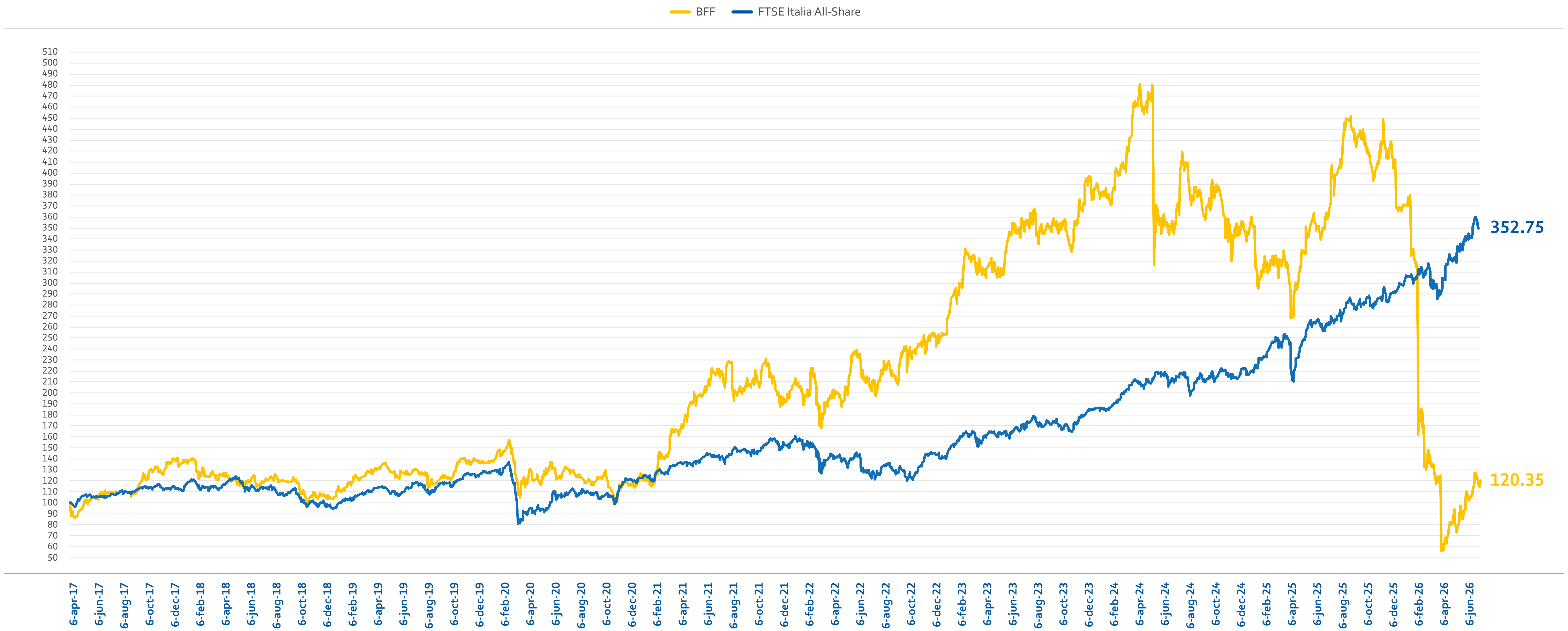
19 Please note that all ratings and assessments of BFF were placed under review for downgrade by Moody's on April 1, 2026.
20 Please note that all ratings and assessments of BFF were placed under review for downgrade by Moody's on April 1, 2026.

Share Performance

The BFF Bank stock (ISIN Code: IT0005244402 – Italian stock exchange ticker: BFF) has been traded on the Euronext Milan market of Borsa Italiana since April 7, 2017, "Finance" Industry and "Financial Services" Super Sector.

The BFF share price at June 30, 2026 was €3.076, down by 35% over the IPO share placement price of €4.70. From listing to June 30, 2026, the Bank distributed a total gross dividend of €4.39 per share. Taking into consideration the distributed dividends, and assuming them to be reinvested in the BFF share on ex-date, total return for shareholders at June 30, 2026 compared to the IPO placement price was 20%. The FTSE Italia All-Share Index total return was 253%. As at February 2, 2026, following the Bank's communication regarding, among other things, de-risking initiatives – which led to provisions for rulings on legal actions initiated for the recovery of non-recourse factoring pro-soluto credit exposures with Italian debtors – as well as the Bank of Italy Order of March 29, 2026, the stock's performance recorded a marked reduction. This dynamic had a negative impact on the Total Return for the 2026 financial year.

TOTAL RETURN SINCE THE IPO, WITH REINVESTED DIVIDENDS (*)



(*) As at June 30, 2026, BFF stock is part of the following FTSE indices, among others: FTSE Italia All-Share Financials Index, FTSE Italia All-Share Financial Services Index, FTSE Italia All Share Mid Cap Index - Specialty Finance, FTSE Italia MIB Storico, FTSE Italia PIR PMI Index, FTSE Italia PIR PMI Cap Index (WI), Russell RAFI Global Small Cap Portfolio, FTSE RAFI All World 3000 Index – QSR, FTSE RAFI Developed Europe Mid Small Net Index, FTSE RAFI Developed Europe Mid Small Index – QSR, FTSE RAFI Developed Europe Mid Small Index, FTSE RAFI Developed ex US Mid Small 1500 Index, FTSE RAFI Developed ex US Mid Small 1500 Net Index, FTSE RAFI Developed Mid Small ex US 1500 Index – QSR, FTSE Shariah Exclusion List, FTSE Italy Small Cap Index - Specialty Finance, Universe ITALY Index.

Factoring & Lending BU - Main KPIs and Economic Results

The Factoring & Lending BU carries out its lending activities and offers its services through products such as non-recourse factoring, lending and credit management to public administration bodies and private hospitals.

The Group currently performs these activities in nine countries (Italy, Croatia, France, Greece, Poland, Portugal, the Czech Republic, Slovakia and Spain).

The loan portfolio amounted to €5.5 billion as at June 30, 2026, down 5% compared to December 31, 2025.

The volumes of loans purchased and disbursed decreased by 17% compared to the same period of the previous year in most countries, due to the reduction in purchases and other actions aimed at reducing the risk of the portfolio.

	06.30.2026	06.30.2025
Italy	1,748	2,263
Spain	608	838
Poland	612	586
Slovakia	46	1
Portugal	213	250
Greece	115	132
France	160	129
Czech Republic	0	1
Total	**3,501**	**4,201**

DSOs recorded by BFF on factoring and third-party credit management business, compared to December 31, 2025, decreased in almost all countries due to the reduction in purchase volumes and higher collections received in the first half of 2026 compared to the same period of the previous year.

DSO – days (BFF data, Acquisitions and Management, Public and Private):

	06.30.2026	06.30.2025
Italy	166	158
Spain	88	91
Portugal	88	132
Greece	253	316
France	188	219
Slovakia	638	1,094

The provision for late payment interest and the lump-sum indemnity provision for debt collection (so-called "40 euros") amounted to €1,033 million and €261 million, respectively. The table below also shows the amounts not yet transferred to the Income Statement as at June 30, 2026 and June 30, 2025.

€ million	06.30.2026	06.30.2025
Provision for late payment interest	1,033	1,060
Lump-sum indemnity provision	260	265
Provision for late payment interest not transferred to the income statement	463	469
Lump-sum indemnity provision not transferred to the income statement	91	91
Gross yield on loans and receivables with customers % (net of "40 euros")	6.6%	6.8%

Net revenue of the F&L BU, equal to €77.2 million, decreased by 29% compared to the same period of the previous year (€108.9 million), due to the implementation of actions, such as retrocessions, aimed at reducing portfolio risk.

Normalized other operating expenses and income, included in other revenue, include the economic impacts deriving from the flat-rate compensation for debt collection (so-called "40 euros"), which in the first half of 2026 led to an impact of €1.8 million, down from €7.8 million in the first half of 2025, mainly due to the reduction in volumes.

€M (normalized values)	H1 2026	H1 2025
Interest income	148.0	193.5
of which "rescheduling/gains" spread	(4.1)	(8.4)
Other Revenue (including other operating expenses and income)	9.3	10.9
Total revenue	**157.3**	**204.3**
Total net revenue	**77.2**	**108.4**

Securities Services BU - Main KPIs and Economic Results

The Securities Services BU is the business unit that handles custodian banking services for investment funds and Social Security Institutions and related activities such as global custody, fund accounting and transfer agents, addressing asset managers, pension funds, mutual funds, alternative funds, banks and other financial institutions (i.e. SIMs), with a focus on the domestic market.

In the first half of 2026, Fund Services recorded an increase in assets under management compared to the end of 2025 thanks to commercial actions in the area of funds and closed-end mutual funds.

However, growth has been limited so far by the non-publication of the Investment Regulation of Pension Funds, which, among other things, would introduce the requirement for Privatized Social Security Institutions to have a custodian bank. A further area of development is Health Care Funds increasingly interested in custodian bank services, despite the absence of regulatory requirements, but inclined to favor a banking operator, such as BFF, focused on efficient cash remuneration and payment management. In the supplementary pension sector, BFF holds first place by market share in terms of the number of pension fund customers served in custodian banking activities.

This leadership is consolidated through the provision of value-added services, including the portfolio reporting application, Look Through, ESG, and, most importantly, the NAV calculation service. BFF is the only operator to provide this service not only for open pension funds, but also for closed occupational pension funds and pre-existing pension funds, standing out in the national panorama for the completeness and innovation of its offering.

Regarding Global Custody, the good results recorded in terms of AuC in the first half of 2026 compared to the same period of 2025 are the result of the consolidation of strategic initiatives aimed at: i) further expanding and improving the commercial experience, ii) expanding also to new financial operators through the offer of specialized value-added services, as well as the offer of Issuing and Paying Agent, Account and Custodian Bank services for Corporate customers, including foreign ones and iii) seizing opportunities also deriving from regulatory interventions, such as SHID II, Emir Refit, ECMS, CSDR, SFTR reporting, which on the one hand represented an opportunity to strengthen its role in the market as a correspondent bank and reference partner within Global Custody, on the other hand made it possible to offer new value-added products and services.

The Securities Services area is growing in terms of fees compared to the same period of the previous year.

The Custodian's Assets under Deposit (AuD) amounted to €87.9 billion, up 14% from June 30, 2025. Global Custody 's Assets under Custody (AuC) were €146 billion, up 3% from June 30, 2026.

However, the balance of customer deposits decreased by 19% compared to the same period of the previous year and by 9% compared to June 30, 2025.

	06.30.2026	06.30.2025
Custodian Bank (AuD, €M)	87,863	77,243
Global Custody (AuC, €M)	145,757	141,003
Deposits - Final Balance (€M)	3,519	4,362

Normalized net fee and commission income increased by 15% due to higher volumes.

€M (normalized values)	06.30.2026	06.30.2025
Net fee and commission income	15.3	13.3
Other Revenue (including other operating expenses and income)	3.0	0.1
Total revenue	**18.3**	**13.4**
Pre-tax profit	**9.0**	**5.1**

Payments BU - Main KPIs and Economic Results

The Payments BU is the business unit that deals with payment processing, corporate payments and checks and bills and has as customers banks, Payment Institutions, IMELs, medium-large corporates and institutional customers. The business is concentrated on mainly domestic customers. The Payments BU supports the management of the State SME Guarantee Fund, in cooperation with the principal MCC Banca del Mezzogiorno.

BFF, as the leading independent operator in Italy in the field of processing services dedicated to PSPs (Payment Service Providers: banks, IMELs, payments institution) and in specialized collection and payment services for large corporates and the Public Administration, holds a national market share of about 20% by number of payments handled.

BFF is benefiting from a growing payments market thanks to the progressive digitalization of payment instruments.

A more robust operating structure is also making it possible for BFF to improve its role as service bank, also given the acquisition of new customers and the expectation of an increase in volumes in the coming years. Also noteworthy are the ICT contract with Nexi until 2032 and the agreement with Nexi and EquensWorldline for domestic processing, which secures BFF's intellectual property of critical applications. The structural decline in traditional and domestic payment instruments (bank drafts, CIT, RIBA, MAV, etc.), activities for the disposal of BI-COMP by the Bank of Italy and the ongoing infrastructural change of the debit card Bancomat, could favor BFF in acquiring new customer banks, which reasonably will no longer find it convenient to handle this range of transactions by themselves.

At the same time, BFF is also focusing attention on finding innovative solutions aimed at increasing its customer base and expanding and optimizing its service portfolio.

Ultimately, the positive trend of the past few years is confirmed for the payments market, which continues to register the impact of system-wide evolution and digitization, of banking aggregation and of the greater competitiveness of new entrants to this segment as a result of the sector policies of the European Authorities.

The presence in the payments market of these new players (Payment Institutions, IMELs, TPPs, and Fintechs) represents a positive catalyst for growth in the sector, in which BFF has successfully positioned itself in an authoritative and robust manner, developing specific services to support the regulatory obligations imposed by regulations, allowing for continued growth in its chosen sector of brokerage and settlement services.

The fact that it is now compulsory for PSPs to send and receive instant payments and the revision underway on the Payment Services Directive (PSD) are facilitating the achievement of the desired sector growth forecasts, with outlooks for further and new market opportunities in the near future as well, encouraging BFF to focus further on innovation, process efficiency and an optimized risk management.

The Payments area is slightly down compared to the same period of the previous year. The number of transactions amounted to 435 million, down 3% compared to the same period of 2025.

The balance of deposits, amounting to €2,405 million, decreased by 15% compared to June 30, 2025 and by 11% compared to December 31, 2025.

	06.30.2026	06.30.2025
Deposits - Final Balance (€M)	2,405	2,804

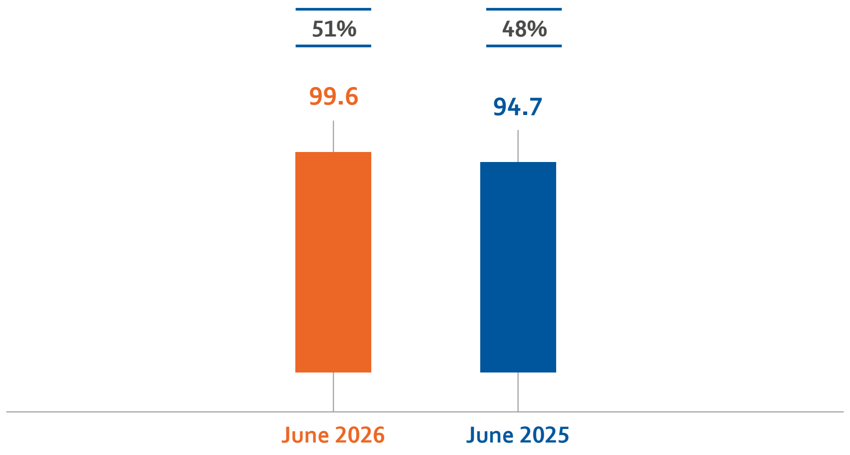
The level of Net Fee and Commission Income was higher than June 30, 2025 and amounted to €29.0 million.

€M (normalized values)	H1 2026	H1 2025
Transactions (no. trans. € million)	435	450
Net fee and commission income	29.0	27.7
Other Revenue (including other operating expenses and income)	5.3	5.2
Total revenue	**34.3**	**32.9**
Pre-tax profit	**18.4**	**18.9**

Operating Costs

The Group continued to maintain a strong focus on cost control and, where possible, to improve its operating efficiency, reporting a cost/income ratio of 51% in the first half of 2026, up from 48% in the first half of 2025, mainly due to the reduction in F&L BU revenue resulting from a decrease in purchase volumes and other actions, such as retrocessions, aimed at reducing portfolio risk.

COST/INCOME RATIO



	H1 26	H1 25
Factoring & Lending	(27.8)	(24.3)
Payments	(18.9)	(17.8)
Securities Services	(12.0)	(11.5)
Corporate	(40.9)	(41.2)
Total	**(99.6)**	**(94.7)**

Group's Objectives and Policies on the Assumption, Management and Hedging of Risks

Risk Management and Compliance with Prudential Supervision Regulations

The prudential supervision regulations are mainly governed by the Bank of Italy Circular no. 285 "Supervisory provisions for banks" and Circular no. 286 "Instructions for the preparation of supervisory reporting by banks and securities intermediaries", both dated December 17, 2013, which adopt the harmonized regulation for banks and investment firms contained in the EU's CRR regulation (Capital Requirements Regulation) and in the European Directive CRD IV (Capital Requirements Directive) of June 26, 2013 as amended.

These regulations include the standards set forth by the Basel Committee on Banking Supervision (Basel 3 framework), whose implementation, pursuant to the Consolidated Law on Banking, is the responsibility of the Bank of Italy, and define the ways in which the powers attributed by EU regulations to national authorities were exercised.

The above circulars outline a complete, organic and rational regulatory framework, integrated with the directly applicable EU provisions, which is completed with the issue of the implementation measures contained in the regulatory technical standards and implementing technical standards adopted by the European Commission based on the EBA's proposal.

The regulations in place as of June 30, 2026 are based on three pillars.

Pillar I – Capital adequacy to meet the typical risks associated with financial operations

From the standpoint of operations, the absorption of risks is calculated using various methods:

- "Standardized approach" for credit risk;
- "Original exposure approach" for counterparty risk;
- operational risk, through the "Business Indicator Component" (BIC) methodology;
- "Standardized approach" for market risk.

Pillar II – The ICAAP/ILAAP Report

In accordance with prudential supervisory provisions, and in order to allow the Supervisory Authority to carry out an accurate and comprehensive assessment of the fundamental qualitative characteristics of the equity and financial planning process, the risk exposure and the consequent calculation of total internal capital and relevant liquidity reserves, the Bank, as Parent of the Banking Group, prepares the "ICAAP/ILAAP Report" on internal processes for determining adequacy of capital and of the governance system and liquidity risk management systems.

Pillar III – Disclosure to the public

In accordance with the CRR, banks publish the required information at least on an annual basis, and the Core Metrics on a semi-annual basis. Credit institutions are responsible for evaluating the need to provide the required information more frequently, in light of the relevant characteristics of their activity and elements susceptible to rapid changes. The guidelines specify minimum content consistent with the significance of the reporting institution, particularly with reference to capital requirements, the breakdown and adequacy of capital, the leverage ratio, risk exposure and the general characteristics of systems in place to identify, measure and manage such risks. To this end, the Board of Directors of BFF Bank has approved a dedicated procedure, called the "Procedure for Public Disclosure (Pillar III)", according to which Public Disclosure must be: approved by the Board of Directors before its dissemination; published on the website www.bffgroup.com (Section: https://investor.bff.com/it/pillar-iii in Italian and https://investor.bff.com/en/pillar-iii in English) at least once a year and every six months with regard to the core metrics, within the deadlines set for the publication of the financial statements and, therefore, within thirty days from the date of approval of the financial statements by the Shareholders' Meeting. In addition, with regard to the provisions of the Bank of Italy Circular no. 285 of December 17, 2013, and subsequent updates, the Group publishes on its website www.bff.com, within the deadlines established for the publication of the Financial Statements, a Country-by-Country Reporting document which contains information inherent to the business, turnover, and the number of staff in the various countries in which the Group is present.

The information to be published is defined by Appendix A, first part, Title III, Chapter 2 of the above Circular.

Disclosure regarding Calendar Provisioning and Past Due

The legislation in question provides that loans disbursed and classified as impaired after April 26, 2019 are subject to "calendar provisioning". Exposures disbursed earlier, and subsequently classified as NPE, will not be subject to the provisions contained in the amendment to Regulation No 575 (CRR). This update requires banks to maintain an adequate provision level, deducting from their CET 1 any positive difference between prudential provisions (identified by weighting the gross value of guaranteed and unsecured NPEs by certain percentages) and provisions and other assets (provisions, prudent valuation, other deductions of CET1).

This rule is based on the principle that the prudential definition of default (i.e. past due, unlikely to pay and non-performing) effectively defines a state of deterioration of the credit quality of the exposure, not providing for any discretion and not ensuring that certain cases not representative of a worsening of credit risk (as for most Group exposures) are treated differently.

As at June 30, 2026, the impact on CET1 deriving from the application of calendar provisioning on individual debtor exposures was approximately €140.8 million, compared to December 31, 2025 when it amounted to approximately €51.2 million. Please note that the recent EBA Q&A (2026-7753 of July 3, 2026) provided a more restrictive interpretation of the rules for counting the calendar under the so-called prudential backstop referred to in Article 47c of Regulation (EU) no. 575/2013 (CRR). As a result of this interpretation, the calendar provisioning impacts relating to the reclassification carried out by the Bank as at June 30, 2024, which were expected in the third quarter of 2026, were brought forward to the second quarter of 2026, with a significant effect on capital ratios.

Regarding the classification to NPE, note that on June 27, 2019 the Bank of Italy introduced certain amendments to Circular No 272 concerning credit quality and the rules on the new definition of default, and on August 14, 2020 it published its note containing the guidelines of the Supervisory Body on the application of Delegated Regulation (EU) No 171/2018 on the materiality threshold of overdue credit obligations pursuant to Art. 178, para. 2, letter d) CRR (RD), and more generally on the application of the RD regulations. Said clarification note was subsequently amended on October 15, 2020, February 15, 2021, and September 23, 2022. In addition, on December 10, 2025, the European Central Bank published its guideline on the supervisory approach by national competent authorities to coverage of non-performing exposures held by less significant supervised entities. The Guideline aims to standardize the prudential treatment – between significant and less significant banks – of non-performing exposures originating before April 26, 2019, and excluded, to date, from calendar provisioning capital deduction requirements.

In line with the disclosure provided in the consolidated financial statements for previous years, the classification of impaired assets is based on the prudential definition of default (i.e. past due, unlikely to pay and non-performing), regardless of the representation of a related credit risk. Therefore, with reference to exposures to public bodies classified as defaulting due to late payments, there may be significant mismatches between accounting and prudential data and actual prospects for collection by the Bank.

Monitoring and Control of Liquidity

Despite the current macroeconomic scenario, characterized by the continuation of the tensions deriving from the Russia/Ukraine conflict, and, in general, widespread critical issues on an international level among which the "tariff war" adopted by the US administration is also included, the Group has always been able to count on an adequate level of liquidity, largely respecting regulatory requirements and positioning itself on values higher than the internal levels of reporting indicators (LCR, NSFR).

The Group adopts strong safeguards to monitor and govern the liquidity position. Specifically, *(i)* when deemed necessary, it performs more frequent and more detailed stress analyses with increasing and variable impacts, *(ii)* maintains an important share of assets freely available to meet unforeseen liquidity needs, verifying their level of adequacy with respect to future cash flows, *(iii)* monitors the markets, and *(iv)* monitors changes in the collection trends of debtors, particularly of the Public Administration.

In this context, also by monitoring operational indicators, no particular liquidity tensions were identified thanks to its capacity to handle potential stress situations deriving from its funding structure and the levers it is able to activate if required.

Moreover, each year the Group updates its Contingency Funding Plan ("CFP"), which is approved by the BFF Bank Board of Directors and implemented by the Subsidiaries. The document was updated in February 2026. This document illustrates indicators and related thresholds in order to trigger the appropriate actions and escalation and decision processes, with a view to preventing and managing a possible liquidity crisis.

Disclosure regarding the Going Concern Assumption

As required by IAS 1 and the guidance contained in Document no. 2 of February 6, 2009 issued jointly by the Bank of Italy, Consob and ISVAP, the Board of Directors carried out an in-depth assessment of the adequacy of the going concern assumption. Based on the analyses performed and the information available as of the date of approval of this Interim Consolidated Financial Report, the Directors deemed it appropriate to prepare the condensed interim consolidated financial statements on a going concern basis.

The assessment of the Directors was carried out taking into account, among other things, the following circumstances:

- the inspection process initiated by the Bank of Italy on December 4, 2025, within which the Supervisory Authority adopted Order no. 670024 on March 28, 2026, providing for the appointment of Raffaele Lener and Francesco Fioretto as Commissioners to temporarily support the board of directors in order to strengthen the Group's operating framework, accounting framework and internal control systems. The inspection was subsequently concluded on May 29, 2026, with an overall "unfavorable" assessment and the related inspection report (the "Report") was received by the Bank on July 14, 2026. As of the date of approval of these condensed interim consolidated financial statements, the special administrative oversight measure remains in place to support the Group's ongoing restructuring efforts. In line with the Order, the Report contains findings relating to corporate governance, the accounting process, the credit area, organization and internal controls; with reference to these areas, the Group has already defined certain remedial and strengthening actions, currently being progressively implemented, while further specific initiatives are being defined;
- the evolution of the regulatory and supervisory framework applicable to the Group and, in particular, the effects arising from the interpretation provided by the EBA through Single Rulebook Q&A no. 2026_7753 of July 3, 2026 (the "Q&A") on the application of Article 47c of Regulation (EU) no. 575/2013 ("CRR"), which resulted in bringing forward by one quarter the timing of the effects of the so-called calendar provisioning.

In this context, the assessment of the going concern assumption must take into account that, compared to estimates formulated in previous months, which provided for a possible shortfall starting in 2028, as at June 30, 2026, there emerged, as a consequence of applying the interpretation set out in the Q&A, a capital shortfall affecting Total Capital, contained within the limits of the Capital Conservation Buffer; by contrast, there are no shortfalls on Common Equity Tier 1 and Tier1. As described below, on July 28, 2026, the Group proceeded with the sale and simultaneous repurchase of part of the HTC securities portfolio, generating a gain that covered the shortfall as at June 30, 2026 (the "Securities Transaction"). Instead, for 2028, in the absence of external initiatives, based on expected projections, capital shortfalls have been estimated, mainly due to the progressive application of so-called calendar provisioning to receivables classified as past due with an effective date of December 31, 2025. With reference to the liquidity indicators, compliance with the regulatory requirements is confirmed both as at June 30, 2026 and over the 2026-2028 time horizon.

Therefore, there are significant uncertainties regarding the Group's ability to continue as an operating concern from 2028 onwards, in the absence of external initiatives as illustrated below.

As previously stated, starting with the financial statements as of December 31, 2025, the above made it necessary, in accordance with applicable legislation, to activate the so-called Recovery Plan and define a Capital Conservation Plan, approved by the Board of Directors at its meeting of April 30, 2026 and sent at the same time to the Bank of Italy. The Capital Conservation Plan was then updated on July 9, 2026 and a subsequent version was approved by the Board of Directors on August 5, 2026. This Plan describes the Group's current and prospective capital position, the impacts arising from regulatory developments occurring during 2026, the path of gradual realignment with the applicable prudential requirements and the actions identified by management to strengthen the Group's capital and regulatory position, together with the related governance, monitoring and reporting arrangements vis-à-vis the Supervisory Authority.

In application of the above, the Group has arranged for specific forward looking analyses of the evolution of the Group's financial position and performance and liquidity position for the years 2026-2028, which incorporate some initiatives considered mitigating applied over the plan time horizon (the "2026-2028 Projections").

With reference to the years from 2026 to 2028, a so-called baseline scenario has been identified, updated based on the information available as of the date of preparing these condensed interim consolidated financial statements, which is based on the assumption of the continuity of the Group's current business model, assuming a controlled reduction in receivables in the Factoring & Lending segment for Italy and Spain and a significant contraction in volumes attributable to certain debtors operating under the Polish Factoring Like Product (the "Baseline Initiatives"). Considering these initiatives, as well as the Securities Transaction, the Group expects to maintain profitability levels and capital requirements up to 2027.

To prevent the aforementioned risks for 2028, alternative scenarios have therefore been prepared – also with the support of leading advisors. In this context, the Group has identified certain external initiatives aimed at enhancing specific portfolios (e.g. securitizations) or assets, possibly accompanied by the use of new operating methods in the factoring sector (referred to below, together with the Baseline Initiatives, as the "Intervention Measures").

Within these Intervention Measures, the Securities Transaction concerned the sale and simultaneous repurchase of a portfolio of Italian government securities classified under the Hold to Collect ("HTC") business model with a nominal value of approximately €3.1 billion, generating a pre-tax gain of approximately €62 million (as described in detail in the section "Events after the end of the period").

The other identified Intervention Measures also include a securitization transaction of receivables, which is still under analysis and for which a process is underway, with the assistance of two leading financial advisors, to select potential investors. As of the date of approval of these condensed interim consolidated financial statements, the preliminary strategic analysis activities and the identification of the portfolio potentially subject to the transaction have been completed, although it remains subject to definition following discussions with potential investors. The preparation of the other preparatory activities and discussions with these potential investors are also continuing.

The possibility is also envisaged of resorting, where conditions, including market conditions, permit, to the issuance of subordinated instruments eligible for inclusion in Tier 2, as a further lever to strengthen the Group's capital position: in this regard, the Bank's Board of Directors resolved on August 5, 2026, to renew the EMTN Program, a prerequisite for enabling the Bank to access the market quickly.

In this context, the Board of Directors has also started to seek out one or more financial and strategic partners, with the support of financial advisors. In this regard, the Bank has received preliminary, non-binding expressions of interest from domestic and international operators and has launched the related in-depth reviews aimed at assessing the feasibility, structure and potential attractiveness of possible strategic transactions, in the interest of the Bank and its stakeholders.

Other Intervention Measures – in particular those relating to the enhancement of assets – are at a preliminary stage of analysis.

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Within the scope of these developments, on August 5, the Board of Directors analyzed the Intervention Measures set out in the Capital Conservation Plan approved on the same date, considering them adequate to ensure compliance with the prudential requirements provided for by applicable legislation (CRR and CRD) and to resolve the shortfall expected in 2028. These alternative scenarios will be further updated and developed in the process for the preparation and approval of the future Strategic Plan. By adopting the Intervention Measures, the Group expects compliance with the capital requirements even over a longer period than 24 months from the reporting date of these condensed interim consolidated financial statements.

As for the feasibility and effectiveness of the Intervention Measures in response to events or conditions that pose uncertainties regarding the existence of the going concern assumption, the short-term initiative based on a more moderate growth than in previous years of the new business volumes of the Factoring & Lending segment for Italy and Spain, as well as the significant contraction in volumes attributable to certain debtors operating under the Polish Factoring Like Product, is considered feasible, as it comes under the direct control of the Group. The trend in volumes of these products during the first half of 2026 confirms this expectation.

On the contrary, the implementation of the other Intervention Measures is affected by external factors and by complex execution times and profiles. Having said that, the Directors believe that the number and nature of initiatives available to the Board of Directors for strengthening capital, which can also be used in combination with each other, can reduce the risk associated with the execution of these measures.

In addition, the Directors consider the achievement of the objectives set out in the 26-28 Projections to be reasonable, also considering the mitigating factors which highlight the quality and capacity of the Group to cope with the current context, also in light of the economic data relating to the first half of 2026, which demonstrate, net of the related extraordinary items, the Group's industrial capacity to generate income by performing its typical activity.

Therefore, despite the significant uncertainty related to the risk of carrying out one or more of the Intervention Measures in the times and methods indicated in the 26-28 Projections, the Directors consider, in the light of the above considerations and despite the Group's context, that it will continue to operate as a functioning entity in the foreseeable future and has therefore prepared these condensed interim financial consolidated statements under the going concern assumption.

Internal Control System

The BFF Group has adopted an internal governance and control system structured according to a multi-level oversight model. This system is intended to support the identification, measurement, monitoring and control of the main risks connected with the Group's business, without prejudice to the fact that the findings of the inspection activities conducted by the Bank of Italy, received in July 2026, highlighted significant areas for improvement in governance and control arrangements, in administrative and accounting processes, line controls and credit risk management safeguards.

The findings formulated by the Authority are the subject of specific strengthening initiatives and corrective actions, as part of the broader remediation path launched by the Bank.

In this context, the organizational structure of the Group's internal control system is divided as follows:

- First-level controls, or line controls, are performed by the operating units and are aimed at ensuring the proper performance of the activities and processes for which it is responsible.
- Second-level controls are assigned to the Risk Management and Compliance & AML functions, which are separate from the operating units and contribute to the oversight of corporate risks and compliance risk.
- Third-level controls are performed by the Group Internal Audit Function, which is responsible for the independent review of the internal control system.

CONTROL FUNCTIONS

Risk Management

In terms of second-level controls, the function oversees the definition and monitoring of the risk measurement and control systems, coordinating with the relevant corporate units; oversees the conduct of the internal process for determining capital adequacy and the adequacy of the liquidity risk governance and management system ("ICAAP/ILAAP"); contributes to defining risk measurement and control methodologies; supports the corporate bodies in defining the Risk Appetite Framework ("RAF"); oversees the monitoring of compliance with the limits assigned to the various operating functions and the consistency of the operations of the individual areas of the Group with the assigned risk-return objectives.

In particular, during 2025 and the first half of 2026, the RAF was updated mainly in order to: (i) revise the methodology for calibrating risk indicator thresholds resulting in a further revision/strengthening of the escalation process; (ii) strengthen the indicator system with the inclusion of Monitoring Indicators to ensure a broader and more timely measurement of the different risk profiles; (iii) update the thresholds relating to overall capital adequacy in order to ensure full alignment of the RAF, the capital decision received on October 30, 2025, the Dividend Distribution Policy approved by the Board of Directors on November 2, 2025 and further guidance expressed in the final order of the administrative procedure relating to the lifting of restrictive measures.

In addition, during the first half of the year, the Function updated the risk management thresholds and metrics in line with the Group's strategic forecasts, revised the Contingency Funding Plan and the Recovery Plan, as well as contributed and actively participated in the activities envisaged for ESG planning. The Function also contributed to the preparation of analyses and projections of the liquidity, capital and sustainability profiles of the Group's potential strategic initiatives. Finally, it developed specific activities and updated its frameworks in the area of resolution, consistent with requests received from the Bank of Italy.

Compliance and Anti-Money Laundering (AML)

This Function supervises, according to a risk-based approach, the management of the risk of non-compliance with regulations, with regard to all the activities falling within the regulatory framework for the parent and the Group - also through its reference persons/local functions at its subsidiaries and/or branches - continuously verifying whether internal processes and procedures are adequate in preventing such risk; the function also has the duty of preventing and combating money laundering and terrorist financing transactions, moreover identifying on an ongoing basis the regulations applicable in that area.

The Parent's Compliance Function carries out supervision and coordination activities in relation to the counterpart Functions of the subsidiaries and/or branches, ensuring a uniform and consistent interpretation of the Group's principles arising from applicable regulatory obligations. It therefore interacts with subsidiaries and/or branches to ensure they adopt an approach aligned with regulatory provisions and shared corporate values in the area of sustainability. The remediation plan defined in February 2025 in response to a thematic, anti-money laundering assessment by the Bank of Italy with regard to the transactional monitoring of customers has been completed, and there are no significant issues still open. During 2025, the Compliance & AML Function was affected by some organizational initiatives, including (i) a new Function Head joining, who has over twenty years of experience in compliance and anti-money laundering; (ii) two staff members joining the AML team and one joining the Compliance team and (iii) some IT and process innovations such as, among others, the Netech platform for customer due diligence, the adoption of some KPIs for monitoring main compliance and anti-money laundering risks and the revision of reporting for the Corporate Boards.

Internal Audit Function

Internal audits are carried out by the Group's Internal Audit function, directly reporting to the Board of Directors. The Internal Audit function carries out independent controls for the Parent, the foreign branches and the other Group companies with which servicing agreements are in place that govern the provision of the audit service. Moreover, the Parent's Internal Audit Function performs management and coordination with respect to the Internal Audit Function of the subsidiary BFF Polska S.A., which functionally reports to the Parent's Function Head. The Group Internal Audit Charter approved by the Board of Directors specifies that the Internal Audit function, within the third-level controls, evaluates the overall functioning of the internal control system, bringing to the attention of the corporate bodies any possible improvements.

The Head of the Internal Audit function has the necessary autonomy and is independent of the operating structures, in compliance with Bank of Italy's regulation on Internal Controls, the Corporate Governance Code and internal regulations.

During the first half of 2026, the Internal Audit function performed audits in line with the 2026 Audit Plan prepared according to a risk-based approach, approved by the Board of Directors in January 2026, following up on the findings issued and reporting quarterly on the work done to the Bank's governance and control bodies, through its dashboard.

More specifically, the audits were performed on the structures of the Parent, on the foreign branches, on the subsidiary BFF Finance Iberia and on BFF Polska and its subsidiaries. In this regard, during the half-year the function carried out the audits provided for by the regulations applicable to Group activities, including those relating to remuneration and incentive policies and the ICAAP and ILAAP processes. The function also drafted the required reporting established by banking regulations represented by the "Annual Internal Audit Report - Assessment of the Internal Control System" and the "Report on outsourced critical or important functions" (CIF).

OTHER CONTROL FUNCTIONS AND BODIES

Under the provisions and terms of the law, Staff reporting to the Financial Reporting Officer evaluate the effectiveness of the oversight being provided by the Internal Control System in regards to Financial Reporting Risk. In particular, it performs assessments and monitoring at a Group level, evaluating the adequacy of the coverage of the potential risk by performing adequacy and effectiveness tests on key controls on an ongoing basis, identifying possible points of improvement in the Internal Control System in the accounting area. In this context, the Financial Reporting Officer and the Chief Executive Officer of the Parent together certify the following aspects through specific reports attached to the annual separated and consolidated financial statements, and interim financial reports: the suitability of the accounting procedures used in preparing the annual separated and consolidated and interim financial statements; compliance of documentation with applicable international accounting standards endorsed by the European Union; whether accounting books and records are suitable for providing a true and fair view of the financial position, financial performance and cash flows of the Group on a consolidated level and of the individual subsidiaries included under the scope of the consolidation; and the reliability of content, in relation to specific aspects, of the Directors' report on operations and interim reporting. It should also be noted that in line with current regulations and in compliance with the provisions of the Legislative Decree implementing the Corporate Social Responsibility Directive (Legislative Decree No. 125/2024), which fully implements Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022, the Financial Reporting Officer's powers have been extended to include sustainability reporting. In this context, the Financial Reporting Officer jointly with the Chief Executive Officer certifies the compliance of sustainability reporting with the regulatory requirements introduced with the Corporate Sustainability Reporting Directive and Regulation (EU) 2020/852.

Supervisory Body pursuant to Italian Legislative Decree 231/2001

The Bank has an Organization, Management and Control Model (hereinafter referred to as the "Model") prepared pursuant to Italian Legislative Decree 231 of June 8, 2001 (hereinafter also referred to as the "Decree"), drafted in compliance with the requirements of such Decree as well as the guidelines of Assifact and ABI. The Model includes a General Part, which provides a summary description of the reference regulatory framework, the key characteristics and features of the Model identified within the operations defined as "sensitive" for the purposes of the Decree, the structure and composition of the Supervisory Body as well as the description of the system of sanctions to prevent violation of the provisions contained in the Model. It also includes Special Parts comprising: i) the Matrix of operations at risk of committing a criminal offense, intended to identify the criminal offenses that may potentially be committed as part of the parent's operations; ii) the Protocols of the Departments and Organizational Units of the parent, which detail the operations, audits and reporting mechanisms intended to ensure that the parent's organizational and control system, including the foreign branches, complies with the rules in the Decree; iii) Table of Information Flows to the Supervisory Body. The Bank also adopted a Code of Ethics that defines the set of ethical values embraced by the Bank and the BFF Group, and that, among other things, ensures the prevention of criminal offenses as per the Decree. Moreover, the Bank has put in place a Whistleblowing procedure and has adopted a specific Anti-Corruption Policy.

The parent makes sure that all employees receive adequate training on the Decree, especially in the event of updates to related regulations.

In March 2026, the Model was updated in order, among other things, to introduce the new offenses relating to environmental matters, artificial intelligence and violations of the restrictive measures of the European Union, as well as to incorporate the Bank's organizational developments, the assignment to the Supervisory Body (SB) of the role of manager of the Whistleblowing System and the latest ANAC Guidelines on the matter.

The Supervisory Body reports to the Board of Directors on the results of the activities it has performed every six months. In addition, as the party responsible for the Internal Whistleblowing System, the Supervisory Body is required to prepare an annual report on the proper functioning of the internal reporting systems, containing aggregate information on the results of the activity carried out following reports received, which must be approved by the Corporate Bodies and made available to the Bank's personnel.

As far as the Group's administrative liability is concerned, the following should be noted:

- the Italian subsidiaries BFF Immobiliare Srl and BFF Techlab Srl have their own Organization, Management and Control Models and a single-member Supervisory Body;
- the Spanish subsidiary BFF Finance Iberia adopted its own Organizational Model in accordance with Article 31-bis of the Spanish Penal Code, similar in its structure to the Bank's Model, and an independent, single-member Supervisory Body;
- the Polish subsidiary BFF Polska and its subsidiaries adopted specific guidelines to govern "anti- corruption" issues, with the identification of a relevant, single-person body, represented by BFF Polska's Compliance & AML function head.

Other Information

Transactions with Related Parties

With regard to relations with related parties and associated parties, on November 11, 2016 the Board of Directors of BFF SpA approved, with effect subject to the commencement of negotiations on the Mercato Telematico Azionario managed by Borsa Italiana – and therefore from April 7, 2017 - the "Policies on internal controls adopted by the BFF Group for the management of conflicts of interest" (so-called "Conflict of interest management policy") and the "BFF Group Regulation for the management of transactions with parties having conflicts of interest" (the "RPT Regulation") – in implementation of the supervisory provisions of Title V, Chapter 5 of Bank of Italy Circular no. 263 of December 27, 2006 ("Circular 263") and of the Consob Regulation on transactions with related parties, adopted by resolution no. 17221 of March 12, 2010, subsequently amended by resolution no. 17389 of June 23, 2010 – subject to a favorable opinion expressed by the Board of Statutory Auditors and the RPT Committee.

Lastly, on July 25, 2024 the Bank approved the update of the RPT Regulation and Conflict of Interest Management Policy to better clarify the proper interpretation of a specific provision in order to make it consistent with the underlying regulatory rationale.

The Policy on the management of conflicts of interest governs the control processes aimed at ensuring the correct measurement, monitoring and management of the risks assumed by the Group with respect to Related Parties.

The RPT Regulation is aimed at overseeing the risk that proximity, if any, of such parties to the Banking Group's decision-making centers may compromise the objectivity and impartiality of the decisions taken on transactions involving those parties, with possible distortions in the resource allocation process, exposure of the parent to risks not adequately measured or supervised, and potential damage for shareholders and stakeholders.

The Regulation for the management of transactions with parties that may be in a conflict of interest and the Group Policy to manage conflicts of interest are communicated to the public via the Bank's website under the section Governance/Procedures and Regulations/Related-Party Transactions.

In accordance with CONSOB regulatory provisions and with the supervisory provisions of the Bank of Italy, the Board of Directors has set up the Related Parties Committee, composed exclusively of independent Directors pursuant to the Corporate Governance Code of listed companies endorsed by the Bank.

Information on related party transactions is provided in Part H of the Notes to the Condensed Interim Consolidated Financial Statements.

Derogation from obligations to publish disclosure documents pursuant to Article 70, paragraph 8 and Article 71, paragraph 1-*bis* of the Issuers' Regulation

The parent complied with the provisions of Article 70, paragraph 8 and Article 71, paragraph 1-bis of the Issuers' Regulations adopted by Consob Resolution no. 11971 of May 14, 1999, as subsequently amended, and therefore derogated from the obligations to publish disclosure documents required in the event of mergers, demergers, capital increases by contribution in kind, acquisitions and disposals.

Disclosure of compliance with Codes of conduct pursuant to Article 89-*bis* of the Issuers' Regulation

The Bank has signed on to the new Corporate Governance Code (formerly the Code of Conduct) for listed companies as defined by the Corporate Governance Committee established by the business associations (ABI, ANIA, Assonime, Confindustria), the association of professional investors (Assogestioni) and Borsa Italiana, approved on January 31, 2020 and in force as at January 1, 2021.

Research and Development

In accordance with the Group's Business Plan in force, the projects identified have continued to pursue during the course of 2026 the main objectives of business development, efficiency of internal processes aimed at risk containment and the constant improvement of services, and the strengthening of IT systems and technological infrastructure.

In particular, the status of the most important initiatives is reported:

- During the half-year, the multi-year strategic program to develop the Group's data platform continued, aimed at leveraging the information assets and strengthening analysis, monitoring and reporting capabilities to support business and risk management processes. Activities focused on expanding available data and functionalities, improving information quality and integrating with the Group's main application platforms.
- Activities also continued under the multi-year project to implement the new Group platform supporting the Factoring & Lending business, aimed at evolving operating processes and information systems to support business growth, operating efficiency and the expansion of the service offering in the various markets in which the Group operates.

Unusual or Atypical Transactions

The Group did not carry out any unusual or atypical transactions, as reported in Consob Communication no. 6064293 of July 28, 2006, during the reporting period.

During 2025, related party transactions reported in the information flows required by the reference standards were concluded, being of economic convenience and interest to the Bank.

Treasury Shares

As of June 30, 2026, the Bank held no treasury shares.

Climate-Related Issues

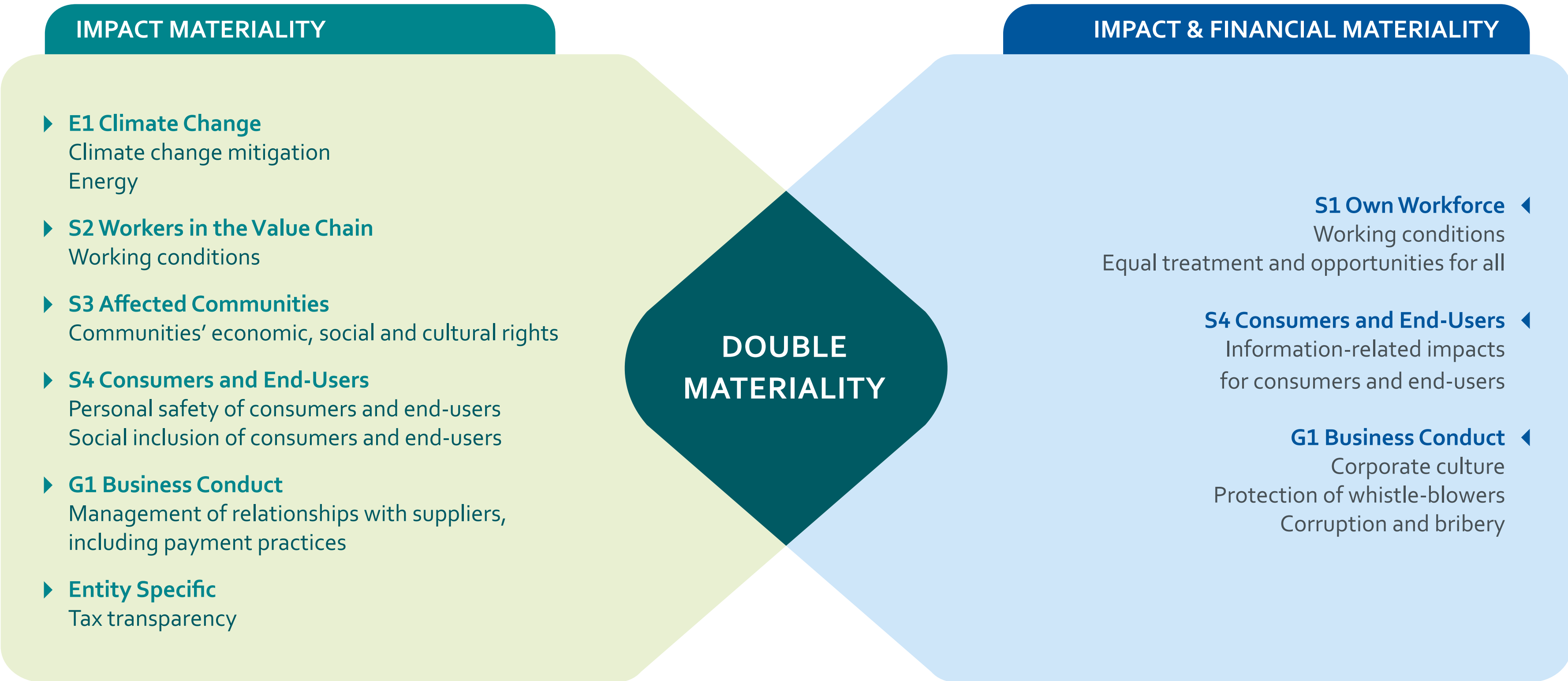
In defining the contents of the commentary notes, account was also taken of the guidance contained in the 8th update of November 17, 2022 of Bank of Italy Circular No. 262 "Banks' financial statements: layout and preparation", as well as related to the ESMA document "European common enforcement priorities for 2025 corporate reporting", published in October 2025.

Part A of the Notes to the Condensed Interim Consolidated Financial Statements sets out the main risks and uncertainties in climate risk for BFF and the characteristics and risk aspects related to financial instruments, while Part B provides an in-depth examination of any considerations made for certain items in the interim consolidated financial statements, for the purposes of the relevant assessment, regarding climate-related risk. Finally, the main issues related to ESG (Environmental, Social and Governance) risks and climate-related risk are explained in Part E. In contrast, the more strictly strategic aspects, as well as updates on project-related activities and key ESG targets achieved, are outlined in the "Sustainability Strategy" section of the Sustainability Statement.

ESG Issues

Sustainability of the Business Model of BFF Banking Group

BFF Banking Group pays particular attention to topics linked to sustainability, assessing the impacts, risks and opportunities that its business and conduct generate in terms of environmental, social and good governance aspects. BFF prepares, since as early as 2019, Sustainability Reporting, which supplements the Group's consolidated financial statements with key non-financial data and information. During 2025, the Group continued, in line with the previous year, the sustainability reporting, in compliance with the provisions of Legislative Decree no. 125/2024, which transposes Directive (EU) 2022/2464 (CSRD) and, consequently, the stages and results of the double materiality assessment. This process led to the identification and updating of impacts ("Inside-Out" or impact materiality perspective), risks and opportunities ("Outside-In" or financial materiality perspective), associated with sustainability issues under the European Sustainability Reporting Standards (ESRS), with the aim of identifying the most relevant sustainability issues for the Group, given the context in which BFF operates. In light of the activities carried out, relevant sustainability issues were identified, which were mostly in line with the findings of previous materiality assessment. This process has made it possible to consolidate the framework on which to measure, in the medium term, the progress and on which to also build an increasingly quantitative approach to ESG ("Environment, Social, Governance") assessment metrics, as well as the cultural and value creation dimensions in this area.



ESG strategy

In line with the objectives stated in the Plan "Ever more a BFF like no other", presented in June 2023 and, among other things, reported annually in the Consolidated Sustainability Statement, BFF continued on its path toward integrating ESG factors within its strategy, with an action aimed at generating long-term value for the benefit of its internal and external stakeholders. In fact, under **Environment**, important targets have been set to reduce the carbon footprint of its own operations (buildings) by 2026. To do this, BFF planned a number of actions aimed at ensuring their achievement and improving the Group's environmental performance, some of which were already completed during 2025. In this context, it is worth mentioning the official opening of Casa BFF in early 2025, which thanks to its features, such as the flying carpet, has become the poster child for BFF's environmental and sustainability values and generating energy from renewable sources to meet about 65% of the building's needs. This project represents the distinctive feature of the Group's strategy to reduce its emissions, the benefits of which were already observed in the 2025 environmental impact, in which energy from renewable sources accounted for 86% of total energy consumed. The Group also finished activities to integrate climate and environmental risks into the Group's business, operations and credit processes. It has also identified more structured actions, in order to define the risk management target process for climate and environmental risks and the various procedures and methods for this process. In order to consolidate its commitment to climate change and for greater transparency with its stakeholders, BFF prepared its first Group-wide Climate Report during 2025 and, in June 2026, published its second Climate Report, in accordance with TCFD guidelines. Also in this area, it should be noted that during the first half of 2026, BFF launched a specific project aimed at aligning its framework with the EBA Guidelines on the management of environmental, social and governance (ESG) risks, which introduced specific requirements regarding the integration of ESG risks into internal processes and risk management to be adopted in compliance with the Capital Requirements Directive (CRD VI).

In the **Social** area, BFF continues to reaffirm the value of its human capital, promoting a corporate culture based on meritocracy, responsibility, and respect, and is committed to generating well-being for the community it operates in by promoting all the actions necessary to support the implementation of the Fast Forward Foundation's Strategic and Operational Plan. Finally, with regard to the Social bond issues carried out, BFF provides reports annually, and until the maturity of the bonds, on the allocation of outstanding bond proceeds and the relative impact of assets at the category level, based on the allocated portfolio. The first Social Bond Report was developed in accordance with the Social Bond Framework, made public and available on the BFF website in September 2023. In this regard, it should be noted that during the first half of 2026, in order to ensure transparency and accountability in tracking the use of proceeds and corresponding social benefits, the second Report was released - available on the Bank's website - and updated annually until the maturity of the bonds. Finally, in terms of **Governance**, the Group continues to maintain the best market standards and pursues the path aimed at ensuring high accountability to stakeholders through the improvement of ESG ratings and indices (both in terms of score and coverage), as well as through the maintenance of high levels of transparency; in this regard, it should be noted that BFF drafted the "ESG Procurement Policy" during 2025, which defines the commitments and rules for evaluating its supply chain according to ESG criteria and revised the process for selecting and evaluating its supply chain by integrating the accreditation and assessment process for its suppliers with ESG factors within its supplier portal, achieving the objective in 2025 in line with the planned schedules.

ESG Rating

BFF has continued to build a dialog with the leading ESG rating agencies, with the goal of pursuing the continuous improvement of its performance in the most accredited ESG ratings and an increase in coverage. This approach led to an upgrade in several ESG risk ratings, which for BFF represents further encouragement to continue on its path of sustainable growth. The BFF Group currently has the following sustainability ratings:

CDP

On December 10, 2025, the Carbon Disclosure Project (CDP) rating agency confirmed the BFF Group's rating with score of C (on a scale from A to F). The Group's assessment testifies to the path taken in terms of integrating climate factors into the Group's business, operations, and risk framework and lays the foundation for the continued strengthening of the commitments and safeguards adopted.

Sustainalytics

During 2025, as part of an independent assessment related to the whole Group, the Sustainalytics rating agency gave BFF an ESG risk rating of 15, thus confirming the Group's placement in the 'Low Risk' category.

MSCI

On March 23, 2026 MSCI – a leading international ESG rating company that analyzes approximately three thousand companies globally – confirmed BFF's ESG rating of AA.

Standard Ethics

On December 10, 2025, Standard Ethics Ltd. ('Standard Ethics') - an independent sustainability rating agency - improved the Bank's outlook from 'Stable' to 'Positive', confirming the Corporate Standard Ethics Rating (SER) as 'EE-'.

S&P Global Corporate Sustainability Assessment (CSA)

On September 5, 2025 S&P Global, which provides an ESG rating based on an annual questionnaire called the Corporate Sustainability Assessment (CSA), gave BFF Bank a score of 43/100, with an upgrade of 8 points compared to the previous year.

ISS ESG

In April 2026, ISS ESG assigned an upgrade of the rating, with a score of C, obtaining the "Prime" classification. This result confirms BFF's alignment with the requirements defined by ISS regarding sustainability performance.

Business Outlook

The interim financial report as at June 30, 2026, was prepared with a view to the business being a going concern, taking into account the Group's economic and structural fundamentals and the ability of the business model to generate profits.

On the other hand, the reclassification of factoring portfolio receivables to a default status, as already described in the consolidated financial statements as at December 31, 2025, results in greater capital absorption over time, in application of calendar provisioning. This is leading the Group to review its business model in the medium to long term, also as part of the future preparation of the strategic plan.

In this context, a number of intervention measures have been defined that aim i) in the short term, to lead the Group to continue its focus on the core business with a view to controlling the new business volumes of the Factoring & Lending segment and ii) to lead it in the medium term to evaluate and undertake certain initiatives - also with the support of leading advisors - aimed at enhancing specific portfolios (e.g. securitizations) or assets, possibly accompanied by new operating methods in the factoring sector.

Therefore, the Group's objectives during 2026 remain the following:

- maintain a focus on the core businesses in which the Group is market leader - the Payments, Securities Services and Factoring & Lending BUs (the latter, in particular, with a view to controlling the level of activities classified as past due);
- invest further in operational infrastructure to manage operational risks, and benefit from further efficiencies;
- continue to provide Group personnel with opportunities for growth and development;
- optimize, where possible, the Group's funding and capital structure;
- manage past due items and calendar provisioning also through securitization transactions;

That being said, on the basis of evidence from updates to the financial forecasts contained in the new baseline scenario, the economic and financial targets for 2026 are confirmed, as summarized below:

- Adjusted Profit: approximately €115-140 million;
- Earnings Per Share: approximately €0.6-0.7;
- Cost/Revenue Ratio (%): 52%-47%;
- Return on Tangible Equity: approximately 16-20%.

With reference to the strategic-financial forecasts relating to capital ratios, it should be noted that, as indicated in the section on the going concern, to which reference is made for more details, the capital and liquidity position of the BFF Group would be sustainable in terms of the projections.

Lastly, also in light of the events that have taken place in recent months and the considerations outlined above, in particular regarding the choice and execution of the strategic initiatives described previously, the Group's new strategic plan, which will be prepared and presented during the second half of 2026, will become extremely relevant.

03

Condensed Interim Consolidated Financial Statements

as at June 30, 2026

Consolidated Statement of Financial Position

(Values in thousand euro)

	Assets	06.30.2026	12.31.2025(*)
10.	Cash and cash equivalents	151,851	124,577
20.	Financial assets measured at fair value through profit or loss	188,192	181,243
	a) financial assets held for trading	7,380	1,358
	c) other financial assets subject to mandatory fair value measurement	180,812	179,885
30.	Financial assets measured at fair value through other comprehensive income	159,546	151,718
40.	Financial assets measured at amortized cost	10,557,360	10,779,917
	a) loans and receivables with banks	803,589	854,821
	b) loans and receivables with customers	9,753,771	9,925,096
50.	Hedging derivatives	406	-
70.	Equity investments	16,270	15,323
90.	Property, equipment and investment property	107,119	104,212
100.	Intangible assets	61,727	67,240
	of which		
	- goodwill	30,957	30,957
110.	Tax assets	103,034	134,329
	a) current	55,458	72,827
	b) deferred	47,576	61,502
130.	Other assets	532,259	675,939
	TOTAL ASSETS	**11,877,764**	**12,234,498**

(*) *Please note that the data relating to item 40 b) "Financial assets measured at amortized cost - loans and receivables with customers" were reclassified for comparative purposes only. For further details, please refer to the specific section "Restatement of certain comparative information" in Section 5 – "Other aspects" of the Accounting policies.*

(Values in thousand euro)

	Liabilities and equity	06.30.2026	12.31.2025(*)
10.	Financial liabilities measured at amortized cost	10,349,445	10,783,741
	a) due to banks	1,314,638	1,307,147
	b) due to customers	8,429,043	8,856,635
	c) debt securities issued	605,764	619,959
20.	Financial liabilities held for trading	265	778
40.	Hedging derivatives	-	186
60.	Tax liabilities	154,946	163,633
	a) current	2,791	1,585
	b) deferred	152,155	162,049
80.	Other liabilities	404,539	365,213
90.	Post-employment benefits	3,561	3,508
100.	Provision for risks and charges:	21,013	29,274
	a) commitments and guarantees given	65	64
	b) pensions and similar obligations	6,001	6,329
	c) other provisions for risks and charges	14,947	22,881
120.	Valuation reserves	39,217	30,022
140.	Equity instruments	150,000	150,000
150.	Reserves	491,620	459,516
160.	Share premium reserve	66,277	66,277
170.	Share capital	145,452	145,399
200.	Profit for the period	51,430	36,951
	TOTAL LIABILITIES AND EQUITY	**11,877,764**	**12,234,498**

(*) *Please note that the data relating to item 100 c) "Provisions for risks and charges – other provisions for risks and charges" were reclassified for comparative purposes only. For further details, please refer to the specific section "Restatement of certain comparative information" in Section 5 – "Other aspects" of the Accounting policies.*

Consolidated Income Statement

(Values in thousand euro)

	Items	H1 2026	H1 2025
10.	Interest and similar income	221,624	270,260
	of which: interest income calculated according to the effective interest method	216,645	258,425
20.	Interest and similar expense	(115,583)	(145,726)
30.	**Net interest income**	**106,041**	**124,534**
40.	Fee and commission income	56,591	53,529
50.	Fee and commission expense	(11,142)	(11,481)
60.	**Net fee and commission income**	**45,449**	**42,048**
70.	Dividends and similar income	9,828	11,792
80.	Net profit from trading activities	5,221	7,783
100.	Profit (losses) on disposal or repurchase of:	14,508	-
	a) financial assets measured at amortized cost	14,508	-
110.	Profits (losses) on other financial assets and liabilities at fair value through profit or loss	(1,683)	(3,977)
	b) other financial assets subject to mandatory fair value measurement	(1,683)	(3,977)
120.	**Total income**	**179,364**	**182,179**
130.	Net impairment losses/gains for credit risks associated with:	(20,696)	(1,274)
	a) financial assets measured at amortized cost	(20,696)	(1,274)
150.	**Net income from banking activities**	**158,668**	**180,905**
180.	**Net income from banking and insurance activities**	**158,668**	**180,905**
190.	Administrative expenses:	(85,367)	(92,530)
	a) personnel expenses	(25,858)	(39,541)
	b) other administrative expenses	(59,509)	(52,989)
200.	**Net accruals to provisions for risks and charges**	**7,939**	**392**
	a) commitments and guarantees given	6	183
	b) other net provisions	7,933	209
210.	Depreciation and impairment losses on property, equipment and investment property	(3,557)	(2,594)
220.	Amortization and impairment losses on intangible assets	(6,939)	(5,379)
230.	Other operating income, net	2,024	15,560
240.	**Operating costs**	(85,901)	(84,551)
250.	Profits (losses) on equity investments	3,103	406
290.	**Profit before tax from continuing operations**	75,870	96,760
300.	Income taxes for the period of continuing operations	(24,440)	(26,346)
310.	**Profit after tax from continuing operations**	**51,430**	**70,414**
330.	**Profit for the period**	**51,430**	**70,414**
350.	**Profit for the period attributable to the parent**	**51,430**	**70,414**
	Basic earnings per share	**0.27**	**0.37**
	Diluted earnings per share	**0.27**	**0.37**

Consolidated Statement of Comprehensive Income

(Values in thousand euro)

	Items	H1 2026	H1 2025
10.	**Profit for the period**	**51,430**	**70,414**
	Other components net of taxes that may not be reclassified to profit or loss	**4,236**	**7**
20.	Equity securities designated at fair value through other comprehensive income		
30.	Financial liabilities designated at fair value through profit or loss (changes in creditworthiness)		
40.	Hedges of equity securities designated at fair value through other comprehensive income		
50.	Property, equipment and investment property	4,249	
60.	Intangible assets		
70.	Defined benefit plans	(13)	7
80.	Non-current assets held for sale and discontinued operations		
90.	Share of valuation reserves connected with equity-accounted investments		
100.	Revenue or costs of a financial nature related to insurance contracts issued		
	Other income components, net of taxes, reclassified to profit or loss	**4,959**	**2,882**
110.	Hedges of foreign investments	1,009	(456)
120.	Foreign exchange differences	(2,887)	1,149
130.	Cash flow hedges		
140.	Hedging instruments (undesignated elements)		
150.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	6,837	2,190
160.	Non-current assets held for sale and discontinued operations		
170.	Share of valuation reserves connected with equity-accounted investments		
180.	Revenue or costs of a financial nature related to insurance contracts issued		
190.	Revenue or costs of a financial nature relating to outward reinsurance		
200.	**Total other comprehensive income net of tax**	**9,195**	**2,889**
210.	**Comprehensive income (Items 10+200)**	**60,625**	**73,303**
220.	**Comprehensive income attributable to non-controlling interests**		
230.	**Comprehensive income attributable to the owners of the parent**	**60,625**	**73,303**

Statement of Changes in Consolidated Equity

(Values in thousand euro)

At 6.30.2026	Balances as at 12.31.2025	Change to opening balances	Balances as at 1.1.2026	Allocation of profit for the previous year		Changes in the year										Equity attributable to the owners of the parent as at 6.30.2026
				Reserves	Dividends and other allocations	Change in reserves	Equity transactions							Changes in equity interests	Comprehensive income for the first half of 2026	
							Issue of new shares	Repurchase of treasury shares	Interim dividend	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options			
Share capital:																
a) ordinary shares	145,399		145,399				53									145,452
b) other shares																
Share premium reserve	66,277		66,277													66,277
Reserves:																
a) retained earnings	450,266		450,266	36,951		(4,316)										482,901
b) other	9,250		9,250			(470)							(61)			8,719
Valuation reserves	30,022		30,022												9,195	39,217
Equity instruments	150,000		150,000													150,000
Interim dividend																
Treasury shares																
Profit for the period	36,951		36,951	(36,951)											51,430	51,430
Equity attributable to the owners of the parent	888,165		888,165			(4,786)	53						(61)		60,625	943,996

At 6.30.2025	Balances as at 12.31.2024	Change to opening balances	Balances as at 01.01.2025	Allocation of profit for the previous year		Changes in the year										Equity attributable to the owners of the parent as at 6.30.2025 ADJUSTED (*)
				Reserves	Dividends and other allocations	Change in reserves	Equity transactions							Changes in equity interests	Comprehensive income for the first half of 2025	
							Issue of new shares	Repurchase of treasury shares	Interim dividend	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options			
Share capital:																
a) ordinary shares	145,006		145,006				99									145,105
b) other shares																
Share premium reserve	66,277		66,277													66,277
Reserves:																
a) retained earnings	273,547	(21,255)	252,293	219,346		(10,419)										461,220
b) other	8,781		8,781			(872)							1,137			9,046
Valuation reserves	21,085		21,085												2,889	23,974
Equity instruments	150,000		150,000													150,000
Interim dividend																
Treasury shares	(3,570)		(3,570)			3,570										
Profit for the period	215,680	3,667	219,346	(219,346)											70,414	70,414
Equity attributable to the owners of the parent	876,806	(17,588)	859,218			(7,721)	99						1,137		73,303	926,036

(*) Comparative information is restated to account for error corrections. See the specific section "Adjustment of the previous year's balances in accordance with the provisions of IAS 8 (Accounting policies, changes in accounting estimates and errors)".

Consolidated Statement of Cash Flows

Indirect method

(Values in thousand euro)

	Amount	
	H1 2026	H1 2025
A. OPERATING ACTIVITIES		
1. Operations	**96,093**	**104,643**
- profit for the period (+/-)	51,430	70,414
- gains/losses on financial assets held for trading and other financial assets/liabilities measured at fair value through profit or loss (-/+)		
- gains/losses on hedging operations (-/+)	-	788
- net impairment losses/gains for credit risk (+/-)	20,696	1,274
- depreciation, amortization and net impairment losses on property, equipment and investment property and intangible assets (+/-)	10,496	7,974
- net allocations to provisions for risks and charges and other costs/income (+/-)	(7,939)	392
- net revenue and costs of insurance contracts issued and outward reinsurance (-/+)		
- taxes, duties and unpaid tax credits (+/-)	24,440	26,346
- net impairment losses/reversals of impairment losses on discontinued operations, net of the tax effect (+/-)		
- other adjustments (+/-)	(3,030)	(2,546)
2. Cash flow generated/absorbed by financial assets	**313,399**	**(485,320)**
- financial assets held for trading	-	911
- financial assets designated at fair value	(2,609)	3,139
- other financial assets subject to mandatory fair value measurement		
- financial assets measured at fair value through other comprehensive income		
- financial assets measured at amortized cost	178,487	(521,147)
- other assets	137,521	31,777
3. Cash flow generated/absorbed by financial liabilities	**(379,799)**	**980,131**
- financial liabilities measured at amortized cost	(413,202)	662,612
- financial liabilities held for trading	-	4,609
- financial liabilities designated at fair value		
- other liabilities	33,402	312,910
4. Cash generated/absorbed by insurance contracts issued and outward reinsurance		
- insurance contracts issued that constitute liabilities/assets (+/-)		
- outward reinsurance constituting assets/liabilities (+/-)		
Net cash generated by operating activities	**29,692**	**599,453**

CONTINUED

(Values in thousand euro)

	Amount	
	H1 2026	H1 2025
B. INVESTING ACTIVITIES		
1. Liquidity generated by		
- sales of equity investments		
- dividends collected on equity investments		
- sales of property, equipment and investment property		
- sales of intangible assets		
- sales of subsidiaries and business units		
2. Liquidity absorbed by	**(1,741)**	**(5,336)**
- purchases of equity investments		
- purchases of property, equipment and investment property	(413)	(3,222)
- purchases of intangible assets	(1,328)	(2,114)
- purchases of subsidiaries and business units		
Net cash absorbed by investing activities	**(1,741)**	**(5,336)**
C. FINANCING ACTIVITIES		
- issue / repurchase of treasury shares		
- issue/purchase of equity instruments		
- distribution of dividends and other purposes		
- sale/purchase of ownership interests in subsidiaries		
Net cash absorbed by financing activities		
NET CASH GENERATED DURING THE PERIOD	**27,952**	**594,117**

Reconciliation

(Values in thousand euro)

Financial statements items	Amount	
	H1 2026	H1 2025
Cash and cash equivalents at the beginning of the period	124,577	153,689
Total net cash generated during the period	27,952	594,117
Cash and cash equivalents: effect of changes in exchange rates	(678)	257
Cash and cash equivalents at the end of the period	**151,851**	**748,063**

04 Notes to the Condensed Interim Consolidated Financial Statements

Shareholders,

the Notes to the Condensed Interim Consolidated Financial Statements are divided into the following:

Part A – Accounting policies

A.1 GENERAL PART

Section 1 – Statement of compliance with International Financial Reporting Standards

The consolidated condensed interim financial statements at June 30, 2026 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the IASB, endorsed by the European Commission, as provided for by Regulation (EC) No 1606 of July 19, 2002 governing the application of IFRSs and related interpretations (IFRIC interpretations), endorsed by the European Commission and in force at the end of the reporting period.

The application of IFRSs is done by observing the "systematic framework" for the preparation and presentation of consolidated financial statements (the Framework), with particular reference to the fundamental principle of substance over legal form and the concept of materiality or significance of the information.

In particular, these condensed interim consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", which requires avoiding repetition of information that has already been reported in the last Annual Financial Statements also with reference to the accounting policies used in continuity with the previous year, with the exception of the new standards, amendments and interpretations applicable for years starting from January 1, 2026, as indicated in Section 2, Basis of Presentation.

The condensed interim consolidated financial statements were prepared using the same accounting policies already in use for the preparation of the consolidated financial statements as at December 31, 2025, in accordance with IAS 1 and the instructions contained in Bank of Italy Circular no. 262 of December 22, 2005, as amended.

These accounting policies include the main criteria for recognizing, classifying, measuring and derecognizing the main assets and liabilities as well as for recognizing revenue and costs, along with other information. While not including all the information required for full IFRS financial statements, the Notes to the Condensed Interim Consolidated Financial Statements, as required by IAS 34, present simplified disclosures that explain events and transactions that are relevant to understanding changes in the Group's financial position and performance since the last annual financial statements.

Section 2 – Basis of presentation

The condensed interim consolidated financial statements were prepared in accordance with the instructions provided by the Bank of Italy with Circular no. 262 of December 22, 2005 "Banks' financial statements: layout and preparation", as subsequently amended.

The condensed interim consolidated financial statements consist of the Consolidated Statement of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Statement of Changes in Consolidated Equity, the Consolidated Statement of Cash Flows, the Notes to the Condensed Interim Consolidated Financial Statements and the Directors' Report on Operations. In accordance with the provisions of Article 5, paragraph 2, of Italian Legislative Decree No. 38 of February 28, 2005, the condensed interim consolidated financial statements are denominated in thousands of euros, when not specified otherwise, and also show the corresponding comparisons with the previous year.

Any differences between the figures reported in the condensed interim consolidated financial statements and in the tables in the notes are exclusively due to rounding.

The items in the condensed interim consolidated financial statements were measured based on the general principle of prudence and on an accruals and going concern basis. For the considerations made regarding the going concern assumption, please refer to the following section.

Disclosure regarding the going concern assumption

As required by IAS 1 and the guidance contained in Document no. 2 of February 6, 2009 issued jointly by the Bank of Italy, Consob and ISVAP, the Board of Directors carried out an in-depth assessment of the adequacy of the going concern assumption. Based on the analyses performed and the information available as of the date of approval of this Interim Consolidated Financial Report[LH38.1], the Directors deemed it appropriate to prepare the condensed interim consolidated financial statements on a going concern basis.

The assessment of the Directors was carried out taking into account, among other things, the following circumstances:

- the inspection process initiated by the Bank of Italy on December 4, 2025, within which the Supervisory Authority adopted Order no. 670024 on March 28, 2026, providing for the appointment of Raffaele Lener and Francesco Fioretto as Commissioners to temporarily support the board of directors in order to strengthen the Group's operating framework, accounting framework and internal control systems. The inspection was subsequently concluded on May 29, 2026, with an overall "unfavorable" assessment and the related inspection report (the "Report") was received by the Bank on July 14, 2026. As of the date of approval of these condensed interim consolidated financial statements, the special administrative oversight measure remains in place to support the Group's ongoing restructuring efforts. In line with the Order, the Report contains findings relating to corporate governance, the accounting process, the credit area, organization and internal controls; with reference to these areas, the Group has already defined certain remedial and strengthening actions, currently being progressively implemented, while further specific initiatives are being defined;
- the evolution of the regulatory and supervisory framework applicable to the Group and, in particular, the effects arising from the interpretation provided by the EBA through Single Rulebook Q&A no. 2026_7753 of July 3, 2026 (the "Q&A") on the application of Article 47c of Regulation (EU) no. 575/2013 ("CRR"), which resulted in bringing forward by one quarter the timing of the effects of the so-called calendar provisioning.

In this context, the assessment of the going concern assumption must take into account that, compared to estimates formulated in previous months, which provided for a possible shortfall starting in 2028, as at June 30, 2026, there emerged, as a consequence of applying the interpretation set out in the Q&A, a capital shortfall affecting Total Capital, contained within the limits of the Capital Conservation Buffer; by contrast, there are no shortfalls on Common Equity Tier 1 and Tier1. As described below, on July 28, 2026, the Group proceeded with the sale and simultaneous repurchase of part of the HTC securities portfolio, generating a gain that covered the shortfall as at June 30, 2026 (the "Securities Transaction"). Instead, for 2028, in the absence of external initiatives, based on expected projections, capital shortfalls have been estimated, mainly due to the progressive application of so-called calendar provisioning to receivables classified as past due with an effective date of December 31, 2025. With reference to the liquidity indicators, compliance with the regulatory requirements is confirmed both as at June 30, 2026 and over the 2026-2028 time horizon.

Therefore, there are significant uncertainties regarding the Group's ability to continue as an operating concern from 2028 onwards, in the absence of external initiatives as illustrated below.

As previously stated, starting with the financial statements as of December 31, 2025, the above made it necessary, in accordance with applicable legislation, to activate the so-called Recovery Plan and define a Capital Conservation Plan, approved by the Board of Directors at its meeting of April 30, 2026 and sent at the same time to the Bank of Italy. The Capital Conservation Plan was then updated on July 9, 2026 and a subsequent version was approved by the Board of Directors on August 5, 2026. This Plan describes the Group's current and prospective capital position, the impacts arising from regulatory developments occurring during 2026, the path of gradual realignment with the applicable prudential requirements and the actions identified by management to strengthen the Group's capital and regulatory position, together with the related governance, monitoring and reporting arrangements vis-à-vis the Supervisory Authority.

In application of the above, the Group has arranged for specific forward looking analyses of the evolution of the Group's financial position and performance and liquidity position for the years 2026-2028, which incorporates some initiatives considered mitigating applied over the plan time horizon (the "2026-2028 Projections").

With reference to the years from 2026 to 2028, a so-called baseline scenario has been identified, updated based on the information available as of the date of preparation of these condensed interim consolidated financial statements, which is based on the assumption of the continuity of the Group's current business model, assuming an even more moderate growth, compared to previous years, in the new business volumes of the Factoring & Lending segment for Italy and Spain as well as a significant contraction in volumes attributable to certain debtors operating under the Polish Factoring Like Product (the "Baseline Initiatives"). Considering these initiatives, as well as the Securities Transaction, the Group expects to maintain profitability levels and capital requirements up to 2027.

To prevent the aforementioned risks for 2028, alternative scenarios have therefore been prepared – also with the support of leading advisors. In this context, the Group has identified certain external initiatives aimed at enhancing specific portfolios (e.g. securitizations) or assets, possibly accompanied by the use of new operating methods in the factoring sector (referred to below, together with the Baseline Initiatives, as the "Intervention Measures").

Within these Intervention Measures, the Securities Transaction concerned the sale and simultaneous repurchase of a portfolio of Italian government securities classified under the Hold to Collect ("HTC") business model with a nominal value of approximately €3.1 billion, generating a pre-tax gain of approximately €62 million (as described in detail in the section "Events after the end of the period").

The other identified Intervention Measures also include a securitization transaction of receivables, which is still under analysis and for which a process is underway, with the assistance of two leading financial advisors, to select potential investors. As of the date of approval of these condensed interim consolidated financial statements, the preliminary strategic analysis activities and the identification of the portfolio potentially subject to the transaction have been completed, although it remains subject to definition following discussions with potential investors. The other preparatory activities and discussions with these potential investors are also continuing.

The possibility is also being assessed of resorting, where conditions, including market conditions, permit, to the issuance of subordinated instruments eligible for inclusion in Tier 2, as a further lever to strengthen the Group's capital position: in this regard, the Bank's Board of Directors resolved on August 5, 2026 to renew the EMTN Program, a prerequisite for enabling the Bank to access the market quickly, if and when it is decided to proceed in this regard.

In this context, the Board of Directors has also started to seek out one or more financial and strategic partners, with the support of financial advisors. In this regard, the Bank has received preliminary, non-binding expressions of interest from domestic and international operators and has launched the related in-depth reviews aimed at assessing the feasibility, structure and potential attractiveness of possible strategic transactions, in the interest of the Bank and its stakeholders.

Other Intervention Measures – in particular those relating to the enhancement of assets – are at a preliminary stage of analysis.

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Within the scope of these developments, on August 5, the Board of Directors analyzed the Intervention Measures set out in the Capital Conservation Plan approved on the same date, considering them adequate to ensure compliance with the prudential requirements provided for by applicable legislation (CRR and CRD) and to resolve the shortfall expected in 2028. These alternative scenarios will be further updated and developed in the process for the preparation and approval of the future Strategic Plan. By adopting the Intervention Measures, the Group expects compliance with the capital requirements even over a longer period than 24 months from the reporting date of these condensed interim consolidated financial statements.

As for the feasibility and effectiveness of the Intervention Measures in response to events or conditions that pose uncertainties regarding the existence of the going concern assumption, the short-term initiative based on a controlled reduction in receivables of the Factoring & Lending segment for Italy and Spain as well as the significant contraction in volumes attributable to certain debtors operating under the Polish Factoring Like Product, is considered feasible, as it comes under the direct control of the Group. The trend in volumes of these products during the first half of 2026 confirms this expectation.

On the contrary, the implementation of the other Intervention Measures is affected by external factors and by complex execution times and profiles. Having said that, the Directors believe that the number and nature of initiatives available to the Board of Directors for strengthening capital, which can also be used in combination with each other, can reduce the risk associated with the execution of these measures.

In addition, the Directors consider the achievement of the objectives set out in the 26-28 Projections to be reasonable, also considering the mitigating factors which highlight the quality and capacity of the Group to cope with the current context, also in light of the economic data relating to the first half of 2026, which demonstrate, net of the related extraordinary items, the Group's industrial capacity to generate income by performing its typical activity.

Therefore, despite the significant uncertainty related to the risk of carrying out one or more of the Intervention Measures in the times and methods indicated in the 26-28 Projections, the Directors consider, in the light of the above considerations and despite the Group's context, that it will continue to operate as a functioning entity in the foreseeable future and has therefore prepared these condensed interim consolidated financial statements under the going concern assumption.

Standards, amendments and interpretations effective from 2025 or amended and not yet endorsed

IAS/IFRS and SIC/IFRIC interpretations approved, to be mandatorily adopted for the purposes of these Condensed Interim Consolidated Financial Statements

Commission Regulation (EU) 2025/1047 of 27 May 2025 - Amendments to IFRS 9 and IFRS 7 "Amendments to the classification and measurement of financial instruments"

The amendments to IFRS 9 (and consequently to IFRS 7), effective as of January 1, 2026, aim to address certain critical aspects that emerged from the Post Implementation Review of IFRS 9 Financial Instruments. In particular, the amendments mainly concern:

- the classification of financial instruments, whose contractual cash flows are dependent on ESG clauses. Since the presence of the aforementioned clauses could influence the measurement of loans at amortized cost or fair value, the changes under consideration provide indications and examples to assess whether or not the contractual cash flows of the financial asset are consistent with a basic financing agreement;
- the settlement of a liability through electronic payment systems. The amendment provides that a cash liability may be settled, using an electronic payment system, before the settlement date, notwithstanding current provisions, if specific criteria are met.

Specific disclosure requirements were also introduced for securities for which the option was exercised for the recognition of fair value changes through other comprehensive income and for financial instruments with contingent features, for example ESG-linked features. There were no significant impacts for the Group related to the introduction of the amendments to the standard.

Commission Regulation (EU) 2025/1331 of July 9, 2025 - Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 "Annual Cycle of Improvements to IFRS Accounting Standards — Volume 11"

The annual amendments to IFRS ("Annual Improvements to IFRS Accounting Standards - Volume 11"), effective as of January 1, 2026, provide clarifications, simplifications, corrections and amendments aimed at improving the effectiveness of the standards in place. Specifically, these improvements concern IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. There were no significant impacts for the Group related to the introduction of the amendments.

IAS/IFRS accounting standards and SIC/IFRIC interpretations endorsed, the application of which shall commence after June 30, 2026

IFRS 18 "Presentation and Disclosure in Financial Statements"

With Commission Regulation (EU) 2026/338 of February 13, 2026, published in the Official Journal of the European Union on February 16, 2026, IFRS 18 "Presentation and Disclosure in Financial Statements" was approved in the European Union, replacing IAS 1 "Presentation of Financial Statements".

The new standard aims to optimize the way in which companies present financial statements information to the market, with particular regard to income statements items. In addition, it intends to provide financial statement users with a more solid basis for the analysis and comparison of business performance.

Similarly to the provisions of IAS 1 currently in force, IFRS 18 does not impose mandatory financial statements or a detailed structure for the information provided in the notes. However, the standard establishes the minimum disclosure requirements and gives the party preparing the financial statements the responsibility of identifying and presenting, at its discretion, the most suitable information to faithfully represent the financial position, performance and cash flows of the entity.

The new standard, which will come into force from January 1, 2027 and will require the presentation of comparative information relating to the previous year, is based on the following three guiding criteria:

- enhance the comparability of income statement information through the introduction of specific categories for the presentation of results;
- organize financial statements information in a more functional and meaningful way;
- promote greater transparency in the performance measurements adopted by company management.

The aforementioned amendments, affecting the presentation of the income statement and the disclosure of the financial statements, must be appropriately coordinated with the rules for compiling bank financial statements, governed by Circular no. 262 issued by the Bank of Italy, the 9th update of which was subject to consultation from March 31, 2026 through the end of May 2026 and the publication of the final text is currently awaited.

At the end of June 2025, the Group completed an initial qualitative assessment to evaluate the impacts arising from the adoption of IFRS 18, with particular reference to the presentation of the financial statements items, as well as the identification of the main business activities (hereinafter, also "MBAs") and Management Performance Measures (hereinafter also "MPM").

To date, no particular differences have emerged at the level of main business activities due to the entry into force of the standard. During the second half of 2026, the Group will identify the detailed changes to make to the consolidation tool for accounting and supervisory reporting purposes, in order to comply in full with the new regulatory requirements. In addition, the Bank will carry out a detailed analysis of the Alternative Performance Measures currently presented in public communications outside the financial statements, in order to identify the full scope of the measures that fall within the definition of Management Performance Measures (MPM) pursuant to IFRS 18 and to define the methods of presentation and disclosure as from the reporting relating to 2027.

IAS/IFRS accounting standards and SIC/IFRIC interpretations issued by the IASB/IFRIC, pending approval

The following part summarizes the standards, interpretations or amendments that have been approved by the IASB, but are pending endorsement.

IFRS 19 "Subsidiaries without Public Accountability: Disclosures"

With the publication of IFRS 19 "Subsidiaries without Public Accountability: Disclosures", on May 9, 2024, the Disclosure Initiative was concluded. This project, initiated by the IASB in 2014, aimed at improving the quality of financial reporting, together with the Primary Financial Statements initiative. IFRS 19 aims to simplify the disclosure requirements in the explanatory notes for a large number of companies controlled by groups that apply international accounting standards, also facilitating the transition to IFRS for companies that adopt local accounting standards in the preparation of their financial statements.

The possibility is exclusively for subsidiaries without "public accountability", i.e. companies that do not own instruments traded on regulated markets and that do not hold assets as trustees for a wide range of subjects, such as banks, credit unions, insurance companies, financial intermediaries, mutual funds and investment banks. Entities that meet these requirements may elect, but are not required, to apply IFRS 19 in their consolidated, separate or individual financial statements.

In light of the activities carried out by the Group and its composition, no significant impacts are expected related to the introduction of the new standard.

IFRS 20 "Regulated Assets and Liabilities"

On May 27, 2026, the IASB published the new accounting standard IFRS 20 "Regulated Assets and Liabilities" which governs rate-regulated activities.

In light of the activities carried out by the Group and its composition, no significant impacts are expected related to the introduction of the new standard, which will enter into force as of January 1, 2029.

Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency."

On November 13, 2025, the IASB published amendments to IAS 21 specifying the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. No impacts are expected for the Group that are related to the introduction of the new standard, which will enter into force as of January 1, 2027.

Section 3 – Scope and basis of consolidation

The criteria adopted by BFF Banking Group to define the scope and the relevant consolidation principles are described below.

Subsidiaries

Subsidiaries are companies over which BFF Banking Group exercises control. BFF Banking Group controls a company when it is exposed to the variable returns generated by it and has the ability to affect such returns through its power over the company. Generally, control is deemed to exist when more than half of the voting rights are directly or indirectly held, taking also into account potentially exercisable or convertible voting rights.

All subsidiaries are consolidated on a line-by-line basis from the date that control was transferred to BFF Banking Group. Conversely, they are excluded from the scope of consolidation when such control ceases.

The financial statements of the companies that are consolidated on a line-by-line basis are prepared in accordance with the IASs/IFRSs used for the preparation of the consolidated financial statements.

The criteria adopted for line-by-line consolidation are as follows

- assets and liabilities, revenue and costs of the entities that are fully consolidated are recognized on a line-by-line basis, attributing to non-controlling interests, if applicable, their share of equity and profit (loss) for the year, which are disclosed separately in consolidated equity and in the consolidated income statement;
- gains and losses, including the related tax effects, arising from transactions between companies consolidated on a line-by-line basis and not yet realized with reference to third parties, are eliminated, except for losses, which are not eliminated when the transaction provides evidence that the transferred asset is impaired. Reciprocal amounts receivable and payable, revenue and expense, as well as financial income and costs, are also eliminated;
- financial statements of subsidiaries with a functional currency other than the euro are translated into euros as follows: assets and liabilities, at the exchange rate recorded at the end of the year; income statement items, at the average exchange rates for the year;
- foreign exchange differences arising on translation of the financial statements of these subsidiaries, resulting from the application of the year-end rate for assets and liabilities and the average rate for the financial year for income statement items, are recognized in the valuation reserves in equity, as are foreign exchange differences on the subsidiaries' equity. All foreign exchange differences are recognized in the income statement in the year in which the investment is disposed of.

Acquisitions of companies are accounted for according to the "acquisition method" provided for in IFRS 3, as amended by Regulation No 495/2009, on the basis of which the identifiable assets acquired and the identifiable liabilities assumed (including contingent liabilities) are to be recognized at their respective acquisition date fair values.

The amount, if any, by which the consideration exchanged (represented by the fair value of the assets transferred, liabilities assumed and equity instruments issued) exceeds the fair value of the assets acquired and liabilities assumed is recognized as goodwill; where the price is lower, the difference is charged to the income statement.

The "acquisition method" is applied with effect from the acquisition date, i.e., the moment in which control of the acquiree is effectively obtained. Accordingly, the income and expenses of a subsidiary acquired during the year are included in the consolidated financial statements with effect from its acquisition date. Likewise, the income and expense of a subsidiary that has been sold are included in the consolidated financial statements until the date on which control ceases to be held.

As at June 30, 2026, BFF Banking Group included the Parent BFF Bank S.p.A. and the following companies:

Company name	Registered and operating office	Type of relationship (1)	Ownership relationship		Voting rights % (2)
			Held by	Holding %	
1. BFF Immobiliare S.r.l.	Milan. Viale Scarampo, 15	1	BFF Bank S.p.A.	100%	100%
2. BFF Techlab S.r.l.	Brescia, Via C. Zima, 4	1	BFF Bank S.pA.	100%	100%
3. BFF Finance Iberia. S.A.U.	Madrid - Paseo de la Castellana, 81	1	BFF Bank S.p.A.	100%	100%
4. BFF Polska S.A.	Łodz - Jana Kilińskiego, 66	1	BFF Bank S.p.A.	100%	100%
5. BFF Medfinance S.A.	Łodz - Jana Kilińskiego, 66	1	BFF Polska S.A.	100%	100%
6. BFF Česká republika s.r.o.	Prague - Roztylská 1860/1	1	BFF Polska S.A.	100%	100%
7. BFF Central Europe s.r.o.	Bratislava - Mostova, 2	1	BFF Polska S.A.	100%	100%
8. Debt-RNT Sp. Z-o.o.	Łodz – Jana Kilińskiego, 66	1	BFF Polska S.A.	100%	100%
9. Komunalny Fundusz Inwestycyjny Zamknięty	Warsaw - Sienna, 75	4	BFF Polska S.A.	100%	100%
10. MEDICO Niestandaryzowany Fundusz Wierzytelności Fundusz Inwestycyjny Zamknięty	Warsaw - Sienna, 75	4	BFF Polska S.A.	100%	100%
11. Kancelaria Prawnicza Karnowski i Wspólnik sp.k.	Łodz - Jana Kilińskiego, 66	4	BFF Polska S.A.	99%	50%
12. Restrukturyzacyjna Kancelaria Prawnicza Karnowski i Wspolnik sp.k. sp.k. w likwidacji	Łodz – Jana Kilińskiego, 66	4	Debt-Rnt sp. Z O.O.	99%	50%

Key:

(1) Type of relationship:
1 = having the majority of voting rights at ordinary shareholders' meetings
2 = dominant influence at the ordinary shareholders' meeting
3 = arrangements with other shareholders
4 = other forms of control

(2) Voting rights at ordinary shareholders' meetings, distinguishing between actual and potential voting rights or percentage of shares

As far as points 9 and 10 are concerned, voting rights refer to the investors' right to vote at the Shareholders' Meeting.

The companies in points 11 and 12 above are limited partnerships and are measured according to the equity method since their total asset figures are not significant.

BFF Bank also holds a 24% stake in Unione Fiduciaria S.p.A., which is measured with the equity method (and not in its entirety), as it is a company subject to significant influence.

The measurement criteria are adopted with a view to a going concern and comply with the principles of accruals, relevance and materiality of accounting information and the precedence of economic substance over legal form.

Since November 2024, the Bank has also subscribed 33% of the share capital, amounting to €6,600, of the new law firm "PB & Partners Società tra Avvocati a responsabilità limitata". On June 19, 2025, the Bar Council approved the registration of STA with the special register of companies between lawyers. As at July 2025, STA is fully operational.

Section 4 – Events after the reporting period

On July 9, 2026, the Bank announced that the Board of Directors resolved to pay the semiannual coupon relating to the bond classified as Additional Tier 1 (AT1) capital. The coupon was paid on July 20, 2026.

On July 14, 2026, the Bank announced that it had received the Inspection Report (the "Report") relating to the checks carried out by the Bank of Italy between December 4, 2025 and May 29, 2026. Please refer to the following section for more details.

On July 22, 2026, the Bank of Italy, at the end of the process for determining the minimum consolidated requirements for own funds and eligible liabilities ("MREL"), notified the Bank of the new consolidated capital requirements, revised downward compared to those previously in force:

- the MREL in terms of TREA (Total Risk Exposure Amount) equal to 19.67% (compared to the previous 20.00%), to which the Combined Buffer Requirement ("CBR") equal to 3.36% as of March 31, 2026, is added;
- the MREL in terms of LRE (Leverage Ratio Exposure) equal to 5.33% (compared to the previous 5.40%). No subordination requirement was assigned for the purpose of meeting the requirements and calculating other eligible liabilities.

As detailed more extensively in the following section "sale of the HTC securities portfolio", on July 28, 2026 the Bank completed the sale and reinvestment of Italian government securities classified as Held to Collect ("HTC"). The sale and reinvestment amount to approximately €3.1 billion in nominal value, generating a pre-tax capital gain of approximately €62 million. The transaction is in line with the possible measures envisaged by the Capital Conservation Plan, although the related effects were not included, on a conservative basis, in the Bank's projections. At the same time, the Bank announced that – in line with the EBA's interpretive Q&A guidelines published on July 3, 2026 – the effects of calendar provisioning, arising from exposures reclassified as past due on June 30, 2024 and previously expected in the third quarter of 2026, were recognized in the first half of 2026.

Pursuant to IAS 10, in the period between June 30, 2026 and the date of approval of these condensed interim consolidated financial statements, no subsequent events occurred that would require adjustments to the values shown in the financial statements. For more details, please refer to the section "Key events in the Group".

Section 5 – Other issues

Inspection of the Bank of Italy

As already reported in the section "Events after the reporting date", in July 2026, the Bank received the final Report relating to the checks carried out by the Bank of Italy in the period between December 4, 2025 and May 29, 2026. The checks concerned, *inter alia*, the sustainability of the business model, corporate governance and control arrangements, administrative and accounting processes, the credit risk management and monitoring system as well as specific aspects relating to the classification and measurement of credit exposures, the accounting for late payment interest, the determination of adjustments to loans and receivables and the appropriateness of certain statement of financial position items.

The inspection findings are part of the broader supervisory process launched by the Authority on the Group and are consistent with the order of March 27, 2026 (the "Order"), through which the Bank of Italy ordered the appointment of two Commissioners for temporary assistance to the Board of Directors, to support the strengthening of governance and control arrangements, the improvement of administrative and accounting processes and the implementation of corrective initiatives in the credit area. This measure involving the Commissioners' temporary assistance is still in place as at the date of approving these condensed interim consolidated financial statements.

The Order had led – also with the support of the Commissioners appointed for temporary assistance in the same circumstance – to recognition of the related capital impacts in the 2025 financial statements. In particular, the Bank of Italy identified issues relating to the factoring and lending business and to the prudential classification of loans. Based on analyses carried out after the Order, the Report highlighted the need for additional credit adjustments attributable to invoices prior to 2016 and to the classification of certain Polish public hospitals, resulting in a reduction in Common Equity Tier 1 capital of approximately €21.2 million, with an impact on the CET1 ratio partially offset by lower risk-weighted assets ("RWA") of approximately €25 million.

The Report expresses an overall unfavorable opinion on the Bank's situation, highlighting significant shortcomings in governance, control and risk management systems as well as specific areas of concern of an organizational, administrative and accounting and credit nature. A significant portion of the evidence put forward by the Authority and the related income statement and capital impacts had already emerged during the inspection activities and the subsequent analyses carried out by the Bank and was consequently reflected in the assessments performed for the purpose of preparing the consolidated financial statements as of December 31, 2025.

The Report also draws attention to certain areas characterized by high measurement complexity and significant elements of estimation and professional judgment. In particular, specific areas of concern relate to the expected credit loss measurement methodologies under IFRS 9, including the assumptions underlying the determination of Loss Given Default (LGD) and other risk parameters, the representativeness of the historical evidence used in valuation models and the models' ability to appropriately reflect the different methods for recovering and managing credit exposures. Further aspects relate to the criteria for classifying and measuring credit exposures, the impairment methodologies applied to the different portfolios and the determination of the related coverage levels.

Specific topics also concern the accounting for late payment interest and other ancillary components of loans, with particular reference to the assumptions used to estimate recovery rates, related collection timelines and the recognition methods for accounting purposes. Additional analyses concern the recoverability and accounting treatment of certain assets connected to loan recovery, including specific components relating to legal expenses as well as the appropriateness of provisions relating to litigation and other exposures for which margins of estimation uncertainty remain.

Following the Order, the Board of Directors and the other corporate bodies, assisted by the Commissioners appointed for temporary assistance to the Bank, had already started the remedial process, which will continue following the outcome of the Report.

In response to the inspection findings, the Bank is continuing the activities already started following the Order by preparing a structured plan of further corrective and strengthening measures, aimed at incorporating the observations made by the Supervisory Authority in the Order and the Report. This plan, covering the areas of corporate governance, internal control, administrative and accounting processes, credit risk management and valuation methodologies referred to in the Inspection Report, is being defined and will be submitted to the Bank of Italy during the second half of 2026.

The assessments under way also take into account the fact that - in the absence of interventions, as already illustrated in the section "Assessment of the going concern assumption", current capital ratios would be expected to decrease as a result of the deductions provided for under calendar provisioning. In this context, the Bank – in line with the Report – is continuing to assess changes to the way all phases of the factoring process are carried out, including through strategic initiatives.

Sale of the HTC securities portfolio

On July 28, 2026, BFF Bank S.p.A. completed the sale and simultaneous repurchase of Italian government securities classified under the Held to Collect ("HTC") business model for an overall nominal amount of approximately €3.1 billion. The transaction generated a gross pre-tax capital gain of approximately €62 million and was carried out as part of the initiatives implemented by the Bank to strengthen its capital and regulatory position. As illustrated in the section "Assessment of the going concern assumption", this measure stems from the evolution of the relevant regulatory and prudential framework and was considered by the Bank to be an extraordinary, non-recurring transaction aimed at maintaining compliance with applicable prudential requirements.

For the purpose of assessing whether the Held to Collect Business Model remains appropriate, the Bank carried out a specific analysis, taking into account the provisions of IFRS 9, its Business Model Assessment Policy approved by the Board of Directors on June 26, 2025 and the circumstances underlying the transaction. This analysis jointly considered the management approach historically adopted for the HTC portfolio, the reasons for the sale and the capital and regulatory context in which it was carried out.

Based on the assessments performed, the Bank believes that the sale does not represent a change in the management objective underlying the portfolio classified as HTC, which continues to be predominantly oriented toward collecting contractual cash flows over the life of the instruments held. The transaction is not attributable to an ordinary management strategy based on portfolio rotation or the systematic realization of capital gains, but rather constitutes a response to specific capital, regulatory and supervisory circumstances.

The assessment also took into account the fact that the transaction forms part of a broader set of capital and regulatory management initiatives adopted by the Bank and that, based on the information available as of the assessment date, it does not change how the HTC portfolio is managed for the purpose of collecting contractual cash flows. It was also assessed that the securities purchased after the sale have characteristics that are overall consistent with those of the portfolio sold and are intended to be held in order to collect the related contractual cash flows. In light of the characteristics of the transaction and the evidence available, the Bank believes that the sale does not result in a change to the HTC business model under IFRS 9 and that the residual financial assets and those subsequently purchased continue to be classified and measured in a manner consistent with that model.

Restatement of certain comparative information

As described in the financial statements as of December 31, 2025, the Bank launched a review of the provisioning framework for the Italy factoring portfolio, formalized with the approval on February 1, 2026, of a specific internal policy aimed at governing the assessment of the risk of an unfavorable outcome associated with legal actions initiated to recover non-recourse exposures to Italian debtors.

This risk, determined on the basis of case-by-case analyses of negative or partially negative judgments and the related probabilities of an unfavorable outcome, was considered a factor that directly affects the estimate of the expected cash flows recoverable from the financial assets concerned. From this perspective, as is well known, the contractual guarantees of the assignor, including the right of retrocession of the debt for the principal component, are relevant for determining recoverable cash flows and the variability of expected economic outcomes. Accordingly, the risk of an unfavorable outcome was brought within the measurement of financial assets under IFRS 9 and the determination of the related adjustments.

As part of this approach, as of June 30, 2026, for the sake of consistency in presentation and in order to uniformly reflect the effects of credit risk and the related contractual recovery mechanisms, the provisions previously recognized under "Provisions for risks and charges" relating to legal actions against debtors whose assignors are subject to extraordinary proceedings, equal to €44.2 million, were reclassified to provisions that directly adjust financial assets. This reclassification did not produce any impact on the income statement.

In order to ensure the comparability of financial information, the Bank also restated comparative figures in accordance with the same presentation criterion illustrated above, with no impact on profit or loss or on equity.

The following tables show the effects of the reclassification on the statement of financial position balances as of December 31, 2025:

	Assets	12/31/2025	Reclassification of risk provisions	1/1/2026
10.	Cash and cash equivalents	125		125
20.	Financial assets measured at fair value through profit or loss	181		181
	a) financial assets held for trading	1		1
	c) other financial assets subject to mandatory fair value measurement	180		180
30.	Financial assets measured at fair value through other comprehensive income	152		152
40.	Financial assets measured at amortized cost	10,824	(44)	10,780
	a) loans and receivables with banks	855		855
	b) loans and receivables with customers	9,969	(44)	9,925
70.	Equity investments	15		15
80.	Property, equipment and investment property	104		104
90.	Intangible assets	67		67
100.	Tax assets	134		134
	a) current	73		73
	b) deferred	62		62
120.	Other assets	676		676
	TOTAL ASSETS	**12,279**	**(44)**	**12,234**

	Liabilities and equity	12/31/2025	Reclassification of risk provisions	1/1/2026
10.	Financial liabilities measured at amortized cost	10,784		10,784
	a) due to banks	1,307		1,307
	b) due to customers	8,857		8,857
	c) securities issued	620		620
20.	Financial liabilities held for trading	1		1
60.	Tax liabilities	164		164
	A) Current	2		2
	B) deferred	162		162
80.	Other liabilities	365		365
90.	Post-employment benefits	4		4
100.	Provisions for risks and charges	73	(44)	29
	a) Commitments and guarantees given	-		-
	b) Pensions and similar obligations	6		6
	c) Other provisions	67	(44)	23
110.	Valuation reserve	30		30
130.	Equity instruments	150		150
140.	Reserves	460		460
150.	Share premium	66		66
160.	Share capital	145		145
180.	Profit for the year	37		37
	TOTAL LIABILITIES AND EQUITY	**12,279**	**(44)**	**12,234**

Shareholder Resolutions

On June 16, 2026, the Ordinary Shareholders' Meeting of the Bank resolved, in particular:

(i) to approve the individual financial statements for the year ended December 31, 2025, with the report on operations presented by the Board of Directors, which shows a profit for the year of €27,614,903.

(ii) to allocate €78,693 to Legal Reserve and €27,536,210 to Retained earnings;

(iii) to supplement the Board of Directors, confirming the appointment of the director already co-opted by the Board of Directors on March 17, 2026, Giuseppe Sica, who will remain in office until the expiry of the current Board of Directors and, therefore, until the Shareholders' Meeting called to approve the financial statements for 2026;

(iv) to grant Director Giuseppe Sica, pursuant to Article 2389, first paragraph, of the Italian Civil Code, the same total gross annual remuneration awarded to the other members of the management body, equal to €60,000, to be allocated pro rata temporis, in addition to reimbursement of documented expenses incurred for the office;

(v) to approve the new "2026 Remuneration and Incentive Policy for Members of the Strategic Oversight, Management and Control bodies and Staff of the BFF Banking Group";

(vi) to specifically approve the provisions referred to in sub-point (b) of point 6.2.2.8 (amounts recognized under an agreement for the settlement of a current or potential dispute), of the new 2026 Remuneration and Incentive Policy for members of the management body and staff of the BFF Banking Group – of Section 1 of the 'Annual Report on the remuneration and incentive policies of the BFF Banking Group' relating to the policies for determining remuneration in the event of early termination from office or termination of the employment relationship contained therein, including the predefined formula for determining the amounts recognized under agreements with staff, in any location reached, for the settlement of current or potential disputes;

(vii) to approve Section II of the Ex-post Report on (i) the items that make up the Remuneration (including the treatment provided for in the event of termination of office or termination of the employment relationship), in accordance with the 2025 Policy; (ii) the general information on the implementation of the 2025 Policy in 2025 and the assessments provided by the Group's control functions, each for the aspects under their responsibility; (iii) the analytical illustration of the remuneration paid in the year under consideration, for any reason and in any form, by the Bank and the Subsidiaries; (iv) the remuneration to be paid in one or more subsequent years, for the activity carried out in the year under consideration;

(viii) for points v, vi and vii, to grant the Board of Directors, and for it the Chief Executive Officer, the broadest ranging powers to carry out all acts, fulfil all obligations and formalities necessary for the implementation of the previous resolution, and thus also the power to make any changes to the aforementioned Policy that may be necessary in compliance with legislation, including regulations, in force from time to time;

(ix) to revoke the previous authorization to purchase and dispose of the Bank's treasury shares granted by the Shareholders' Meeting on April 17, 2025, which had not been executed;

(x) to authorize the Board of Directors, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, to proceed with the repurchase of the Bank's shares, up to a maximum of 9,444,958, on one or more occasions and for a period of 18 months from the date of this resolution, in pursuit of the purposes set out in the illustrative report of the Board of Directors.

Disclosure regarding Calendar Provisioning and Past Due

The legislation in question provides that loans disbursed and classified as impaired after April 26, 2019 are subject to "calendar provisioning". Exposures disbursed earlier, and subsequently classified as NPE, will not be subject to the provisions contained in the amendment to Regulation No 575 (CRR). This update requires banks to maintain an adequate provision level, deducting from their CET 1 any positive difference between prudential provisions (identified by weighting the gross value of guaranteed and unsecured NPEs by certain percentages) and provisions and other assets (provisions, prudent valuation, other deductions of CET1).

This rule is based on the principle that the prudential definition of default (i.e. past due, unlikely to pay and non-performing) effectively defines a state of deterioration of the credit quality of the exposure, not providing for any discretion and not ensuring that certain cases not representative of a worsening of credit risk (as for most Group exposures) are treated differently.

As at June 30, 2026, the impact on CET1 deriving from the application of calendar provisioning on individual debtor exposures was approximately €140.8 million, compared to December 31, 2025 when it amounted to approximately €51.2 million.

Please note that the recent EBA Q&A (2026-7753 of July 3, 2026) provided a more restrictive interpretation of the rules for counting the calendar under the so-called prudential backstop referred to in Article 47c of Regulation (EU) no. 575/2013 (CRR). As a result of this interpretation, the calendar provisioning impacts relating to the reclassification carried out by the Bank as at June 30, 2024, which were expected in the third quarter of 2026, were brought forward to the second quarter of 2026, with a significant effect on capital ratios.

Regarding the classification to NPE, note that on June 27, 2019 the Bank of Italy introduced certain amendments to Circular No 272 concerning credit quality and the rules on the new definition of default, and on August 14, 2020 it published its note containing the guidelines of the Supervisory Body on the application of Delegated Regulation (EU) No 171/2018 on the materiality threshold of overdue credit obligations pursuant to Art. 178, para. 2, letter d) CRR (RD), and more generally on the application of the RD regulations. Said clarification note was subsequently amended on October 15, 2020, February 15, 2021, and September 23, 2022. In addition, on December 10, 2025, the European Central Bank published its guideline on the supervisory approach by national competent authorities to coverage of non-performing exposures held by less significant supervised entities. The Guideline aims to standardize the prudential treatment – between significant and less significant banks – of non-performing exposures originating before April 26, 2019, and excluded, to date, from calendar provisioning capital deduction requirements.

In line with the disclosure provided in the consolidated financial statements for previous years, the classification of impaired assets is based on the prudential definition of default (i.e. past due, unlikely to pay and non-performing), regardless of the representation of a related credit risk. Therefore, with reference to exposures to public bodies classified as defaulting due to late payments, there may be significant mismatches between accounting and prudential data and actual prospects for collection by the Bank.

Risks, uncertainties and impacts related to the macroeconomic and geopolitical scenario

During 2026, the continuation of tensions in the global geopolitical environment arising from the conflict between Russia and Ukraine, which erupted in early 2022, should still be noted, which is having repercussions on the European and global macroeconomic situation. In addition, the bank has also focused attention on the effects arising from the Israeli-Palestinian war; however, it should be noted that the Group's exposure to entities located in Israel and countries potentially impacted by the recent tensions in the Middle East is non-existent.

Also looking ahead, the conflict represents a factor of instability that, in general, can significantly affect the macroeconomic landscapes of the countries that BFF operates in and their growth prospects.

With regard to credit risk arising from impacts on financed companies that have significant business operations with Russia, Belarus, or Ukraine, or that are most exposed to changes in commodity prices, the Bank has conducted a specific assessment, identifying only certain counterparties that could potentially be impacted by rising commodity prices. As part of this, additional monitoring activities were put in place. Additionally, no customers with significant business operations with Russia, Belarus, or Ukraine were identified.

With regard to securities trading, the parent does not hold securities issued by issuers particularly exposed to risks arising from the current geo-political environment and conflict.

With regard to profitability, note that custodian bank fees are calculated on the basis of the funds' AuM, and therefore the depreciation of these securities in the funds' portfolio had an insignificant impact compared to, for example, normal market volatilities.

With regard to operational risks related to cyberattacks, note that the Bank has not recorded any directly associated attacks of this nature, and moreover there are no operations in the countries affected by the conflict.

Moreover, the Compliance & AML Function, with the involvement and support of the competent functions, continuously (i) monitors regulatory developments with regard to the restrictive and sanctioning regime applied at the EU level to subjects, entities and banks in Russia and Belarus involved in the conflict, (ii) disseminates information alerts to the various BUs whenever there are updates and (iii) supports the various BUs in analyzing the compliance of specific requirements.

In light of the Parent's business model and the nature of its risk counterparties, the Russia/Ukraine conflict did not entail changes to the model for determining expected losses. However, with the annual update of the macroeconomic scenarios, the Group Risk Management Function monitors the trend of risk parameters against the evolution of the conflict in order to understand any impact on the determination of expected losses (for more details see the section "IFRS 9 - IFRS 9 model update resulting from forward-looking macroeconomic scenario").

Furthermore, the consequences of the Russian-Ukrainian conflict and the Israel/Palestine war have not had a particular impact on lease contracts (IFRS 16), actuarial gains/losses related to post-employment benefits (IAS 19) and the vesting conditions of share-based payments (IFRS 2).

Climate-Related Issues

In preparing the Consolidated Interim Financial Statements, the BFF Group considered the recommendations of ESMA, contained in the document "European common enforcement priorities for 2025 annual financial reports" published in October 2025. In particular, with regard to climate-related issues, ESMA has stressed the importance of reflecting these issues in financial statements to the extent that they have a material impact, also recalling indications provided by the IASB, which has highlighted examples of potential financial implications arising from climate-related risks.

Among the general considerations made, ESMA has reiterated the need to ensure consistency and connectivity between the climate information reported in the financial statements and the information contained in the sustainability statement or report on operations, in order to facilitate investors in identifying material information. In addition, ESMA has stressed the importance of ensuring consistency between financial and non-financial reporting (prepared pursuant to Legislative Decree no. 125/24 and the ESRS) and, where appropriate, of including material financial information on climate aspects in the financial statements, illustrating how climate risks have been integrated into the accounting estimates.

Given the growing relevance of ESG risks, and in particular climate-related risks, the BFF Group pays constant attention to these issues, both in the context of its overall risk management framework and in the analysis of potentially affected items in the consolidated financial statements.

In particular, the EBA's Guidelines on the management of environmental, social and governance (ESG) risks have introduced specific requirements regarding the integration of ESG risks into the internal processes and risk management to be adopted in compliance with the Capital Requirements Directive (CRD VI). In fact, they specify the content of the plans that banking institutions must prepare in order to monitor and address financial risks arising from ESG factors, including those arising from the process of adaptation toward the goal of achieving climate neutrality in the EU by 2050.

Already during 2025, in line with the Bankit plan[21], the Risk Management Function carried out a process to integrate ESG risk factors into its risk management framework, including both physical and transition risk factors. To this end, it has carried out specific planning (for areas under its responsibility) for alignment with the reference legislation (e.g. Supervisory expectations on the integration of climate and environmental risks of the Bank of Italy, EBA Guidelines, the CRR, the CRD). In this regard, the Bank will carry out a new dedicated project during 2026 aimed at further alignment and continuous improvement of its framework in relation to the EBA Guidelines.

One of the regulatory obligations introduced by the Guidelines concerns the annual assessment of the materiality of physical (chronic and acute) and transition risks. The process makes it possible to identify and map potentially material risk drivers from two perspectives: on the one hand, geographic exposure to areas characterized by high vulnerability to physical risks and on the other, exposure to high-emission-intensity sectors, which is relevant for assessing transition risk. In order to optimize the process of mapping and assessing C&E risks, BFF also extended the scope of analysis to environmental risks not linked to climate: specifically, biodiversity loss was introduced as a new risk driver, assessed from two perspectives in terms of impacts and dependencies on ecosystem services. The Materiality Assessment framework will in any case be assessed periodically in order to introduce improvements consistent with the EBA Guidelines.

Another important focus concerns data management and IT processes, with the aim of ensuring consistency of ESG data, even when it comes from external providers, ensuring that the data used is clear and understandable, including the underlying methodology and the construction of any risk scores. A list of specific data points has also been defined, in line with those established in the context of the CSRD (e.g. the definition and calculation of GHG emissions). BFF's objective is to build a robust database for analyzing C&E risks in terms of both Materiality Assessment and conducting the related stress tests.

The approach to identifying risks follows a holistic model already adopted by BFF, which is based on four main drivers of analysis: exposure, portfolio, sector, and scenario.

ESG indicators have currently been incorporated into the RAF, with related thresholds and a defined escalation process and, for additional monitoring purposes, a list of indicators has been developed to ensure effective risk management and a sound strategic vision. The Bank is also considering further integrations in line with the project referred to above.

This approach reflects the BFF Group's commitment to adapting to a changing regulatory and market context, responding with appropriate tools to the challenges posed by ESG risks.

Part E of the report examines in detail how the Group's risk management framework includes a materiality assessment, as well as the implementation of specific controls in the Risk Appetite Framework (RAF), the performance of stress analyses, and oversight of ESG risks broken down into the various risk categories (e.g. credit, strategic, business and liquidity risk).

Statutory audit

The Shareholders' Meeting of BFF Bank S.p.A. held on April 2, 2020 appointed the independent auditors KPMG S.p.A. to audit the financial statements from 2021 to 2029, pursuant to the provisions of Article 2409-*bis* of the Italian Civil Code and Italian Legislative Decree No. 39/2010.

21 "Three-year action plan for the progressive alignment with the Bank of Italy's expectations in terms of climate and environmental risks" approved by the Board of Directors on March 29, 2023.

A.2 MAIN ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The interim consolidated financial statements were prepared using the same accounting policies already in use for the preparation of the consolidated financial statements as at December 31, 2025, in accordance with IAS 1 and the instructions contained in Bank of Italy Circular no. 262 of December 22, 2005, as amended.

These accounting policies, to which reference is made, include the main recognition criteria, classifying, measuring and derecognizing the main assets and liabilities as well as for recognizing revenue and costs, along with other information.

Use of estimates and assumptions in the preparation of financial reporting

As part of the preparation of the consolidated financial statements, the parent had to make valuations and estimates that influence the application of accounting policies and the amounts of assets, liabilities, costs and revenue recognized in the Condensed Interim Consolidated Financial Statements.

The significant assessments of the Parent in the application of the accounting policies and the main sources of estimation uncertainty are unchanged from those already illustrated in the Parent's and Group's last annual financial statements.

In accordance with IFRS, the elaboration of estimates by management is a prerequisite for the preparation of the interim consolidated financial statements at June 30, 2026. This process involves the use of available information and subjective assessments, also based on historical experience, in order to formulate reasonable assumptions for the analysis of operations. These estimates and assumptions may vary from one period to the next, and therefore it cannot be ruled out that in subsequent periods, the current values recognized in the interim consolidated financial statements at as June 30, 2026 may differ – even significantly – owing to a change in the subjective assessments used.

Estimates and assumptions are reviewed on a regular basis. Any changes resulting from such reviews are recognized in the period in which the review is made, provided that the review involves only that period. Should the review involve both current and future periods, the change is recognized in the period in which the review is made, and in the related future periods.

The risk of uncertainty in the estimate is essentially related to:

- The degree of recoverability and estimated collection times for late payment interest accrued on non-recourse trade receivables due to BFF, based on an analysis of historical multi-year company data;
- Impairment losses on loans and receivables and other financial assets in general;
- The fair value of financial instruments used for financial disclosure purposes;
- The fair value of financial instruments not traded in active markets, determined with measurement models;
- Expenses recorded on the basis of provisional values that are not definitive at the date on which these interim consolidated financial statements were prepared;
- Employee benefits based on actuarial assumptions, and provisions for risks and charges;
- The recoverability of deferred tax assets;
- Any impairment of equity investments, goodwill and intangible assets: in light of the results as at June 30, 2026, there are no trigger events that could impact the measurement of equity investments, goodwill and intangible assets with a finite useful life recorded as at June 30, 2026.

Measurement of impairment losses on financial assets

At each annual or interim reporting date, in accordance with IFRS 9, financial assets other than those measured at fair value through profit or loss are tested to assess whether there is evidence that the carrying amount of the assets may not be fully recoverable. A similar analysis is conducted also for loan commitments and guarantees provided that fall within the scope subject to impairment in accordance with IFRS 9. If such evidence exists (so-called "evidence of impairment"), the financial assets concerned—consistently with any remaining assets of the same counterparty – are considered to be impaired and classified in Stage 3. The Group shall recognize adjustments equal to lifetime expected credit losses for these exposures, consisting in financial assets classified as non-performing loans, unlikely to pay, and exposures past due and/or in arrears as per the Bank of Italy's Circular no. 262/2005.

The impairment model is characterized by:

- The allocation of the transactions in the portfolio to different stages, based on an assessment of the increase in the level of exposure/counterparty risk, considering the "staging allocation criteria";
- The use of multi-period risk parameters (e.g., lifetime PD, LGD and EAD) to quantify expected credit losses (ECL) for financial instruments subject to a significant increase in credit risk since initial recognition.

During 2025, the time series data for PD and LGD risk parameters were updated, extending them until December 31, 2024. In addition, the forward-looking macroeconomic scenarios were updated taking into account the latest updates provided by the EBA during the stress test (January 2025). The same PD and LGD risk parameters were applied at the reporting date of June 30, 2026.

Based on the interim consolidated financial statements as at June 30, 2026, the Bank undertook a review of its Italian factoring portfolio, which involved the definition of a new method of managing the provisioning process in the face of negative (or partially negative) judgments on legal actions initiated for the recovery of non-recourse exposures to Italian debtors. This initiative, which took place in a context characterized by a progressive increase in unfavorable rulings regarding legal actions over a specific timeframe, led to the preparation of a procedural and IT configuration, suitable for carrying out a weighting of the underlying risks in a granular manner, invoice by invoice, and resulted in the approval, on February 1, 2026, of a specific internal policy (the "Policy"). This Policy governs the rules and the process to be followed to identify the probability of an adverse outcome, from which provisions will arise, to be applied to the entire perimeter of credit exposures subject to negative (or partially negative) rulings. The approach described in this Policy specifically contemplates, therefore, the analysis of these rulings, without taking into account, as a weighting effect, the possibility of reaching settlement agreements. In particular, since the outcome of the dispute may result in negative or partially negative rulings, each of which has different implications in terms of risk and therefore different economic and accounting effects, the Bank has carried out a timely analysis of each ruling to estimate the so-called risk of an adverse outcome (high, medium or low), meaning the risk of the non-existence or the faulty existence/legitimacy of the receivable due from debtors, estimating a provision relating to the amounts not acknowledged in the ruling, estimated as non-recoverable from the debtors and/or customers.

In such cases, in fact, BFF has the right to remit the receivable, for the part relating to the principal, to the assignor, under the guarantees provided for in the assignment contract, which is therefore obliged to repurchase the principal of the receivable and to pay the Bank generally only the retrocession interest. Certain items, for example late payment interest or additional loan interest, are difficult to remit to the assignors and, therefore, a provision has been allocated for a part of these.

The risk of an adverse outcome determined based on the Policy's guidelines has been treated as an element that directly affects the estimate of the cash flows recoverable from the financial asset, and therefore its measurement pursuant to IFRS 9. In this approach, the contractual guarantees of the transferor acquire importance as elements that contribute to setting the minimum level of recoverable flows, contributing to defining the variability of the expected economic outcomes and, consequently, measurement of the adjustment of the value to the receivable.

During 2026, the Group also launched further activities for the analysis and methodological strengthening of the IFRS 9 framework, with particular reference to the models and parameters used to determine expected losses, also in light of the observations made by the Supervisory Authority as part of the inspection activities concluded in 2026.

IFRS 9 - IFRS 9 model update resulting from the forward-looking macroeconomic scenario

As mentioned above, the Risk Management Function has updated the macroeconomic scenarios for prospective conditioning of the PD considering the latest macroeconomic updates published by the EBA in January 2025 during stress tests.

The baseline forecast scenario assumes moderate economic growth over the entire time horizon of the year, from 2025 to 2027: in relation to GDP, moderate and sustained growth is expected, with no sharp peaks or troughs, reflecting a gradual economic recovery and a degree of resilience of the European economic system. Inflation, after surpassing the short-term target, is expected to gradually converge toward the medium-term target set by central banks, without major fluctuations. Interest rates are expected to remain at moderate levels, reflecting the expansionary monetary policies in place and the expected gradual normalization; aggressive monetary tightening is not expected. The financial situation is expected to be relatively stable, with access to credit not expected to be subject to significant restrictions. Banks should maintain an adequate level of capital to support economic growth.

The adverse scenario refers to the possible reduction in international trade transactions due to (i) the imposition of tariffs and increasingly inward-oriented trade policies globally and (ii) escalation in the Russia-Ukraine conflict and the Middle East conflict. These factors cause rising energy and commodity prices and the subsequent inflationary pressures, disruptions in the supply chain, and negative effects on private consumption and investment, as well as a contraction of the world economy with a sustained decline in EU GDP over the 2025-2027 period.

A.4 DISCLOSURE ON FAIR VALUE

Qualitative information

The IFRS require that financial instruments classified as "Financial assets measured at fair value through profit or loss", "Financial assets measured at fair value through other comprehensive income" and "Financial liabilities held for trading" be measured at fair value.

The fair value is the price that would be received for a sale of an asset or which would be paid for the transfer of a liability in a normal transaction between market operators (in other words, not a forced liquidation or sale below cost) on the measurement date. The fair value is a market measurement criterion not specific to the entity. An entity needs to assess the fair value of an asset or liability by adopting the assumptions that the market operators would use when determining the price of the asset or liability, assuming that the market operators act to satisfy their own economic interests in the best possible way.

In determining the fair value of a financial instrument, IFRS 13 establishes a hierarchy of criteria in terms of the reliability of the fair value according to the degree of discretion applied by entities, giving priority to the use of observable market parameters that reflect the assumptions that market participants would use in valuing (pricing) an asset/liability. Three different input levels are identified:

- Level 1: inputs represented by (unmodified) quoted prices in active markets for identical assets or liabilities, which can be accessed on the measurement date;
- Level 2: inputs other than quoted prices included in Level 1 that are directly (as in the case of prices) or indirectly (i.e. as derived from prices) observable for the assets or liabilities to be measured;
- Level 3: unobservable inputs for the asset or liability.

The choice between the aforementioned methods is not optional since they must be applied in hierarchical order. Absolute priority is given to the official prices available in active markets for the assets and liabilities to be measured (Level 1) or for assets and liabilities measured using valuation techniques based on observable market parameters other than the prices of the financial instrument (Level 2), and lower priority is given to assets and liabilities whose fair value is calculated using valuation techniques based on parameters that are not observable in the market and are therefore more discretionary (Level 3).

In compliance with the rules described above, the market price recorded at the end of the reporting period is used for instruments quoted in active markets (Level 1). The fair value of financial instruments not listed on active markets has been determined by using valuation techniques based mainly on the discounting of cash flows. The valuation techniques used incorporate all the factors considered by the market when setting the price and are based mainly on observable market inputs (Level 2).

Specifically:

- bonds are measured by discounting the future cash flows envisaged in the contractual plan of the security, using the market rates adjusted for counterparty risk;
- derivative contracts, consisting of overnight interest rate swaps (OISs), are measured based on market valuation models using market rates as the prevailing parameters, adjusted for counterparty risk. Where relevant, this risk includes both changes in the counterparty's creditworthiness and changes in the issuer's creditworthiness (own credit risk);
- for equities, there is a hierarchy and an order of application of measurement methods that considers, first of all, any transactions in the security recorded over a sufficiently short period of time compared to the valuation period, comparable transactions of companies operating in the same sector and the application of analytical financial, income-based and equity-based valuation methods. The measurement method for a financial instrument is adopted on a continuing basis, and is only changed if there are significant variations in the market or subjective conditions of the issuer of the financial instrument. The Bank does not hold any Level 3 financial instruments, except for those of an immaterial value.

A.4.1 Fair value levels 2 and 3: valuation techniques and input used

The valuation techniques used are adapted to the specific characteristics of the assets and liabilities being valued. The choice of inputs is aimed at maximizing the use of those that can be observed directly on the market, minimizing the use of internal estimates.

With regard to Level 2 financial instruments, mainly represented by SWAPS and loans and receivables with customers and banks measured at amortized cost, the valuations as at June 30, 2026 were based on interest rates and volatility factors derived from the market. In view of the Group's limited dealings in the over-the-counter derivatives segment and its dealings mainly with the most relevant counterparties based on risk-mitigating collateralization agreements, the adjustments made to the measurement of Level 2 instruments to incorporate counterparty risk were not significant.

With regard to Level 2 UCI units, the value is determined using the official NAV.

With regard to real estate assets, which as at December 31, 2025, are measured at fair value, valuations are carried out by independent experts and are based on the "Discounted Cash Flow" methodology. As part of the above methodology, the valuation parameters used (primarily, lease payments and discount rates) are estimated consistently with industry best practices and are based on market surveys of real estate contexts comparable to those subject to valuation.

A.4.2 Processes and sensitivity of valuations

As at June 30, 2026 as in 2025, the Group does not own financial instruments classified in fair value level 3.

A.4.3 Fair value hierarchy

As at June 30, 2026, as in 2025, there were no transfers between Level 1, Level 2 and Level 3.

A.4.5 Fair value hierarchy

Quantitative information

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by levels of fair value

(Values in thousand euro)

	06.30.2026			12.31.2025		
Financial assets / liabilities measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
1. Financial assets measured at fair value through profit or loss	3	188,188		2	181,241	
a) financial assets held for trading	3	7,377		2	1,356	
b) financial assets designated at fair value						
c) other assets subject to mandatory fair-value measurement		180,811			179,885	
2. Financial assets measured at fair value through other comprehensive income	29,758	129,789		21,931	129,787	
3. Hedging derivatives		406				
4. Property, equipment and investment property			93,250			89,179
5. Intangible assets						
Total	**29,761**	**317,977**	**93,250**	**21,933**	**311,028**	**89,179**
1. Financial liabilities held for trading		265			778	
2. Financial liabilities measured at fair value						
3. Hedging derivatives					186	
Total	**-**	**265**	**-**	**-**	**964**	**-**

Key:
L1 = Level 1
L2 = Level 2
L3 = Level 3

A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by levels of fair value

(Values in thousand euro)

Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis	06.30.2026				12.31.2025			
	CA	L1	L2	L3	VB(*)	L1	L2	L3
1. Financial assets measured at amortized cost	10,557,360	4,608,056		5,999,019	10,779,917	4,618,101		6,276,918
2. Property, equipment and investment property								
3. Non-current assets held for sale and discontinued operations								
Total	**10,557,360**	**4,608,056**	**-**	**5,999,019**	**10,779,917**	**4,618,101**	**-**	**6,276,918**
1. Financial liabilities measured at amortized cost	10,349,445	602,164		9,743,680	10,783,741	637,474		10,163,782
2. Liabilities linked to assets held for sale								
Total	**10,349,445**	**602,164**	**-**	**9,743,680**	**10,783,741**	**637,474**	**-**	**10,163,782**

(*) Please note that the data relating to item 100 c) "Provisions for risks and charges – other provisions for risks and charges" were reclassified for comparative purposes only. For further details, please refer to the specific section "Restatement of certain comparative information" in Section 5 – "Other aspects" of the Accounting policies.

Key:
CA = Carrying Amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

A.5 DISCLOSURE ON THE "DAY ONE PROFIT/LOSS"

The Group does not hold, nor has it held, any financial assets to which this disclosure is applicable, pursuant to IFRS 7, paragraph 28.

Part B – Information on the Consolidated Statement of Financial Position

ASSETS

Section 1 – Cash and cash equivalents - Item 10

€151,851 thousand

1.1 Cash and cash equivalents: breakdown

	Total 06.30.2026	Total 12.31.2025
a) Cash	129	174
b) Current accounts and sight deposits at Central Banks	13,000	36,000
c) Current accounts and sight deposits at banks	138,722	88,403
Total	**151,851**	**124,577**

As at June 30, 2026, this item mainly included unrestricted deposits with the Bank of Italy, amounting to €13.0 million (compared to €36.0 million as at December 31, 2025), as well as current accounts held by the Bank and its subsidiaries at third-party banks as at June 30, 2026, amounting to €138.7 million. Specifically, "Current accounts and sight deposits at banks" mainly refer for €117.7 million to BFF Bank, €20.6 million to BFF Polska Group, €405 thousand to BFF Finance Iberia and €167 thousand to BFF Techlab.

Section 2 – Financial assets measured at fair value through profit or loss - Item 20

€188,192 thousand

This item is broken down as follows:

- Financial assets held for trading of €7.4 million, which primarily includes the positive fair value of derivative instruments classified as trading assets but used for the operational hedges of exchange rate risk that the Group is exposed to;
- Other financial assets subject to mandatory fair value measurement of €180.8 million, which mainly include the "UCI units" managed in part by the "Italian SGR Investment Fund", to a lesser extent by the "Atlante Fund" and by the In-genii Fund, with units subscribed by the Parent for a value of €145 million as at June 30, 2026. The value of UCI units recognized in the interim consolidated financial statements has been updated to the latest available NAV made available by these funds. The item also includes the value of the notes of the securitization vehicle Dioniso, which the Parent subscribed in 2024, amounting to €4.3 million.

2.1 Financial assets held for trading: breakdown by type

(Values in thousand euro)

Items/values	Total 06.30.2026			Total 12.31.2025		
	L1	L2	L3	L1	L2	L3
A. On-statement of financial position assets						
1. Debt securities						
1.1 Structured securities						
1.2 Other debt securities						
2. Equity securities	3			2		
3. UCI units						
4. Loans						
4.1 Reverse purchase agreements						
4.2 Others						
Total (A)	**3**			**2**		
B. Derivatives						
1. Financial derivatives						
1.1 held for trading		7,377			1,356	
1.2 connected to the fair value option						
1.3 others						
2. Credit derivatives						
2.1 held for trading						
2.2 connected to the fair value option						
2.3 others						
Total (B)		**7,377**			**1,356**	
Total (A+B)	**3**	**7,377**		**2**	**1,356**	

Key
L1 = Level 1
L2 = Level 2
L3 = Level 3

2.2 Financial assets held for trading: breakdown by borrower/issuer/counterparty

(Values in thousand euro)

Values	Total 06.30.2026	Total 12.31.2025
A. On-statement of financial position assets		
1. Debt securities		
a) Central Banks		
b) Public administrations		
c) Banks		
d) Other financial companies		
of which: insurance companies		
e) Non-financial companies		
2. Equity securities	3	2
a) Banks		
b) Other financial companies:		
of which: insurance companies		
c) Non-financial companies	3	2
d) Other issuers		
3. UCI units		
4. Loans		
a) Central Banks		
b) Public administrations		
c) Banks		
d) Other financial companies		
of which: insurance companies		
e) Non-financial companies		
f) Households		
Total A	**3**	**2**
B. Derivatives		
a) Central counterparties		
b) Others	7,377	1,356
Total B	**7,377**	**1,356**
Total (A+B)	**7,380**	**1,358**

2.5 Other financial assets subject to mandatory fair value measurement: breakdown by type

(Values in thousand euro)

Items/Values	Total 06.30.2026			Total 12.31.2025		
	L1	L2	L3	L1	L2	L3
1. Debt securities		**4,339**			**5,104**	
1.1 Structured securities						
1.2 Other debt securities		4,339			5,104	
2. Equity securities						
3. UCI units		**176,473**			**174,780**	
4. Loans						
4.1 Reverse purchase agreements						
4.2 Others						
Total		**180,812**	**-**	**-**	**179,885**	**-**

Key
L1 = Level 1
L2 = Level 2
L3 = Level 3

2.6 Other financial assets subject to mandatory fair value measurement: breakdown by borrower/issuer

(Values in thousand euro)

	Total 06.30.2026	Total 12.31.2025
1. Equity securities		
of which: banks		
of which: other financial companies		
of which: other non-financial companies		
2. Debt securities	**4,339**	**5,104**
a) Central Banks		
b) Public administrations		
c) Banks		
d) Other financial companies		
of which: insurance companies		
e) Non-financial companies	4,339	5,104
3. UCI units	**176,473**	**174,780**
4. Loans		
a) Central Banks		
b) Public administrations		
c) Banks		
d) Other financial companies		
of which: insurance companies		
e) Non-financial companies		
f) Households		
Total	**180,812**	**179,885**

Section 3 – Financial assets measured at fair value through other comprehensive income - Item 30

€159,546 thousand

As at June 30, 2026, this item included:

- the stake in the Bank of Italy of €125 million;
- other minor equity investments worth approximately €34.5 million.

The change from December 31, 2025 is due to the fair value adjustment of equity investments in the amount of €7.8 million.

3.1 Financial assets measured at fair value through other comprehensive income: breakdown by type

(Values in thousand euro)

Items/values	Total 06.30.2026			Total 12.31.2025		
	L1	L2	L3	L1	L2	L3
1. Debt securities						
1.1 Structured securities						
1.2 Other debt securities						
2. Equity securities	29,758	129,788		21,931	129,787	
3. Loans						
Total	29,758	129,788		21,931	129,787	

Key
L1 = Level 1
L2 = Level 2
L3 = Level 3

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by borrower/issuer

(Values in thousand euro)

Items/values	Total 06.30.2026	Total 12.31.2025
1. Debt securities		
a) Central Banks		
b) Public administrations		
c) Banks		
d) Other financial companies		
of which: insurance companies		
e) Non-financial companies		
2. Equity securities	159,546	151,718
a) Banks	125,675	125,653
b) Other issuers:	33,871	26,065
- other financial companies	29,707	21,901
of which: insurance companies		
- non-financial companies	4,164	4,164
- others		
3. Loans		
a) Central Banks		
b) Public administrations		
c) Banks		
d) Other financial companies		
of which: insurance companies		
e) Non-financial companies		
f) Households		
Total	159,546	151,718

Section 4 – Financial assets measured at amortized cost - Item 40

€10,557,360 thousand

This item is broken down as follows:

- Loans and receivables with banks of €803,589 thousand;
- loans and receivables with customers amounting to €9,753,771 thousand. This balance also includes the Held to Collect – HTC securities portfolio, amounting to €4,558,341 thousand.

Loans and receivables with banks

€803,589 thousand

4.1 Financial assets measured at amortized cost: breakdown by type of loans and receivables with banks

(Values in thousand euro)

Type of transactions/Values	Total 6.30.2026						Total 12.31.2025					
	Carrying Amount			Fair Value			Carrying Amount			Fair Value		
	Stage one and Stage two	Stage three	Purchased or originated credit impaired	L1	L2	L3	Stage one and Stage two	Stage three	Purchased or originated credit impaired	L1	L2	L3
A. Loans and receivables with Central Banks	**117,018**					**117,018**	**148,935**					**148,935**
1. Time deposits	16,076			X	X	X	16,359			X	X	X
2. Mandatory reserve	100,942			X	X	X	132,576			X	X	X
3. Reverse purchase agreements	-			X	X	X	-			X	X	X
4. Others				X	X	X				X	X	X
B. Loans and receivables with banks	**686,571**					**686,571**	**705,886**					**705,886**
1. Loans	686,571						705,886					
1.1. Current accounts	-			X	X	X				X	X	X
1.2. Time deposits	9,927			X	X	X	9,802			X	X	X
1.3. Other loans:	676,644			X	X	X	696,084			X	X	X
- Reverse repurchase agreements	514,847			X	X	X	566,058			X	X	X
- Loans for leases	-			X	X	X	-			X	X	X
- Others	161,796			X	X	X	130,026			X	X	X
2. Debt securities												
2.1. Structured securities	-						-					
2.2. Other debt securities	-						-					
Total	803,589	-	-	-	-	803,589	854,821	-	-	-	-	854,821

Key

L1 = Level 1

L2 = Level 2

L3 = Level 3

As at June 30, 2026, the item "Loans and receivables with Central Banks - Mandatory Reserve," amounting to €100.9 million, also included the amounts deposited in compliance with the reserve requirement of client banks, for which BFF Bank provides the service indirectly, while "Time deposits" include the balance of the amount deposited with the National Bank of Poland (*Narodowy Bank Polski*) for the funding made by the Polish branch through "Lokata Facto," amounting to €16.1 million.

"Loans and receivables with banks - time deposits" referred for €9.9 million to the amount deposited with Banco de España as CRM (Coeficiente de Reservas Mínimas), in relation to the funding carried out by the Bank's Spanish branch through "Cuenta Facto".

The item "Loans and receivables with banks – Reverse repurchase agreements," amounting to €514.8 million, refers to contracts governed by Global Master Repurchase Agreements (GMRAs) with other banks.

"Loans and receivables with banks – Others" consist mainly of trade receivables, i.e. trade receivables for transactions connected to the provision of services, and in particular of daily positions connected to the provision of payment card settlement services.

This item does not include any impaired assets.

Loans and receivables with customers

This item, amounting overall to €9,753,771 thousand, includes loans to customers of €5,195.5 million and €4,558.3 million in debt securities in the HTC portfolio.

BFF Banking Group's loans and receivables with customers are measured at amortized cost, determined based on the present value of estimated future cash flows.

BFF Bank and BFF Finance Iberia's non-recourse trade receivables include both principal and late payment interest accruing as from the due date of the trade receivable. In order to compute amortized cost, including late payment interest recognized on an accruals basis, BFF Bank updates the time series data regarding the late payment interest collection percentages and times at least on an annual basis, when the consolidated financial statements are prepared, and the evolution of collections is analyzed quarterly, to confirm the recognition percentages when periodic reporting is prepared. Please note that in 2024, the Group increased the percentage of recognition of late payment interest from 50% to 65%.

Moreover, in 2025, with regard to the expected times for collecting late payment interest, the estimated days for collection were extended, from 2,100 to 2,400 days. This extension was influenced, in debt collection processes, partly, by resorting to mainly ordinary legal actions in the last few years, replaced from 2024 onwards by injunctive decrees.

As regards BFF Polska Group, with the exception only of BFF Central Europe s.r.o., despite the negligible importance of the component of late payment interest on total loans and receivables, this item is primarily recognized when it is reasonably certain that it will be collected, on the basis of the agreements reached with the debtor counterparties or as settled in legal proceedings; as regard BFF Central Europe instead, the accounting treatment adopted is the same as that for amortized cost. Late payment interest is recognized from the due date of the invoice and up to the collection of the principal on the basis of the legal interest rate in force. With reference to the estimate of the amount of late payment interest considered as possible to collect, the percentages used by BFF Central Europe S.r.o. vary from 50% to 100% for receivables for which legal action has been initiated.

The total net amount of impaired exposures for BFF Banking Group is €2,905.0 million. Of this amount, €70.8 million relates to non-performing loans (including €64.7 million relating to municipalities and provincial governments in financial distress, of which €1.2 million was purchased already impaired) and €177.6 million to unlikely to pay exposures. Past due exposures amounted to €2,656.7 million, of which 93.4% relating to public counterparties.

Please recall that the European Court of Human Rights confirmed in its ruling published on January 21, 2025, that the Italian state has an obligation to guarantee the payment of debts owed by public debtors, including municipalities in financial distress, when judicial decisions remain enforceable. On May 28, 2025, the European Court issued a further ruling ordering the Italian state to ensure, within three months of the date of the ruling, the enforcement of the pending domestic judicial orders by appropriate means, and also awarding further amounts for moral damages and legal fees.

This item also includes lump-sum debt collection expenses (40 euros). Italian Legislative Decree no. 231 of 10/9/2002, implementing Directive 2000/35/EC on combating late payment in commercial transactions, establishes on compensation for collection expenses that "*The creditor is due, without any placement in default being required, a lump-sum amount of €40 by way of compensation for damages. This is without prejudice to proof of higher damages, which may include debt collection assistance costs*".

BFF's interpretation has been confirmed by the ruling won by the parent at the Court of Justice of the European Union on October 20, 2022, which constitutes the binding interpretation for the national rulings of all Member States as well, and confirmed the right to recover at least €40 for each past-due invoice with respect to the Public Administration, irrespective of the amount and whether a certain amount of invoices are part of a single payment agreement.

The parent therefore tracked the collections of collection expenses to develop a time series which currently has a depth of 7 years. Considering recent case law, the rising collection trend and growing collection percentages aligned with those of late payment interest, starting from December 31, 2022 the Group decided to include this type of revenue in the consolidated financial statements by modifying the method for estimating revenue.

Also with regard to collection expenses, the 2024 time series update led to an increase in the percentage of recognition from 50% to 65%, a percentage of recognition still in effect.

Please note that the Bank also launched further analysis and methodological refinement activities aimed at reviewing the assumptions used to determine the percentages and timing of recoveries of late payment interest and other ancillary components of the loans, also in light of the observations made by the Supervisory Authority as part of the inspection activities concluded in 2026.

Debt securities classified in the HTC portfolio, equal to €4,558.3 million, are measured at amortized cost. The relevant interest is therefore recognized in the income statement using the effective rate of return.

As at June 30, 2026, this portfolio consists primarily of government securities purchased to hedge liquidity risk and to optimize the cost of money. It has a total nominal amount of €4,551 million and fair value of €4,608.1 million, with a positive difference (before taxes) of around €49.7 million compared to the carrying amount on the same date, not recognized in the consolidated financial statements.

4.2 Financial assets measured at amortized cost: breakdown by type of loans and receivables with customers

€9,753,771 thousand

(Values in thousand euro)

Type of transactions/Values	Total 06.30.2026						Total 12.31.2025(*)					
	Carrying Amount			Fair value			Carrying Amount			Fair value		
	Stage one and Stage two	Stage three	Purchased or originated credit impaired	L1	L2	L3	Stage one and Stage two	Stage three	Purchased or originated credit impaired	L1	L2	L3
1. Loans	**2,290,383**	**2,903,864**	**1,183**			**4,934,518**	**2,294,740**	**3,080,470**	**2,675**			**5,422,097**
1.1 Current accounts	17,655	72		X	X	X	9,273			X	X	X
1.2 Repurchase agreements				X	X	X	29,014			X	X	X
1.3 Mortgages				X	X	X				X	X	X
1.4 Credit cards and personal loans, including salary-backed loans				X	X	X				X	X	X
1.5 Finance leases		1		X	X	X		1		X	X	X
1.6 Factoring	977,507	1,727,685	1,183	X	X	X	1,150,879	2,004,495	2,675	X	X	X
1.7 Other loans	1,295,222	1,176,107	-	X	X	X	1,105,092	1,076,455	-	X	X	X
2. Debt securities	**4,558,341**	**-**	**-**	**4,608,056**			**4,547,210**	**-**	**-**	**4,618,101**		
2.1. Structured securities	1,029			1,031								
2.2. Other debt securities	4,557,312			4,607,025			4,547,210			4,618,101		
Total	**6,848,724**	**2,903,864**	**1,183**	**4,608,056**		**4,934,518**	**6,841,469**	**3,080,951**	**2,675**	**4,618,101**		**5,422,097**

(*) Comparative information was restated in order to make it comparable with the figures as at June 30, 2026.

Key
L1 = Level 1
L2 = Level 2
L3 = Level 3

This item breaks down as follows:

- Performing factoring loans amounted to a total of €977,507 thousand for BFF Banking Group and mainly included:
  - non-recourse trade receivables purchased as performing, registered under the name of the assigned debtor, with the conditions for 'derecognition', and measured at 'amortized cost', for €887,691 thousand for BFF Bank and €71,331 thousand for the subsidiary BFF Finance Iberia;
  - performing non-recourse factoring loans of BFF Polska Group, for €8,340 thousand.
- Other performing loans due from customers amounted to €1,295,222 thousand. They mainly include:

  (i) net accrued late payment interest of approximately €66,751 thousand, including €66,166 thousand relating to BFF Bank and €585 thousand relating to the Spanish subsidiary. The gross amount of €70,083 thousand, already recognized in the income statement in the current and prior years, refers only to late payment interest accrued. Therefore, of the €569.9 million in late payment interest recognized in the income statement, and referring to the provision existing at June 30, 2026, €70.1 million refers to the item under review, while of the remaining amount, €236.5 million was recognized under "factoring" and €263.3 million under other impaired loans, primarily past due;

  (ii) net collection expense of €16,267 thousand, of which €15,585 thousand relating to BFF Bank, €259 thousand relating to the Spanish subsidiary and €423 thousand relating to BFF Central Europe; this amount, equal to €17,179 thousand, along with the €148,426 thousand classified under impaired loans and approximately €3,873 thousand (€5 thousand performing, and €3,868 thousand non-performing) purchased below nominal amount has already been transferred to the income statement and refers to collection expense already accrued on trade receivables purchased outright;

  (iii) security deposits for transactions in place with Cassa Compensazione e Garanzia for €635.3 million;

  (iv) financing activities of BFF Polska Group of €510,943 thousand.
- Performing current account loans amounting to €17,655 thousand are for the use of lines of credit granted to funds and asset management companies using the custodian bank services (as part of the services offered by the Securities Services business unit) or by corporate customers to whom collection and payment services are provided (as part of the services provided by the Banking Payments Department).
- BFF Banking Group's net "Impaired assets" amounted to a total of €2,905,048 thousand, compared to €3,083,680 thousand as at December 31, 2025. They include:

  (i) Non-performing loans are exposures to parties that are in a state of insolvency or in basically similar situations, regardless of any loss projections made by the parent. As at June 30, 2026, the overall total of the Banking Group's non-performing loans, net of impairment, amounted to €70,758 thousand, of which €1,184 thousand purchased already impaired. Net non-performing loans concerning Italian municipalities and provincial government in financial distress amounted to €64,739 thousand, accounting for 91.5% of the total. Gross non-performing loans amounted to €100,242 thousand (€128,868 thousand at December 31, 2025). The related impairment totaled €29,484 thousand (€34,993 thousand at December 31, 2025). With reference to the parent, at June 30, 2026 total non-performing loans, net of any estimated impairment losses, amounted to €65,925 thousand, of which €64,739 concerned Italian municipalities and provincial governments in financial distress; this case is classified as non- performing in accordance with the indications given by the Supervisory Authority, despite the fact that the BFF Banking Group has the legal right to receive 100% of the principal and late payment interest at the end of the insolvency procedure. Specifically, the amount of €1,184 thousand refers to loans and receivables due from local entities (municipalities, and provincial governments) already in financial distress at the time of purchase and purchased at special conditions. The remaining positions referring to BFF Bank are impaired based on subjective assessments arising from legal opinions. Gross non-performing loans relating to BFF Polska Group amounted to €15,532 thousand. After estimated impairment losses of €11,388 thousand they amounted to €4,144 thousand.

(ii) BFF Banking Group's unlikely to pay exposures mainly refer to BFF Polska Group's positions. These exposures reflect the judgment made by the intermediary about the unlikelihood that – excluding such actions as the enforcement of guarantees – the debtor will fully fulfill (for principal and/or interest) its credit obligations. This assessment should be carried out independently of the existence of any past due and unpaid amounts (or installments). As at June 30, 2026, gross exposures classified as unlikely to pay amounted to €206,014 thousand (€85,635 thousand as at December 31, 2025), of which €199,832 thousand is attributable to BFF Polska Group (€49,409 thousand at December 31, 2025), €4,716 thousand to the Bank (€4,760 thousand at December 31, 2025) and €1,466 thousand to BFF Finance Iberia (€1,466 thousand at December 31, 2025). It should be noted that a significant portion of these net exposures, amounting to approximately €192.8 million, relates to Polish public hospitals that have undertaken restructuring procedures and that the Bank has consequently classified as unlikely to pay. According to the Bank's assessments, these exposures have specific characteristics related to the procedures initiated by the debtors and are therefore subject to constant monitoring, including for the purpose of verifying the recoverability of the related receivables. The total carrying amount is €177,568 thousand (€74,292 thousand at December 31, 2025), referring primarily to BFF Polska Group.

(iii) Net past due exposures of the BFF Banking Group amounted to €2,656,722 thousand (€2,915,517 as at December 31, 2025). They refer to the parent for €1,825,857 thousand, to the Spanish subsidiary for €187,524 thousand and to BFF Polska Group for €643,341 thousand. 93.4% of these exposures relate to public counterparties.

Overall, factoring items and other performing and non-performing loans include (i) late payment interest calculated using the amortized cost method for a total of €733.1 million, of which €124.0 million relates to the Polska Group, and (ii) recovery expenses for a total of €169.4 million, of which €1.9 million relates to the BFF Polska Group, for a total of €902.5 million.

In line with the disclosure provided in the consolidated financial statements for previous years, the classification of impaired assets is based on the prudential definition of default (i.e. past due, unlikely to pay and non-performing), regardless of the representation of a related credit risk. Therefore, with reference to exposures to public bodies classified as defaulting due to late payments, there may be significant mismatches between accounting and prudential data and actual prospects for collection by the Bank.

Fair value

The interim consolidated financial statements item "Loans and receivables with customers" mainly refers to non-recourse trade receivables, for which an active and liquid market is not available. In particular, these are past due trade receivables due from public administration agencies, for which the price in a hypothetically independent transaction cannot be easily determined, partly due to difficulties in reasonably assessing the liquidity risk that would be accepted by the market for such transactions. Consequently, the carrying amount (determined based on the amortized cost and taking into account any individual and collective impairment), in relation to the nature, type, duration of such assets and related collection projections, was deemed to be substantially representative of the fair value of these trade receivables on the reporting date.

4.4 Financial assets measured at amortized cost: gross amount and total adjustments

(Values in thousand euro)

	Gross amount					Total adjustments				Total partial write-offs*
	Stage one		Stage two	Stage three	Purchased or originated credit impaired	Stage one	Stage two	Stage three	Purchased or originated credit impaired	
		of which: Instruments with low credit risk								
Debt securities	4,560,326					1,985				
Loans	3,061,717		43,186	3,090,464	1,380	10,138	794	186,601	196	
Total 6.30.2026	**7,622,043**		**43,186**	**3,090,464**	**1,380**	**12,122**	**794**	**186,601**	**196**	
Total 12.31.2025(*)	**7,686,562**		**22,627**	**3,248,365**	**3,090**	**12,691**	**261**	**167,360**	**415**	

* *Value presented for informative purposes.*

(*) *Comparative information was restated in order to make it comparable with the figures as at June 30, 2026.*

Section 5 – Hedging derivatives - Item 50

€406 thousand

5.1. Hedging derivatives: breakdown by hedge type and level

(Values in thousand euro)

	Fair Value 06.30.2026			NV 06.30.2026	Fair Value 12.31.2025			NV 12.31.2025
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives								
1) Fair value								
2) Cash flows								
3) Foreign investments		406		88,014		-		
B. Credit derivatives								
1) Fair value								
2) Cash flows								
Total	-	406	-	88,014	-	-	-	-

Key
L1 = Level 1
L2 = Level 2
L3 = Level 3

Section 7 – Equity investments - Item 70

€16,270 thousand

The amount represents the value of the shareholding in Unione Fiduciaria equal to 24% of the latter's capital, as well as the shareholding in the two Polish law firms in which BFF Polska is a limited partner and in an Italian law firm in which BFF has a minority shareholding of 33% worth €7 thousand.

Note that the aforementioned equity investments are measured using the equity method (and not in full).

7.1 Equity investments: information on shareholding relationships

Names	Registered Office	Operational headquarters	Type of relationship	Ownership relationship		Voting rights %
				Held by	Holding %	
A. Jointly controlled companies						
B. Companies over which significant influence is exercised						
1. Unione Fiduciaria	Milan (Italy)	Milan (Italy)	Voting right in the Shareholders' Meeting	BFF Bank S.p.A.	24%	24%
2. PB & Partners Società tra Avvocati a responsabilità limitata	Milan (Italy)	Milan (Italy)	Other forms of control	BFF Bank S.p.A.	33%	33%
C. Exclusively controlled companies						
3. Kancelaria Prawnicza Karnowski I Wspólnik sp.k.	Łodz (Poland)	Łodz (Poland)	Other forms of control	BFF Polska S.A.	99%	99%
4. Restrukturyzacyjna Kancelaria Prawnicza Karnowski i Wspolnik sp.k.	Łodz (Poland)	Łodz (Poland)	Other forms of control	Debt-Rnt sp. Z o.o.	99%	99%

Section 9 – Property, equipment and investment property - Item 90

€107,119 thousand

9.1 Property, equipment and investment property with functional use: breakdown of assets measured at cost

(Values in thousand euro)

Assets/Values	Total 06.30.2026	Total 12.31.2025
1. Proprietary assets	**7,124**	**7,485**
a) land		
b) buildings		
c) furniture	5,280	5,249
d) electronic systems	1,140	1,417
e) others	704	819
2. Right-of-use assets	**6,745**	**7,548**
a) land		
b) buildings	5,238	6,104
c) furniture		
d) electronic systems	2	3
e) others	1,505	1,441
Total	**13,869**	**15,033**
of which: obtained by enforcement of guarantees received		

9.3 Property, equipment and investment property with functional use: breakdown of revalued assets

(Values in thousand euro)

Assets/Values	06.30.2026			12.31.2025		
	L1	L2	L3	L1	L2	L3
1. Proprietary assets						
a) land			33,492			30,602
b) buildings			59,758			58,577
c) furniture						
d) electrical systems						
e) others						
2. Right-of-use assets						
a) land						
b) buildings						
c) furniture						
d) electrical systems						
e) others						
Total	-	-	**93,250**	-	-	**89,179**
of which: obtained through the exclusion of guarantees received						

Key
L1 = Level 1
L2 = Level 2
L3 = Level 3

In line with the revaluation method adopted by the Group as of December 2024, it should be noted that the property of "Casa BFF" and the adjoining land, located at viale Scarampo n.15 in Milan, have been subject to a revaluation, on the basis of the appraisal made by an independent company.

The revaluation generated a gain net of the related deferred tax effect in the interim consolidated financial statements of €4.2 million, with an impact on the specific Equity "Valuation reserve".

Section 10 – Intangible assets - Item 100

€61,727 thousand (of which €30,957 thousand relating to goodwill)

10.1 Intangible assets: breakdown by type of asset

(Values in thousand euro)

Assets/Values	Total 06.30.2026		Total 12.31.2025	
	Finite useful life	Indefinite useful life	Finite useful life	Indefinite useful life
A.1 Goodwill	X	30,957	X	30,957
A.2 Other intangible assets	30,770		36,283	
of which: software	18,017		18,635	
A.2.1 Assets measured at cost:				
a) Intangible assets created internally				
b) Other assets	30,770		36,283	
A.2.2 Assets measured at fair value:				
a) Intangible assets created internally				
b) Other assets				
Total	30,770	30,957	36,283	30,957

The item primarily consists of the amount of goodwill arising from the acquisition of BFF Polska Group in 2016 of €22,146 thousand, the former IOS Finance (now merged into BFF Finance Iberia) in 2019 of €8,728 thousand and BFF Techlab (formerly MC3 – Informatica) in the final quarter of 2022 of €83 thousand, as well as the Customer Contracts amounting to €12,390 thousand.

As shown below, with respect to goodwill recognized in the interim consolidated financial statements and in line with IAS 36, as at June 30, 2026 with respect to the goodwill of BFF Polska Group, the impairment test was performed in order to determine its recoverable amount. This did not identify any indicators of impairment.

Aside from goodwill and customer contracts, the item also includes other intangible assets with a finite life that refer to investments in new multi-year software, amortized on a straight-line basis over their estimated useful lives (not exceeding 4 years for the entire Banking Group).

As at June 30, 2026, no indicators were identified that highlighted risks that the carrying amount of intangible assets recorded in the interim consolidated financial statements would be lower than their recoverable amount.

As at June 30, 2026, with respect to the BFF Polska CGU, also following the higher provisions required in the Report by the Supervisory Authority, the Bank updated the impairment test, which showed a recoverable amount, determined as the fair value of the CGU, higher than the carrying amount and therefore not requiring the recognition of impairment losses. In particular, the fair value was estimated by applying the stock exchange multiples method, considering the minimum and maximum value deriving from the average and median of the Price/Adjusted Earnings multiples ('P/E ADJ') for the years 2026, 2027 and 2028, calculated on the basis of a sample of Polish comparable listed companies operating in the same sector as BFF Polska. It should be noted that the multiple that would make the recoverable amount equal to the carrying amount is around 8x.

Section 11 – Tax assets and tax liabilities - Item 110 of assets and Item 60 of liabilities

As at June 30, 2026, tax assets and liabilities amounted to €103,034 thousand and €154,946 thousand, respectively. Current tax assets and liabilities amounted to €55,458 thousand and €2,791 thousand, respectively, and included the net balance of the Group's tax positions with the tax authorities, in accordance with the provisions of IAS 12. In particular, these items include the net balance of current tax liabilities for the year, calculated according to a prudential estimate of the tax charge due for the year, determined on the basis of the current tax code, and current tax assets represented by prepayments made in the course of the year. Current taxes correspond to the amount of income taxes due for the year.

11.1 Deferred tax assets: breakdown

€47,576 thousand

The main components of deferred tax assets include the portion of amounts deductible in future years of adjustments to loans and receivables, the accrual for deferred benefit employee obligations, and depreciation and amortization, the recognition of which is deferred for tax purposes.

11.2 Deferred tax liabilities: breakdown

€152,155 thousand

Deferred tax liabilities mainly refer to the taxes on BFF Bank's late payment interest, recognized in the consolidated financial statements on an accruals basis but which will form part of the taxable profit in future years subsequent to collection, in accordance with Article 109, paragraph 7 of Presidential Decree No. 917 of 1986, as well as loss allowances provisions relating to previous years.

Section 13 – Other assets - Item 130

13.1 Other assets: breakdown

€532,259 thousand

(Values in thousand euro)

Breakdown	06.30.2026	12.31.2025
Security Deposits	2,161	7,681
Invoices issued and to be issued	10,246	11,048
Payment flows to be credited	116,554	138,053
Other exposures	79,558	67,792
Accrued income and prepaid expenses	16,162	23,745
Ecobonus tax assets	307,578	427,620
Total	**532,259**	**675,939**

The "Payment flows to be credited" refer to suspense accounts with a debit balance that fall within the scope of bank payment intermediation and include settlements that were suspended in the first business days after the reporting date of these consolidated financial statements.

Accrued income and prepaid expenses mainly refer to the deferral of costs relating to administrative expense.

Other exposures refer primarily to non-trade receivables due from sundry debtors, pending items, and legal fees to be recovered. As indicated in the section "Bank of Italy Inspection", reported in Part A – section 5 – Other aspects, in response to the inspection findings, the Bank launched the preliminary activities for preparing a detailed plan of corrective and strengthening measures aimed at incorporating the observations made by the Supervisory Authority also with reference to the recoverability and accounting of assets for legal expenses.

As at June 30, 2026, the item ecobonus tax assets, amounting to €307.6 million, included both receivables acquired through factoring transactions according to the HTC Business Model of €101.9 million, €158.7 million as at December 31, 2025, and purchased according to the Trading Business Model equal to €205.7 million, €270 million as at December 31, 2025, receivables recognized and measured according to the fair value method. Specifically, the "Ecobonus tax assets purchased according to the HTC model" relate to receivables purchased by the Parent with non-recourse factoring transactions and deriving from existing tax incentives. As set forth by tax regulations in force, these tax assets in question are used to offset the payment of taxes and contributions and are classified in Asset item 130 "Other assets" in line with what has been defined by the Bank of Italy in the Bank of Italy/Consob/Ivass Document no. 9: "Coordination table between Bank of Italy, Consob and Ivass on the application of IAS/IFRS".

LIABILITIES

Section 1 – Financial liabilities measured at amortized cost - Item 10

€10,349,445 thousand

As at June 30, 2026, this item consisted of the following:

- due to banks of €1,314,638 thousand;
- due to customers of €8,429,043 thousand;
- debt securities issued of €605,764 thousand.

Due to banks

€1,314,638 thousand

1.1 Financial liabilities measured at amortized cost: breakdown by type of amounts due to banks

(Values in thousand euro)

Type of transactions/Values	Total 06.30.2026				Total 12.31.2025			
	CA	Fair Value			CA	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Amounts due to central banks	2,420	X	X	X	2,889	X	X	X
2. Due to banks	1,312,217	X	X	X	1,304,258	X	X	X
2.1 Current accounts and sight deposits	898,782	X	X	X	853,653	X	X	X
2.2 Time deposits	186,102	X	X	X	245,495	X	X	X
2.3 Loans	8,728	X	X	X	26,560	X	X	X
2.3.1 Repurchase agreements - payable	6,143	X	X	X	26,560	X	X	X
2.3.2 Others	2,584	X	X	X		X	X	X
2.4 Debts for commitments to repurchase equity instruments		X	X	X		X	X	X
2.5 Lease liabilities		X	X	X		X	X	X
2.6 Other Payables	218,607	X	X	X	178,550	X	X	X
Total	**1,314,638**	-	-	**1,314,638**	**1,307,147**	-	-	**1,307,147**

Key
CA = Carrying Amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

The item mainly consists of "current accounts and sight deposits" of about €898.8 million, deriving especially from payment service operations, and includes the balances of accounts of bank customers. The item also includes the amount of Repo contracts with bank counterparties for €8.7 million.

The item also includes "Time deposits", which are mainly related to deposits required for the services rendered to client banks, such as indirect compliance with mandatory reserve requirements.

Amounts due to customers

€*8,429,043* thousand

1.2 Financial liabilities measured at amortized cost: breakdown by type of amounts due to customers

(Values in thousand euro)

Type of transactions/Values	Total 06.30.2026				Total 12.31.2025			
	CA	Fair Value			CA	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and sight deposits	4,059,484	X	X	X	4,634,496	X	X	X
2. Time deposits	1,297,453	X	X	X	1,121,944	X	X	X
3. Loans	2,431,725	X	X	X	2,481,858	X	X	X
3.1 repurchase agreements	2,359,350	X	X	X	2,321,742	X	X	X
3.2 Others	72,375	X	X	X	160,115	X	X	X
4. Liabilities in respect of commitments to repurchase own equity instruments		X	X	X		X	X	X
5. Lease liabilities	7,239	X	X	X	8,194	X	X	X
6. Sundry liabilities	633,142	X	X	X	610,145	X	X	X
Total	**8,429,043**			**8,429,043**	**8,856,635**			**8,856,635**

Key
CA = Carrying Amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

As at June 30, 2026, the item mainly consisted of "current accounts and sight deposits" for an amount of €4,059 million relating to balances on operational current accounts, i.e. accounts opened for relevant corporate customers (e.g. funds, asset management companies, corporate customers and other institutions) related to the custodian bank core business and loans from "repurchase agreement" transactions for €2,359 million.

The item also includes exposures to online deposit accounts *("conto facto")*, offered in Italy, Spain, Germany, the Netherlands, Ireland, Poland and, from 2025, Greece for a total of €1.4 billion between restricted deposits and current accounts, compared to €1.3 billion as at December 31, 2025.

Sundry liabilities mainly refer to collections of managed exposures due to clients, as well as outstanding cashier's checks issued as part of the service that allows affiliated banks to make available credit instruments issued by BFF Bank as a custodian bank to their customers on the basis of a mandate agreement.

Lease liabilities, totaling €5.4 million at group level, refer to the recognition of lease liabilities arising from right-of-use assets, included under line item 90 "Property, equipment and investment property" in the Statement of Financial Position assets, following the application of the new IFRS 16 effective January 1, 2019.

The amount mainly includes the effect of the application of the standard on the leases of the properties leased by the Group, and the lease contracts have a duration between 3 and 6 years. For more information see Part M - "Lease reporting" of the Notes.

Debt securities issued

€605,764 thousand

1.3 Financial liabilities at amortized cost: breakdown by type of securities issued

(Values in thousand euro)

Type of securities/Values	Total 06.30.2026				Total 12.31.2025			
	CA	Fair Value			CA	Fair Value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. bonds	605,764	602,164			619,959	637,474		
1.1 structured	605,764	602,164			619,959	637,474		
1.2 others								
2. other securities								
2.1 structured								
2.2 others								
Total	**605,764**	**602,164**	**-**		**619,959**	**637,474**	**-**	

Key
CA = Carrying Amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

The securities issued represent bonds issued by the Parent under the €2.5 billion Medium Term Note (EMTN) Program, established by the Issuer, and intended only for eligible institutional investors in Italy and abroad, pursuant to Regulation S of the United States Securities Act of 1933, as amended. Consistent with the Bank's funding plan, these issues were carried out with a view to MREL requirements, compulsory for BFF as at January 1, 2025.

Specifically, the balance as at June 30, 2026 relates to the following bonds:

- social unsecured senior preferred - total nominal value of €300 million, placed on April 8, 2024 with a fixed-rate coupon of 4.750% per annum payable annually, maturing on March 20, 2029 and an option for early redemption in the fourth year, on March 20, 2028, placed at a reoffer yield of 4.775% (corresponding to a spread of 190 basis points over the benchmark mid-swap rate);
- social unsecured senior preferred - total nominal value of €300 million, placed on October 22, 2024 with a fixed-rate coupon of 4.875% per annum payable annually, maturing on March 30, 2028 and an option for early redemption on March 30, 2027, placed at a reoffer yield of 4.95% (corresponding to a spread of 262.2 basis points over the benchmark mid-swap rate).

Section 2 – Financial liabilities held for trading - Item 20

€265 thousand

2.1 Financial liabilities held for trading: breakdown by type

(Values in thousand euro)

Type of transactions/Values	Total 06.30.2026					Total 12.31.2025				
	NV	Fair Value			Fair Value(*)	NV	Fair Value			Fair Value(*)
		L1	L2	L3			L1	L2	L3	
A. On-statement-of-financial-position liabilities										
1. Amounts due to banks										
2. Amounts due to customers										
3. Debt securities										
3.1 Bonds										
3.1.1 Structured					X					X
3.1.2 Other bonds					X					X
3.2 Other securities										
3.2.1 Structured					X					X
3.2.2 Others					X					X
Total (A)	-	-	-	-	-	-	-	-	-	-
B. Derivatives										
1. Financial derivatives										
1.1 Held for trading	X		265		X	X		778		X
1.2 Connected to the fair value option	X				X	X				X
1.3 Others	X				X	X				X
2. Credit derivatives										
2.1 Held for trading	X				X	X				X
2.2 Connected to the fair value option	X				X	X				X
2.3 Others	X				X	X				X
Total (B)	**X**	**-**	**265**	**-**	**X**	**X**	**-**	**778**	**-**	**X**
Total (A+B)	**X**	**-**	**265**	**-**	**X**	**X**	**-**	**778**	**-**	**X**

Key
NV = Nominal value
L1 = Level 1
L2 = Level 2
L3 = Level 3
(*) Fair value = Fair value calculated excluding changes in value due to the change in creditworthiness of the issuer with respect to the issue date.

The item includes the negative fair value at June 30, 2026 of derivative instruments classified as trading assets but used for the operational hedges of exchange rate and interest rate risk that the Group is exposed to.

Section 4 – Hedging derivatives - Item 40

€0

4.1. Hedging derivatives: breakdown by hedge type and level

(Values in thousand euro)

	FV 6.30.2026			NV 06.30.2026	FV 12.31.2025			NV 12.31.2025
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives						**186**		**89,568**
1) Fair value								
2) Cash flows								
3) Foreign investments						186		89,568
B. Credit derivatives								
1) Fair value								
2) Cash flows								
Total	-	-	-	-	-	**186**	-	**89,568**

Key
NV = Notional Value
L1 = Level 1
L2 = Level 2
L3 = Level 3

Section 6 – Tax liabilities - Item 60

€154,946 thousand

See "Section 11 - Tax assets and liabilities - Item 110" of the consolidated statement of financial position assets.

Section 8 – Other liabilities - Item 80

€404,539 thousand

8.1 Other liabilities: breakdown

(Values in thousand euro)

Breakdown	Total 06.30.2026	Total 12.31.2025
Trade payables	10,420	19,285
Invoices to be received	26,727	21,353
Liabilities to tax authorities	8,971	7,720
Liabilities to social security and welfare bodies	1,417	2,409
Liabilities to employees	11,766	23,621
Collections pending allocation	75,666	76,798
Payment flows received to be charged	221,639	162,929
Sundry liabilities	36,901	46,888
Accrued expense and deferred income	11,033	4,211
Total	**404,539**	**365,213**

"Trade payables" and "invoices to be received" refer to accounts payable for purchases of goods and services.

"Collections pending allocation" refer to payments received by June 30, 2026 but still outstanding since they had not been cleared and recorded by that date.

"Sundry liabilities" include portions of collections to be transferred, stamp duties to be paid, payables to directors and other pending items.

The "Payment flows received to be charged" refer to suspense accounts with a credit balance that fall within the scope of bank payment intermediation and include suspended settlements that were made in the first business days after the reporting date of these interim consolidated financial statements.

Section 9 – Post-employment benefits - Item 90

€3,561 thousand

9.1 Post-employment benefits: annual changes

The liability recorded in the interim consolidated financial statements at June 30, 2026 primarily in relation to post-employment benefits of the Parent is equal to the present value of the obligation estimated by an independent actuary on the basis of demographic and economic assumptions.

Actuarial assumptions used to determine the liability at June 30, 2026 are shown below.

Actuarial assumptions

Annual discount rate

The discount rate used to determine the present value of the obligation was calculated, in compliance with paragraph 83 of IAS 19, in relation to the iBoxx Eurozone Corporate AA 5-7 Index (in line with the duration of the items measured) and it was found to be 3.24%.

Other actuarial assumptions

Post-employment benefits increase rate equal to 3%.

In compliance with Article 2120 of the Italian Civil Code, such rate is equal to 75% of inflation plus 1.5 percentage points. The rate used for the valuation was 2%.

The demographic assumptions used are as follows:

- Death: 2022 ISTAT;
- Disability: INPS 2000 tables broken down by age and sex;
- Retirement: 100% upon reaching AGO requisites, as updated by Italian Decree-Law 4/2019.

Annual frequency of turnover and advances

- Executives: 0% advance frequency and 27.0% turnover frequency;
- Managers: 0.6% advance frequency and 7.3% turnover frequency;
- Employees 2.1% advance frequency and 3.4% turnover frequency.

Section 10 – Provisions for risks and charges - Item 100

€21,013 thousand

10.1 Provisions for risks and charges: breakdown

(Values in thousand euro)

Items/Components	Total 06.30.2026	Total 12.31.2025(*)
1. Provisions for credit risk relating to Commitments and financial guarantees given	65	64
2. Provisions for other commitments and other guarantees provided		
3. Pension and similar obligations	6,001	6,329
4. Other provisions for risks and charges		
4.1 Legal and tax disputes		
4.2 Personnel costs		
4.3 Others	14,947	22,881
Total	**21,013**	**29,274**

(*) Please note that the data relating to item 100 c) "Provisions for risks and charges – other provisions for risks and charges" were reclassified for comparative purposes only. For further details, please refer to the specific section "Restatement of certain comparative information" in Section 5 – "Other aspects" of the Accounting policies.

As of June 30, 2026, for the sake of consistency in presentation and in order to uniformly reflect the effects of credit risk and the related contractual recovery mechanisms, the provisions previously recognized under "Provisions for risks and charges" relating to legal actions against debtors whose assignors are subject to extraordinary proceedings, equal to €44.2 million, were reclassified to provisions that directly adjust financial assets. This reclassification did not produce any impact on the income statement.

In order to ensure the comparability of financial information, the Bank also restated comparative figures as at December 31, 2025, in accordance with the same presentation criterion illustrated above, with no impact on profit or loss or on equity.

For further details, please refer to the specific section of Part A Accounting Policies – "Other Aspects".

10.5 Defined benefit pension funds

The pension fund refers mainly to the non-compete agreements entered into with BFF Banking Group's managers, amounting to €3.9 million and the provisions relating to the incentive scheme with deferred payment envisaged for specific BFF Bank employees, amounting to €2.1 million. Both obligations to personnel are shown at their present value estimated by an independent actuary based on demographic and economic assumptions.

As at June 30, 2026, the fund in question also included the provision for the commitment made by the former DEPO bank to some employees who left the Bank, amounting to €137 thousand.

Specifically, the system involving deferral of a portion of the annual bonuses envisages, for risk takers, medium-term restrictions, according to which 30% or 40% of the annual bonus will be paid between three and a maximum of six years later, provided that the Bank achieves specific targets relating to its profitability, regulatory capital requirements established by existing regulations, and the employee's continued employment at the Bank. In accordance with the provisions of IAS 19, accruals were quantified based on an actuarial calculation performed externally by a specialized firm. The Bank's obligations were computed using the "Projected Unit Credit Method", which treats each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to compute the final obligation, in accordance with paragraphs 67-69 of IAS 19. This actuarial method entails valuation aimed at determining the average present value of the Bank's obligations.

The main assumptions made by the external firm when discounting are as follows:

Non-compete agreement

The annual discount rate used to determine the present value of the obligation is taken, in accordance with paragraph 83 of IAS 19, from the Iboxx Corporate AA index with a duration of 3-5 recorded as at June 30, 2026 and equal to 3.3%. The yield with a comparable duration to that of the collective being valued was chosen for this purpose.

The technical demographic and economic assumptions used are illustrated below:

Death	RG48 mortality tables published by the State General Accounting Office
Retirement	100% on reaching the AGO requirements
Frequency of voluntary resignations/withdrawals	14.10%
Clawback frequency	0.00%
Increase in annual remuneration	2.00%
Inflation rate	2.00%
Contribution rate (Cash and SF)	27.00%

10.6 Provisions for risks and charges - Other provisions

Other provisions of €14.9 million refer to:

- litigation liabilities for which the Bank has estimated a probable risk of loss for approximately €13.6 million;
- provisions related to possible damages for operational errors of approximately €1.3 million.

Section 13 – Group equity - Items 120, 130, 140, 150, 160, 170 and 180

€943,996 thousand

13.1 "Share capital" and "Treasury shares": breakdown

(Values in thousand euro)

Types	06.30.2026	12.31.2025
1. Share Capital	**145,452**	**145,399**
1.1 Ordinary shares	145,452	145,399
2. Treasury shares	-	-

13.2 Share capital - Number of parent shares: annual changes

(Values in units)

Items/Types	Ordinary	Others
A. Shares as at the beginning of the year	**188,830,452**	
- fully paid-in	188,830,452	
- not fully paid-in		
A.1 Treasury shares (-)		
A.2 Shares outstanding: initial balance	188,830,452	
B. Increases	**68,726**	
B.1 New issues		
- for consideration:		
- business combinations		
- conversion of bonds		
- exercise of warrants		
- others		
- without consideration:		
- to employees	3,920	
- to directors		
- others		
B.2 Sales of treasury shares		
B.3 Other changes	64,806	
C. Decreases		
C.1 Cancellation		
C.2 Repurchase of treasury shares		
C.3 Disposal of companies		
C.4 Other changes		
D. Shares outstanding: closing balance	**188,899,178**	
D.1 Treasury shares (+)		
D.2 Shares existing at the end of the year	188,899,178	
- fully paid-in	188,899,178	
- not fully paid-in		

13.4 Earnings-related reserves: other information

In accordance with the provisions of Article 2427, paragraph 7-bis of the Italian Civil Code, the following tables provide a breakdown of the individual components of equity according to their possibility of use, the amount available for distribution, and past use in the previous years (the three-year period before the date of preparation of these interim consolidated financial statements).

(Values in thousand euro)

	06.30.2026	Possibility of use (a)	Portion available	Portion deriving from tax on extra profits	Portion with tax suspension	Summary of use in the last three years (*)	
						To cover losses	For other reasons
Share capital	**145,452**						
Reserves	**491,620**						
- Legal reserve (**)	29,080	B			26,196		
- Extraordinary reserve	89	A, B, C	89				
- Retained earnings (***)	453,732	A, B, C	453,732		50,387		94,866
- Stock option and financial instrument reserves	7,829	A					
- Other reserves	890						
Valuation reserves	**39,217**						
- HTCS securities	20,385						
- Others	18,832						
Treasury share reserve	-						
Share premium reserve	**66,277**	**A, B, C**	**66,277**				
Total share capital and reserves	**742,566**		**520,099**	**-**	**76,583**		**94,866**

(a): Possible uses: *A*=for share capital increase *B*=to cover losses *C*=for distribution to shareholders

(*) Uses in the last three years amounting to €94,866 thousand include primarily uses for a total of €17,209 thousand for the exercise of stock options by certain beneficiaries in the course of 2024, 2025 and the first half of 2026, the use of €22,037 thousand (net of the tax effect) for the payment of the interest coupon relating to the Additional Tier 1 (AT1) financial instrument and the use of €6,710 thousand relating to the tax for the extraordinary contribution to release the extra-profit reserve required by Article 26 of Decree-Law of August 10, 2023, as well as uses in the last three years relating to the payment of dividends distributed as per shareholders' resolutions in the amount of €48,910 thousand.

(**) Including €26,196 thousand in tax suspension pursuant to Article 110 of Italian Decree-Law 104/2020.

(***) Including €50,387 thousand in tax suspension pursuant to Article 110 of Italian Legislative Decree 104/2020.

Changes in reserves that make up equity are shown below:

(Values in thousand euro)

	Legal	Retained earnings	Others	Total
A. Opening balance	**29,001**	**421,265**	**9,250**	**459,516**
B. Increases	**79**	**36,872**		**36,951**
B.1 Allocation of profits	79	36,872		36,951
B.2 Other changes				
C. Decreases		**(4,316)**	**(530)**	**(4,847)**
C.1 Uses				
- coverage of losses				
- distribution				
- transfer to share capital				
C.2 Other changes		(4,316)	(530)	(4,847)
D. Closing balance	**29,080**	**453,821**	**8,719**	**491,620**

Retained earnings

The retained earnings increases by €36.9 million due to the allocation of a share of profits for 2025, in accordance with the Shareholders' Meeting resolution of June 16, 2026;

Decreases in the retained earnings of €4.3 million are mainly related to (i) the payment of interest coupons of the "Additional Tier 1" instrument, (ii) the payment of withholding taxes on the exercises of stock options by the beneficiaries, and (iii) the exercise of stock options and share grants with regard to the incentive system for the deferred portion.

Other reserves

Other reserves decreased by €0.5 million due to the exercise of stock options or share grants related to the Parent's incentive scheme.

Tax suspension restriction

As noted previously, in 2021 the parent took advantage of the facilitation provided under Art. 110 of Italian Decree-Law no. 104 of August 14, 2020 and proceeded with the alignment between the carrying and tax amounts of the item goodwill present in the financial statements at December 31, 2019 and 2020 of the former DEPObank, which was merged into BFF Bank on March 5, 2021. This transaction, which was approved by the parent's Board of Directors on June 30, 2021, entailed (i) the alignment of the item goodwill equal to roughly €79 million, (ii) the resulting payment of substitute tax equal to €2.4 million and (iii) the need to place a tax suspension restriction on the reserves of €76.6 million, equal to the difference between the aligned amount and the substitute tax, as set forth in paragraph 8 of Art. 110 of Decree-Law 104/2020.

Considering that the transaction was carried out subsequent to the approval of the financial statements for the year ended December 31, 2020 of the former DEPObank and its merger into BFF Bank, the tax suspension restriction is placed as a 'Restricted share pursuant to paragraph 8 of Art. 110 of Decree-Law 104/2020' on the following reserves:

- "Retained earnings" for €50,387 thousand;
- "Legal reserve" for €26,196 thousand.

13.5 Equity instruments: breakdown and annual changes

As at June 30, 2026, there is no change compared to December 31, 2025. The item represents only the Additional Tier 1 Perpetual NC2027 instrument (ISIN XS2404266848) in the amount of €150 million, with a fixed-rate coupon of 5.875% per annum to be paid on a half-yearly basis

Note that during the first half of 2026, the Parent paid of the accrued interest coupon of €4.4 million (gross of the tax effect).

Other information

1. Commitments and financial guarantees given

(Values in thousand euro)

	Nominal amount on commitments and financial guarantees given				Total 06.30.2026	Total 12.31.2025
	Stage one	Stage two	Stage three	Purchased or originated credit impaired		
1. Commitments to disburse funds	**427,006**		**35,240**		**462,246**	**539,654**
a) Central Banks	-					
b) Public administrations	60,747		35,239		95,986	131,773
c) Banks	27,903				27,903	-
d) Other financial companies	335,593				335,593	403,815
e) Non-financial companies	2,763		1		2,764	4,066
f) Households						
2. Financial guarantees given	**3,655**		**5,823**		**9,478**	**9,478**
a) Central Banks						
b) Public administrations						
c) Banks						
d) Other financial companies	141				141	141
e) Non-financial companies	3,514		5,823		9,337	9,337
f) Households						

2. Other commitments and other guarantees provided

(Values in thousand euro)

	06.30.2026	12.31.2025
Other guarantees provided	**35,846**	**35,846**
of which: impaired credit exposures	2,641	2,641
a) Central Banks		
b) Public administrations		
c) Banks		
d) Other financial companies		
e) Non-financial companies	35,846	35,846
f) Households		
Other commitments	**154**	**154**
of which: impaired credit exposures	59	59
a) Central Banks		
b) Public administrations		
c) Banks		
d) Other financial companies		
e) Non-financial companies	154	154
f) Households		

3. Assets given as collateral for own liabilities and commitments

(Values in thousand euro)

Portfolios	Amount 06.30.2026	Amount 12.31.2025
1. Financial assets measured at fair value through profit or loss		
2. Financial assets measured at fair value through other comprehensive income		
3. Financial assets measured at amortized cost	2,814,947	3,196,619
4. Property, equipment and investment property		
of which: property, equipment and investment property held as inventories		

"Financial assets measured at amortized cost" consist of government securities used as collateral in operations with the ECB and repos.

5. Administration and brokerage for third parties

(Values in thousand euro)

Type of services	Amount
1. Execution of orders for customers	
a) Purchases	-
1. settled	
2. not settled	
b) Sales	
1. settled	
2. not settled	
2. Portfolio management	-
a) individual	
b) collective	
3. Custody and administration of securities	**122,597,476**
a) third-party securities deposited: relating to bank activities custodian (excluding portfolio management)	31,227,149
1. securities issued by consolidated companies	10,445
2. other securities	31,216,704
b) third-party securities deposited (excluding portfolio management): others	86,612,861
1. securities issued by consolidated companies	19,383
2. other securities	86,593,478
c) third party securities deposited with third parties	110,850,047
d) proprietary securities deposited with third parties	4,757,467
4. Other transactions	-

Part C – Information on the Consolidated Income Statement

All amounts in the tables are stated in thousand euro.

Section 1 – Interest - Items 10 and 20

1.1 Interest and similar income: breakdown

€221,624 thousand (of which €216,645 thousand relating to interest income calculated according to the effective interest method)

(Values in thousand euro)

Items/Technical forms	Debt securities	Loans	Other transactions	Total H1 2026	Total H1 2025
1. Financial assets measured at fair value through profit or loss:					
1.1. Financial assets held for trading					
1.2. Financial assets designated at fair value					
1.3. Other financial assets subject to mandatory fair value measurement	196			196	211
2. Financial assets measured at fair value through other comprehensive income			X		
3. Financial assets measured at amortized cost:					
3.1 Loans and receivables with banks	8,760	6,145	X	14,905	14,972
3.2 Loans and receivables with customers	50,855	150,952	X	201,807	251,243
4. Hedging derivatives	X	X			
5. Other assets	X	X	4,700	4,700	3,832
6. Financial liabilities	X	X	X	17	1
Total	**59,811**	**157,097**	**4,700**	**221,624**	**270,260**
of which: interest income on impaired assets					
of which: interest income on finance leasing	X	-	X	-	3

1.2 Interest and similar income: other information

Interest income relating to "Loans and receivables with banks" mainly refers to temporary credit balances in the account of the Parent and its subsidiaries, income accruing on the amount of bank drafts issued on behalf of banking customers and interest income on the average negative deposits of reciprocal current accounts held by banking customers.

Interest income on "Loans and receivables with customers" for loans amounted to €151.0 million (€190.7 million as at June 30, 2025) and mostly consists of "maturity commissions" charged to the assignors for the purchase of non-recourse trade receivables, and late payment interest for the year, relating to BFF Bank and BFF Finance Iberia.

The decrease in interest income compared to the same period of the previous year is mainly related to the drop in revenue from the Factoring & Lending BU due to the reduction in purchase volumes and other actions, such as retrocessions, aimed at reducing the portfolio's risk profile.

Interest income on debt securities linked to loans and receivables with customers and totaling approximately €50.9 million derive from government securities purchased by BFF Bank to hedge liquidity risk and to optimize the cost of money, relating to the HTC (Held to Collect) portfolio.

1.3 Interest and similar expense: breakdown

€115,583 thousand

(Values in thousand euro)

Items/Technical forms	Liabilities	Securities	Other transactions	Total H1 2026	Total H1 2025
1. Financial liabilities measured at amortized cost					
1.1 Amounts due to central banks		X	X		
1.2 Amounts due to banks	11,173	X	X	11,173	23,104
1.3 Amounts due to customers	87,305	X	X	87,305	105,114
1.4 Securities issued	X	14,680	X	14,680	14,552
2. Financial liabilities held for trading					
3. Financial liabilities designated at fair value					
4. Other liabilities and provisions	X	X	1,688	1,688	2,003
5. Hedging derivatives	X	X	737	737	953
6. Financial assets	X	X	X		
Total	**98,478**	**14,680**	**2,425**	**115,583**	**145,726**
of which: interest expense relative to lease liabilities	123	X	X	123	497

Interest expense decreased from €145.7 million relating to the first half of 2025 to €115.6 million in the first half of 2026. The decrease is mainly attributable to the reduction in the amount of funding related to the transaction services business and to the decline in the ECB/MRO reference interest rates during the first half of 2026.

Interest expense on "Amounts due to central banks" refers to the interest accrued on the amounts deposited in the account with the Bank of Italy.

Interest expense on "Amounts due to banks" mainly refers to interest accruing on current accounts held with BFF Bank and in the name of a bank counterparty.

Interest expense pertaining to "Amounts due to customers" mainly refers to interest on BFF Bank's online deposit accounts ("Conto Facto" in Italy, "Cuenta Facto" offered in Spain by the Spanish branch of BFF Bank and "Lokata Facto" offered by the branch in Poland and, as from July 2025, "Facto Prothesmiaki" offered by the branch in Greece), interest accruing on current account balances of corporate customers and interest relating to contracts governed by the Global Master Repurchase Agreement (GMRA) with Cassa di Compensazione Garanzia as the customer counterparty.

Finally, the item also includes interest expense for "Securities issued", amounting to approximately €14.7 thousand (€14.6 thousand as at June 30, 2025), relating to the two senior bonds issues worth €600 million, issued on April 8 and October 22, 2024. For more details on this please refer to item 10 c) of the Statement of Financial Position liabilities "Financial liabilities measured at amortized cost".

Section 2 – Fees and commissions - Items 40 and 50

2.1 Fee and commission income: breakdown

€56,591 thousand

(Values in thousand euro)

Type of services/Values	Total H1 2026	Total H1 2025
a) Financial instruments		
1. Placement of securities		
1.1 With firm commitment and/or on the basis of an irrevocable commitment		
1.2 Without irrevocable commitment		
2. Receipt and transmission of orders and execution of orders for customers		
2.1 Receipt and transmission of orders of one or more financial instruments		
2.2 Execution of orders for customers		
3. Other commissions connected to activities linked to financial instruments		
of which: dealing on own account		
of which: individual portfolio management		
b) Corporate Finance		
1. Mergers and acquisitions consulting		
2. Treasury services		
3. Other commissions connected to corporate finance services		
c) Consulting activities related to investments	**18**	**30**
d) Clearing and settlement		
e) Collective portfolio management		
f) Custody and administration	**16,479**	**14,908**
1. Custodian bank	11,390	10,148
2. Other commissions linked to custody and administration activities	5,089	4,760
g) Central administrative services for collective portfolio management		
h) Fiduciary activities		

CONTINUED

(Values in thousand euro)

Type of services/Values	Total H1 2026	Total H1 2025
i) Payment services	**36,595**	**34,041**
1. Current accounts		
2. Credit cards	350	708
3. Debit cards and other payment cards	2,053	2,060
4. Bank transfers and other payment orders	11,823	10,180
5. Other commissions linked to payment services	22,369	21,094
j) Distribution of third-party services		
1. Collective portfolio management		
2. Insurance products		
3. Other products		
of which: individual portfolio management		
k) Structured finance		
l) Servicing activities for securitization transactions		
m) Commitments to disburse funds		
n) Financial guarantees given	**510**	**735**
of which: credit derivatives		
o) Lending transactions		
of which: for factoring transactions		
p) Currency trading		
q) Commodities		
r) Other fee and commission income	**2,988**	**3,814**
of which: for management of multilateral trading systems		
of which: for management of organized trading systems		
Total	**56,591**	**53,529**

The item mainly includes fees and commissions relating to the mandates for the management and collection of receivables deriving from the factoring and management of trade receivables, as well as fees and commissions for custodian banking and payment services.

2.2 Fee and commission expense: breakdown

€11,142 thousand

(Values in thousand euro)

Services/Values	Total H1 2026	Total H1 2025
a) Financial instruments		
of which: trading in financial instruments		
of which: placement of financial instruments		
of which: individual portfolio management		
Own		
Delegated to third parties		
b) Clearing and settlement	932	969
c) Collective portfolio management		
d) Custody and administration	1,972	2,095
e) Collection and payment services	7,088	6,962
of which: credit cards, debit cards and other payment cards	36	304
f) Servicing activities for securitization transactions	-	2
g) Commitments to receive funds		
h) Financial guarantees received	8	8
of which: credit derivatives		
i) Off-site offer of financial instruments, products and services		
j) Currency trading	1	-
k) Other fee and commission expense	1,142	1,445
Total	11,142	11,481

The item mainly includes the custody and administration fees for the custodian bank business and those paid to outsourcers for the use of infrastructure related to payment services.

Section 3 – Dividends and similar income - Item 70

3.1 Dividends and similar income: breakdown

€9,828 thousand

(Values in thousand euro)

Items/Income	Total H1 2026		Total H1 2025	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading				
B. Other financial assets subject to mandatory fair value measurement	2,764		5,264	
C. Financial assets measured at fair value through other comprehensive income	7,064		6,528	
D. Equity investments				
Total	9,828	-	11,792	-

As at June 30, 2026, the item mainly included dividends received from the Bank of Italy amounting to €5.7 million (€5.7 million in the first half of 2025), from General Finance amounting to €1.4 million (€0.9 million in the first half of 2025), whose shares subscribed by the Parent BFF Bank are classified under item 30 of the Assets "Financial assets measured at fair value through other comprehensive income", and dividends received from Fondo Italiano di Investimento amounting to approximately €0.3 million (€0.2 million in the first half of 2025) and from Fondo Ingenii amounting to €2.4 million (€5.1 million in the first half of 2025), whose UCI units are classified under item 20 of the Assets "Financial assets measured at fair value through profit or loss".

Section 4 – Profits (losses) on trading - Item 80

€5,221 thousand

4.1 Profits (losses) on trading: breakdown

€5,221 thousand

(Values in thousand euro)

Transaction/Income items	Capital gains (A)	Gains from trading (B)	Capital losses (C)	Losses from trading (D)	Net profit [(A+B)-(C+D)]
1. Financial assets held for trading	**14**	**9,544**	**12**		**9,546**
1.1 Debt securities	12	392	12		392
1.2 Equity securities	2				2
1.3 UCI units					
1.4 Loans		9,152			9,152
1.5 Others					
2. Financial liabilities held for trading					
2.1 Debt securities					
2.2 Liabilities					
2.3 Others					
3. Financial assets and liabilities: foreign exchange differences	X	X	X	X	(4,325)
4. Derivatives					
4.1 Financial derivatives:					
- On debt securities and interest rates					
- On equity securities and stock indices					
- On currency and gold	X	X	X	X	
- Others					
4.2 Loan derivatives					
of which: natural hedging related to the fair value option	X	X	X	X	
Total	**14**	**9,544**	**12**	**-**	**5,221**

In the first half of 2026, this item mainly includes the positive result deriving from factoring purchases of Ecobonus tax assets falling under the Trading Business Model and classified in asset item 130 "Other assets" in the statement of financial position, for a total of €9.2 million.

The profits on trading mainly derive from the effect of exchange rate differences related to foreign exchange trading functional to treasury management, in particular to bank and customer deposits in foreign currencies.

Section 6 – Gains (losses) on disposals/repurchases - Item 100

€14,508 thousand

6.1 Gains (Losses) on disposals/repurchases: breakdown

€14,508 thousand

(Values in thousand euro)

Items/Income items	Total H1 2026			Total H1 2025		
	Gains	Loss	Net gains	Gains	Loss	Net gains
Financial assets						
1. Financial assets measured at amortized cost						
1.1 Loans and receivables with banks						
1.2 Loans and receivables with customers	14,508		14,508			
2. Financial assets measured at fair value through other comprehensive income						
2.1 Debt securities						
2.2 Loans						
Total assets (A)	**14,508**	**-**	**14,508**	**-**	**-**	**-**
Financial liabilities measured at amortized cost						
1. Amounts due to banks						
2. Amounts due to customers						
3. Securities issued						
Total liabilities (B)	**-**	**-**	**-**	**-**	**-**	**-**

In the first six months of 2026, the item in question amounted to €14.5 million and represents the net gain from the sale of debt securities for a nominal value of €454 million classified in asset item 40 b) "Financial assets measured at amortized cost – loans and receivables with customers".

Section 7 – Profits (losses) on other financial assets and liabilities at fair value through profit or loss - Item 110

(€1,683 thousand)

7.2 Net change of value of other financial assets and liabilities at fair value through profit or loss: breakdown of other financial assets and liabilities subject to mandatory fair value measurement

(Values in thousand euro)

Transactions / Income items	Capital gains (A)	Realized gains (B)	Capital losses (C)	Losses on disposal (D)	Net loss [(A+B)-(C+D)]
1. Financial assets			**1,671**	**12**	**(1,683)**
1.1 Debt securities					
1.2 Equity securities					
1.3 UCI units			1,671	12	(1,683)
1.4 Loans					
2. Financial assets in foreign currency: foreign exchange differences	X	X	X	X	
Total	**-**	**-**	**1,671**	**12**	**(1,683)**

The item refers to the valuation of the UCI units held by the Parent at the last NAV made available by the relevant investment funds and the Ingenii Fund.

Section 8 – Net impairment losses/gains for credit risk - Item 130

(€20,696 thousand)

8.1 Net impairment losses/gains for credit risk associated with financial assets measured at amortized cost: breakdown

(Values in thousand euro)

Transaction/Income items	Impairment losses						Impairment gains				Total H1 2026	Total H1 2025
	Stage one	Stage two	Stage three		Purchased or originated credit impaired		Stage one	Stage two	Stage three	Purchased or originated credit impaired		
			write-offs	Other	write-offs	Others						
A. Loans and receivables with banks	**(2)**										**(2)**	**188**
- Loans	(2)										(2)	188
- Debt securities											-	
B. Loans and receivables with customers	**(2,876)**	**(534)**	**(1,170)**	**(46,716)**			**47**	**1**	**30,337**	**219**	**(20,694)**	**(1,462)**
- Loans	(2,876)	(534)	(1,170)	(46,716)			13	1	30,337	219	(20,728)	(1,307)
- Debt securities							34				34	(155)
Total	**(2,878)**	**(534)**	**(1,170)**	**(46,716)**			**47**	**1**	**30,337**	**219**	**(20,696)**	**(1,274)**

The increase in the provision in the first half of 2026 compared to the same period of 2025 is mainly related to the provisions recognized by the Bank in implementing the guidance issued by the Bank of Italy in the recent inspection report.

Section 12 – Administrative expenses - item 190

€85,367 thousand

12.1 Personnel expense: breakdown

€25,858 thousand

(Values in thousand euro)

Type of expenditure/Sectors	Total H1 2026	Total H1 2025
1) Employees	24,519	37,948
a) wages and salaries	24,696	24,299
b) social security contributions	7,328	7,030
c) post-employment benefits		
d) pension costs	1	1
e) provision for post-employment benefits	1,526	1,163
f) provision for pensions and similar obligations:		
- defined contribution plans		
- defined benefit plans		
g) payments to external complementary pension funds:	17	199
- defined contribution plans		
- defined benefit plans	17	199
h) costs related to share-based payments	(11,391)	2,822
i) other employee benefits	2,342	2,433
2) Other personnel in service	61	279
3) Directors and statutory auditors	1,278	1,315
4) Early retirement costs		
Total	25,858	39,541

The item "personnel expense", down compared to the same period of the previous year, includes, in addition to the amount of expenses and contributions paid to employees, including those provided for under the Group incentive system, income relating to stock options granted to certain Group employees as at June 30, 2026 amounting to approximately €11.4 million gross of taxes, with the corresponding entry partly in the related equity reserve and partly in liability item 80 "Other liabilities" in the statement of financial position.

12.5 Other administrative expenses: breakdown

€59,509 thousand

(Values in thousand euro)

Breakdown	Total H1 2026	Total H1 2025
Legal fees	8,386	2,559
Data processing services	8,588	8,721
External credit management services	547	392
Supervisory Body fees	20	6
Legal fees for loans and receivables under management	154	62
Notary fees	63	102
Notary fees to be recovered	336	426
Entertainment expense and donations	916	2,525
Maintenance expense	6,453	5,503
Non-deductible VAT	6,740	5,586
Other taxes	3,095	3,100
Consulting services	13,244	9,451
Head office operating expenses	1,896	1,672
Resolution Fund and FITD	21	26
Other expenses	9,050	12,857
Total	**59,509**	**52,989**

Other administrative expense for the period, amounted to €59.5 million, up from the figure recorded for the same period of the previous year. The increase in legal expenses compared to the corresponding period of the previous year is mainly attributable to activities related to the management of litigation concerning the factoring portfolio, in a context characterized by the presence of negative or partially negative rulings.

Section 13 – Net accruals to provisions for risks and charges - Item 200

€7,939 thousand

13.1 Net accruals to provisions for credit risk relating to commitments to disburse funds and financial guarantees given: breakdown

€6 thousand

(Values in thousand euro)

Breakdown	Total H1 2026	Total H1 2025
Provision for risk on commitments and guarantees	(6)	(183)
Total	**(6)**	**(183)**

13.3 Net accruals to provisions for risks and charges: breakdown

€7,933 thousand

The accruals to the provisions, corresponding period of the prior year, shows the following breakdown

(Values in thousand euro)

Breakdown	Total H1 2026	Total H1 2025
Other provisions	(7,933)	(209)
Total	**(7,933)**	**(209)**

Section 14 – Depreciation and net impairment losses on property, equipment and investment property - item 210

€3,557 thousand

As from 2019, following the application of IFRS 16, the item "Depreciation and net impairment losses on property, equipment and investment property" also includes the amortization of right-of-use assets, amounting to €1.2 million, the balancing entry for which is recorded under property, equipment and investment property.

Section 15 – Amortization and net impairment losses on intangible assets - Item 220

€6,939 thousand

The item refers to amortization for the period relating to intangible assets with finite useful lives, which also includes "Customer Contracts".

Section 16 – Other operating income, net - Item 230

€2,024 thousand

16.1 Other operating expenses: breakdown

(€878 thousand)

(Values in thousand euro)

Breakdown	Total H1 2026	Total H1 2025
Prior year expense	(53)	(1,097)
Rounding and allowances	(2)	(1)
Other charges	(548)	(526)
Registry tax expense	(275)	(20)
Total	**(878)**	**(1,644)**

16.2 Other operating income: breakdown

€2,902 thousand

(Values in thousand euro)

Breakdown	Total H1 2026	Total H1 2025
Recovery of legal fees for purchases of non-recourse trade receivables	740	712
Recovery of legal fees	26	383
Other recoveries	134	227
Prior year income	257	779
Recovery of assignor notary expenses	412	592
Other income	1,333	14,511
Total	**2,902**	**17,204**

The item mainly includes the amount pertaining to the half-year of the flat-rate compensation for debt collection (so-called "40 euros"). The reduction is mainly due to the decrease in the amount of those compensations following lower factoring volumes generated in Italy during the first half of 2026.

Section 21 – Income taxes for the period on continuing operations - item 300

€24,440 thousand

21.1 Income taxes on continuing operations: breakdown

(Values in thousand euro)

Income items/Sectors	Total H1 2026	Total H1 2025
1. Current taxes (-)	23,000	18,967
2. Adjustment to current tax of prior years (+/-)		
3. Reduction of current tax for the period (+)		
3.bis Reduction of current taxes for the period for tax credits pursuant to Italian Law no. 214/2011 (+)		
4. Change in deferred tax assets (+/-)	16,463	1,781
5. Change in deferred tax liabilities (+/-)	(15,024)	5,598
6. Taxes for the period (-) (-1+/-2+3+ 3 bis +/-4+/-5)	24,440	26,346

Section 25 – Earnings per share

25.1 Average number of ordinary shares with diluted capital

Breakdown	Total H1 2026	Total H1 2025
Average number of shares outstanding	188,887,973	188,074,139
Average number of potentially dilutive shares	33,822	981,890
Average number of diluted shares	188,921,795	189,056,029

25.2 Other information

(Values in units, unless otherwise stated)

Breakdown	Total H1 2026	Total H1 2025
Profit for the period (in thousand euro)	51,430	70,414
Average number of shares outstanding	188,887,973	188,074,139
Average number of potentially dilutive shares	33,822	981,890
Average number of diluted shares	188,921,795	189,056,029
Basic earnings per share (in euro units)	0.27	0.37
Diluted earnings per share (in euro units)	0.27	0.37

Part D – Comprehensive Income

Consolidated Statement of Comprehensive Income

(Values in thousand euro)

	Items	Total H1 2026	Total H1 2025
10.	**Profit for the period**	**51,430**	**70,414**
	Other income components not reclassified to profit or loss	**5,880**	**7**
20.	Equity securities designated at fair value through other comprehensive income:		
	a) fair value changes		
	b) transfers to other equity items		
30.	Financial liabilities designated at fair value through profit or loss (changes in		
	own creditworthiness):		
	a) fair value changes		
	b) transfers to other equity items		
40.	Hedges of equity securities designated at fair value through other comprehensive income:		
	a) fair value changes (hedged instrument)		
	b) fair value changes (hedging instrument)		
50.	Property, equipment and investment property	5,893	
60.	Intangible assets		
70.	Defined benefit plans	(13)	9
80.	Non-current assets held for sale and discontinued operations		
90.	Share of valuation reserves connected with equity-accounted investments		
100.	Revenue or costs of a financial nature related to insurance contracts issued		
110.	Taxes on other components not reclassified to profit or loss		(2)
	Other income components reclassified to profit or loss	**3,315**	**2,882**
120.	Hedges of foreign investments:		
	a) fair value changes	1,553	(682)
	b) reclassification through profit or loss		
	c) other changes		
130.	Foreign exchange differences:		
	a) changes in value		
	b) reclassification through profit or loss		
	c) other changes	(2,887)	1,149
140.	Cash flow hedges:		
	a) fair value changes		
	b) reclassification through profit or loss		
	c) other changes		
	of which: result of net positions		

(Values in thousand euro)

	Items	Total H1 2026	Total H1 2025
150.	Hedging instruments (undesignated elements):		
	a) changes in value		
	b) reclassification through profit or loss		
	c) other changes		
160.	Financial assets (other than equity securities) measured at fair value through other comprehensive income:		
	a) fair value changes	7,828	2,296
	b) reclassification through profit or loss		
	- adjustments for credit risk		
	- gains/losses from disposal		
	c) other changes		
170.	Non-current assets held for sale and discontinued operations:		
	a) fair value changes		
	b) reclassification through profit or loss		
	c) other changes		
180.	Share of valuation reserves connected with equity-accounted investments:		
	a) fair value changes		
	b) reclassification through profit or loss		
	- adjustments due to impairment		
	- gains/losses from disposal		
	c) other changes		
190.	Revenue or costs of a financial nature related to insurance contracts issued		
	a) changes in value		
	b) reclassification through profit or loss		
	c) other changes		
200.	Revenue or costs of a financial nature relating to outward reinsurance		
	a) changes in value		
	b) reclassification through profit or loss		
	c) other changes		
210.	Taxes on other components reclassified to profit or loss	(3,180)	120
220.	**Total other comprehensive income**	**9,195**	**2,889**
230.	**Comprehensive income (Items 10+220)**	**60,625**	**73,303**
240.	Comprehensive income attributable to non-controlling interests		
250.	**Comprehensive income attributable to the owners of the parent**	**60,625**	**73,303**

Part E – Information on risks and related hedging policies

Introduction

BFF Banking Group has adopted suitable corporate governance tools and adequate management and control mechanisms in order to mitigate the risks to which it is exposed. These measures are part of the governance of the organization and of the internal control system, aimed at ensuring management practices grounded in efficiency, effectiveness and fairness, covering every type of business risk, consistently with the characteristics, dimensions and complexity of the business activities carried out by the Group.

With this in mind, the Group formalized its risk management policies and periodically reviews them to ensure their effectiveness over time. It constantly monitors the functioning of the risk management and control processes.

Such policies define:

- the governance of risks and the responsibilities of the Organizational Units involved in the management process;
- The mapping of the risks to which the Group is exposed, the measuring and stress testing methods, and the information flows that summarize the monitoring activities;
- The annual assessment process on the adequacy of internal capital and of the liquidity risk governance and management system;
- The activities for the assessment of prospective capital adequacy, associated with the strategic planning process.

The corporate governance bodies of the Bank – as BFF Banking Group's Parent – define the risk governance and management model at the Group level, taking into account the specific types of operations and the related risk profiles characterizing all the Group's entities, with the aim of creating an integrated and consistent risk management policy.

Within this framework, the Parent's corporate governance bodies perform the functions entrusted to them not only with regard to their specific business activities, but also taking into account the Group's operations as a whole and the risks to which it is exposed, and involving, as appropriate, the governance bodies of the subsidiaries in the decisions concerning risk management procedures and policies.

At the Group level, the Risk Management Function cooperates in the process of defining and implementing the risk governance policies through an adequate risk management process. The Function Head is not involved in the operating activities he or she has to monitor, and his or her tasks and responsibilities are governed by specific Internal Regulations.

In addition to other tasks, the Risk Management Function is responsible for:

- cooperating with the corporate governance bodies in defining the overall risk management system and the entire reference framework relating to the assumption and control of Group risks (Risk Appetite Framework);
- establishing adequate risk management processes through the adoption and maintenance of suitable risk management systems, in order to map, measure, control or mitigate all relevant risks;
- providing an assessment of the capital absorbed, also under stress conditions, and of the related present and prospective capital adequacy, by defining processes and procedures to meet every type of present and future risk, which take into account strategies and context changes;
- supervising the functioning of the risk management process and monitoring compliance with it;
- monitoring the adequacy and effectiveness of measures taken to remedy any deficiencies found in the risk management system;
- submitting periodic reports to the corporate bodies on the activities carried out and providing them with advice on risk management issues;

The organizational placement of the Risk Management Function complies with the principle of separation between Corporate Control Functions and Corporate Structures of the Parent, prescribed by current Supervisory Provisions.

To protect its independence, the Risk Management Function reports hierarchically to the Board of Directors and functionally to the Chief Executive Officer, and is separated, from an organizational point of view, from the Internal Audit Function and the Compliance & AML Function.

In addition, the Risk Management Function is not involved in risk-taking decision-making processes.

The risk governance and management system is subject to continuous monitoring and progressive strengthening, also by implementing the improvement initiatives identified by the Bank as part of its path of organizational and control evolution.

Section 1 – Accounting consolidation risks

Quantitative information

A. Credit quality

A.1 Impaired and performing credit exposures: amounts, adjustments, trends and economic distribution

A.1.1 Breakdown of financial assets by portfolio and credit quality (carrying amount)

(Values in thousand euro)

Portfolios/quality	Non-performing loans	Unlikely to pay positions	Impaired past due exposures	Other impaired overdue exposures	Performing exposures	Total
1. Financial assets measured at amortized cost	70,758	177,568	2,656,722	551,672	7,100,641	10,557,360
2. Financial assets measured at fair value through other comprehensive income						
3. Financial assets designated at fair value						
4. Other financial assets subject to mandatory fair value measurement					4,339	4,339
5. Financial assets held for sale						
Total 6.30.2026	**70,758**	**177,568**	**2,656,722**	**551,672**	**7,104,980**	**10,561,699**
Total 12.31.2025(*)	**93,837**	**74,292**	**2,915,551**	**525,637**	**7,175,705**	**10,785,021**

(*) Comparative information was restated in order to make it comparable with that as at June 30, 2026. *For further details, please refer to the specific section "Restatement of certain comparative information" in Section 5 – "Other aspects" of the Accounting policies.*

A.1.2 Breakdown of financial assets by portfolio and credit quality (gross and net amounts)

(Values in thousand euro)

Portfolios/quality	Impaired				Performing			Total (net exposure)
	Gross exposure	Total adjustments	Net exposure	Total partial write-offs (**)	Gross exposure	Total adjustments	Net exposure	
1. Financial assets measured at amortized cost	3,091,845	186,797	2,905,048		7,665,229	12,916	7,652,313	10,557,360
2. Financial assets measured at fair value through other comprehensive income								
3. Financial assets designated at fair value					X	X		
4. Other financial assets subject to mandatory fair value measurement					X	X	4,339	4,339
5. Financial assets held for sale								
Total 6.30.2026	**3,091,845**	**186,797**	**2,905,048**	**-**	**7,665,229**	**12,916**	**7,656,652**	**10,561,699**
Total 12.31.2025(*)	**3,251,455**	**167,775**	**3,083,680**	**-**	**7,709,188**	**12,952**	**7,701,341**	**10,785,021**

(*) Comparative information was restated in order to make it comparable with that as at June 30, 2026. *For further details, please refer to the specific section "Restatement of certain comparative information" in Section 5 – "Other aspects" of the Accounting policies.*
(**) Value to be displayed for information purposes.

(Values in thousand euro)

Portfolios/quality	Assets of evident poor credit quality		Other assets
	Cumulative capital losses	Net exposure	Net exposure
1. Financial assets held for trading			7,377
2. Hedging derivatives			406
Total 6.30.2026	**-**	**-**	**7,783**
Total 12.31.2025	**-**	**-**	**1,356**

(*) Value presented for informative purposes.

B. Disclosure on structured entities (other than securitization companies)

B.2 Structured entities not consolidated for accounting purposes

(Values in thousand euro)

Financial statements items/ Type of structured entity	Asset accounting portfolio	Total assets (A)	Liability accounting portfolio	Total liabilities (B)	Carrying amount (C = B-A)	Maximum exposure to risk of loss (D)	Difference between exposure to risk of loss and carrying amount (E = D-C)
UCI	Financial assets measured at fair value through profit or loss	(176,472)			(176,472)	(153,734)	22,739

Section 2 – Prudential consolidation risks

Credit risk

Qualitative information

1. General aspects

The main activity of the Banking Group in that area is factoring, which is governed, in Italy, by the Italian Civil Code (Book IV - Title I, Chapter V, Articles 1260-1267) and Law No. 52 of February 21, 1991 and subsequent amendments, and which consists of a plurality of financial services that can be structured in various ways, mainly through the sale of trade receivables. The Group mainly offers non-recourse factoring services with debtors belonging to the public administration, in addition to other lending products always with a focus on the public administration. From March 2021, with the integration of DEPObank, the Group began to provide credit as an instrumental activity in addition to specific treasury activities (managed through the granting of operating limits) and securities services (mainly managed through the granting of account overdraft facilities).

Moreover, for the purpose of diversifying its business and its geographical presence, the Banking Group comprises the companies of BFF Polska Group, which mostly provide financial services to companies operating in the healthcare sector and to public administration agencies in the countries in which they operate.

At this time, non-recourse factoring represents approximately 51.9% of all the exposures to customers of the Group excluding the securities component.

Impacts of the Ukraine-Russia crisis

In relation to the Ukraine/Russia conflict, which broke out in 2022, the BFF Group has no direct exposure to the Russian and Ukrainian markets, and there are no Russian customer companies, client companies controlled by Russian companies, beneficial owners or legal representatives of Russian nationality in the client portfolio of either BFF or its foreign subsidiaries. With regard to positions held in RUB (Russian roubles) and the possible exposure to exchange rate risk following the sharp fluctuation in the exchange rate of the currency in question, the asset and liability positions denominated in that currency held by BFF are of a very limited overall amount, relating exclusively to bank account balances (balances of bank accounts with BFF of counterparties of the Transaction Services Business Line, transferred to accounts held by BFF with Bank of New York, BFF's treasurer in that currency, and Euroclear Bank, an international settlement bank, while spot transactions, maturity deposits and currency swaps in that currency have been suspended since the start of the crisis) and substantially balanced. BFF also has just one current account denominated in UAH (Ukrainian hryvnia), held with Bank of New York, which it did not use in 2025 and which has a negligible debt balance (equivalent to a few dozen euros).

Following the onset of the crisis between Russia and Ukraine, there was also an intensification of cyber warfare globally, mainly targeting infrastructure networks. In this regard, the BFF Group has raised the level of attention of the SOC (security operation center) and strengthened the perimeter defense rules, as well as continuing to monitor the situation through reliable sources, such as CERTFin. On the business continuity and backup front, recent updates and tests of the Disaster Recovery plan have confirmed BFF Group's resilience. Awareness-raising campaigns on phishing and security events are provided internally. Finally, primary outsourcers and suppliers were contacted in order to ascertain whether they too had raised their level of attention on the cybersecurity front and to receive more logs from defense systems in order to carry out more extensive monitoring through SIEM (security information and event management). To date, no attacks or disruptions following the Ukraine crisis have been recorded by BFF or its outsourcers or suppliers.

2. Credit risk management policies

2.1 Organizational aspects

The assessment of a transaction, for the different products offered by the Banking Group, is conducted through the analysis of a number of factors, ranging from the degree of risk fragmentation to the characteristics of the commercial relationship underlying the credit quality and the customer/debtor's ability to repay.

The guidelines and procedures to monitor and control credit risk are set forth in the current "Credit Regulation", approved by the Board of Directors on December 21, 2023, and by the "Credit Regulation" of subsidiaries. A further organizational measure tackling credit risk is provided by the internal regulation for monitoring credit quality, which describes the credit control process on the debtor and is an integral part of the aforementioned "Credit Regulation".

Credit risk is therefore monitored at various levels within the framework of the multiple operating processes.

2.2 Management, measurement and control systems

The management, measurement and control system relating to credit risk has been created to ensure control over the main types of risks belonging to the credit risk category.

For this purpose, it must be noted that the core business carried out by the Group consists, as mentioned above, of the purchase of non-recourse trade receivables due from debtors belonging to public administration agencies, and that with regard to exposures related to the custodian bank operations, these are mainly towards banks.

Based on the above, in particular, credit risk is linked to the possibility that an unexpected change in the creditworthiness of a counterparty, towards which there is an exposure, may generate a corresponding decrease in the value of the credit position. It can be broken down as follows:

- Credit risk in the strict sense: the risk of default of counterparties to which the Group is exposed, which is fairly limited considering the nature of the Group's counterparties, the majority of which are not subject to bankruptcy proceedings or other procedures that could undermine their substantial solvency;
- Dilution risk: the risk that the amounts owed by the assigned debtor are reduced due to allowances or offsets arising from returns and/or disputes concerning the quality of the product or service or any other issue;
- Factorability risk: the risk related to the nature and characteristics of the commercial relationship subject to factoring/sale, affecting the ability of the trade receivable sold to self-liquidate (e.g., risk of direct payments from the debtor to the potentially insolvent assignor);
- Risk of late payment: the risk of a delay in the collection times of the trade receivables sold compared to those expected by the Group.

In light of the risks detailed above, the Group has internal regulations that describe the phases that industry regulations identify as components of the credit process:

- background check;
- Decision;
- Disbursement;
- Monitoring and review;
- Dispute.

Non-recourse factoring by its very nature represents the service that is most exposed to credit risk. For this reason, the background check for the credit line application is carried out with the utmost care.

With regard to the granting of credit to counterparties using the custodian bank service, credit risk is very low, as it is mainly concentrated on bank counterparties, asset management companies and funds.

The Group also marginally offers the following two types of services: "loans and receivables management only" and "recourse factoring".

In the "loans and receivables management only" service, credit risk is considerably reduced because it is limited to the Group's exposure to the customer for payment of the agreed fees and commissions, that is, the reimbursement of legal fees incurred. The granting of a credit line for "loans and receivables management only" follows the normal procedures used in the credit process, although the credit line can be approved by a single-person body.

Recourse factoring is a residual activity for BFF Banking Group.

With specific reference to BFF Polska, it should be noted that the company operates in Poland, and also in Slovakia and the Czech Republic through its subsidiaries.

BFF Polska S.A. mainly operates in three sectors:

- Financing the working capital of suppliers to the public administration;
- Financing current and future trade receivables in the public and healthcare sector;
- Financing investments in the public and healthcare sector.

Also with regard to the specific types of investment by BFF Polska S.A. and its subsidiaries, Group credit risk management aims at building a robust and balanced financial asset portfolio to reduce to a minimum the risk of impaired exposures and at the same time generate the expected profit margin and loan portfolio value. As a general rule, the Banking Group's customers have a suitable credit standing and, if necessary, adequate guarantees are requested to mitigate the risk of financial losses arising from customers' non-performance.

With regard to the allocation of operating limits and/or "intermediation" caps, there is no specific request from customers and the assessment is initiated at the initiative of the Finance and Treasury OU or the relevant organizational units.

As part of the management of counterparties providing retail intermediation services, specific operating limits have been established, aimed at monitoring and controlling the operations of these entities. In some cases, guarantees have been requested to mitigate the risk assumed for these activities. Exposure to customers' credit risk is constantly monitored. The credit quality of public sector entities is analyzed within the framework of the risk of delay in repaying liabilities.

The assessment of credit risk is part of an overall analysis of the adequacy of the Group's capital in relation to the risks connected with lending.

With this in mind, the Group uses the "standardized" approach to measure credit risk, as governed by Regulation (EU) no. 575/2013 (CRR) and adopted by the Bank of Italy Circular no. 285 "*Supervisory provisions for banks*" and Circular no. 286 "*Instructions for the preparation of supervisory reporting by banks and securities intermediaries*," both dated December 17, 2013, and subsequent amendments. This approach involves the classification of exposures into different classes ("portfolios"), depending on the type of counterparty, and the application of diversified weighted ratios to each portfolio.

In particular, BFF Banking Group applies the following main weighting factors, envisaged by the CRR:

- 0% for exposures to government agencies and central banks with offices in a European Union member state and financed in the local currency, as well as for exposure to other public administration agencies in compliance with specific requirements of relevant supervisory provisions. This category also includes exposures to Spanish public sector entities and other local authorities as provided for by EBA lists "*EU regional governments and local authorities treated as exposures to central governments in accordance with Article 115(2) of Regulation (EU) 575/2013*" and "*EU public-sector entities treated in exceptional circumstances as exposures to the central government, regional government or local authority in whose jurisdiction they are established in accordance with Article 116(4) of Regulation (EU) 575/2013*";
- 20% for (i) exposures to regional government agencies and local authorities with offices in a European Union member state denominated and financed in the local currency, (ii) exposures to public sector entities of countries with Credit Quality Step 1, (iii) exposures to public sector entities;
- 50% for exposures to the public administration agencies of countries with Credit Quality Step 2, which include the exposures to entities of the Italian, Polish, Portuguese, Spanish and Slovak public sector;
- 100% to (i) exposures to public sector bodies for countries with Credit Quality Step 3, 4 and 5 (Greece); and (ii) exposures to public sector bodies for countries where the central government is unrated;
- from 20% to 150% for loans with supervised intermediaries, depending on the original duration and the intermediary's credit quality as determined by an ECAI or determined under Article 121 of the CRR for unrated intermediaries;
- 75% for retail exposures and exposures to SMEs;
- 100% for exposures to unrated private debtors (i.e., businesses), Funds, and asset management companies; for rated private debtors, different weights are applied on the basis of the credit ratings issued by S&P Global Ratings;
- 100% for property, equipment and investment property, equity investments, collective investment undertakings and other assets;
- 150% for non-performing exposures, if the specific adjustments are 20% less than the non-collateralized portion, before any adjustments;
- 100% for non-performing exposures, if the specific adjustments are 20% or more than the non-collateralized portion, before any adjustments;
- 250% to deferred tax assets not deducted from own funds.

The BFF Banking Group constantly maintains, as a capital requirement for credit risk, an amount of regulatory capital equal to at least 8% of the weighted exposures for credit risk. The Risk Weighted Amount is determined by the sum of the risk weighted assets of the various classes.

Based on the method described above, the capital requirement for credit and counterparty risk at June 30, 2026 is €408.9 million for BFF Banking Group.

Furthermore, the credit risk management process abides by external regulations (CRR, Bank of Italy Circulars No. 285 "Supervisory provisions for banks" and No. 286 "Instructions for the preparation of supervisory reporting by banks and securities intermediaries" and subsequent amendments) regarding risk concentration.

Specifically:

- "Large exposure" means any risk position equal to or greater than 10% of the eligible capital, as defined in CRR II (equal to Tier 1 capital);
- banking groups are required to contain each risk position within the limit of 25% of Eligible Capital, excluding exposures to banking entities or banking groups for which the limit is equal to the maximum value between 25% of Eligible Capital and €150 million.

Considering the fact that the Group's exposure consists almost entirely of exposures purchased on a non-recourse basis and due from individual public administration entities, portfolio risk is considered limited, since the derecognition of exposures entails the allocation of the exposure to a higher number of counterparties (i.e., the assigned debtors), which, in the case of certain exposures, receive preferential treatment in terms of weighting for large exposures.

Credit quality assessment

The Group performs an impairment test on the loan portfolio, aimed at identifying any impairment of its assets, in line with the provisions of the applicable standards and the prudential criteria required by supervisory regulations and the internal policies adopted by BFF Banking Group.

This assessment is based on the distinction between these two categories of exposures:

- *Exposures subject to collective impairment losses ("collective impairment");*
- *Exposures subject to specific impairment losses.*

Note that IFRS 9 entered into force on January 1, 2018. This standard replaces the concept of incurred losses, envisaged by IAS 39, with that of expected credit losses.

The approach adopted by the Group is based on a prospective model that may require the recognition of expected credit losses over the lifetime of the exposure on the basis of supportable information that is available without undue cost or effort and includes historical, current and forward-looking data. In this context, an approach based on the use of credit risk parameters (Probability of Default – PD, Loss Given Default – LGD, Exposure at Default – EAD) has been adopted, redefined based on a multi-period perspective.

More specifically, in accordance with IFRS 9, impairment of exposures is recognized in three stages, each with different methods for calculating the losses to be recorded.

As for Stage 1, expected credit losses are measured over a 12-month period. As for Stage 2 (including financial assets whose credit risk increased significantly since initial recognition), expected credit losses are measured over the lifetime of the instrument (lifetime expected losses). Stage 3 includes all financial assets that show objective impairment at the reporting date (non-performing exposures).

2.3 Methods of measuring expected credit losses

During 2025, the time series data for PD and LGD risk parameters were updated, extending them until December 31, 2024. In addition, the forward-looking macroeconomic scenarios were updated taking into account the latest updates provided by the EBA during the stress test (January 2025). The same PD and LGD risk parameters were applied at the reporting date of June 30, 2026.

Based on the consolidated financial statements as at December 31, 2025, the Bank undertook a review of its Italian factoring portfolio, which involved the definition of a new method of managing the provisioning process in the face of negative (or partially negative) judgments on legal actions initiated for the recovery of non-recourse exposures to Italian debtors. This initiative, which took place in a context characterized by a progressive increase in unfavorable rulings regarding legal actions over a specific timeframe, led to the preparation of a procedural and IT configuration, suitable for carrying out a weighting of the underlying risks in a granular manner, invoice by invoice, and resulted in the approval, on February 1, 2026, of a specific internal policy (the "Policy"). This Policy governs the rules and the process to be followed to identify the probability of an adverse outcome, from which provisions will arise, to be applied to the entire perimeter of credit exposures subject to negative (or partially negative) rulings. The approach described in this Policy specifically contemplates, therefore, the analysis of these rulings, without taking into account, as a weighting effect, the possibility of reaching settlement agreements. In particular, since the outcome of the dispute may result in negative or partially negative rulings, each of which has different implications in terms of risk and therefore different economic and accounting effects, the Bank has carried out a timely analysis of each ruling to estimate the so-called risk of an adverse outcome (high, medium or low), meaning the risk of the non-existence or the faulty existence/legitimacy of the receivable due from debtors, estimating a provision relating to the amounts not acknowledged in the ruling, estimated as non-recoverable from the debtors and/or customers.

In such cases, in fact, BFF has the right to remit the receivable, for the part relating to the principal, to the assignor, under the guarantees provided for in the assignment contract, which is therefore obliged to repurchase the principal of the receivable and to pay the Bank generally only the retrocession interest. Certain items, for example late payment interest or additional loan interest, are difficult to remit to the assignors and, therefore, a provision has been allocated for a part of these.

The risk of an adverse outcome determined based on the Policy's guidelines has been treated as an element that directly affects the estimate of the cash flows recoverable from the financial asset, and therefore its measurement pursuant to IFRS 9. In this approach, the contractual guarantees of the transferor acquire importance as elements that contribute to setting the minimum level of recoverable flows, contributing to defining the variability of the expected economic outcomes and, consequently, the measure of the adjustment of the value of the receivable.

Exposures subject to collective impairment losses ("collective impairment")

The impairment model is characterized by:

- The allocation of the transactions in the portfolio to different buckets, based on an assessment of the increase in the level of exposure/counterparty risk;
- The use of multi-period risk parameters (e.g., lifetime PD, LGD and EAD) to quantify expected credit losses (ECL) for financial instruments subject to a significant increase in credit risk since initial recognition.

For the purposes of calculating impairment, IFRS 9 sets out general requirements for calculating ECLs and designing stage allocation criteria, without providing specific guidelines on the modeling approach. Therefore, by analyzing the data provided as input, the assessment and design of the project for the conversion to IFRS 9 allowed development a methodological framework to accommodate the peculiarities of the Group's business consistently with the assets it owns as well as available information, in accordance with the guidelines in the standard.

The key concepts introduced by IFRS 9 and required for the purpose of calculating impairment compared to previous accounting standards are as follows:

- A forward-looking model, allowing the immediate recognition of all expected credit losses over the life of the exposure, thus replacing the "incurred loss" criterion. According to the latter, impairment losses were recognized only when there was evidence that they existed (based on the identification of a trigger event). Under IFRS 9, losses shall be recognized based on supportable information that is available without undue cost or effort and includes historical, current and forward-looking data;
- ECL recalculated at each reporting date to reflect changes in credit risk since initial recognition of the financial instrument;
- use of forward-looking information and macroeconomic factors to determine ECL;
- Introduction of an additional status with respect to the binary classification of performing and non-performing counterparties, to take account of the increase in credit risk.

The ECL calculation model requires a quantitative assessment of future cash flows and assumes that they can be reliably estimated. This requires the identification of certain elements, namely:

- Probability of default (PD) models and assumptions about the forward distribution of default events, for the calculation of multi-period PDs used to determine the lifetime expected credit loss;
- LGD model;
- A deterministic and stochastic EAD model allowing definition of a multi-period distribution as well as a 12-month horizon.

The risk parameters that should be modeled to comply with the rationale of considering the full life-time of the financial instrument are as follows:

- Multi-period PD;
- Multi-period LGD;
- Multi-period EAD.

Furthermore, in compliance with IFRS 9, the ECL calculation shall include Point-in-Time (PIT) adjustments and Forward-Looking Information (FLI).

Exposures subject to specific impairment losses ("individual impairment")

As required by IFRS 9 and in line with current supervisory provisions, the Group carried out a review of the assets classified as impaired in order to identify any objective impairment of individual positions.

Regarding non-performing exposures (stage 3) classified as Past Due or Non-performing due to financial distress, at each date of preparation of the consolidated financial statements or interim financial situations, a specific impairment loss is calculated on a collective basis, using a probability of default that can vary between that for performing exposures in stage 2 and 100%. This probability of default is identified on the basis of a specific/individual assessment (so-called case-by-case assessment) carried out by the credit evaluation function and, if the calculated adjustment is not adequate, either by defect or by excess, it can be specifically assigned by the same. If the case-by-case assessment is not adopted, which in any case cannot lead to a lower coverage rate than that envisaged for stage 2 exposures, the final level of adjustment attributed will be equal to the impairment obtained with the collective calculation model.

BFF Banking Group's impaired exposures consist of bad exposures, unlikely to pay and past due exposures, for a total of €2,905,048 thousand – net of individual impairment – and are broken down as follows:

- non-performing loans of €70,758 thousand (gross exposure in the consolidated financial statements of €100,242 thousand with an adjustment of €29,484 thousand);
- unlikely-to-pay exposures amounting to €177,568 thousand (gross exposure in the consolidated financial statements equal to €206,014 thousand with adjustments equal to €28,446 thousand);
- impaired past due exposures of €2,656,722 thousand (gross exposure in the consolidated financial statements of €2,785,589 thousand with an adjustment of €128,866 thousand).

As regards the impairment policies adopted, BFF Polska Group and BFF Finance Iberia submit specific periodic reports to the Parent, so that the corresponding functions of the parent can report on the activities conducted in this area and check the correctness of the conclusions.

Measuring expected credit losses

During 2025, the IFRS 9 framework was updated and reviewed in relation to: i) the updating of the historical series of PD and LGD risk parameters as at December 31, 2024; ii) the updating of the forward-looking macroeconomic scenarios taking into account the latest updates provided by the EBA during the stress test (January 2025); iii) the resolution of the Bank of Italy's survey relating to the strengthening of the LGD estimation model for BFF Polska S.A., including its subsidiaries. The main change concerns the recalibration of the LGD Through the Cycle ("TTC") on the internal loss rates observed in the long term; (iv) modification of the calculation of the 30-day past due criterion for the allocation to stages for BFF Polska S.A. and its subsidiaries, in accordance with the regulatory definition used for the calculation of impaired past due exposures.

The economic outlook for the eurozone over the 2026-2028 three-year period remains highly uncertain in the context of the war in the Middle East, the closure of the Strait of Hormuz and the high volatility of oil prices. Based on futures contracts, energy commodity prices rise significantly in 2026 and then gradually decline over the following two-year period. Growth in international trade is slowing this year, held back by rising commodity prices and high levels of uncertainty, before gradually recovering over the next two years (2027-2028). Financing costs for businesses and households increase over the forecast horizon.

Employment would continue to expand over the three-year period, albeit slowing sharply. The unemployment rate would decline in the current year, mainly due to lower labor force participation, and then remain stable.

Inflation will remain high in the short term due to increases in energy prices caused by the war in the Middle East.

The war will likely also weaken economic growth during 2026, as demand is compressed by lower consumer purchasing power, higher uncertainty and a deterioration in confidence. Growth is expected to rebound in 2027 and strengthen again in 2028.

The uncertainty about the macroeconomic situation remains high and is mainly due to the international scenario with ongoing tensions connected to ongoing conflicts. As regards the Israel/Palestine conflict that began in late 2023, considering the results of the analyses performed by the Bank, at the moment no critical elements have been identified that would require the implementation of additional activities to monitor the risks of the above-mentioned conflict.

2.4 Credit risk mitigation techniques

In order to make non-recourse exposures compatible with the derecognition principle, the risk mitigation clauses that could in some way invalidate the effective transfer of risks and rewards were eliminated from the respective contracts.

With reference to exposures to counterparties to which treasury and securities services are offered, risk mitigation techniques also include clearing agreements (ISDA) and collateral management agreements (CSA) in line with EMIR. For repurchase agreements for which the Bank has signed specific GMRA contracts, credit risk is transferred from the counterparty to the underlying of the repurchase agreement.

3. Impaired credit exposures

In compliance with Bank of Italy Circular no. 272, BFF Banking Group's net "Impaired assets" amounted to a total of €2,905,048 thousand. They include:

(i) Non-performing loans are exposures to parties that are in a state of insolvency or in basically similar situations, regardless of any loss projections made by the parent. As at June 30, 2026, the overall total of the Banking Group's non-performing loans, net of impairment, amounted to €70,758 thousand, of which €1,184 thousand purchased already impaired. Net non-performing loans concerning Italian municipalities and provincial governments in financial distress amounted to €64,739 thousand, accounting for 91.5% of the total. Gross non-performing loans amounted to €100,242 thousand (€128,868 thousand at December 31, 2025). The related impairment losses totaled €29,484 thousand (€34,993 thousand at December 31, 2025). With reference to the parent, at June 30, 2026 total non-performing loans, net of any estimated impairment losses, amounted to €65,925 thousand, of which €64,739 concerned Italian municipalities and provincial governments in financial distress; they are classified as non-performing in accordance with the indications given by the Supervisory Authority, despite the fact that the BFF Banking Group has the legal right to receive 100% of the principal and late payment interest at the end of the insolvency procedure. Specifically, the amount of €1,184 thousand refers to loans and receivables due from local entities (municipalities, provinces) already in financial distress at the time of purchase and purchased at special conditions. The remaining positions referring to BFF Bank are impaired based on subjective assessments arising from legal opinions. Gross non-performing loans relating to BFF Polska Group amounted to €15,532 thousand. After estimated impairment losses of €11,388 thousand they amounted to €4,144 thousand..

(ii) BFF Banking Group's unlikely to pay exposures mainly refer to BFF Polska Group's positions. These exposures reflect the judgment made by the intermediary about the unlikelihood that – excluding such actions as the enforcement of guarantees – the debtor will fully fulfill (for principal and/or interest) its credit obligations. This assessment should be carried out independently of the existence of any past due and unpaid amounts (or installments). As at June 30, 2026, gross exposures classified as unlikely to pay amounted to €206,014 thousand (€85,635 thousand as at December 31, 2025), of which €199,832 thousand is attributable to BFF Polska Group (€49,409 thousand at December 31, 2025), €4,716 thousand to the Bank (€4,760 thousand at December 31, 2025) and €1,466 thousand to BFF Finance Iberia (€1,466 thousand at December 31, 2025). It should be noted that a significant portion of these net exposures, amounting to approximately €192.8 million, relates to Polish public hospitals that have undertaken restructuring procedures and that the Bank has consequently classified as unlikely to pay. According to the Bank's assessments, these exposures have specific characteristics related to the procedures initiated by the debtors and are therefore subject to constant monitoring, including for the purpose of verifying the recoverability of the related receivables. The total carrying amount is €177,568 thousand (€74,292 thousand at December 31, 2025), referring primarily to BFF Polska Group.

(iii) Net past due exposures of the BFF Banking Group amounted to €2,656,722 thousand (€2,915,517 as at December 31, 2025). They refer to the parent for €1,825,857 thousand, to the Spanish subsidiary for €187,524 thousand and to BFF Polska Group for €643,341 thousand. 93.4% of these exposures relate to public counterparties.

Overall, factoring items and other performing and non-performing loans include (i) late payment interest calculated using the amortized cost method for a total of €733.1 million, of which €124.0 million relates to the Polska Group, and (ii) recovery expenses for a total of €169.4 million, of which €1.9 million relates to the BFF Polska Group, for a total of €902.5 million.

In line with the disclosure provided in the consolidated financial statements for previous years, the classification of impaired assets is based on the prudential definition of default (i.e. past due, unlikely to pay and non-performing), regardless of the representation of a related credit risk. Therefore, with reference to exposures to public bodies classified as defaulting due to late payments, there may be significant mismatches between accounting and prudential data and actual prospects for collection by the Bank.

1.2 Market risks

1.2.1 Interest rate risk and price risk - regulatory trading portfolio

1.2.2 Interest rate risk and price risk - banking book

Qualitative information

A. General aspects, management processes and measurement methods for interest rate risk and price risk

Interest rate risk is the current and forward looking risk of a negative impact on the economic value of the own capital of the entity or on its net interest income, taking into account changes in market value deriving from adverse changes in interest rates affecting instruments sensitive to interest rates. It consists of several components, the most relevant of which are:

- gap risk: the risk deriving from the structure by maturity of instruments sensitive to interest rates, deriving from timing differences in their rate changes, including both changes in the structure by maturity of interest rates that take place consistently across the entire yield curve (parallel risk) and those that are differentiated by period (non-parallel risk);
- basis risk: risk deriving from the impact of changes relating to interest rate on instruments sensitive to interest rates, which are similar in terms of maturity but priced using different interest rate indexes;
- option risk: risk deriving from options (embedded and bare), in which the Parent or its counterparty may modify the level and timing of their cash flows; it regards both embedded and bare automatic options, in which the option holder will exercise the option if it is in its financial interest, and behavioral embedded options, in which changes in interest rate may affect the customer's behavior with respect to the exercise of that option.

As mentioned above, exposure to interest rate risk is expressed from two different perspectives: in terms of volatility of economic value and in terms of volatility of profits. Specifically:

- measurement in terms of economic value makes it possible to quantify the long-term effects of changes in interest rates. Indeed, this measurement fully expresses the effects of the above-mentioned change on items sensitive to shifts in interest rates and, therefore, provides indications functional to the strategic decisions and levels of capitalization deemed adequate over a long-term time horizon;
- measurement in terms of economic performance makes it possible to quantify the short-term effects on the Bank's net interest income deriving from changes in interest rates and, as a result, on capital adequacy.

The BFF Group's interest rate risk governance process is centralized in the Parent but managed at the consolidated level.

Note that the exposure to interest rate risk expressed in terms of economic value and net interest income sensitivity is measured with respect to the banking book assets and liabilities (this therefore excludes positions in the trading book - Other).

Following the regulatory changes introduced as at the 48th update of Bank of Italy Circular 285 of June 18, 2024, the Parent adjusted the methodologies for calculating and quantifying interest rate risk with a view to economic value as well as net interest income. In particular, the Bank has chosen to use the standardized methodology (S-SA) as a basis, as described in EU Regulation 857/2024, with the sole exception of the treatment of wholesale financial non-maturity deposits for which, given their operational nature and significant persistence and stability, it is deemed appropriate to adopt the same methodology (and as a result the same thresholds in terms of maximum level of the core component and maximum behavioral maturity) as that adopted for wholesale non-financial non-maturity deposits. As set forth by regulations, the Parent distributes sight deposits in the various time bands, differentiated by funding category, on the basis of a methodology it has developed itself (Hodrick-Prescott trend) that takes into account the historical persistence of those deposit categories. As regards factoring loans, on the other hand, a forecast collection curve is applied.

In line with the provisions of the 48th update of Circular 285, the Bank relies on the EBA interest rate shock scenarios prescribed by EU Regulation 856/2023 for the determination of internal capital, taking into account the worst-case scenario, considering both the impact in terms of economic value and that on the net interest income. The Parent also measures the risk index relating to economic value, calculated as the ratio between the worst scenario and Tier 1 capital, in order to verify compliance with the regulatory limit of 15%.

Lastly, in accordance with the indications in the EBA Guidelines, the Bank performs the appropriate analyses to quantify and monitor at a consolidated level the Banking Group's exposure to Credit Spread Risk in the Banking Book (CSRBB), or the risk linked to changes in the credit spreads on financial instruments held in the portfolio, not identified by another existing prudential framework like the IRRBB or expected credit risk/risk of default, which influences both the economic value of equity and net interest income.

The CSRBB considers the combination of two elements:

- changes in the "market credit spread" or "market price of credit risk" (separate from the idiosyncratic credit spread), representing the credit risk premium requested by market operators for a specific credit quality;
- changes in the "market liquidity spread", which represents the liquidity premium that stimulates the market propensity to invest and the presence of willing buyers and sellers.

1.2.3 Currency risk

Qualitative information

A. General aspects, management processes and measurement methods for currency risk

Exposure to currency risk – determined on the basis of the net foreign exchange position using a method based on the supervisory regulations – is monitored in real time by the Finance and Administration Department and managed in compliance with the limits established by specific internal rules.

Positions exposed to currency risk may only be maintained within limited limits of maximum overall exposure, as well as for single currency and VaR.

B. Currency risk hedging

Currency risk is mitigated by making recourse to linear derivative instruments lacking optional components, such as currency swaps, which allow the Group to perform optimized management of its equity investments and loans provided in currencies other than the euro in which the Group operates, also through its subsidiaries.

Quantitative information

The portfolio of Group assets is expressed in currencies other than the euro; as a result a methodology for the measurement and management of this risk has been adopted. Currency risk is monitored by the Risk Management Function, in line with the requirements of European regulations (Regulation (EU) No 575/2013 - CRR).

1. Breakdown by currency of assets, liabilities and derivatives

(Values in thousand euro)

Items	Currencies					
	US Dollar	Pounds	Yen	Canadian Dollar	Swiss francs	Other currencies
A. Financial assets	**22,921**	**10,283**	**13,832**	**881**	**4,184**	**1,176,438**
A.1 Debt securities						
A.2 Equity securities	418					207
A.3 Loans and receivables with banks	22,359	10,283	13,832	881	4,184	64,882
A.4 Loans and receivables with customers	144					1,111,349
A.5 Other financial assets						
B. Other assets						**11,394**
C. Financial liabilities	**241,044**	**46,787**	**31,192**	**16,405**	**26,008**	**430,602**
C.1 Amounts due to banks	68,899	4,146	891	3,121	6,956	5,261
C.2 Amounts due to customers	172,145	42,641	30,301	13,284	19,052	425,342
C.3 Debt securities						
C.4 Other financial liabilities						
D. Other liabilities	-	-	-	-	-	**33,697**
E. Financial derivatives	**225,410**	**36,661**	**17,361**	**15,535**	**22,057**	**906,888**
- Options						
+ long positions						
+ short positions						
- Other derivatives	225,410	36,661	17,361	15,535	22,057	906,888
+ long positions	221,234	36,582	17,361	15,535	21,947	97,835
+ short positions	4,176	78	-	-	110	809,053
Total assets	**244,155**	**46,865**	**31,193**	**16,416**	**26,131**	**1,285,667**
Total liabilities	**245,219**	**46,866**	**31,192**	**16,405**	**26,118**	**1,273,353**
Difference (+/-)	(1,064)	-	1	11	13	12,314

1.3 Derivative instruments and hedging policies

1.3.1 Trading derivatives

A. Financial derivatives

A.1 Trading financial derivatives: notional end-of-period amounts

Transactions carried out primarily through recourse to currency swaps are carried out by the Parent to optimize the management of liquidity deriving from funding expressed in a currency other than the euro and are functional to the activity with which the Group manages the currency risk deriving from the investment in Polish zloty held in BFF Polska Group and the Group loans expressed in a currency other than the euro, and particularly those in Polish zloty and Czech koruna. Note that BFF Bank Group does not hold innovative or complex financial products, as the Group makes recourse to linear instruments lacking optional components such as currency swaps and cross-currency swaps.

(Values in thousand euro)

	06/30/2026				12/31/2025			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Debt securities and interest rates			**205,723**				**252,338**	
a) Options								
b) Swaps								
c) Forwards			205,723				252,338	
d) Futures								
e) Others								
2. Equity securities and stock indices								**12**
a) Options								12
b) Swaps								
c) Forwards								
d) Futures								
e) Others								
3. Currency and gold			**825,063**				**902,909**	
a) Options								
b) Swaps								
c) Forwards			825,063				902,909	
d) Futures								
e) Others								
4. Commodities								
5. Others								
Total			**1,030,786**				**1,155,247**	**12**

A.2 Trading financial derivatives: positive and negative gross fair value – breakdown by products

(Values in thousand euro)

	06/30/2026				12/31/2025			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Positive fair value								
a) Options								
b) Interest rate swaps								
c) Cross currency swaps								
d) Equity swaps								
e) Forwards			7,377				1,356	
f) Futures								
g) Others								
Total			**7,377**				**1,356**	
2. Negative fair value								
a) Options								
b) Interest rate swaps								
c) Cross currency swaps								
d) Equity swaps								
e) Forwards			265				778	
f) Futures								
g) Others								
Total			**265**				**778**	

1.3.2 Accounting hedges

Qualitative information

At June 30, 2026, the Parent operated in hedging derivatives through linear instruments lacking optional components, such as currency swaps, which make it possible to guarantee optimized management of funding and loans provided in currencies other than the euro in which the Group operated, also through its subsidiaries, financed through intra-group finance solutions in currencies such as the zloty and the Czech koruna.

A.1 Financial derivatives held for hedging: notional end-of-period amounts

(Values in thousand euro)

Underlying assets/Derivative types	Total 06.30.2026				Total 12.31.2025			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Debt securities and interest rates								
a) Options								
b) Swaps								
c) Forwards								
d) Futures								
e) Others								
2. Equity securities and stock indices								
a) Options								
b) Swaps								
c) Forwards								
d) Futures								
e) Others								
3. Currency and gold			**88,014**				**89,568**	
a) Options								
b) Swaps								
c) Forwards			88,014				89,568	
d) Futures								
e) Others								
4. Commodities								
5. Other underlying								
Total			88,014				89,568	

A.2 Hedging financial derivatives: positive and negative gross fair value – breakdown by products

(Values in thousand euro)

Types of derivatives	Total 6.30.2026				Total 12.31.2025			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Positive fair value								
a) Options								
b) Interest rate swaps								
c) Cross currency swaps								
d) Equity swaps								
e) Forwards			406					
f) Futures								
g) Others								
Total			**406**					
1. Negative fair value								
a) Options								
b) Interest rate swaps								
c) Cross currency swaps								
d) Equity swaps								
e) Forwards								
f) Futures							186	
g) Others								
Total							**186**	

1.4 Liquidity risk

Qualitative information

A. General aspects, management processes and measurement methods for liquidity risk

Liquidity risk is defined as the risk that the Group will be unable to meet its obligations at maturity and/or that it will have to bear non-market financing costs in relation to an unbalanced net financial position due to the inability to raise funds or due to the presence of limits on the disposal of assets, forcing the Group to slow or halt the development of its business, or sustain excessive funding costs to meet its obligations, with significant negative impacts on the profitability of its activities.

In defining liquidity risk, a distinction is drawn between short-term ("liquidity risk") and long-term ("funding risk" or "structural liquidity risk") risks:

- "liquidity risk", the current or potential risk that the entity is incapable of effectively managing its liquidity requirements in the short term;
- "funding risk", the risk that the entity does not have stable sources of funds in the medium and long term, with the resulting current or potential risk of not being able to meet its financial obligations, without an excessive increase in funding costs.

As required by the provisions of the prudential supervision regulation issued by the Bank of Italy, the Group adopted a "Group Risk Management Policy" and a system of rules established in governmental regulations with a view to monitoring liquidity risk, and identifying the governance and control principles and the organizational units responsible for the operational and structural management of liquidity risk.

The governance policy, described in the "Group Liquidity Risk Management Policy ", which incorporates the latest regulatory updates (see Bank of Italy Circular 285/2013), is approved by the Board of Directors and defined in a manner consistent with:

- the Group's strategic objectives;
- the risk/reward objectives defined in the Risk Appetite Framework;
- the monitoring processes and strategies to be adopted in the event of a state of tension or liquidity crisis, as defined in the "Contingency Funding Plan" document.

What is set forth in the above-mentioned "Group Liquidity Risk Management Policy" is consistent with what is set forth in the "Group Risk Management Policy", in which the scopes and responsibilities of the company structures are set forth in detail at global level for all risks, including liquidity risk.

As part of the Risk Appetite Framework specific liquidity metrics have been defined, both regulatory, Liquidity Coverage Ratio - LCR and Net Stable Funding Ratio - NSFR, and managerial, "Minimum cumulative balance on total assets," calculated as the lowest weekly value in the quarter of reference of the ratio of the minimum cumulative balance recorded in the time periods within one month to the total assets of the last available group, in order to better represent the Group's operational reality.

To ensure the implementation of the liquidity risk management and control processes, the Group adopted a governance model based on the following principles:

- Separation of processes for the management of liquidity and processes for the control of liquidity risk;
- Development of processes to manage and control liquidity risk, consistent with the hierarchical structure and through a process for the delegation of powers;
- Sharing of decisions and clear responsibilities among management, control and operational bodies;
- Making liquidity risk management and monitoring processes consistent with prudential supervisory requirements.

The liquidity management process (liquidity management and control of the relevant risks) of the BFF Group is centralized in the Parent while it is managed at a consolidated level. In this governance model, the Parent defines the Group strategy and the guidelines that must be applied to the subsidiaries, at the same time ensuring the management and control of the liquidity position at consolidated level. The subsidiaries participate in liquidity management and risk control with the local functions, each taking into account the specific nature of its core business, but always in compliance with the guidelines defined by the Parent. The operational and structural liquidity risk governance and management system is based on the general principles that all Group companies must pursue, aligned with the indications of the Supervisory Authority.

Liquidity risk also includes the intraday risk deriving from the temporal mismatch between outflows (settled at daily cut-offs or when orders are received from customers) and inflows (settled at different intraday cut-offs), which may render it impossible for the Group to discharge its payment obligations when they are called in due to a temporary lack of funds. For the management of intraday liquidity risk, the Bank may possibly use the pool account held with the Bank of Italy, determining the share of eligible securities deemed adequate to guarantee an intraday advance by the Central Bank in order to meet the outgoing obligations, on its own behalf and on behalf of its customers.

Liquidity monitoring, which is carried out in accordance with the maximum risk tolerance threshold, and therefore also with the nature, objectives and operational complexity of the Group, aims to ensure the ability to meet expected or unforeseen cash payment commitments.

The parent also conducts liquidity risk stress tests to assess the prospective impacts of stress scenarios on the Group's solvency conditions.

The Risk Management Function identifies the scenarios that could impact the Group's current or forward-looking liquidity risk profile. By way of example, the following different drivers are described, which are taken into consideration in the definition of stress scenarios:

- market-driven scenarios refer to stress events exogenous to the Group, such as situations of uncertainty in the financial and/or political markets that lead to difficulties in accessing the market;
- bank-specific scenarios, which concern stress events endogenous to the Group typically linked to a reputational loss with possible deterioration of creditworthiness;
- combined scenarios, or the market and idiosyncratic scenarios developed in a single framework to evaluate the overall effect of stress on the Group.

The Group's liquidity position is subject to constant first and second level control and monitoring. This monitoring confirmed the substantial solidity of the Group's liquidity thanks to the maintenance of adequate liquid reserves deriving from the collection.

As at June 30, 2026, the NSFR indicator stood at 120.42%, while the LCR indicator was 185.70%. Both indicators were above the regulatory limit of 100%.

1.5 Operational risks

Qualitative information

A. General aspects, management processes and methods used to measure operational risk

Operational risk is the risk of incurring a loss due to inadequacy or failures of procedures, human resources and internal systems or as a result of external events. This category includes, amongst other items, losses caused by fraud, human error, business interruption, system failure, breach of contracts and natural disasters; operational risk includes legal risk but excludes strategic and reputational risks. With regard to the Banking Group, exposure to this category of risk is generated predominantly by failure in work processes, in organization, governance – human errors, computer software malfunctions, inadequate organization and control measures – as well as by any loss of human resources in key corporate management positions. Exposure to operational risks deriving from external sources appears to be of negligible importance, partly due to the mitigation tools adopted to address such adverse events (such as, by way of example: the business continuity plan, data storage processes, back up tools, insurance policies, etc.).

The process adopted by the Group to manage and control operational risks is founded on the principle of promoting a corporate culture for managing risk and defining the appropriate standards and incentives with the aim of fostering the adoption of professional and responsible behavior at all operational levels, as well as designing, implementing and managing an integrated system for operational risk management that is adequate in relation to the nature, activities, size and risk profile.

The operational risk assessment model adopted by the Group consists of five stages: (i) identification, (ii) measurement, (iii) monitoring, (iv) management and (v) reporting.

The stage of identifying operational risks involves collecting operational risk information through the consistent, coordinated treatment of all relevant sources of information. The goal is to establish a complete information base. The necessary information is internal loss data accompanied by all information relevant for management purposes and subjective assessments acquired through risk self-assessment and control processes. This information is collected based on specific classification models, designed to ensure a uniform representation of the data. The Identification stage consists of the following processes:

- Identification of operational risks within company procedures (operational risk map for controls): this activity consists in identifying operational risk through an in-depth analysis of company organizational processes and the mapping of potential risks. The assessment approach is expressed by the process/activity owner – specified within the procedures – through a predominantly qualitative analysis, which allows the identification of the activities at risk, the controls, the level of risk associated with each activity at risk mapped in the operating procedures, and thus the actions to be taken in order to make the process as closely monitored as possible;
- Loss data collection (LDC): the operational risk measurement and management system defined by the Parent's Risk Management Function also allows the Group to have a database of operational losses generated by risk events (Event Type), useful for identifying risk factors, mitigation actions and retention and transfer strategies, as well as for the possible development over time of internal operational risk measurement systems;
- Risk Self Assessment (RSA): the Group performs an annual overall assessment of the level of exposure to Operational Risks using the RSA process. The Risk Self Assessment (RSA) is an annual self-assessment of the prospective exposure to the operational risk inherent in business processes, aimed at enhancing the perception of risk by the key figures (Business Experts) who govern the execution of these processes, taking into account the expected evolution of the business and the organizational and control measures already in place;
- Identification of operational risks related to IT risk: furthermore, on an annual basis, in order to determine the exposure to ICT risk, the Parent has defined a specific model for the evaluation of IT risk that is in accordance with national and European legislation that responds to the needs for the identification of the specific risks inherent in the ICT sphere, internal or dependent on the outsourcers, and for the better qualification of operational risks through the evaluation of the specific elements involved in the automatic processing of information;
- Identification of operational risks in connection with the introduction of relevant new products, activities, processes and systems. The Group also assesses operational risks in connection with the introduction of relevant new products, activities, processes and systems, and mitigates the consequent operational risk that may arise through the preventive involvement of the corporate Control Functions and the definition of specific policies and regulations on various subjects and topics;
- Identification of operational risks associated with Major Transactions (MT): the risk resulting from an MT is assessed by assessing the consistency of the MT's risk profile with the risk appetite defined in the RAF.

The measurement phase consists of computing the capital requirements for operational risk using the Basic Indicator Component (BIC) in accordance with Article 313 of Regulation (EU) No 575/2013 (CRR).

Moreover, for a better assessment of risk exposure, the Bank has implemented a quantitative operational risk assessment process (OpVaR) that monitors the Group's operational risk calculated to the 99.9th percentile.

The monitoring stage consists of the adoption of an articulated control system that provides for the analysis of the causes of loss events and the monitoring of the trend of loss events, in terms of evaluating the trend of losses deriving from the LDC and RSA processes. Within the framework of the measures adopted regarding the exposure to operational risk, the following specific risks are also monitored by the Group:

- Money laundering risk: the risk that the Bank's financial and commercial counterparties, suppliers, partners, associates and consultants may be parties to transactions that might potentially facilitate the laundering of money coming from illegal or criminal activities.
- Compliance risk, concerning the risk of legal and administrative penalties, significant financial losses or reputational damage due to failure to comply not only with laws and regulations but also with internal and conduct standards applicable to corporate activities. For this type of risk, a periodic update of the relevant assessment methodology is performed. Such methodology is developed for all activities falling within the Bank's regulatory framework, in accordance with a risk-based approach. More specifically, as for the relevant provisions that do not envisage the establishment of specialized control measures (i.e., privacy and occupational health and safety), the Compliance Function provides consulting support to the Bank's functions (ex ante) and assesses the adequacy of the organizational measures and control activities adopted (ex post). As for laws and regulations monitored by specialized functions, the Compliance Function carries out an indirect control by cooperating with the specialized functions in defining compliance risk assessment methods in addition to mapping risks and the corresponding control measures (Compliance Risk Control Matrix).

The stage of managing operational risk seeks to continually assess the risk control and reduction strategies, deciding – based on the nature and scale of the risk and in relation to the risk propensity expressed by senior managers – whether to accept it and therefore assume it, on the part of the person in charge of the process, to refuse it and therefore reduce activities, to implement mitigation policies or to transfer it to third parties by way of insurance policies. In addition, in order to control the above mentioned risks, the Group adopts specific Organization Models for the management of the risks regarding money laundering, occupational health and safety and information and payment service security.

Finally, the reporting stage aims to ensure timely and appropriate communication in support of management decisions of corporate bodies and organizational functions.

It should be noted that the main areas of risk in this area are related to *(i)* debt collection processes through legal actions, for which a high number of negative rulings regarding legal actions initiated for the recovery of credit exposures of non-recourse factoring towards debtors was observed, as well as *(ii)* an incorrect registration of inflows relating to the period from 2019 to June 2023.

Lastly, with reference to the strategic and financial forecasts and the related managerial actions underlying them, it should be noted that the achievement of the planned objectives depends on assumptions and assessments that involve elements of uncertainty, also in relation to changes in the macroeconomic and regulatory environment, interest rate trends, the dynamics of the Group's liquidity position and developments linked to international geopolitical tensions, as well as the effective implementation of the initiatives planned to contain the impacts arising from the application of Calendar Provisioning on the Group's own funds.

In this regard, the Group has additional management levers, not incorporated into the Budget 2026 forecasts, that could be activated depending on developments in the reference context and risk management needs (such as, by way of example, loans and receivables portfolio derisking transactions and interest rate risk hedging instruments).

As at the date of approval of these Condensed Interim Consolidated Financial Statements, no elements have emerged that would require an update of the main assumptions considered in preparing the 2026 Budget, without prejudice to the ongoing monitoring of changes in risk factors and the implementation of the initiatives envisaged by the business plans.

Climate-related risk management

In line with the increasing importance assumed by ESG risk factors both for the Supervisory Authority and in terms of its effects and impact on other types of traditional risk, the BFF Group has started[22] to strengthen the processes of identification, measurement, management and monitoring of these risk factors, with particular reference to climate and environmental factors, through the integration of the same into governance, strategic and risk management mechanisms (e.g. Risk Appetite Framework, ICAAP/ILAAP).

The Risk Management Function has embarked on a path of integrating ESG risk factors into its strategic, operational and risk management framework model. To this end, the Bank has conducted a thorough analysis of climate-related and environmental risks, recognizing that these risks can have direct and indirect impacts on the different risk scenarios. These effects impact the economic value of financial assets and the operating environment in which the Bank operates, leading to possible changes in the value of corporate assets (e.g. loans, funding, etc.) as a result of the country's economic transition or the occurrence of extreme natural events. The growing push toward a sustainable economy or the occurrence of extreme physical events could alter the income, capital, and liquidity capacity of individual counterparties, potentially compromising their creditworthiness and availability of funds, with repercussions on overall financial dynamics.

However, it is necessary to point out that - given the particular business model of the BFF Group, which is characterized by exposures mainly concentrated toward the Public Administrations of the countries in which the Group itself operates - the risk profile relating to ESG factors takes on different connotations compared to traditional banking groups. For example, with regard to credit risk, any extreme weather events (e.g. floods, earthquakes, landslides) may not have a worsening effect on the risk profile since Public Administrations may have access to extraordinary financing and thus greater financial capacity to repay their debts.

The ESG risk management framework is developed based on the following principles:

ID	Assets	Description
1	**Risk identification**	▸ Identification of climate and environmental risk factors (physical and transitional risk), consistent with the business model and characteristics of the Group; ▸ identification of the main transmission channels through which climate and environmental risk factors impact traditional risks.
2	**Measurement and assessment**	▸ Measurement and assessment of climate and environmental risks, based on both quantitative data and qualitative assessments, including through stress analysis.
3	**Management and mitigation**	▸ Integration of climate and environmental risks into the risk management process; ▸ definition of policies and guidelines aimed at managing these risks; ▸ identification of specific mitigation actions based on the evidence emerging from the quantification and stress test analyses.
4	**Monitoring and reporting**	▸ Periodic reviews of risk factors related to the environment and climate and monitoring also through reporting to company bodies (e.g. Dashboard); ▸ periodic reporting on environmental and climate risks in accordance with regulations and supervisory expectations (e.g. ICAAP, Pillar 3, Sustainability reporting).

In line with the expectations of the Supervisory Authority, the Group has developed a qualitative-quantitative analysis process aimed at assessing the relevance of climate and environmental risk factors, in order to identify the potential impact of these factors on its business model and risk profile. In line with the EBA Guidelines[23], this exercise is conducted annually and integrated into the ICAAP/ ILAAP Report, and is aligned with the other relevant assessments carried out by BFF (e.g. those carried out for the purposes of sustainability reporting).

The materiality assessment aims to identify the sectors of economic activity, geographic areas and portfolios (e.g. Public and Non-Public F&L, Securities, Transaction Services, Deposit Account, Assignors) that have a greater potential vulnerability to climate and environmental risk factors, and therefore support the correct prioritization in the implementation of risk measures. In particular, the results are used to:

- update the considerations relating to the impacts of climate and environmental risk factors and the related transmission channels on traditional risks;
- evaluate the integration or modification of the indicators/ metrics entered in the RAF and Dashboard;
- define the types of stress tests consistent with the main vulnerabilities;
- support company strategies and, if necessary, the identification of mitigation actions aimed at containing these risks.

The assessment is carried out taking into account the Group's business model, operational, dimensional and organizational complexity, in order to identify the areas (in terms of business lines and traditional risk category impacted) potentially most exposed to climate and environmental risk factors.

22 The activities began in line with the three-year Action Plan for the progressive alignment with the Bank of Italy's expectations in terms of climate and environmental risks, transmitted to the Authority during the first half of 2023, in order to meet the Authority's expectations, made as part of the publication of the results of the thematic survey conducted on a sample of less significant banks.
23 See EBA, Guidelines on the Management of Environmental, Social and Governance (ESG Risks), January 2025.

In general, the Group has identified two main types of climatic and environmental risk factors with potential impact on its business, in line with legislation and market practices:

- Physical risk, which refers to the financial impact of climate change, including more frequent extreme weather events and gradual climate change, as well as environmental degradation, such as air, water and soil pollution, water stress, biodiversity loss and deforestation;
- Transition risk, which indicates the financial loss that an institution may incur, directly or indirectly, as a result of the process of adjusting towards a low-carbon and more environmentally sustainable economy.

Specifically, the overall framework will include the following steps:

- identification of Climate-related and Environmental (C&E) risks through the definition of the Transmission Channels and conduct of a materiality analysis
- classification of the loans and receivables portfolio based on the results of the materiality analysis
- the stress exercise, i.e., estimating the impact on parameters of financial risk resulting from transitional and physical environmental climate factors with respect to more exposed counterparties.

With reference to the first phase, the Bank has identified the following main transmission channels:

- Credit risk: the effects of physical and transition risk on counterparties could lead to a reduction in their ability to honor debts, with a consequent downward revision of creditworthiness and an increase in the probability of default, negatively impacting the calculation of impairment and expected losses (i.e., ECL, according to the requirements of IFRS 9)[24] with reference to Public Administration exposures; on the contrary, extreme weather events could lead to faster payment times and greater financial capacity, in consideration of possible greater financing by the State due to natural disasters;
- Strategic risk: assigning counterparties could experience increased costs or reduced production, leading to an impact on the volume of business related to the Bank's factoring business, with possible reductions in invoice purchasing transactions, also in this area, the effects of any events related to natural disasters could, on the contrary, have positive effects as factoring has proven to be a non-cyclical product.
- Liquidity risk: due to physical events, depositors with releasable deposit accounts may decide to withdraw funds, causing a significant outflow of liquidity and compromising the Bank's Liquid Coverage Ratio (LCR);
- Operational risk: the effects of physical and transition risks on operational facilities could damage business continuity, impacting the Bank's daily operations;
- Reputational risk: increasing ESG orientation by stakeholders could affect the perception of the Bank, which could negatively impact its reputation if expectations related to sustainability and environmental risk management are not met.

24 As far as credit risk is concerned, direct impacts regarding physical risk could also lead to a reduction in payment times, this happens when, for example, in the face of a climatic event in a municipality or region the state intervenes with extraordinary financing.

The following table summarizes the above:

	Drivers	Impact cluster	Direct impacts by transition risk and/or physical risk	Indirect impacts
Credit risk	Physical risk Transition risk	F&L (PA and non-PA assigned debtors)	Increase or decrease in payment times due to transition and/or climatic events resulting in changes in outstanding and positions classified as default; effects on RWA and capital (e.g. for Calendar Provisioning) as well as on impairments	Liquidity risk Strategic risk Leverage risk
Strategic Risk	Physical risk Transition risk	F&L (assignors)	Change in prospective volumes of invoices assigned to BFF, due to the impact of physical and/or transition risk on assignors	Credit risk Liquidity risk Concentration risk IRRBB risk
Liquidity Risk	Physical risk	Deposit accounts	Early closure of deposit accounts due to the impact of physical risk (bank run assumption)	n/a
Operational Risk (Including ICT and Legal)	Physical risk Transition risk	BFF	Increased operating losses/increased costs and expenses due to renegotiation of supply contracts (e.g. suppliers delaying transition) or acute physical events undermining Bank operations (e.g. damaged data center)	Strategic risk Reputational risk
Reputational Risk	Physical risk Transition risk	BFF (Shareholders, Investors and Lenders, Customers and Debtors, Supervisory Authorities)	Loss of customers and investors/ lenders, hence decrease in volumes/funding, resulting in decrease in profits caused by greenwashing or inadequate ESG rating Possible sanctions from the SA for non-compliance	Strategic risk Operational risk Liquidity risk

In relation to the second stage, depending on whether the risk considered is quantifiable or not, the Bank has adopted two strategies for the purpose of assessing exposure to ESG risk factors. Specifically:

- for non-measurable risks, activities have been initiated to integrate the self-assessment questionnaires produced by the Corporate Structures in order to identify both current and future key vulnerabilities. At the end of 2024, the methodologies related to Strategic Risk and Reputational Risk were updated, and approved by the BoD. Regarding the integration of the Risk Self-Assessment (RSA) questionnaire for Operational Risk, activities were completed during 2025 for integration into the ICAAP report;
- for quantifiable risks, the Bank has carried out quantitative estimation and classification of the Group's portfolio.

In relation to the latter, the classification was carried out through the development of a matrix integrating physical and transition risks, with the aim of identifying the counterparties most vulnerable to climate-related and environmental impacts. This matrix was constructed using physical risk (ThinkHazard!) and transition risk scores supplied by external providers assigned to the counterparties in the portfolio, taking into account their geographic location and sector.

The joint matrix calculates an overall expert-based risk score by combining the risk levels for individual physical factors (in the rows) and transitional factors (in the columns), reducing the scale from four categories to a three-level breakdown ("High", "Medium", "Low").

Below is a graphical representation, by way of example, of the methodology used to assess risky counterparties (debtors, assignors and depositors).

TR	High		Medium		Low		Very Low		Total	
PR	€ Mln	%	€ Mln	%	€ Mln	%	€ Mln	%	€ Mln	%
High										
Medium										
Low										
Very Low										
Total										

	High		Medium		Low		Total	
Joint Risk	€ Mln	%	€ Mln	%	€ Mln	%	€ Mln	%
Category 1								
Category 2								
Total								

This matrix was developed in accordance with each stress exercise (phase three) and considering, depending on the potential risk assessed, a different view. Consistent with the transmission channels deemed most plausible and impactful for the Group, the following stress tests were developed as part of the ICAAP/ILAAP Report 2024:

- Credit risk: conducting a stress test consisting of applying an expert-based mechanism of downgrading the rating class of debtors considered most exposed to physical risk and transitional risk factors;
- Strategic risk: conducting a stress test applied to the value of invoices purchased from assignors, assuming a decrease in the relative outstanding due to a decline in counterparty turnover as a result of the occurrence of negative effects related to transition risk;
- Liquidity risk: conducting a stress test on liquidity collected through deposit accounts, for which a run-off scenario caused by the occurrence of events related to physical risk is assumed.

In addition, consistent with the Action Plan developed by the Bank for the purpose of alignment with Bank of Italy Expectations described above, an initial set of monitoring metrics designed to capture the Group's exposure to ESG risk factors has been identified.

Indicators were selected based on the Group's business model and the outcomes of analyses conducted in relation to both transmission channels and quantification and stress analyses. These metrics are monitored as part of the Tableau de Bord [dashboard] reporting, prepared quarterly and approved by the Board of Directors.

Finally, it should be noted that, considering the changing regulatory framework, the Bank is evaluating the necessary additions to its framework in order to align with the new regulatory expectations of the Supervisory Authorities, including the Guidelines on ESG risk management (EBA/GL/2025/01) and on ESG Scenario Analyses (EBA/GL/2025/02).

In summary, the Bank has developed and will continue to strengthen the climate-related and environmental risk management process, assessing new providers for the assessment of physical and transition risks, expanding the scope of the drivers considered and refining the calculation and stress test methodologies. The goal is to ensure the resilience and sustainability of its business in an economic context that is increasingly affected by climate change and global transition policies.

Section 4 – Risks of the other companies

Qualitative information

The condensed interim consolidated financial statements include the aggregated statement of financial position items of BFF Bank S.p.A., BFF Finance Iberia, BFF Polska Group, BFF Immobiliare and BFF Techlab.

These companies do not show further and relevant risk factors other than those mentioned in the preceding paragraphs.

Part F – Information on Equity

In accordance with the provisions of Regulation (EU) No 575/2013 (CRR), the prudential scope of consolidation coincides with the accounting scope and establishes BFF Bank S.p.A. as the parent.

Section 1 – Equity

A. Qualitative information

The equity of the Banking Group includes the aggregated share capital, share premium, reserves, interim dividends, equity instruments, treasury shares, valuation reserves and profit for the period of the companies that make it up.

B. Quantitative information

B.1 Equity: breakdown by type of enterprise

(Values in thousand euro)

Equity	Prudential consolidation	Insurance companies	Other companies	Eliminations and adjustments from consolidation	Total
1. Share capital	145,452				145,452
2. Share premium reserve	66,277				66,277
3. Reserves	491,620				491,620
3.5 Interim dividend (-)	-				-
4. Equity instruments	150,000				150,000
5. (Treasury shares)	-				-
6. Valuation reserves:	39,217				39,217
- Equity securities designated at fair value through other comprehensive income					
- Hedging of equity securities designated at fair value through other comprehensive income					
- Financial assets (other than equity securities) at fair value through other comprehensive income	20,385				20,385
- Property, equipment and investment property	15,946				15,946
- Intangible assets					
- Hedges of foreign investments	(5,693)				(5,693)
- Cash flow hedges					
- Hedging instruments [undesignated elements]					
- Foreign exchange differences	2,639				2,639
- Non-current assets held for sale and discontinued operations					
- Financial liabilities designated at fair value through profit or loss (changes in creditworthiness)					
- Actuarial gains (losses) relating to defined benefit plans	310				310
- Share of valuation reserves for equity-accounted investments	4,832				4,832
- Special revaluation laws	799				799
7. Profit for the period (+/-) attributable to owners of the parent and non-controlling interests	51,430				51,430
Total	**943,996**				**943,996**

Section 2 – Own funds and regulatory ratios

Scope of application of the regulation

Own funds are computed - starting from January 1, 2014, in accordance with Bank of Italy Circular no. 285 "*Supervisory provisions for banks*" and Circular no. 286 "*Instructions for the preparation of supervisory reporting by banks and securities intermediaries*", both dated December 17, 2013 - based on Regulation (EU) no. 575/2013, relating to the new harmonized regulations for banks and investment companies, included in the EU Capital Requirements Regulation (CRR) and in the EU Capital Requirements Directive (CRD IV) of June 26, 2013.

These regulations include the standards set forth by the Basel Committee on Banking Supervision (Basel 3 framework), whose implementation, pursuant to the Consolidated Law on Banking, is the responsibility of the Bank of Italy, and define the ways in which the powers attributed by EU regulations to national authorities were exercised.

In accordance with the provisions of Regulation (EU) no. 575/2013 (CRR), the scope of consolidation at June 30, 2026 envisages that BFF Bank S.p.A. is the parent.

Own funds

Qualitative information

Own funds represent the first line of defense against risks associated with the complexity of financial activities and constitute the main reference parameter for the assessment of the Group's capital adequacy.

The purpose of prudential supervision regulations is to ensure that all credit intermediaries have a minimum mandatory capitalization in relation to the risks assumed.

The Group constantly assesses its capital structure by developing and employing techniques for monitoring and managing regulated risks, also through a Control and Risks Committee created within the Board of Directors.

Own funds are the sum of Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) and Tier 2 (T2) capital, net of items to be deducted and IFRS prudential filters.

The main components of the Group's own funds are computed in Common Equity Tier 1 (CET1), and are the following:

- Paid-in share capital;
- Reserves (legal reserve, extraordinary reserve, retained earnings, stock option reserve, and financial instruments reserve);
- any undistributed portion of profit for the period;
- Valuation reserves (IASs/IFRS 9 transition reserve, actuarial reserve for defined benefit plans, and valuation reserve for HTC&S securities);
- any non-controlling interests eligible for inclusion in the computation of CET1.

Intangible assets, including any goodwill, as well as certain categories of tax assets should be deducted from these items in accordance with the requirements of CRR III, as well as the effects of calendar provisioning.

Additional Tier 1 (AT1) capital includes Tier 1 instruments issued during the previous year.

During the first half of 2026, own funds were mainly influenced by:

- the capitalization of the Group's profit of €51.4 million;
- additional deductions due to calendar provisioning of €89.6 million;
- the payment of the coupon relating to the Additional Tier 1 issue for €4.4 million.

Quantitative information

Own funds of the Banking Group pursuant to the Consolidated Law on Banking are presented as follows.

(Values in thousand euro)

ITEMS/VALUES	Total 06.30.2026	Total 12.31.2025
A. Common Equity Tier 1 (CET1) pre-application of prudential filters	789,590	733,759
of which CET1 instruments subject to transitional provisions		
B. Prudential CET1 filters (+/-)	(365)	(349)
C. CET1 gross of elements to be deducted and effects of transitional rules (A +/- B)	789,225	733,410
D. Elements to be deducted from CET1	(189,294)	(101,745)
E. Transitional period - Impact on CET1 (+/-), including non-controlling interests subject to transitional provisions		
F. Total Common Equity Tier 1 (CET1) (C - D +/-E)	599,931	631,665
G. Additional Tier 1 (AT1) inclusive of elements to be deducted and effects of transitional rules	150,000	150,000
of which AT1 instruments subject to transitional rules		
H. Elements to be deducted from AT1		
I. Transitional period - Impact on AT1 (+/-), including instruments issued by subsidiaries and included in AT1 due to transitional provisions		
L. Total Additional Tier 1 capital (Additional Tier 1 - AT1) (G - H +/- I)	150,000	150,000
M. Tier 2 (T2) inclusive of elements to be deducted and effects of transitional rules		
of which T2 instruments subject to transitional provisions		
N. Elements to be deducted from T2		
O. Transitional period - Impact on T2 (+/-), including instruments issued by subsidiaries and included in T2 due to transitional provisions		
P. Total Tier 2 (T2) capital (M - N +/- O)		
Q. Total own funds (F + L + P)	749,931	781,665

Capital adequacy

Qualitative information

Compliance with Group capital adequacy limits for the CET1 Capital Ratio, Tier 1 Capital Ratio, and Total Capital Ratio is constantly monitored by the relevant corporate bodies.

The CET1 Capital Ratio is the ratio of Common Equity Tier 1 capital to Risk-Weighted Assets.

The Tier 1 Capital Ratio is the ratio of Tier 1 Capital to Risk-Weighted Assets.

The Total Capital Ratio is the ratio of Total Own Funds to Risk-Weighted Assets.

In accordance with the provisions of Bank of Italy Circular No. 262 of December 22, 2005 "*Banks' financial statements: layout and preparation*", the amount of risk-weighted assets was determined as the product of the total of prudential capital requirements and 12.5 (inverse of the minimum obligatory ratio equal to 8%).

With regard to the Banking Group, as at June 30, 2026 the CET1 is 10.34% and the Tier 1 Capital Ratio and the Total Capital Ratio are 12.93%.

Pillar I – Capital adequacy to meet the typical risks associated with financial operations

From the standpoint of operations, the absorption of risks is calculated using various methods:

- "Standardized approach" for credit risk;
- "Standardized approach" for counterparty risk;
- operational risk, through the calculation of the "Component of the calculated activity indicator (BIC)";
- "Standardized approach" for market risk.

Credit risk

This risk is thoroughly described in Part E of this document.

Counterparty risk

Counterparty risk represents a particular type of credit risk, characterized by the fact that the exposure, owing to the financial nature of the contract executed between the parties, is uncertain and can change over time in relation to the evolution of the underlying market factors.

For BFF, counterparty risk can be generated by repurchase agreements and derivatives. Counterparty risk is measured using the original exposure method.

Operational risk

Operational risk is the risk of incurring a loss due to inadequacy or failure of procedures, human resources and internal systems or as a result of external events. This category includes, amongst other items, losses caused by fraud, human error, business interruption, system failure, breach of contracts and natural disasters; operational risk includes legal risk but excludes strategic and reputational risks.

Operational risk, therefore, refers to various types of events that would not be significant unless analyzed together and quantified for the entire risk category.

With the entry into force of CRR III on January 1, 2025, the basic approach is replaced by the business indicator component calculated in accordance with Article 313 of Regulation (EU) No. 575/2013. This calculation, of greater operational complexity, is equal to the sum of the following components multiplied by fixed coefficients determined according to the business indicator (BI):

- ILDC = the interest, leases and dividend component (ILDC), expressed in € billion;
- SC = the services component (SC), expressed in € billion;
- FC = the financial component (FC), expressed in € billion.

In line with the *Operational Risk Management framework* applied, the Parent uses an internal statistical management model for quantifying exposure to operational risk. This was done for the purpose of verifying that the method used for regulatory purposes did value capital adequately against assumed and assumable risk. The operational risk results obtained from the forward-looking assessment process were also used for quantifying internal capital against operational risk for ICAAP purposes. Non-credit boundary operating losses referring to 2025 were significantly lower than the capital requirement for operational risk and the requirement calculated at operational level in the 2024 ICAAP.

Market risk

Market risk is the risk relating to positions held for trading, that is, positions intentionally held for sale in the short term, acquired in order to take advantage of purchase and sale price differences, or other changes in prices or interest rates.

The regulation identifies and regulates the treatment of the various types of market risk in reference to the regulatory trading portfolio. The Group measures market risk using the "Standardized" approach.

In particular, this methodology includes the tax receivables of the *trading* portfolio for which the generic risk is calculated. The maturity-based and *de minimis* method for currency risk is used.

Pillar II – The ICAAP/ILAAP Report

The supervisory regulations require intermediaries to adopt control strategies and processes for determining the adequacy of current and future capital. It is the Supervisory Authority's responsibility to verify the reliability and accuracy of the results generated and, where necessary, to take appropriate corrective action.

The BFF Banking Group annually submits the "ICAAP/ILAAP Report" to the Bank of Italy, thus providing an update on the internal processes for determining adequacy of capital and of liquidity risk governance and management systems of the Group, in compliance with prudential Supervisory Provisions.

In relation to the "Supervisory Review and Evaluation Process" (SREP), the Group must comply with a CET 1 Ratio of 9.00%, a Tier 1 Ratio of 10.50% and a Total Capital Ratio of 12.50% to which the Countercyclical Capital Buffer ("CCyB") and Systemic Risk Buffer ("SyRB") components are added.

Quantitative information

The following table provides the capital requirements, at the reporting date, relative to the scope of consolidation of the Banking Group pursuant to the Consolidated Law on Banking.

(Values in thousand euro)

Categories/Values	Non-weighted amounts		Weighted amounts / requirements	
	06.30.2026	12.31.2025	06.30.2026	12.31.2025
A. RISK ASSETS				
A.1 Credit and counterparty risk	11,607,920	12,038,133	5,111,796	5,666,044
1. Standardized methodology	11,603,581	12,033,029	5,106,245	5,659,958
2. Methodology based on internal ratings				
2.1 Basic				
2.2 Advanced				
3. Securitizations	4,339	5,104	5,551	6,086
B. REGULATORY CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			408,944	453,284
B.2 Credit valuation adjustment risk			1,146	879
B.3 Settlement risks				
B.4 Market risks			1	117
1. Standard methodology			1	117
2. Internal models				
3. Concentration risk				
B.5 Operational risk			53,897	53,897
B.6 Other calculation factors				
B.7 Total prudential requirements			463,987	508,176
C. RISK ASSETS AND REGULATORY RATIOS				
C.1 Risk-weighted assets			5,799,839	6,352,203
C.2 CET 1/Risk-weighted assets (CET1 capital ratio) (%)			10.34%	9.94%
C.3 Tier 1 Capital/Risk-weighted assets (Tier 1 capital ratio) (%)			12.93%	12.31%
C.4 Total Own Funds/Risk-weighted assets (Total capital ratio) (%)			12.93%	12.31%

Part G – Business combinations of companies or business units

Section 1 – Transactions completed during the year

As of June 30, 2026 there are no extraordinary business combinations falling within the definition provided by IFRS 3 (revised).

Section 2 – Transactions after the reporting date

After June 30, 2026, there were no business combinations falling under the definition of the revised IFRS 3.

Part H – Transactions with related parties

Related parties, as defined by IAS 24, include:

- companies belonging to the BFF group;
- associates and joint ventures as well as their subsidiaries;
- BFF's key management personnel;
- close family members of "key management personnel" and companies, including joint ventures, controlled by key management personnel or their close family members;

The following table provides the income statement and statement of financial position amounts arising from transactions with related parties performed by the Group in the first half of 2026, broken down by type of related parties pursuant to IAS 24, and as a percentage of their respective financial statements item. The Group has no subsidiaries or companies not consolidated on a line-by-line basis or joint ventures. The Group has equity investments in several associates. The relationships between the Group and those companies are shown in the table below. Lastly, it should be noted that the conditions of deposit accounts relating to Group directors and other related parties correspond to those recorded in the relevant prospectus at the time the deposit accounts were opened.

(Values in thousand euro)

	Directors and Key Management Personnel (1)	Other related parties	Total related parties	Financial statements item	% of financial statements item	Statement of cash flows item	% of statement of cash flows item
Impact of transactions on the consolidated statement of financial position							
Loans and receivables with customers							
As at June 30, 2026		15,080	15,080	9,753,772	0.2%	178,487	8.4%
Equity investments							
As at June 30, 2026		16,270	16,270	16,270	100.0%	-	
Other assets							
As at June 30, 2026		582	582	532,259	0.1%	137,521	0.4%
Amounts due to customers							
As at June 30, 2026		(39)	(39)	(8,429,042)	0.0%	(413,202)	0.0%
Provision for risks and charges: a) pensions and similar obligations							
As at June 30, 2026	(296)		(296)	(6,001)	4.9%	34,455	-0.9%
Other liabilities							
As at June 30, 2026	(599)	(921)	(1,519)	(404,539)	0.4%	34,455	-4.4%
Reserves							
As at June 30, 2026	(178)		(178)	(491,620)	0.0%	-	
Impact of transactions on the consolidated income statement							
Interest and similar income							
First half 2026		220	220	221,624	0.1%	-	
Interest and similar expense							
First half 2026		(4)	(4)	(115,583)	0.0%	-	
Administrative expenses: a) personnel expenses							
First half 2026	(63)		(63)	(25,858)	0.2%	-	
Administrative expenses: b) other administrative expenses							
First half 2026		(1,624)	(1,624)	(59,509)	2.7%	-	
Other operating income, net							
First half 2026		62	62	2,024	3.1%	-	
Profits (losses) on equity investments							
First half 2026		3,103	3,103	3,103	100.0%	-	

Notes:

(*) Including members of the Board of Directors;

Part I – Share-Based Payments

A. Qualitative information

2020 Stock Option Plan

On April 2, 2020, the Ordinary Shareholders' Meeting approved a new Stock Option Plan ("2020 Plan") for employees and directors holding executive positions in the Company and/or its subsidiaries, having the following characteristics:

- Purpose: the plan involves the award of a maximum of 8,960,000 options in three tranches; each one provides the beneficiary with the right to subscribe newly issued ordinary shares of the parent or shares that have already been issued and are included in the parent's portfolio when the option is exercised;
- Recipients: the beneficiaries are identified by the Board of Directors and/or the CEO at their sole discretion – within the limits envisaged by the applicable legislation and the plan – among the employees and/or Directors with executive positions in the Bank and/or its subsidiaries;
- Type of exercise: cashless exercise.

The options assigned within each tranche accrue upon completion of the vesting period, i.e. after 3 years from the relative assignment date. Vesting is subject to the following conditions being met: (i) The continuation of the employment relationship with the Group and/or of the office held in the Board of Directors and absence of notice due to resignation or dismissal; and (ii) Levels of capital and liquidity resources necessary to cover the activities undertaken and compliance with other parameters, also of a regulatory nature.

As at June 30, 2026, the number of stock options granted and not exercised was 995,000. All options have vested and are exercisable. As at December 31, 2025, the number of stock options allocated and not exercised was 1,260,000, of which 1,000,000 had vested and were exercisable.

BFF Banking Group long-term incentive plan "Incentive Plan 2022"

On March 31, 2022, the Ordinary Shareholders' Meeting approved a new "2022 Long-Term Incentive Plan" for employees and directors holding executive positions in the Bank and/or its subsidiaries, having the following characteristics.

- Subject: the plan provides for the allocation of a maximum of 9,700,000 options divided into three tranches assignable by December 31, 2024. The options can be of two types: (i) Class A options, which grant the right to receive newly issued ordinary shares of the Bank, "equity settled", and (ii) Class B options, which grant the right to receive phantom shares, to be converted into cash in accordance with the provisions of the plan, "cash settled";
- Vesting conditions (exercise): options granted under each tranche vest upon completion of the three-year period from the relevant grant date. Vesting is also subject to the fulfillment of the following conditions: (i) continuation of employment with the Group and/or office in the Board of Directors and absence of notice of resignation or dismissal; and (ii) achievement of KPIs (i.e. company performance indicators), without prejudice to the deferral and lock-up provisions applicable to the most significant personnel (i.e. Risk Takers) of the Parent and the other detailed forecasts of the plan, already disclosed to the market in accordance with applicable regulations.

As at June 30, 2026, the number of options allocated and not yet exercised amounted to 3,829,700 (of which 1,607,000 planned as equity-settled and cash-less and 2,222,700 cash-settled/phantom shares). As at December 31, 2025, 6,659,000 options had been allocated (of which 2,968,500 equity-settled and cash-less and 3,690,500 cash-settled/phantom shares), none of which yet exercisable.

BFF Banking Group 2025 Long-Term Incentive Plan

On April 17, 2025, the Ordinary Shareholders' Meeting approved a new "2025 Long-Term Incentive Plan" for employees and directors holding executive positions in the Bank and/or its subsidiaries, having the following characteristics.

- Subject: the plan provides for the allocation of a maximum of 12,000,000 options divided into three tranches assignable by December 31, 2027. The options can be of two types: (i) Class A options, which grant the right to receive newly issued ordinary shares of the Bank, "equity settled", and (ii) Class B options, which grant the right to receive phantom shares, to be converted into cash in accordance with the provisions of the plan, "cash settled".
- Vesting conditions (exercise): options granted under each tranche vest upon completion of the three-year period from the relevant grant date. Vesting is also subject to the fulfillment of the following conditions: (i) continuation of employment with the Group and/or office in the Board of Directors and absence of notice of resignation or dismissal; and (ii) achievement of KPIs (i.e. performance indicators), without prejudice to the deferral and lock-up provisions applicable to the most significant personnel (i.e. Risk Takers) of the Parent and the other detailed forecasts of the plan, already disclosed to the market in accordance with applicable regulations.

As at June 30, 2026, one of the three planned tranches for a total of 7,149,000 options had been allocated (of which 2,065,500 planned as equity-settled and cash-less and 5,083,500 cash-settled/phantom shares), none of which yet exercisable. As at December 31, 2025, 7,664,000 options had been allocated (of which 2,445,500 equity-settled and cash-less and 5,218,500 cash-settled/phantom shares), none of which yet exercisable.

Part L – Segment reporting

Consistent with the business areas identified in order to monitor and analyze the Group's results, the Group Sector information is divided into representative sections of the three BUs that offer products/services to customers:

- Factoring & Lending BU, which offers products such as non-recourse factoring, lending and credit management mainly to public sector suppliers and public administration bodies;
- Securities Services BU, which deals with custodian banking for investment funds and related services such as global custody, fund accounting and transfer agents for national managers and banks and for various investment funds such as pension funds, mutual funds and alternative funds.
- Payments BU, which deals with payment processing, corporate payments and checks and bills and has as customers medium-small Italian banks, medium-large companies and boasts a partnership with Nexi.

For comments and details on the items listed, please refer to the specific sections contained in the chapter on Operating Performance.

Below is the income statement data by BU:

(amounts in thousand euro)

1st half of 2026	FL	SS	PAYM.	CC	Total
Net interest income	**61,996**	**3,058**	**3,104**	**37,883**	**106,041**
Net fee and commission income (expenses)	**1,599**	**15,296**	**29,008**	**(455)**	**45,449**
Dividends and similar income	-	-	-	9,828	9,828
Net profit/loss from trading activities	9,127	-	-	(3,907)	5,221
Gains/losses on disposal or repurchase of financial assets measured at amortized cost:	-	-	-	14,508	14,508
Profits (losses) on financial assets and liabilities measured at fair value through profit or loss	-	-	-	(1,682)	(1,682)
Total income	**72,723**	**18,354**	**32,112**	**56,175**	**179,364**
Net impairment losses/gains for credit risk associated with: financial assets measured at amortized cost	(20,173)	157	0	(679)	(20,696)
Of which non-recurring	(29,264)	0	0	0	(29,264)
Net income from banking activities	**52,549**	**18,511**	**32,112**	**55,495**	**158,668**
Net income from banking and insurance activities	**52,549**	**18,511**	**32,112**	**55,495**	**158,668**
Administrative expenses	(23,882)	(10,941)	(18,282)	(32,262)	(85,367)
Of which non-recurring	2,565	1	(31)	3,318	5,853
Other net provisions	8,438	-	11	(31)	7,939
Depreciation/amortization and impairment losses on property, equipment and investment property/intangible assets	(1,349)	(1,638)	(1,426)	(6,083)	(10,496)
Of which non-recurring	-	(598)	(741)	(813)	(2,151)
Other operating income (expenses), net	(6,463)	2,977	5,256	254	2,024
Of which non-recurring	(8,975)	-	-	-	(8,975)
Operating costs	**(23,256)**	**(10,082)**	**(14,440)**	**(38,122)**	**(85,901)**
Profits (losses) on equity investments	1,982	-	-	1,121	3,103
Profit before tax from continuing operations	**31,275**	**8,429**	**17,672**	**18,494**	**75,870**
Of which non-recurring	(35,675)	(597)	(771)	2,505	(34,538)

(amounts in thousand euro)

1st half of 2025	FL	SS	PAYM.	CC	Total
Net interest income	**86,281**	**2,725**	**3,714**	**31,813**	**124,534**
Net fee and commission income (expenses)	**1,643**	**13,250**	**27,656**	**(501)**	**42,048**
Dividends and similar income	-	-	-	11,792	11,792
Net profit/loss from trading activities	11,238	-	-	(3,455)	7,783
Profits (losses) on financial assets and liabilities measured at fair value through profit or loss	(318)	-	-	(3,659)	(3,977)
Total income	**98,843**	**15,976**	**31,370**	**35,990**	**182,179**
Net impairment losses/gains for credit risks associated with: financial assets measured at amortized cost	(1,899)	491	-	134	(1,274)
Net income from banking activities	**96,944**	**16,467**	**31,370**	**36,124**	**180,905**
Net income from banking and insurance activities	**96,944**	**16,467**	**31,370**	**36,124**	**180,905**
Administrative expenses	(23,996)	(10,786)	(17,067)	(40,680)	(92,530)
of which non-recurring	(550)	(99)	(75)	(3,733)	(4,457)
Net accruals to provisions for risks and charges	75	-	40	277	392
Depreciation/amortization and impairment losses on property, equipment and investment property/intangible assets	(831)	(1,419)	(1,516)	(4,209)	(7,974)
of which non-recurring	-	(598)	(741)	0	(1,339)
Other operating income, net	9,278	101	5,225	956	15,560
of which non-recurring	-	-	-	(423)	(423)
Operating costs	**(15,474)**	**(12,104)**	**(13,318)**	**(43,655)**	**(84,551)**
Profits (losses) on equity investments	251	-	-	155	406
Profit (loss) before tax from continuing operations	**81,721**	**4,363**	**18,052**	**(7,376)**	**96,760**

The main KPIs monitored by the group by geographical area are shown below.

Turnover purchased/Financing provided in the year and Loans and receivables with customers	1H 2026	1H 2025
Loans and receivables with customers (*)	5,503	5,875
Italy	3,349	3,601
Spain	260	385
Poland	1106	1014
Slovakia	235	214
Portugal	190	285
Greece	206	267
France	157	109
Czech Republic	1	1
Acquired turnover/Loans disbursed during the year	3,501	4,201
Italy	1,748	2,263
Spain	608	838
Poland	612	586
Slovakia	46	1
Portugal	213	250
Greece	115	132
France	160	129
Czech Republic	-	1

(*) *Loans and receivables with customers include Ecobonus tax assets amounting to €307.6 million (€427.6 million as at December 31, 2025) classified under the Statement of financial position item "Other assets".*

Securities Services BU

Managed amounts and deposits	1H 2026	1H 2025
Custodian Bank (AuD, €M)	87,863	77,243
Global Custody (AuC, €M)	145,757	141,003
Deposits - Final Balance (€M)	3,519	4,362

Payments BU

Transactions made and deposits	1H 2026	1H 2025
Transactions (no. trans. million)	435	450
Deposits - Final Balance (€M)	2,405	2,804

Part M – Lease reporting

On January 1, 2019, IFRS 16 with the new definition and accounting model for "leases" came into effect. This standard is based on conveying the right to use a leased asset, and applies to all leases with the exception of leases with a lease term of 12 months or less or those for which the underlying asset has a contractual value below €5,000.

Based on this accounting model, the "right of use" is recognized in the statement of financial position as an asset, and future payments relating to the same leased asset is entered as a liability. Any depreciation relating to the right-of-use asset, and any relevant interest expense, is recognized in the income statement.

The application of IFRS 16 changed the accounting substantially for lessees, as it eliminates a lessee's classification of leases as either operating leases or finance leases.

In particular, lessees are required to comply with the following main provisions:

- The identified asset is classified as a right-of-use asset and presented in the statement of financial position as if it was owned. The relevant financial liability shall also be recognized;
- the initial measurement of the financial liability is equal to the present value of the periodic lease payments agreed by the parties to use the asset over the term of the contract that is reasonably certain; the initial measurement of the right-of-use shall be equal to the value of the financial liability, less some specific items, e.g. those relating to the initial direct costs incurred in obtaining the lease; and for subsequent measurement of the asset and over the lease term, the asset is depreciated on a systematic basis, while the financial liability includes any interest expense, calculated based on the interest rate implicit in the lease where expressly stated or on the cost of funding for the period, and any periodic lease payments.

Section 1 – Lessee

Qualitative information

During 2018, BFF Banking Group launched a project aimed at understanding and defining the qualitative and quantitative impact of first-time adoption of the new IFRS 16. Following on from this project, a new accounting model has been defined for use in relation to all leases with the exception of those for which the underlying asset is of low value (less than €5,000) or that have a short lease term (12 months or less). For the purposes of the first adoption of the standard (first-time adoption or FTA), on January 29, 2019 the Board of Directors resolved that BFF and all companies belonging to BFF Banking Group shall adopt the "Modified Retrospective Approach". As a result, the Group did not apply the standard retrospectively (therefore considering complex comparative information), and the amount relating to right-of-use assets under "Property, equipment and investment property" is equal to the financial liability amount.

Quantitative information

BFF Banking Group's right-of-use assets accounted for as "Property, equipment and investment property" at first- time adoption and at June 30, 2026 are shown below.

(Values in thousand euro)

	Right-of-use assets 06.30.2026	Right-of-use assets 12.31.2025
BFF	3,678	4,099
BFF Finance Iberia	1,323	1,444
BFF Polska Group	1,591	1,834
BFF Techlab	152	171
Total BFF Banking Group	**6,744**	**7,548**

For more details on the accounting impacts related to Property, equipment and investment property and Financial liabilities measured at amortized cost, please refer to the specific section of Part B of the Notes to the consolidated financial statements.

Section 2 – Lessor

Please note that this section only refers to BFF Polska Group's activities.

Quantitative information

(Values in thousand euro)

Time periods	Total 06.30.2026	Total 12.31.2025
	Lease payments to be received	Lease payments to be received
Up to 1 year		1
More than 1 year to 2 years		
More than 2 years to 3 years		
More than 3 years to 4 years		
More than 4 years to 5 years		
Over 5 years		
Total lease payments to be received	-	**1**
RECONCILIATION WITH FINANCING ACTIVITIES		
Financial gains not yet accrued (-)		-
Unguaranteed residual value (-)		
Loans for leases	-	1

05 Certification by the Financial Reporting Officer

CERTIFICATION OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS IN ACCORDANCE WITH ARTICLE. 81-TER OF CONSOB REGULATION N. 11971 OF 14 MAY 1999 AS AMENDED AND SUPPLEMENTED

1. The undersigned
   - Giuseppe Sica, in his capacity as Chief Executive Officer,
   - Antonio Carnevale, as Financial Reporting Officer of BFF Bank S.p.A.,

   hereby certify, having taken into account the provisions of art. 154-bis, paragraphs 3 e 4, of legislative decree no. 58 of 24 February 1998:
   - the suitability as regards the characteristics of the Group, and
   - the effective implementation of the administrative and accounting procedures employed to draw up the Consolidated Condensed Interim Financial Statements, during the first half of 2026.

2. The suitability and effective application of the administrative and accounting process employed to draw up the Consolidated Condensed Interim Financial Statements as of 30 June 2026 was verified based on internally defined method adopted by BFF Bank S.p.A., in accordance with the *Internal Control – Integrated Framework model* issued by *Committee of Sponsoring Organizations of Tradeway Commission* (COSO) and *Control Objective for IT and Related Technologies* (COBIT), which represent generally accepted international standards for internal control system and, specifically, for financial reporting.

   In this regard, the following key points have emerged:
   - In light of the events that have affected BFF Bank since the fourth quarter of 2025, it should be noted that the Bank promptly initiated a process, which is still ongoing, to review its regulatory and procedural framework, as well as its organizational, administrative and accounting structure and the related verification activities, with the aim of further strengthening the Internal Control System; in this context, activities aimed at ensuring continuous monitoring of the effectiveness of the measures already implemented and those currently being implemented remain ongoing. In particular, with regard to collections in the first half of 2026, the Financial Reporting Officer, in continuity with the previous financial year, implemented appropriate compensating controls.

3. Moreover, the undersigned hereby certify that:

   3.1 the Consolidated Condensed Interim Financial Statements as of 30 June 2026:

   a) were drafted in accordance with the applicable International Financial Reporting Standards endorsed by the European Community, pursuant to regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

   b) correspond to the results of the accounting books and records;

   c) are suitable for providing a true and fair view of the financial position, financial performance and cash flows of the issuer and all the companies included in the scope of consolidation.

   3.2 The half-year Report on Operations includes a reliable analysis of the important events which occurred during the first half of the year and their impact on the Consolidated Condensed Interim Financial Statements, together with a description of the main risks and uncertainties for the remaining six months of the year to which they are exposed. The half-year Report on Operations includes, moreover, a reliable analysis of the information concerning major transactions with related parties.

Milan, 05 August 2026

GIUSEPPE SICA	ANTONIO CARNEVALE
Chief Executive Officer	Financial Reporting Officer
Giuseppe Sica	Antonio Carnevale

06 Independent Auditors' Report

KPMG

KPMG S.p.A.
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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Report on review of condensed interim consolidated financial statements

To the shareholders of
BFF Bank S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the BFF Banking Group, comprising the statement of financial position as at 30 June 2026, the income statement and the statements of comprehensive income, changes in equity and cash flows for the six months then ended and notes thereto. The directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the IFRS Accounting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures.
A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the BFF Banking Group as at and for the six months ended 30 June 2026 have not been prepared, in all material respects, in accordance with the IFRS Accounting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and endorsed by the European Union.

Material uncertainty about going concern

We draw attention to that disclosed by the directors in "Part A – Accounting policies: Section 2 – Basis of presentation – Disclosure regarding the going concern assumption" section of the notes to the condensed interim consolidated financial statements about events and circumstances that indicate that there is a material uncertainty which would cast significant doubts about the group's ability to continue as a going concern. Our conclusion is not qualified in this respect.

Milan, 7 August 2026

KPMG S.p.A.

(signed on the original)

Simone Archinti
Director of Audit

BFF