



a bank like no other[®]

FY 2022 Results

9th February 2023

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Executive Summary



BFF Banking Group

- FY 2022 Reported Net Profit at €232.0m, FY 2022 Adjusted Net Profit +16.6% YoY at €146.0m.
- Loans growth at +45% vs. FY 2021 and Loan / Deposit ratio at 76%.
- Significant interest rates upside still unlocked.

LPIs + "Recovery Costs" rights

- LPI statutory rate increases from 8% to 10.50% from 1-Jan-23. Further increase from July 2023.
- From 31-Dec-22: (i) "Recovery Cost" rights accounted on an accrual basis, and (ii) change in LPI's recovery rate accrual to 50% from 45%.
- **Positive €100m capital one-off at YE22. Increase in yearly profits from 2023.**

Capital & Dividends

- CET1 ratio at 16.9% and TCR at 22.3%. €201m of excess capital vs. 15% TCR target.
- FY22 dividends at €146.0m, first €68.5m paid in Aug-22, final €77.5m tranche (approx. €0.42 per share) to be paid in Apr-23. Upcoming interim dividend in Aug-23 based on 1H23 results.
- >€615m of dividends paid to shareholders since 2017 IPO, c. 77% of IPO-market cap.

Updated 2023 Target

- **New 2023 Adj. Net Income Target up to €180/190** from previous €170/180m.
- **New medium-term targets** will be communicated with new Strategic Plan **before the 1H23 results.**

What 2022 will be remembered for...

- War in Ukraine and energy shock
- Fastest increase of interest rates of the last decades
- Highest inflation since the '80s
- Monetary tightening and end of TLTRO at negative rates
- Volatility of Sovereign Spread
- FTSE Italia Mid Cap down -21% in 2022

...and how BFF dealt with 2022

- ROE: 32%
- TCR: 22.3% and CET1: 16.9%
- Loan book at historical high, +45% YoY
- Upward revision of 2023 Net Income Target
- Stock performance +4.5% in 2022

P&L by Business Units



€m	Factoring & Lending P&L	+	Securities Services P&L	+	Payments P&L	+	Corporate Center <u>incl.</u> synergies	=	BFF adjusted P&L	Adjustments	BFF reported P&L ⁽¹⁾
FY 2022											
Net Revenues	170.1		52.5		63.3		93.2		379.1	151.5	530.6
OPEX incl. D&A	(43.8)		(24.7)		(32.1)		(67.0)		(167.6)	(15.7)	(183.3)
<i>Cost / Income (%)</i>	26%		47%		51%		-		44%	-	35%
Provisions	(6.3)		-		-		0.2		(6.2)	(10.0)	(16.2)
PBT	120.0		27.8		31.3		26.4		205.4	125.8	331.2
FY 2021											
Net Revenues	161.9		57.8		62.1		49.5		331.4	43.0	374.4
OPEX incl. D&A	(38.8)		(28.8)		(30.9)		(79.1)		(177.6)	(2.8)	(180.4)
<i>Cost / Income (%)</i>	24%		50%		50%		-		54%	-	48%
Provisions	(0.4)		-		-		4.5		4.1	(1.5)	2.7
PBT	122.8		29.0		31.1		(25.1)		157.9	38.7	196.7

(1) During 2021, DEPObank was consolidated for only 10 months (please refer to slide 19 in the Appendix).

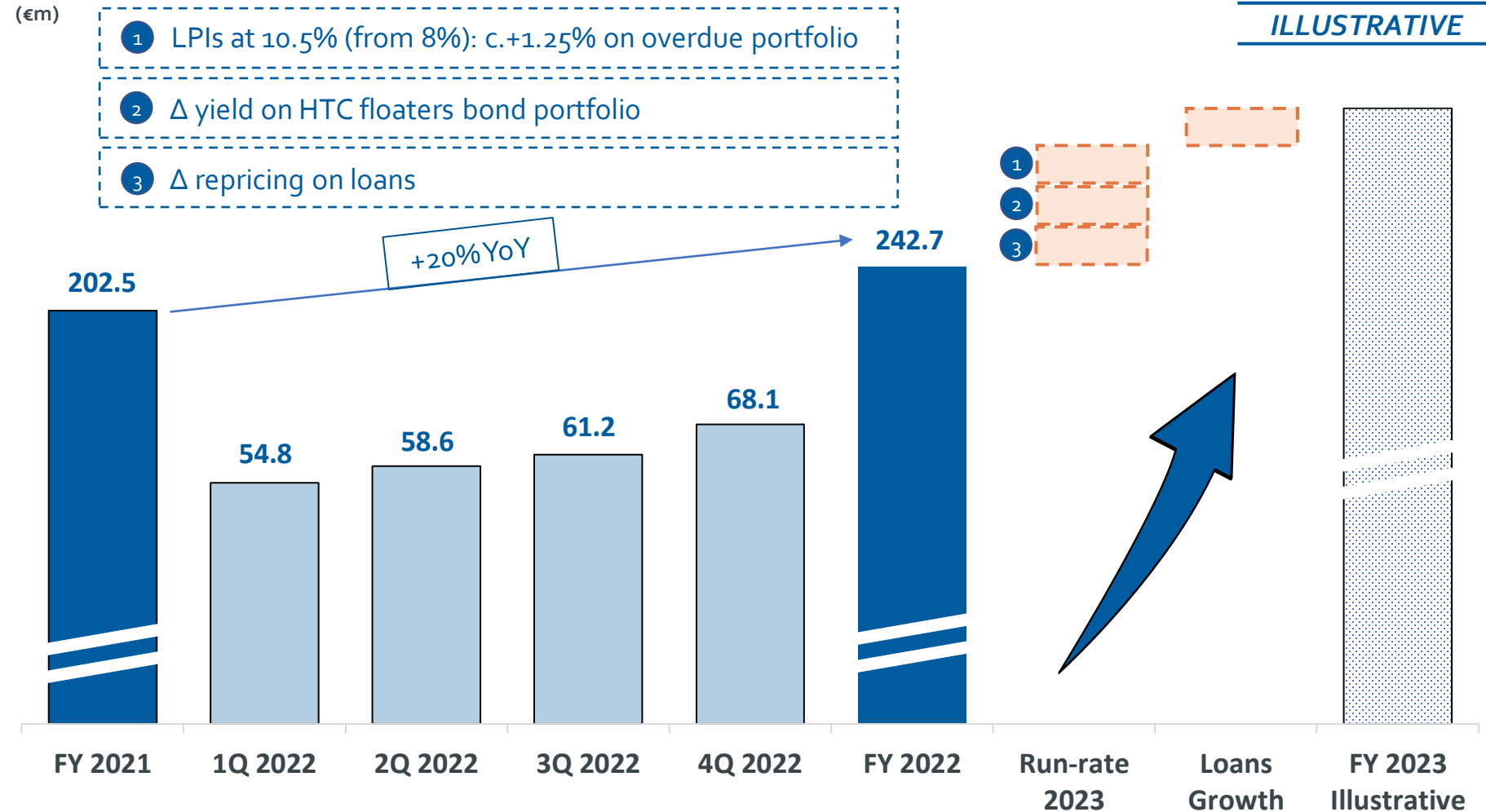
Strong tailwinds on Net Interest Income

NII Upward Trend

- Repricing of liabilities front-loaded in 2022, repricing of assets with time lag (c. 6 months or more).

- LPIs rate at 10.5% from 1-Jan-2023 with a further increase expected at next refixing date (1-Jul-2023).
- Reset of HTC floaters government bond yield with 6-months refixing.
- Repricing of spread over CoF / maturity commissions ongoing, with upside from 2023.

Group Net Interest Income⁽¹⁾ by Quarter

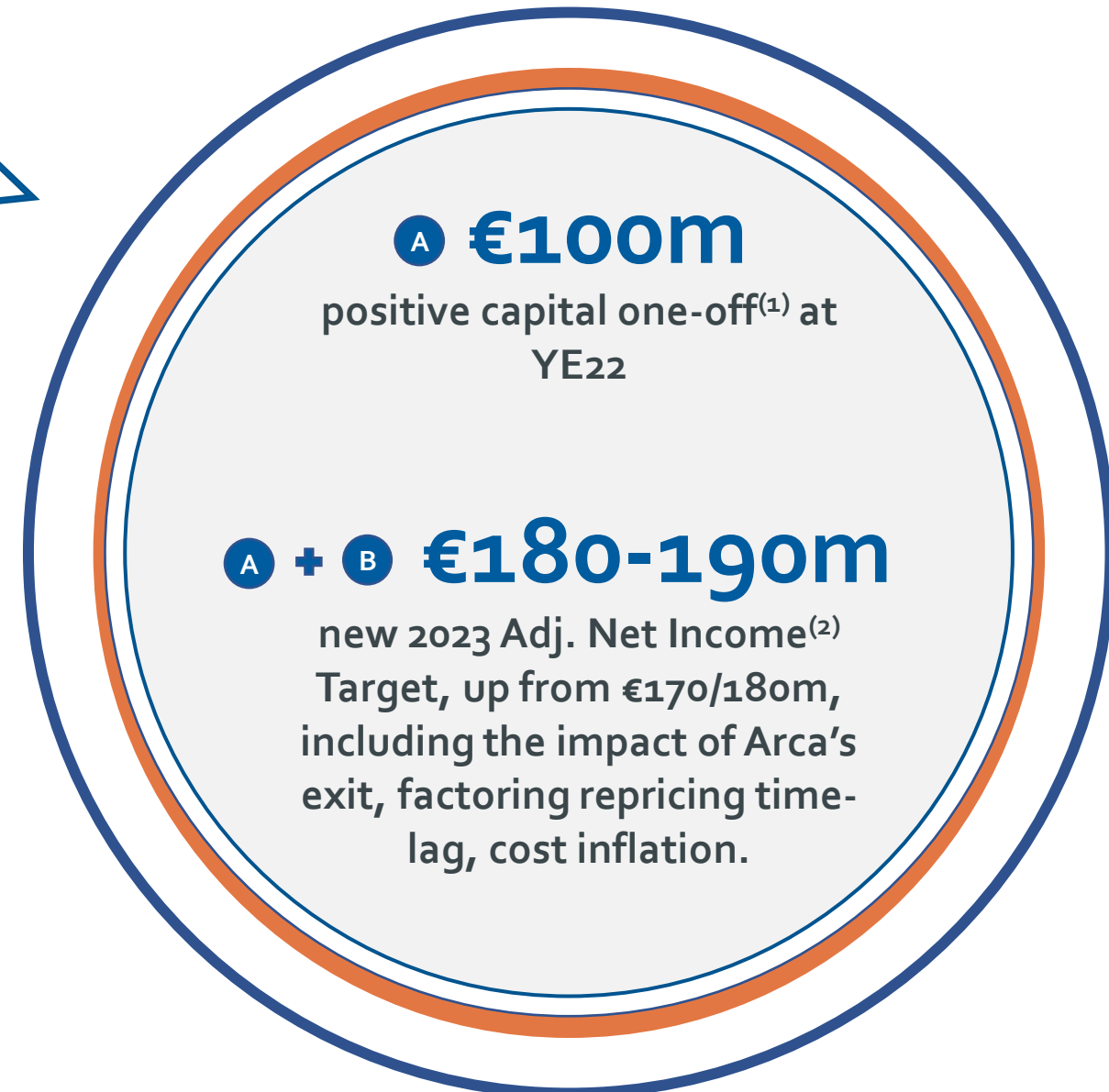


(1) Adjusted figures. Including gains / losses on derivatives used to manage the hedging of currencies and interest rate exposure. FY21 figures are restated, please refer to note 1 at page 33.

One-off Capital step-up and higher 2023 projected Net Income

- A** From 31-Dec-22:
 - i. “Recovery cost” rights accounted on an accrual basis (previously cash accounted) with a 50% recovery rate;
 - ii. LPIs accounted at 50% accrual rate (from previous 45%), at 2,100 days based on new long-term collection trends.

- B** From 1-Jan-23, Eurozone LPI rate on overdue invoices increased to 10.5% from previous 8%. Expected a further increase to 11.75% from 1-Jul-23, of which 11% already locked in (see pg. 27).



(1) Mainly due to (i) “Recovery Cost” rights accounted on an accrual basis, and (ii) change in LPI’s recovery rate accrual to 50% from 45%.

(2) Adjusted Net Income excluding stock options costs and other exceptionals.

Factoring & Lending KPIs: loans +45% at record high



- Strong focus on business development in a favourable macro environment.
- FY22 **loan book** up by 45% at €5.4bn⁽¹⁾, faster than new volumes growth, confirming successful rebound after Covid era:
 - Italy, Greece, Spain and Portugal double digit growthYoY.
- **New Business Volumes** +27%YoY at €7.4bn, in line with previous quarters' positive trend:
 - Significant rebound in Italy, Spain, Portugal, Greece and France
 - CEE countries flat at constant exchange rates YoY, -3% at current exchange rates.

Loans and receivables €m	FY20	FY21	FY22 ⁽¹⁾	%YoY
Italy	2,302	2,123	3,383	+59%
Spain	589	330	629	+91%
Poland	693	790	806	+2%
Slovakia	205	231	240	+4%
Portugal	217	207	239	+15%
Greece	54	70	131	+88%
Other Countries	7	13	15	+17%
Total	4,067	3,763	5,442	+45%

Volumes €m	FY20	FY21	FY22	%YoY
Italy	3,031	3,014	4,086	+36%
Spain	1,661	1,616	1,879	+16%
Poland	739	687	663	-3%
Slovakia	24	29	28	-6%
Portugal	248	304	481	+58%
Greece	65	91	167	+84%
Other Countries	18	39	59	+51%
Total	5,786	5,781	7,364	+27%

(1) Including fiscal receivables "Ecobonus" for €221m, which are accounted in «Other Assets» in FY22 Consolidated Financial Accounts, and stock of on balance-sheet "Recovery cost" rights and LPIs at €4,66m.

Factoring & Lending P&L: good results despite delay in repricing and LPI rate reset



- **Net Interest Income** at €153.7m (+3% YoY), due to time lag between repricing of assets vs liabilities:
 - LPIs refixed on 1-Jan-23 (+1.25% gross yield on overdue book);
 - Maturity commissions repricing with positive effect from 2023;
 - Liabilities repriced upfront through internal transfer pricing from corporate center.
- **Net LPIs over-recovery** (+€6.6m YoY), with a strong 4Q22 for collections, but still below pre-pandemic levels.
- **Other Operating Income (Expenses)** at €12.8m (+73% YoY), of which €12.5m of “recovery costs” rights (still accounted on a cash basis), double YoY.
- Substantial off balance-sheet LPIs and “Recovery cost” funds (€530m).
- **Direct OPEX and D&A** at €43.8m (+13% YoY) primarily due to increased legal collection costs.
- **Net provision for risk and LLP** at -€6.3m driven by specific provisions on private exposure in Poland.
- **Profit Before Tax** at €120.0m, -2% YoY.

€m	FY20	FY21	FY22
Net Interest Income	161.8	148.9	153.7
<i>of which Net LPIs over-recovery</i>	7.3	7.4	14.0
Net Fee and Commission	4.6	5.6	3.5
Other Operating Income (Expenses)	10.4	7.4	12.8
Total Net Revenues	176.9	161.9	170.1
Direct OPEX and D&A	(34.7)	(38.8)	(43.8)
Net provisions for risks and LLP	(3.2)	(0.4)	(6.3)
Profit Before Taxes	139.1	122.8	120.0
Gross yield on average loans (%)	5.8%	5.6%	5.6% ⁽¹⁾
Cost of risk (%) ⁽²⁾	0.08%	0.02%	0.11%

€m	FY20	FY21	FY22 ⁽³⁾
LPIs collected	78	67	73
Recovery Costs collected	6	6	12
LPIs fund ⁽³⁾	681	713	756
<i>of which: Off balance-sheet</i>	406	415	410
Recovery Costs fund	175	226	240
<i>of which: Off balance-sheet</i>	175	226	120

(1) Average Loans do not include “Recovery cost” rights. (2) Calculated as Loan Loss Provisions / Loans and Receivables. (3) From FY22, LPIs fund is accounted with a 50% accrual rate (from previous 45%).

Securities Services – KPIs and P&L: Arca's exit in Q4, new opportunities ahead



- **Net Revenues** down 9%YoY, due to lower **Net Interest Income** and **Fee and Commissions**, impacted by Arca's exit on 1-Nov-22.
- **Direct OPEX and D&A** down by 14%YoY, due to contract renegotiations and costs reduction initiatives, to be continued in 2023. Redundancy costs fully covered by DEPObank integration budget.
- **PBT** down by 4%YoY.
- **Depository Bank's AuD** at €49.5bn (-41%YoY), positive net inflows ex Arca.
- Positive outlook ahead thanks to new laws:
- **Global Custody's AuC** down by 11%YoY to €153.1bn, 9% YoY growth excluding Arca.
- FY22 **Deposits** at €3.2bn, down by €2.9bn YoY (€1bn net of Arca) due to shift in asset allocation. At 01.02.2023, back at €3.4bn.

€m	FY20	FY21	FY22
Net Interest Income	11.4	10.8	8.8
Net Fee and Commission Income	42.1	46.1	42.4
Other Operating Income (Expenses)	0.7	0.9	1.2
Total Net Revenues	54.2	57.8	52.5
Direct OPEX and D&A	(30.0)	(28.8)	(24.7)
Net provisions for risks and charges	(0.6)	-	-
Profit Before Taxes	23.6	29.0	27.8

	FY20	FY21	FY22
Depository Bank (AuD EoP, €m)	75,659	83,573	49,524
Global Custody (AuC EoP, €m)	144,592	172,625	153,065
EoP Deposits (€m)	7,614	6,092	3,167

- i) from 2023, on PA's employees' "silent consent" contributions to supplementary pension funds;
- ii) mandatory depository services for Casse di Previdenza passed at YE22 opening up a new market of €127bn from 2024.

Payments – KPIs and P&L: PBT stable, strong growth in deposits



- **Total Net Revenues** up 2%YoY.
 - **Net interest income** -9%YoY.
 - **Commissions** at €45.4m up by +4%YoY. FY21 results positively impacted by one-off growth of Fondo Nazionale di Garanzia (€4.2m in FY21, +40% vs. FY20).
- **Direct OPEX and D&A slightly** up by 4%YoY, primarily due to higher volumes.
- **PBT stable** YoY.
- FY22 **Deposits** at €2.9bn, up by 18%YoY thanks to commercial effort towards existing clients to increase liquidity.

€m	FY20	FY21	FY22
Net Interest Income	2.2	7.2	6.6
Net Fee and Commission Income	40.3	43.8	45.4
Other Operating Income (Expenses)	7.5	11.1	11.3
Total Net Revenues	50.0	62.1	63.3
Direct OPEX and D&A	(30.2)	(30.9)	(32.1)
Net provisions for risks and charges	(0.1)	-	-
Profit Before Taxes	19.8	31.1	31.3

	FY20	FY21	FY22
Transfer and collections (n° oper. #m)	282	312	331
Card & Other settlement (n° oper. #m)	188	191	257
EoP Deposits (€m)	2,136	2,408	2,852

Corporate Center – P&L: synergies and higher yields drive PBT up by €51m



- DEPObank funding synergies concentrated in corporate center due to transfer pricing mechanism.
- **NII** more than doubles at €73.5m, primarily due to higher interest income from better deposit spreads, higher transfer pricing and HTC bond portfolio.
- **Other income (Expenses)** grew to €20.4m mainly thanks to higher financial income.
- **Direct Opex** and **D&A** down by €12.2m, -15% YoY, driven by DEPObank cost synergies.
- **PBT** at €26.4m, up by €51.5m YoY.



€m	FY20 R	FY21 R	FY22
Net Interest Income⁽¹⁾	63.9	35.6	73.5
Net Fee and Commission Income	(0.9)	(1.2)	(0.8)
Other Income (Expenses)	1.6	15.2	20.4
Total Net Revenues	64.6	49.5	93.2
Direct OPEX	(79.8)	(72.4)	(60.7)
<i>Personnel Expenses</i>	<i>(33.7)</i>	<i>(34.9)</i>	<i>(32.8)</i>
<i>G&A</i>	<i>(46.1)</i>	<i>(37.5)</i>	<i>(28.0)</i>
D&A	(8.1)	(6.8)	(6.2)
Net provisions for risks and LLP	1.0	4.5	0.2
Adjusted Profit Before Taxes	(22.3)	(25.1)	26.4

(1) Including gains / losses on derivatives used to manage the hedging of currencies and interest rate exposure.

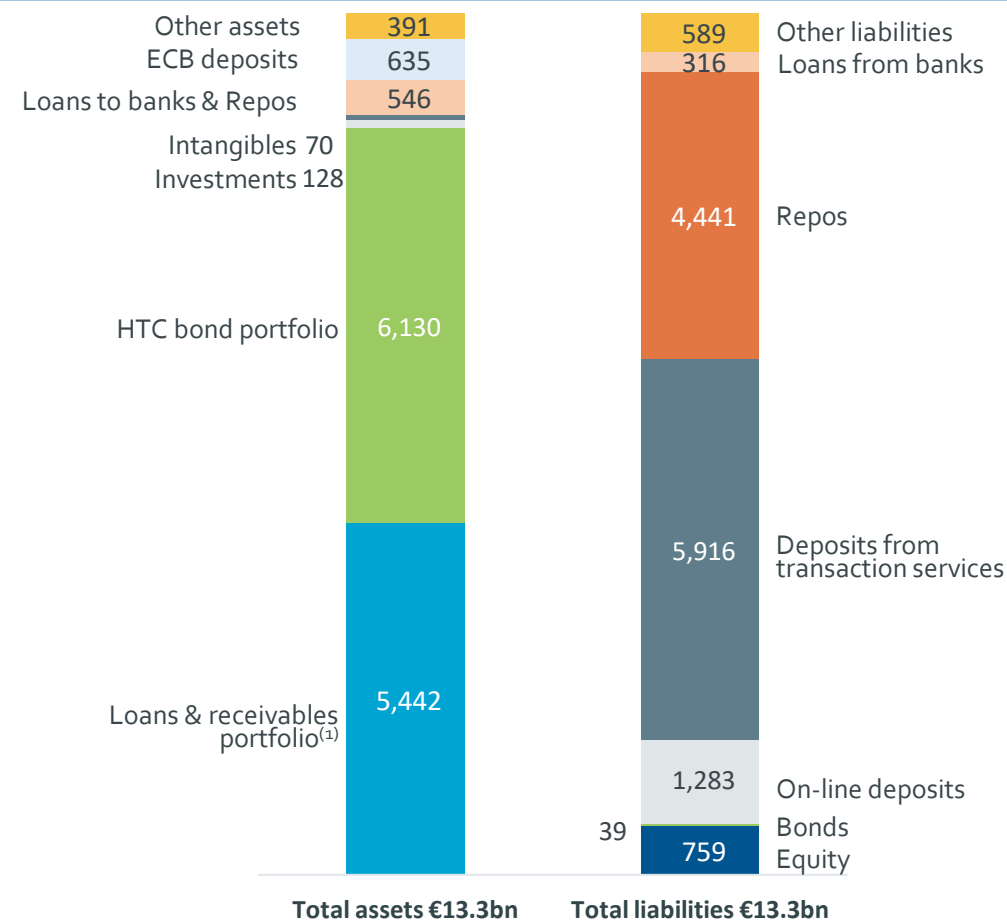
Solid Asset & Liability Structure, no ECB funding to refinance



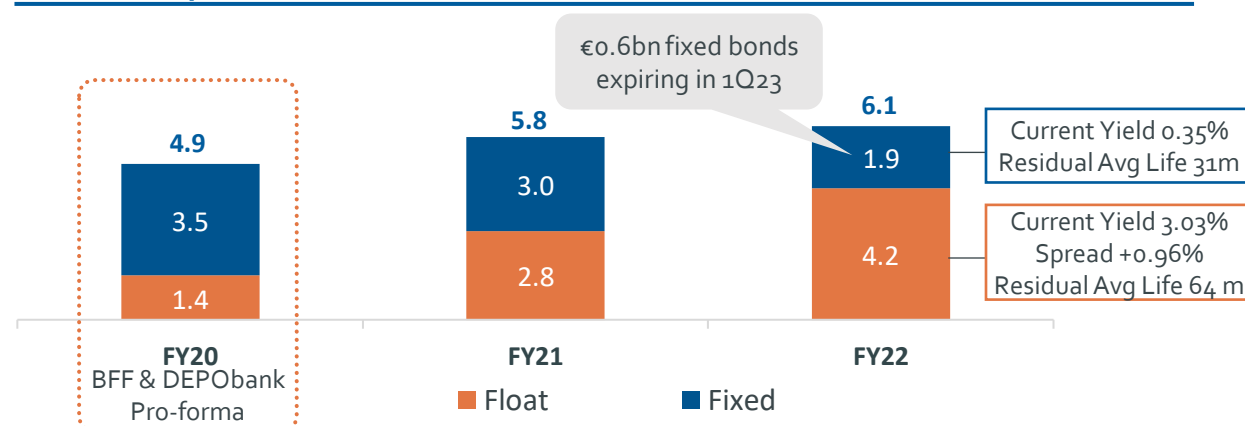
- Loan/Deposit ratio at 76%. Strong growth in online deposits at €1,283m at 31-Dec-22 (+€698m vs 9M22).
- Euro cost of funding at -40bps over Euribor 1-month in 4Q22, vs. -17bps in 3Q22.
- **No ECB funding to be refinanced**, nor ordinary (OMO) neither extraordinary (i.e. PELTRO, TLTRO, etc...).
- HTC bond portfolio at €6.1bn as of 31-Dec-22, of which 68% floaters vs. 49% at year end 2021. Expected to shrink in 2023 by c. €700m.
- LCR at 297.8% and NSFR at 161.1%. Leverage ratio at 4.6%.

Loan/Deposits	76%	Leverage ratio	4.6%	NSFR	161.1%	LCR	297.8%
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Balance Sheet Breakdown FY22 (€m)



HTC bond portfolio (€bn)



(1) Including fiscal receivables "Ecobonus" for €221m, which are accounted in «Other Assets» in FY22 Consolidated Financial Accounts, and stock of on balance-sheet "Recovery cost" rights and LPIs at €466m.

Good Asset Quality with stable Past Due vs. Q3



- A Flat NPE vs. 9M22.** Almost entire exposure towards Public Administration (92% of NPE).
- B Cost of Risk in FY22 at 11.2bps** mostly due to specific provisions on private exposure in Poland.
- C NPL are mainly due to municipalities in conservatorship ("dissesti")⁽¹⁾, with NPL ratio excl. "dissesti" at 0.1% of loans.**
- D Improved coverage on NPL exposures.**

€m	Stand-Alone	BFF & DEPObank		
	FY20	FY21	9M22	FY22
Net NPLs	66.8	72.2	86.0	86.4
<i>Italian Municipalities</i>	64.0	64.5	78.3	79.7
<i>Others</i>	2.8	7.8	7.6	6.7
Net UTP	15.7	12.4	13.1	12.1
Net Past due	42.1	19.4	187.1	185.3
Net impaired loans	124.6	104.1	286.2	283.8

Change in new DoD⁽²⁾ guidelines → (FY21 to FY22)

92% public sector → (FY22)

<i>NPL ratio excl. It. Municipalities</i>	0.1%	0.2%	0.2%	0.1%
<i>NPL Coverage ratio excl. It. Municip.</i>	84%	68%	69%	74%

Annualized Cost of Risk (bps on loans)



(1) Municipalities in conservatorship are classified as NPLs by regulation, despite BFF is legally entitled to receive 100% of the principal and LPIs at the end of the recovery process.

(2) New DoD: "Guidelines on the application of the definition of default under Art. 178 of Regulation (EU) no. 575/2013".

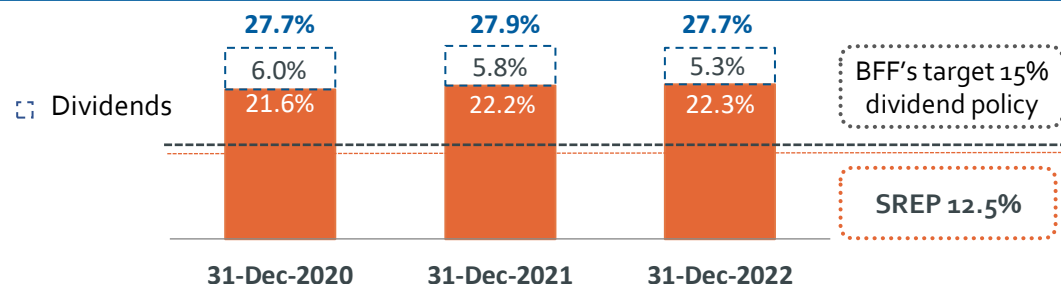
Best-in-Class capital ratios. €201m of excess capital, €146m of 2022 dividends, €77.5m to be paid in Apr-23



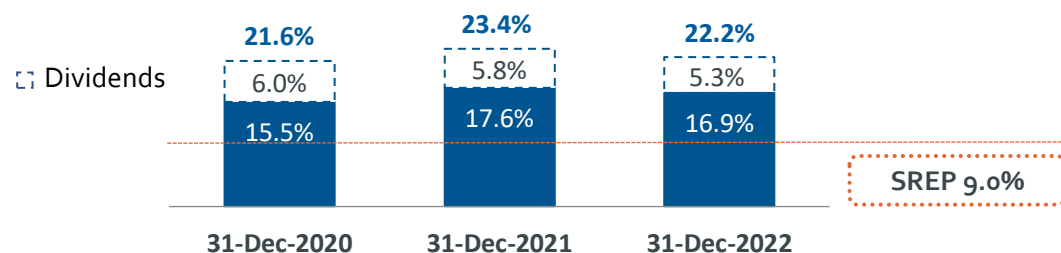
- Total Capital ratio at 22.3% and CET1 ratio at 16.9% with €201m of capital in excess of 15.0% TC ratio target.
- Growth in loan book drove decline in RWA density vs. 2021, despite new DoD implementation.

RWAs €m	1,616	2,171	2,740
RWAs density	39%	45%	42%

Total Capital ratio

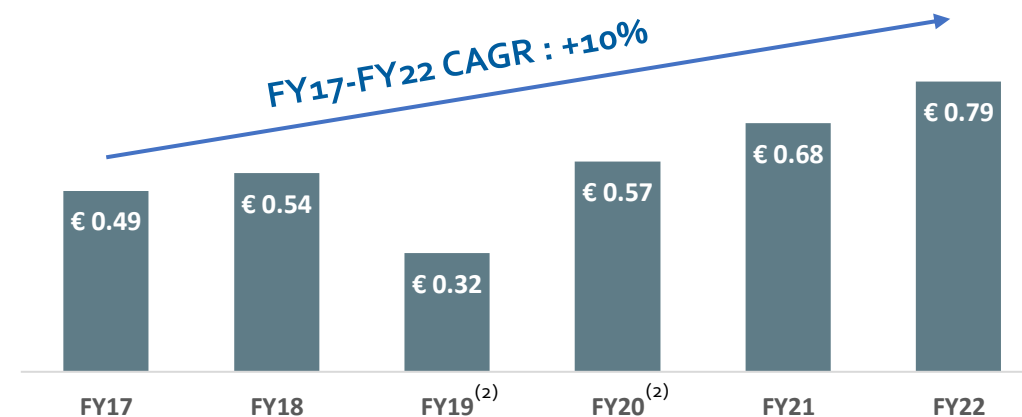


Common Equity Tier 1 ratio



- FY22 dividends at €146.0m, including €68.5m of interim dividend paid in Aug-22. €77.5m⁽¹⁾ final 2022 dividend (approx. €0.42 per share) to be paid in April 2023.
- Upcoming 2023 interim dividend in Aug-23 based on 1H23 Results.
- >€615m of dividends paid to shareholders since 2017 IPO, c. 77% of BFF market cap at IPO.

Dividend per share



(1) Subject to shareholders' approval. (2) Paid in 2021.

Upcoming Events



**10th Feb-23 – 3rd
Mar-23**

FY2022 post-results Roadshow – Milan, London, Geneva, Zurich: physical; Rest of the World: virtual

10th Mar-23

Banca IMI – Financial Days – Milan

14th Mar-23

Morgan Stanley – European Financials Conference 2023 – London

28th Mar-23

Jefferies – 3rd Pan-European Mid-Cap Conference – London

14-16th Mar-23

JP Morgan – Pan European Small Mid Cap Conference – London

13th Apr-23

Ordinary Shareholders' Meeting

26th-Apr-23 tbc

Dividend Payment Date

Appendix

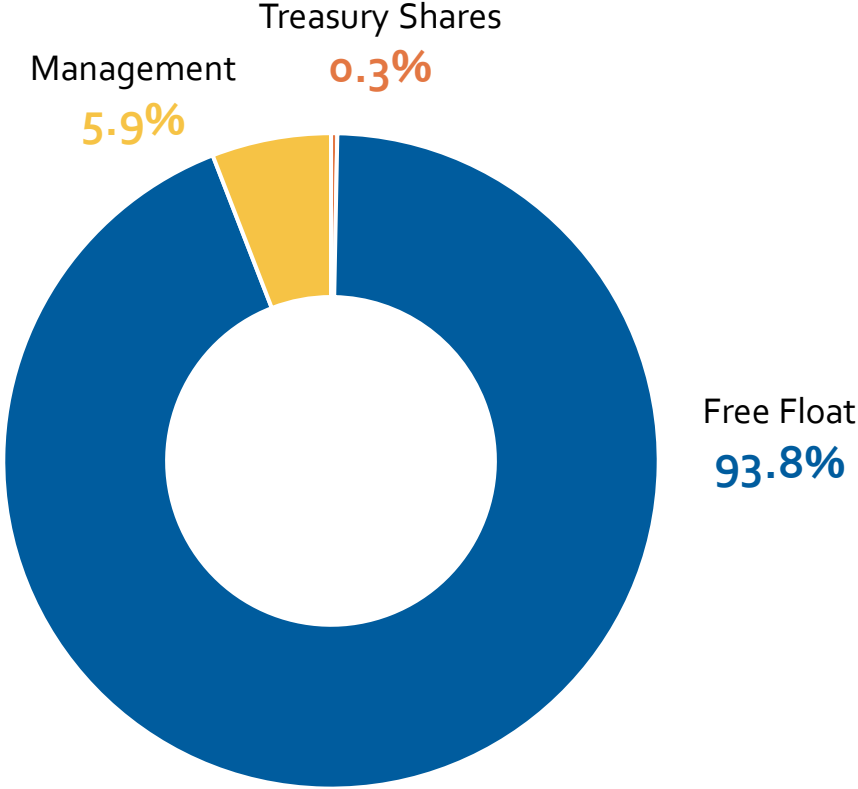


Glossary



AGM	Annual General Meeting	G&A	General and Administrative	P&L	Profit & Loss
AuC	Assets under custody	H	Half-year	PA	Public Administration
AuD	Assets under depositary	HTC	Held-To-Collect	PAYM	<i>Payments</i>
Avg.	Average	KPIs	Key performance indicators	PBT	Profit before taxes
BoI	Bank of Italy	LCR	Liquidity Coverage Ratio	PELTRO	Pandemic Emergency Longer-Term Refinancing Operations
Bps	Basis Points	LLP	Loan loss provisions	QoQ	Quarter-on-quarter
CC	Corporate Center	LPD	Late Payment Directive	Repo(s)	Repurchase agreement(s)
CEE	Central-Eastern Europe	LPIs	Late payment interests	ROE	Return on Equity
CET₁	Core Equity Tier 1	LRE	Leverage Ratio Exposure	RWA	Risk weighted assets
DoD	Definition of Default	MS	Member States	SREP	Supervisory Review and Evaluation Process
D&A	Depreciation and amortisation	NHS	National Healthcare System	SS	<i>Securities Services</i>
EC	European Commission	NII	Net Interest Income	TC/TCR	Total Capital/Total Capital Ratio
ECB	European Central Bank	NPE	Non-performing exposures	TLTRO	Targeted Longer-Term Refinancing Operations
EoP	End of the period	NPL	Non Performing Loans	UTP	Unlikely To Pay
Euribor	Euro InterBank Offered Rate	NSFR	Net Stable Funding Ratio	YoY	Year-on-year
FY	Full-year	OCI	Other comprehensive income		
F&L	Factoring & Lending	OMO	Open Market Operations		
Govies	Government bonds	OPEX	Operating Expenditures		

A true Public Company with Management owning c. 5.9%



Total Number of shares as of 31/12/2022: 185,545,952

FY21 P&L reported has a different perimeter vs FY22



FY21 P&L Adjusted
FY21 BFF January - December
FY21 ex DEPObank January - December

FY22 P&L Adjusted & Reported
FY22 BFF January - December
FY22 ex DEPObank January - December

FY21 P&L Reported ⁽¹⁾
FY21 BFF January - December
FY21 ex DEPObank January + February March - December

(1) During FY21, DEPObank was consolidated for only 10 months.

Summary reported consolidated Balance Sheet



€m	BFF stand-alone	BFF & DEPObank		
	FY 2020	FY 2021	9M 2022	FY 2022
Cash and cash balances	189.6	554.5	248.8	634.9
Financial assets measured at fair value through profit or loss	-	36.6	31.5	90.5
<i>a) financial assets held for trading</i>	-	4.1	1.0	0.2
<i>b) financial assets designated at fair value</i>	-	-	-	-
<i>c) other financial assets mandatorily measured at fair value</i>	-	32.5	30.5	90.3
Financial assets measured at fair value through OCI	0.2	83.5	127.3	128.1
Financial assets measured at amortized cost	5,764.3	10,069.5	11,998.3	11,895.9
<i>a) loans and receivables due from banks</i>	14.8	404.1	618.6	478.2
<i>b) loans and receivables due from customers</i>	5,749.5	9,665.4	11,379.7	11,417.6
Hedging derivatives	-	0.0	5.3	-
Equity investments	0.1	13.5	13.6	13.7
Property, plant and equipment	18.0	36.5	54.8	54.3
Intangible assets	36.7	67.5	66.1	70.2
Tax assets	15.3	100.5	69.5	60.7
Other assets	27.2	214.6	425.0	394.2
Total consolidated assets	6,051.3	11,176.7	13,040.3	13,342.4
Financial liabilities measured at amortized cost	5,415.2	10,010.4	11,928.2	11,994.8
<i>a) deposits from banks</i>	1,034.7	795.1	765.8	1,166.4
<i>b) deposits from customers</i>	3,571.6	9,029.0	11,123.6	10,789.4
<i>c) securities issued</i>	808.9	186.3	38.8	39.0
Financial Liabilities Held for Trading	-	2.7	2.1	0.9
Hedging derivatives	-	4.8	1.0	14.3
Tax liabilities	83.7	100.7	101.4	136.0
Other liabilities	82.8	460.9	362.5	401.4
Employees severance indemnities	0.7	3.7	3.2	3.2
Provisions for risks and charges	6.4	22.0	22.8	33.0
Equity	371.5	374.2	526.1	526.7
Net Profit	91.1	197.4	93.0	232.0
Total consolidated liabilities and equity	6,051.3	11,176.7	13,040.3	13,342.4

FY22 summary P&L



€m	F&L	SS	PAYM.	CC	ADJUSTED	Adjustments	REPORTED ⁽¹⁾
Interest Income	247.4	8.8	6.6	62.7	325.5	29.3	354.8
Interest Expenses	(93.6)	-	-	0.6	(93.0)	-	(93.0)
Net Interest Income	153.7	8.8	6.6	63.3	232.5	29.3	261.8
Net Fee and Commission Income	3.5	42.4	45.4	(0.8)	90.7	-	90.7
Dividends	-	-	-	9.8	9.8	-	9.8
Gains/Losses on Trading	-	-	-	10.2	10.2	2.4	12.6
Fair value adjustments in hedge accounting	-	-	-	-	-	-	-
Gains/losses on disposal/repurchase of	-	-	-	0.2	0.2	-	0.2
<i>a) financial assets measured at amortized cost</i>	-	-	-	0.2	0.2	-	0.2
<i>b) financial assets measured at fair value through OCI</i>	-	-	-	-	-	-	-
<i>c) financial liabilities</i>	-	-	-	-	-	-	-
Gains (losses) on other financial assets and liabilities measured at fair value through profit or loss	-	-	-	5.2	5.2	-	5.2
<i>a) financial assets and liabilities designated at fair value</i>	-	-	-	-	-	-	-
<i>b) other financial assets mandatorily measured at fair value</i>	-	-	-	5.2	5.2	-	5.2
Net Banking Income	157.3	51.3	52.0	87.9	348.5	31.8	380.2
Net adjustments/reversals of impairment for credit risk concerning:	(5.8)	-	-	0.2	(5.6)	-	(5.6)
<i>a) financial assets measured at amortized cost</i>	(5.9)	-	-	0.0	(5.9)	-	(5.9)
<i>b) financial assets measured at fair value through OCI⁽²⁾</i>	0.1	-	-	0.2	0.3	-	0.3
Administrative and Personnel Expenses	(42.4)	(24.5)	(31.8)	(60.7)	(159.5)	(11.1)	(170.6)
Net provisions for risks and charges	(0.5)	-	-	-	(0.5)	(10.0)	(10.5)
<i>a) commitments and guarantees provided</i>	0.1	-	-	-	0.1	-	0.1
<i>b) other net allocations</i>	(0.6)	-	-	-	(0.6)	(10.0)	(10.6)
Net Adjustments to/ Writebacks on Property, Plan and Equipment and Intangible Assets	(1.4)	(0.2)	(0.3)	(6.2)	(8.1)	(4.6)	(12.6)
Other Operating Income (Expenses)	12.8	1.2	11.3	5.3	30.7	119.7	150.4
Profit Before Income Taxes from Continuing Operations	120.0	27.8	31.3	26.4	205.4	125.8	331.2
Income Taxes					(59.4)	(39.8)	(99.2)
Net Profit					146.0	86.0	232.0

(1) Costs related to deferred employees' benefits, previously accounted in «Net provision for risks and LLP» are reclassified in «Personnel Expenses».

(2) "Financial assets measured at fair value through OCI" includes "Gains (Losses) on equity investments" accounted separately in the consolidated financial accounts.

Adjusted vs Reported Profit Reconciliation



€m – Adjustments	FY21	FY22	YoY %
Reported Net Profit	197.4	232.0	+17.6%
Ex-DEPObank non-consolidated adjusted result	5.1	-	
Exchange rates movement (offset at the comprehensive income and equity level)	(0.1)	(1.7)	
Stock Options & Stock Grant plans	3.3	3.3	
Badwill & Transaction/restructuring costs/M&A ⁽¹⁾	(70.5)	3.9	
Liability Management one-off costs	9.5	-	
Goodwill tax step-up	(23.7)	-	
Extraordinary Resolution Fund contribution and FITD	2.0	0.5	
Taxes related to intercompany dividends and DTA write-off	-	4.9	
Customer contract amortisation	2.4	3.1	
Change in assets value, including LPI and “Recovery cost”	-	(100.1)	
Adjusted Net Profit	125.3	146.0	16.6%

(1) Badwill (only in 2021 €76.9m), transaction/restructuring costs, and M&A represents two different accounting items, grouped in a single line for representation purposes.

Group P&L per quarter 2021-2022












€m GROUP	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022
Interest Income	51.3	53.8	54.9	73.2	60.3	75.8	76.8	112.5
Interest Expenses ⁽¹⁾	(7.5)	(12.6)	(3.9)	(6.7)	(5.5)	(17.3)	(15.6)	(44.5)
Net Interest Income⁽¹⁾	43.8	41.2	51.0	66.5	54.8	58.6	61.2	68.1
Net Fee and Commission Income	22.4	23.1	25.1	23.8	22.9	22.9	22.9	22.0
Other Income	4.6	(0.3)	2.1	(0.0)	9.1	2.0	2.2	1.8
Net Banking Income	70.8	64.0	78.2	90.3	86.8	83.5	86.3	91.8
Other Operating Income (Expenses)	5.3	9.2	6.0	7.7	5.1	6.9	6.4	12.3
Total Net revenues	76.1	73.2	84.2	98.0	91.9	90.4	92.7	104.1
Direct OPEX	(39.0)	(49.0)	(38.1)	(43.0)	(35.5)	(42.7)	(36.6)	(44.7)
<i>of which Personnel Expenses</i>	<i>(18.4)</i>	<i>(16.9)</i>	<i>(18.6)</i>	<i>(18.3)</i>	<i>(17.1)</i>	<i>(17.7)</i>	<i>(16.3)</i>	<i>(18.4)</i>
<i>of which G&A</i>	<i>(20.6)</i>	<i>(32.1)</i>	<i>(19.5)</i>	<i>(24.7)</i>	<i>(18.3)</i>	<i>(25.0)</i>	<i>(20.3)</i>	<i>(26.4)</i>
D&A	(2.5)	(2.5)	(2.6)	(0.9)	(2.0)	(2.2)	(2.2)	(1.6)
Loan Loss Provisions	0.9	0.4	0.1	0.0	0.0	(2.3)	(1.2)	(2.2)
Net provisions for risks and charges	(0.0)	2.5	0.3	0.0	(0.7)	0.5	0.0	(0.4)
Adjusted Profit Before Taxes	35.5	24.5	43.8	54.1	53.8	43.7	52.8	55.2

(1) Net Interest Income includes Corporate Center gains / losses on derivatives used to manage the hedging of currencies and interest rate exposure.

Non-recourse factoring and lending Volumes (€m)



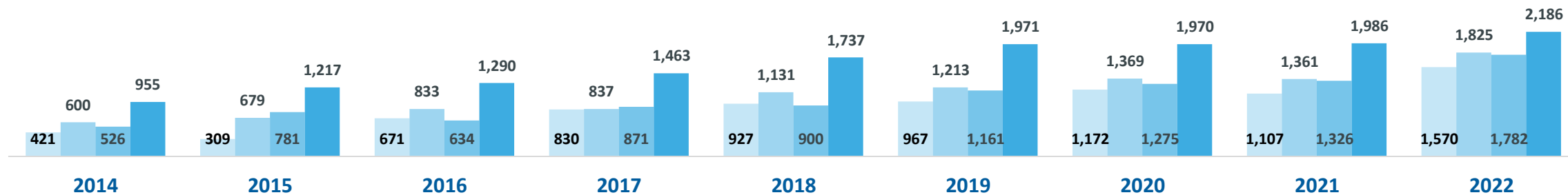
Non-recourse factoring volumes		FY 2020	FY 2021	FY 2022
Italy 		3,031	3,014	4,086
NHS		2,009	2,073	2,346
PA		921	820	1,250
Other		101	121	490
Spain 		1,661	1,616	1,879
NHS		1,061	1,276	1,327
PA		600	339	552
Portugal 		248	304	481
NHS		218	233	288
PA		30	71	193
Greece 		65	91	167
NHS		57	82	140
PA		8	9	24
Other		-	-	4
Croatia 		0.9	2.1	2.1
NHS		0.9	0.4	0.6
PA		-	1.8	1.6
France 		15	35	55
NHS		14	32	50
PA		1	4	6
A Total		5,020	5,063	6,671

Non-recourse factoring and lending volumes		FY 2020	FY 2021	FY 2022
Poland 		739	687	663
Healthcare		564	517	561
Local Government Units		174	170	102
Slovakia 		24	29	28
Healthcare		21	24	13
Local Government Units		3	5	14
Czech Republic 		2.6	1.9	2.0
Healthcare		2.4	1.1	1.7
Local Government Units		0.2	0.8	0.3
B Total		765	718	693

A + B	FY 2020	FY 2021	FY 2022
Group Total	5,786	5,781	7,364

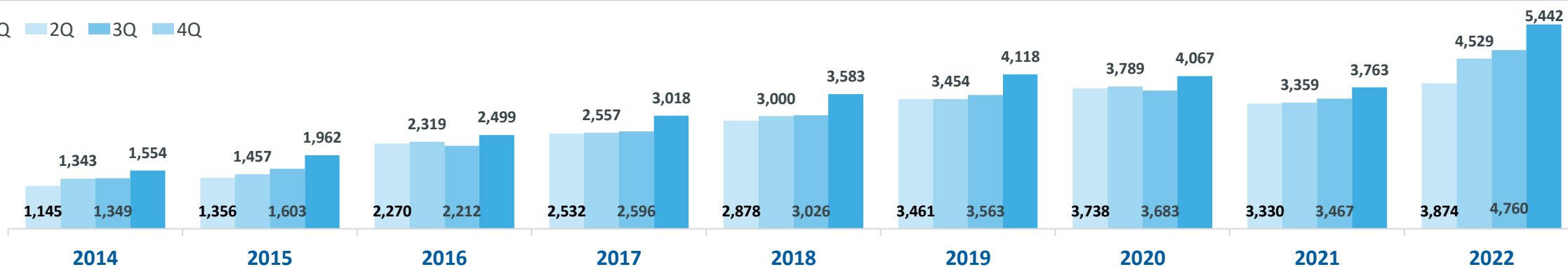
New Volumes by quarter (€m)

■ 1Q ■ 2Q ■ 3Q ■ 4Q



Customer Loans by quarter (€m)

■ 1Q ■ 2Q ■ 3Q ■ 4Q



Factoring & Lending P&L per quarter 2021-2022

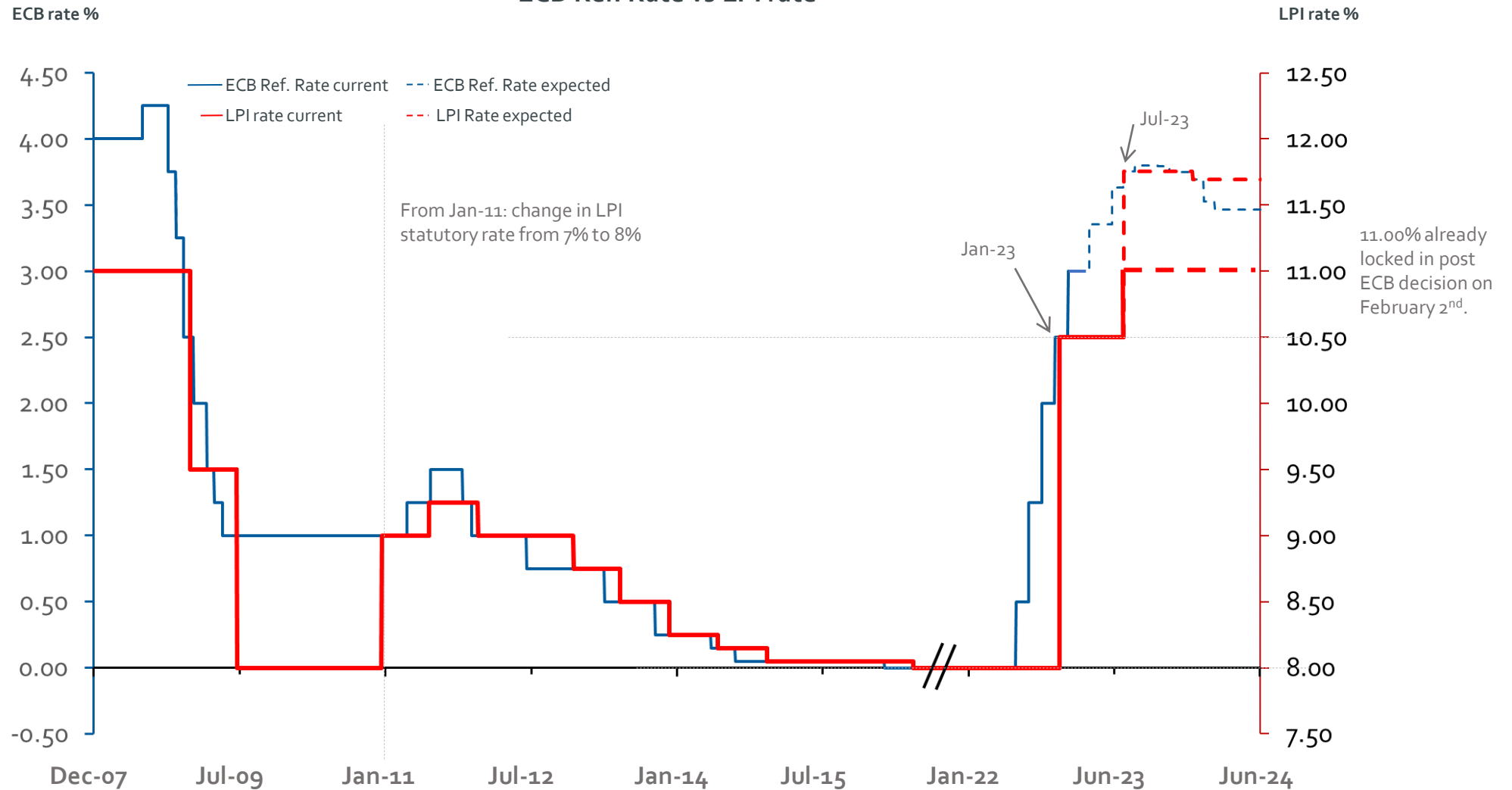


€m	FACTORING & LENDING	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q2022	3Q 2022	4Q 2022
	Net Interest Income	32.9	31.5	32.9	51.5	35.5	39.0	39.8	39.4
	Net Fee and Commission Income	1.7	1.6	1.2	1.1	1.0	1.3	0.0	1.2
	Other Income (Expenses)	(0.0)	(0.3)	0.3	-	-	-	-	-
	Net Banking Income	34.7	32.9	34.5	52.6	36.5	40.3	39.8	40.6
	Other Operating Income (Expenses)	1.5	1.6	0.9	3.4	1.8	2.9	2.6	5.5
	Total Net Revenues	36.2	34.5	35.3	56.0	38.3	43.3	42.4	46.1
	Direct OPEX	(8.4)	(9.5)	(9.1)	(10.3)	(9.4)	(9.6)	(9.6)	(13.7)
	<i>of which Personnel Expenses</i>	<i>(5.1)</i>	<i>(5.5)</i>	<i>(5.3)</i>	<i>(5.6)</i>	<i>(5.4)</i>	<i>(4.8)</i>	<i>(4.7)</i>	<i>(5.6)</i>
	<i>of which G&A</i>	<i>(3.3)</i>	<i>(4.0)</i>	<i>(3.8)</i>	<i>(4.8)</i>	<i>(4.0)</i>	<i>(4.8)</i>	<i>(4.9)</i>	<i>(8.1)</i>
	Direct D&A	(0.4)	(0.4)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.3)
	Loan Loss Provisions	(0.1)	(0.1)	(0.3)	(0.3)	0.0	(2.0)	(1.0)	(2.8)
	Net provisions for risks and charges	(0.2)	0.4	0.1	0.0	(0.0)	0.0	0.0	(0.6)
	Profit Before Taxes	27.2	24.9	25.7	45.0	28.5	31.3	31.4	28.7

Historical and expected LPIs rate

ILLUSTRATIVE


ECB Ref. Rate vs LPI rate



Late Payment Directive: stricter implementation under study

Slide updated from «BFF 2023
Investor's Day»



- **Late Payment Directive n° 2011/7/EU (LPD):**
invoices overdue by PA⁽¹⁾ accrue penalty of 8% + ECB refinancing rate, plus compensation for recovery costs .
- LPD has **become more stringent over time.**
- The European Commission (EC) regularly verifies its correct implementation by Member States (MS) through assessments and consultations⁽²⁾.
- 2019 resolution: the EU Parliament, *inter alia*, recommended that EC and MS made sure the LPD was enforced and respected.
- **Jan-23 public consultation on the LPD.** The EC adoption is expected in 3Q23. 

«»	EU Directives/resolutions on PA late payments in commercial transactions	Payment terms for NHS/PA	Statutory LPIs
2000	First European Directive n° 2000/35/EC	90/60 days	ECB refin. rate + 7%
2011	The EU adopted the LPD , due to be integrated into national law by 16-Mar-13		
2015	Ex-post evaluation of the LPD (commissioned by the EC), stating that it <i>"has been successful in bringing the issue of late payments to the forefront of the political agenda in Europe"</i>		
2016	The EC adopted a report on the implementation of the LPD : <i>"recommended...Directive is maintained in its current form"</i>		
2019	The EU Parliament adopted a resolution that calls <i>"on the MS and the EC [...] to take the necessary steps to ensure that public authorities pay ...on time and creditors receive the automatic payment of statutory interest on late payments..."</i>	60/30 days	ECB refin. rate + 8%
2023	From the Call for Evidence and Impact Assessment Areas ⁽³⁾ , section B Objective and Policy Options: <i>"...introducing stronger deterrents (automatic payment of interest, increasing the rate of interest, clarifying the rules on flat fee compensation)."</i>		

(1) 60 days for NHS and 30 days for other PA.

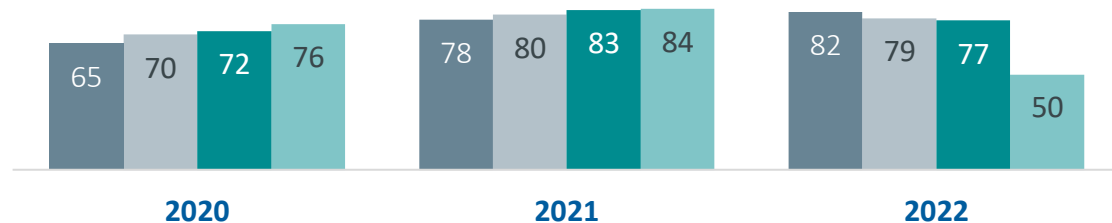
(2) In the countries where BFF operates, the EC has 5 infringement procedures versus MS on this Directive.

(3) Please see also the [EU Call to Paper](#) and [Call for Evidence for Impact Assessment Areas](#).

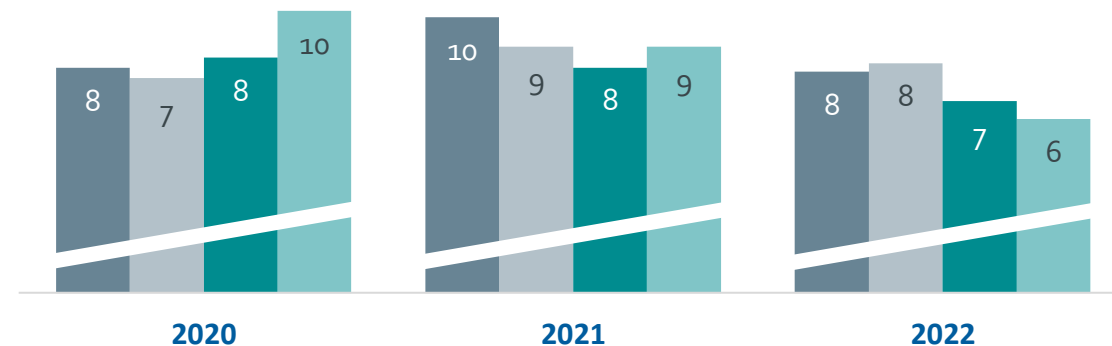
Securities Services & Payments



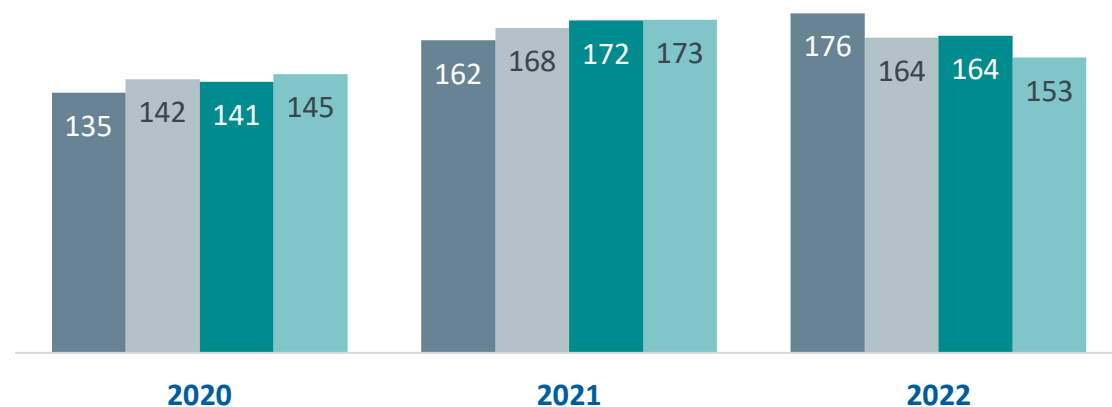
AuD end of quarter (€bn)



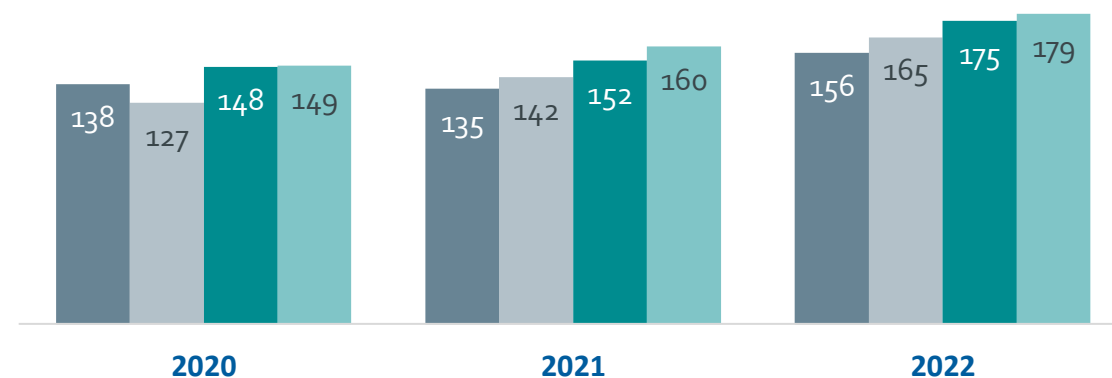
Deposits end of quarter (€bn)



AuC end of quarter (€bn)



Payment transactions by quarter (#m)



■ 1Q ■ 2Q ■ 3Q ■ 4Q

Securities Services P&L per quarter 2021-2022



€m	SECURITIES SERVICES	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022
	Net Interest Income	3.0	1.5	2.1	4.2	2.7	2.3	0.5	3.3
	Net Fee and Commission Income	10.9	11.4	11.7	12.1	11.8	11.7	12.1	6.8
	Net Banking Income	13.9	12.8	13.9	16.4	14.5	14.0	12.6	10.1
	Other Operating Income (Expenses)	0.2	0.2	0.2	0.4	0.0	(0.1)	(0.0)	1.3
	Total Net Revenues	14.0	13.0	14.0	16.8	14.6	14.0	12.6	11.4
	Direct OPEX	(7.0)	(7.1)	(6.9)	(7.5)	(6.3)	(6.6)	(6.1)	(5.6)
	<i>of which Personnel Expenses</i>	<i>(3.2)</i>	<i>(3.1)</i>	<i>(3.1)</i>	<i>(2.8)</i>	<i>(3.1)</i>	<i>(3.1)</i>	<i>(3.0)</i>	<i>(3.0)</i>
	<i>of which G&A</i>	<i>(3.8)</i>	<i>(4.0)</i>	<i>(3.8)</i>	<i>(4.7)</i>	<i>(3.1)</i>	<i>(3.4)</i>	<i>(3.0)</i>	<i>(2.6)</i>
	Direct D&A	(0.3)	(0.2)	(0.2)	0.5	(0.0)	(0.1)	(0.0)	(0.1)
	Loan Loss Provisions	-	-	-	-	-	-	-	-
	Net provisions for risks and charges	-	-	-	-	(0.4)	(0.1)	0.1	0.4
	Profit Before Taxes	6.7	5.6	6.9	9.8	7.8	7.2	6.6	6.1

Payments P&L per quarter 2021-2022



€m PAYMENTS	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022
Net Interest Income	0.5	2.6	2.3	1.9	2.1	2.0	1.5	1.0
Net Fee and Commission Income	10.3	10.5	12.3	10.7	10.3	10.5	10.5	14.1
Net Banking Income	10.7	13.1	14.6	12.5	12.4	12.5	12.0	15.2
Other Operating Income (Expenses)	2.7	2.8	2.8	2.8	2.5	3.1	3.2	2.4
Total Net Revenues	13.4	16.0	17.4	15.3	14.9	15.6	15.2	17.6
Direct OPEX	(7.5)	(7.8)	(7.8)	(7.6)	(7.5)	(7.9)	(8.1)	(8.4)
<i>of which Personnel Expenses</i>	<i>(1.0)</i>	<i>(0.9)</i>	<i>(0.9)</i>	<i>(0.8)</i>	<i>(0.9)</i>	<i>(0.9)</i>	<i>(0.9)</i>	<i>(1.0)</i>
<i>of which G&A</i>	<i>(6.6)</i>	<i>(6.9)</i>	<i>(6.9)</i>	<i>(6.8)</i>	<i>(6.5)</i>	<i>(7.0)</i>	<i>(7.1)</i>	<i>(7.4)</i>
Direct D&A	(0.2)	(0.2)	(0.2)	0.5	(0.1)	(0.1)	(0.0)	(0.1)
Loan Loss Provisions	-	-	-	-	-	-	-	-
Net provisions for risks and charges	-	-	-	-	(0.0)	0.1	(0.0)	(0.1)
Profit Before Taxes	5.7	7.9	9.3	8.2	7.4	7.8	7.1	9.1

Corporate Center P&L per quarter 2021-2022



€m CORPORATE CENTER	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022
Net Interest Income⁽¹⁾	7.4	5.5	13.7	8.9	14.5	15.2	19.4	24.4
Net Fee and Commission Income	(0.5)	(0.4)	(0.2)	(0.1)	(0.2)	(0.6)	0.2	(0.2)
Other Income	4.6	0.0	1.8	(0.0)	9.1	2.0	2.2	1.8
Net Banking Income	11.5	5.2	15.2	8.8	23.4	16.6	21.9	26.0
Other Operating Income (Expenses)	1.0	4.6	2.2	1.0	0.8	0.9	0.7	3.0
Total Net revenues	12.5	9.7	17.4	9.9	24.2	17.5	22.5	29.0
<i>Direct OPEX</i>	(16.0)	(24.6)	(14.2)	(17.6)	(12.3)	(18.7)	(12.9)	(17.0)
<i>of which Personnel Expenses</i>	(9.1)	(7.4)	(9.2)	(9.1)	(7.6)	(8.8)	(7.6)	(8.7)
<i>of which G&A</i>	(6.9)	(17.2)	(4.9)	(8.5)	(4.6)	(9.8)	(5.2)	(8.3)
D&A	(1.7)	(1.7)	(1.9)	(1.6)	(1.7)	(1.6)	(1.8)	(1.1)
Loan Loss Provisions	1.0	0.5	0.4	0.3	0.0	(0.3)	(0.1)	0.6
Net provisions for risks and charges	0.2	2.0	0.2	0.0	(0.2)	0.4	(0.1)	(0.2)
Adjusted Profit Before Taxes	(4.0)	(14.1)	1.9	(8.9)	10.1	(2.6)	7.6	11.3

(1) Net Interest Income includes gains / losses on derivatives used to manage the hedging of currencies and interest rate exposure.

FY21 summary P&L



	€m	F&L	SS	PAYM.	CC	ADJUSTED	Adjustments	REPORTED ⁽¹⁾
Interest Income		195.0	11.1	7.2	19.8	233.2	(2.8)	230.3
Interest Expenses		(46.1)	(0.3)	-	7.9	(38.5)	(1.0)	(39.5)
Net Interest Income		148.9	10.8	7.2	27.7	194.6	(3.9)	190.8
Net Fee and Commission Income		5.6	46.1	43.8	(1.2)	94.3	(13.5)	80.8
Dividends		-	-	-	3.7	3.7	-	3.7
Gains/Losses on Trading		-	-	-	7.9	7.9	(1.2)	6.6
Fair value adjustments in hedge accounting		-	-	-	-	(0.0)	-	(0.0)
Gains/losses on disposal/repurchase of		-	-	-	-	(0.0)	(12.6)	(12.6)
<i>a) financial assets measured at amortized cost</i>		-	-	-	-	(0.0)	-	(0.0)
<i>b) financial assets measured at fair value through OCI</i>		-	-	-	-	-	-	-
<i>c) financial liabilities</i>		-	-	-	-	(0.0)	(12.6)	(12.6)
Gains (losses) on other financial assets and liabilities measured at fair value through profit or loss		-	-	-	2.7	2.7	-	2.7
<i>a) financial assets and liabilities designated at fair value</i>		-	-	-	-	-	-	-
<i>b) other financial assets mandatorily measured at fair value</i>		-	-	-	2.7	2.7	-	2.7
Net Banking Income		154.5	56.9	51.0	40.8	303.2	(31.3)	271.9
Net adjustments/reversals of impairment for credit risk concerning:		(0.7)	-	-	2.1	1.4	(1.0)	0.4
<i>a) financial assets measured at amortized cost</i>		(0.9)	-	-	2.3	1.4	(1.0)	0.3
<i>b) financial assets measured at fair value through OCI⁽²⁾</i>		0.2	-	-	(0.1)	0.0	-	0.0
Administrative and Personnel Expenses		(37.4)	(28.6)	(30.8)	(72.4)	(169.1)	(1.2)	(170.4)
Net provisions for risks and charges		0.3	-	-	2.4	2.7	(0.5)	2.3
<i>a) commitments and guarantees provided</i>		0.1	-	-	(0.1)	0.1	0.2	0.2
<i>b) other net allocations</i>		0.2	-	-	2.5	2.7	(0.6)	2.0
Net Adjustments to/ Writebacks on Property, Plan and Equipment and Intangible Assets		(1.4)	(0.2)	(0.2)	(6.8)	(8.5)	(1.6)	(10.1)
Other Operating Income (Expenses)		7.4	0.9	11.1	8.8	28.2	74.3	102.5
Profit Before Income Taxes from Continuing Operations		122.8	29.0	31.1	(25.1)	157.9	38.7	196.7
Income Taxes						(32.6)	33.3	0.7
Net Income						125.3	72.1	197.4

(1) The item «Fair value adjustments in hedge accounting» has been reclassified in «Gains / Losses on Trading» and in «Interest Expenses». Costs related to deferred employees' benefits, previously accounted in «Net provision for risks and LLP» are reclassified in «Personnel Expenses».

(2) "Financial assets measured at fair value through OCI" includes "Gains (Losses) on equity investments" accounted separately in the consolidated financial accounts.

FY20 summary P&L



€m	F&L	SS	PAYM.	CC	ADJUSTED	Adjustments	REPORTED ⁽¹⁾
Interest Income	226.8	14.4	2.2	53.2	296.5	(51.2)	245.3
Interest Expenses	(64.9)	(2.9)	0.0	4.8	(63.1)	16.2	(46.9)
Net Interest Income	161.8	11.4	2.2	58.0	233.4	(35.0)	198.4
Net Fee and Commission Income	4.6	42.1	40.3	(0.9)	86.1	(81.5)	4.6
Dividends	-	-	-	0.1	0.1	(0.1)	0.0
Gains/Losses on Trading	-	-	-	6.0	6.0	(0.0)	5.9
Fair value adjustments in hedge accounting	-	-	-	-	-	-	-
Gains/losses on disposal/repurchase of	-	-	-	0.4	0.4	-	0.4
<i>a) financial assets measured at amortized cost</i>	-	-	-	-	-	-	-
<i>b) financial assets measured at fair value through OCI</i>	-	-	-	0.4	0.4	-	0.4
<i>c) financial liabilities</i>	-	-	-	0.1	0.1	-	0.1
Gains (losses) on other financial assets and liabilities measured at fair value through profit or loss	-	-	-	-	-	-	-
<i>a) financial assets and liabilities designated at fair value</i>	-	-	-	-	-	-	-
<i>b) other financial assets mandatorily measured at fair value</i>	-	-	-	-	-	-	-
Net Banking Income	166.4	53.6	42.5	63.5	326.0	(116.6)	209.3
Net adjustments/reversals of impairment for credit risk concerning:	(3.2)	-	-	1.8	(1.3)	(1.8)	(3.1)
<i>a) financial assets measured at amortized cost</i>	(3.2)	-	-	1.8	(1.3)	(1.8)	(3.2)
<i>b) financial assets measured at fair value through OCI⁽²⁾</i>	-	-	-	0.0	0.0	-	0.0
Administrative and Personnel Expenses	(33.9)	(28.6)	(29.0)	(81.4)	(172.9)	84.9	(88.0)
Net provisions for risks and charges	-	(0.6)	(0.1)	0.8	0.1	0.5	0.6
<i>a) commitments and guarantees provided</i>	-	-	-	0.0	0.0	(0.0)	0.0
<i>b) other net allocations</i>	-	(0.6)	(0.1)	0.7	0.0	0.5	0.6
Net Adjustments to/ Writebacks on Property, Plan and Equipment and Intangible Assets	(0.7)	(1.4)	(1.2)	(8.1)	(11.5)	6.0	(5.5)
Other Operating Income (Expenses)	10.4	0.7	7.5	1.1	19.7	(9.3)	10.4
Profit Before Income Taxes from Continuing Operations	139.1	23.6	19.8	(22.3)	160.1	(36.3)	123.7
Income Taxes					(42.2)	9.6	(32.6)
Profit (Loss) after tax from discontinued operations					(0.7)	0.7	-
Net Income					117.1	(26.1)	91.1

(1) Costs related to deferred employees' benefits, previously accounted in «Net provision for risks and LLP» are reclassified in «Personnel Expenses».

(2) "Financial assets measured at fair value through OCI" includes "Gains (Losses) on equity investments" accounted separately in the consolidated financial accounts.



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