



a bank like no other<sup>®</sup>

# 1Q 2023 Results

*11<sup>th</sup> May 2023*

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## BFF Banking Group

- 1Q23 Adjusted Net Profit +38.1% YoY at €52.7m, best quarter ever, despite mostly floating liabilities and LPI rate deferral.
- Net Interest Income: +10%YoY driven by *Factoring & Lending*, +22%YoY.
- LPI statutory rate at 10.5% from 1-Jan-23, from 8%. Next refixing date on 1-Jul-23, with 11.75% already locked-in.
- Solid balance sheet with stable and diversified funding. Loan/Deposit ratio at 75%, with net positive inflow of retail deposits in 1Q23 (+€205m vs. 4Q22).
- Reduction in total assets vs. an increase in loan book YoY at €5.0bn, 1Q record high. Fixed rate HTC bond portfolio down by €1.6bn YoY.

## Capital & Dividends

- CET1 ratio at 17.0% and TCR at 22.6%. €205m of excess capital vs. 15% TCR target.
- c. €0.28 per share accrued in 1Q23, part of the interim dividend distribution of Aug-23.

## Others

- **New medium-term targets** to be presented to the market on **29<sup>th</sup> June 2023**.
- Italy has applied for extension of the split payment. In case of approval, no impact on 2023 guidance.

# Highest quarterly Net Income on record, +38% YoY



- 1 Group NII up by 10% YoY, driven by good performance in F&L.
- 2 Reduction YoY in Net Fee and Commission due to Arca's exit.
- 3 Including €19.8m of capital gain from the sale of €600m of HTC floater bonds.
- 4 Improved efficiency: cost/Income ratio at 35% vs. 41% in 1Q22.

<u>Adjusted P&amp;L</u>	€m	+10%		
		1Q 2023	4Q 2022	1Q 2022
Gross Interest Income		125.1	112.5	60.3
Interest Expenses <sup>(1)</sup>		(64.9)	(44.5)	(5.5)
1 Net Interest Income <sup>(1)</sup>		60.3	68.1	54.8
2 Net Fee and Commission		17.7	22.0	22.9
3 Other Income and Op. Income (Exp.)		33.8	14.0	14.2
Net Revenues		111.8	104.1	92.0
OPEX incl. D&A		(39.0)	(46.4)	(37.5)
4 Cost / Income (%)		35%	45%	41%
Provisions		(0.4)	(2.6)	(0.7)
PBT		72.4	55.2	53.8
Net Income		52.7	40.7	38.1

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

# Reduction in Balance Sheet size vs. YE22, improving leverage ratio



Balance sheet optimization:

- strong reduction in overall size of Balance sheet (€1.7bn) vs. YE22 mainly through decrease in HTC bond portfolio by €571m and of deposits at ECB<sup>(1)</sup> (c. €600m).
- increase in retail deposits (+€205m vs. 4Q22, +€1.2bn vs. 1Q22).

	€m	31 Mar 2023	31 Dec 2022	31 Mar 2022
<b>Assets</b>				
1 HTC Bond portfolio		5,559	6,130	5,932
Loans & Receivables portfolio		5,046	5,442	3,874
Intangibles		70	70	66
1 Other assets		964	1,700	2,244
1 <b>Total assets</b>		11,640	13,342	12,117
<b>Liabilities and Equity</b>				
Deposits from transaction services		5,235	5,916	7,630
2 On-line deposits		1,488	1,283	245
Repos		3,521	4,441	2,775
Other liabilities		595	944	838
Equity (incl. Tier I)		800	759	629
<b>Total liabilities and Equity</b>		11,640	13,342	12,117
<b>Ratio</b>				
CET 1 ratio (%)		17.0%	16.9%	16.7%
Leverage ratio (%)		5.2%	4.6%	4.7%

(1) In Other Assets.

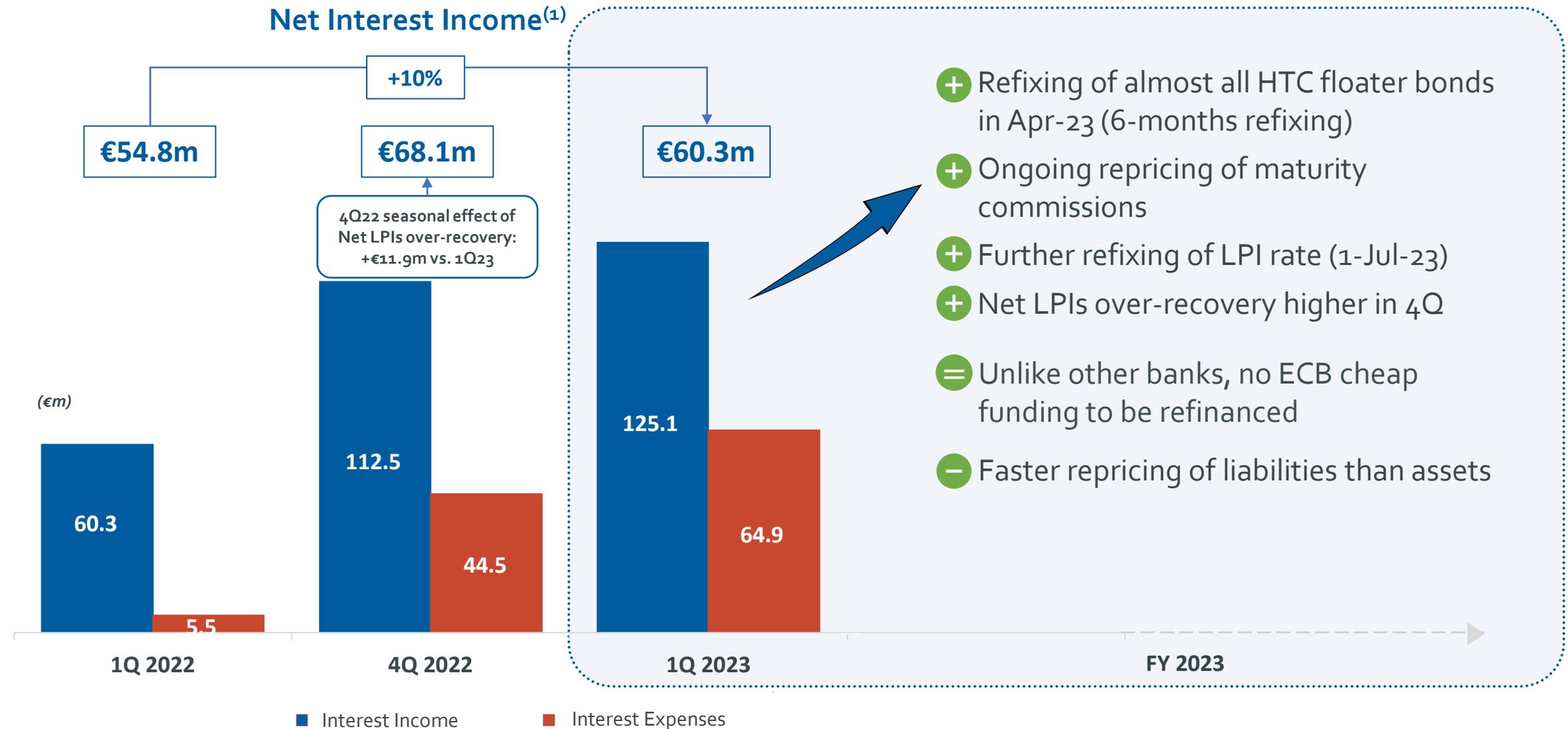
# P&L by Business Units



€m	Factoring & Lending P&L	+	Securities Services P&L <sup>(1)</sup>	+	Payments P&L	+	Corporate Center incl. synergies	=	BFF adjusted P&L	Adjustments	BFF reported P&L
<b>1Q 2023</b>											
Net Revenues	49.9		7.0		15.9		39.0		111.8	-	111.8
OPEX incl. D&A	(10.5)		(5.1)		(8.2)		(15.2)		(39.0)	(5.9)	(44.9)
<i>Cost / Income (%)</i>	21%		72%		51%		-		35%	-	40%
Provisions	(0.2)		-		0.1		(0.3)		(0.4)	-	(0.4)
PBT	39.2		1.9		7.9		23.4		72.4	(5.9)	66.5
<b>1Q 2022</b>											
Net Revenues	38.3		14.6		14.9		24.2		92.0	-	92.0
OPEX incl. D&A	(9.8)		(6.3)		(7.5)		(13.9)		(37.5)	(5.9)	(43.4)
<i>Cost / Income (%)</i>	25%		43%		50%		-		41%	-	47%
Provisions	(0.0)		(0.4)		(0.0)		(0.2)		(0.7)	-	(0.7)
PBT	28.5		7.8		7.4		10.1		53.8	(5.9)	47.9

(1) The first full quarter without Arca Fondi. See slide 9 for further details.

# NII +10% YoY, expected positive impact of increasing interest rates in the next quarters



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



# Factoring & Lending P&L: 37% increase YoY in PBT, higher interest rates start to kick-in



- **Net Interest Income** at €43.4m (+22% YoY and +10% vs. 4Q22), thanks to:
  - LPI rate refixing on 1-Jan-23;
  - Ongoing repricing of maturity commissions.
  - Net **LPIs over-recovery** (+€4.5m YoY).
- **Other Operating Income (Expenses)** at €5.8m (>100% YoY and slightly higher vs. 4Q22) primarily related to “recovery costs” rights accounted on an accrual basis starting from 31-Dec-22.
- Substantial off balance-sheet LPIs and “Recovery cost” funds (€548m).
- **Direct OPEX and D&A** at €10.5m (+8% YoY and -25% vs. 4Q22).
- **Profit Before Tax** at €39.2m, +37% YoY and +36% vs. 4Q22.

€m	1Q22	4Q22	1Q23
<b>Net Interest Income</b>	<b>35.5</b>	<b>39.4</b>	<b>43.4</b>
<i>of which Net LPIs over-recovery</i>	<i>(3.2)</i>	<i>13.2</i>	<i>1.3</i>
Net Fee and Commission	1.0	1.2	0.8
Other Operating Income (Expenses)	1.8	5.5	5.8
<b>Total Net Revenues</b>	<b>38.3</b>	<b>46.1</b>	<b>49.9</b>
Direct OPEX and D&A	(9.8)	(14.1)	(10.5)
Net provisions for risks and LLP	(0.0)	(3.3)	(0.2)
<b>Profit Before Taxes</b>	<b>28.5</b>	<b>28.7</b>	<b>39.2</b>
Gross yield on average loans (%)	4.9%	5.6% <sup>(1)</sup>	6.7% <sup>(1)</sup>
Cost of risk (%) <sup>(2)</sup>	0.00%	0.11%	0.03%

€m	1Q22	4Q22	1Q23
LPIs collected	6	36	12
Recovery Costs collected	1	8	3
LPIs fund	733	756	792
<i>of which: Off balance-sheet</i>	<i>426</i>	<i>410</i>	<i>426</i>
Recovery Costs fund	224	240	244
<i>of which: Off balance-sheet</i>	<i>224</i>	<i>120</i>	<i>122</i>

(1) Average Loans do not include “Recovery cost” rights. (2) Calculated as Loan Loss Provisions / Loans and Receivables.

# Securities Services – KPIs and P&L: onboarding of new clients drives up AuC/AuD vs. 4Q22

- **Net Revenues** down 52%YoY and 38% vs. 4Q22, due to lower **Net Interest Income** (lower avg. deposits vs. YE22 and different internal transfer pricing) and **Fee and Commissions**, impacted by Arca's exit on 1-Nov-22.
- **Direct OPEX and D&A** down by 19%YoY and 11% vs. 4Q22, due to lower direct costs and personnel expenses. Additional expected savings from 3Q23. Redundancy one-offs fully covered by DEPObank integration budget savings, with no additional integration cost in the future.
- **PBT** down by 75%YoY and 68% vs. 4Q22.
- **Depository Bank's AuD** at €51.3bn, +4% vs. 4Q22. Positive net inflows of €0.7bn in 1Q23.
- **Global Custody AuC** good performance to €162bn, +6% vs. 4Q22.
- 1Q23 **Deposits** at €2.4bn, down by €1.6bn YoY excluding Arca and €0.7bn vs. 4Q22.

€m	1Q22	4Q22	1Q23
<b>Net Interest Income</b>	<b>2.7</b>	<b>3.3</b>	<b>1.2</b>
Net Fee and Commission Income	11.8	6.8	5.8
Other Operating Income (Expenses)	0.0	1.3	-
<b>Total Net Revenues</b>	<b>14.6</b>	<b>11.4</b>	<b>7.0</b>
Direct OPEX and D&A	(6.3)	(5.7)	(5.1)
Net provisions for risks and charges	(0.4)	0.4	-
<b>Profit Before Taxes</b>	<b>7.8</b>	<b>6.1</b>	<b>1.9</b>

	1Q22	4Q22	1Q23
Depository Bank (AuD EoP, €m)	81,699	49,524	<b>51,338</b>
Global Custody (AuC EoP, €m)	176,347	153,065	<b>161,538</b>
EoP Deposits (€m)	5,662	3,167	<b>2,443</b>

# Payments – KPIs and P&L: PBT +7% YoY



- **Total Net Revenues** up by 7% YoY and down by 9% vs. 4Q22 due to seasonality.
  - **Net interest income** -13% YoY and +74% vs. 4Q22 thanks to improved conditions on some cash balances.
  - **Commissions** at €11.7m up by +13% YoY and down by 17% vs. 4Q22, due to seasonality (amount transacted higher in last quarter of the year).
- **Direct OPEX and D&A** up by 8% YoY and down by 4% vs. 4Q22, primarily due to higher volumes.
- **PBT** up by 7% YoY and down 13% vs. 4Q22.
- 1Q23 **Deposits** at €2.8bn, up by 42% YoY. Stable vs. 4Q22.

€m	1Q22	4Q22	1Q23
<b>Net Interest Income</b>	<b>2.1</b>	<b>1.0</b>	<b>1.8</b>
Net Fee and Commission Income	10.3	14.1	11.7
Other Operating Income (Expenses)	2.5	2.4	2.5
<b>Total Net Revenues</b>	<b>14.9</b>	<b>17.6</b>	<b>15.9</b>
Direct OPEX and D&A	(7.5)	(8.5)	(8.2)
Net provisions for risks and charges	(0.0)	(0.1)	0.1
<b>Profit Before Taxes</b>	<b>7.4</b>	<b>9.0</b>	<b>7.9</b>

	1Q22	4Q22	1Q23
Transfer and collections (n° oper. #m)	79	88	88
Card & Other settlement (n° oper. #m)	55	68	66
EoP Deposits (€m)	1,972	2,852	2,792

# Corporate Center – P&L: PBT at €23.4m, driven by the sale of a portion of HTC floater bonds

- **NII** stable YoY and down 43% vs. 4Q22 at €14.0m, due to different timing in repricing of assets and liabilities (a major portion of floater bonds refixes in Apr-23, while liabilities reprice upfront).
- **Other income (Expenses)** grew to €25.6m thanks to €19.8m of capital gain from the sale of €600m floater bonds in 1Q23.
- **Direct Opex and D&A** +9% YoY and down by 16% vs. 4Q22.
- **PBT** at €23.4m, up by €13.3m YoY.
- No more DEPObank integration costs after this quarter. Total integration costs €4m less than initially budgeted.



€m	1Q22	4Q22	1Q23
<b>Net Interest Income<sup>(1)</sup></b>	<b>14.5</b>	<b>24.4</b>	<b>14.0</b>
Net Fee and Commission Income	(0.2)	(0.1)	(0.6)
Other Income (Expenses)	9.9	4.8	25.6
<b>Total Net Revenues</b>	<b>24.2</b>	<b>29.0</b>	<b>39.0</b>
Direct OPEX	(12.3)	(17.0)	(13.8)
Personnel Expenses	(7.6)	(8.7)	(7.8)
G&A	(4.6)	(8.3)	(5.9)
D&A	(1.7)	(1.1)	(1.5)
Net provisions for risks and LLP	(0.2)	0.4	(0.3)
<b>Adjusted Profit Before Taxes</b>	<b>10.1</b>	<b>11.3</b>	<b>23.4</b>

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

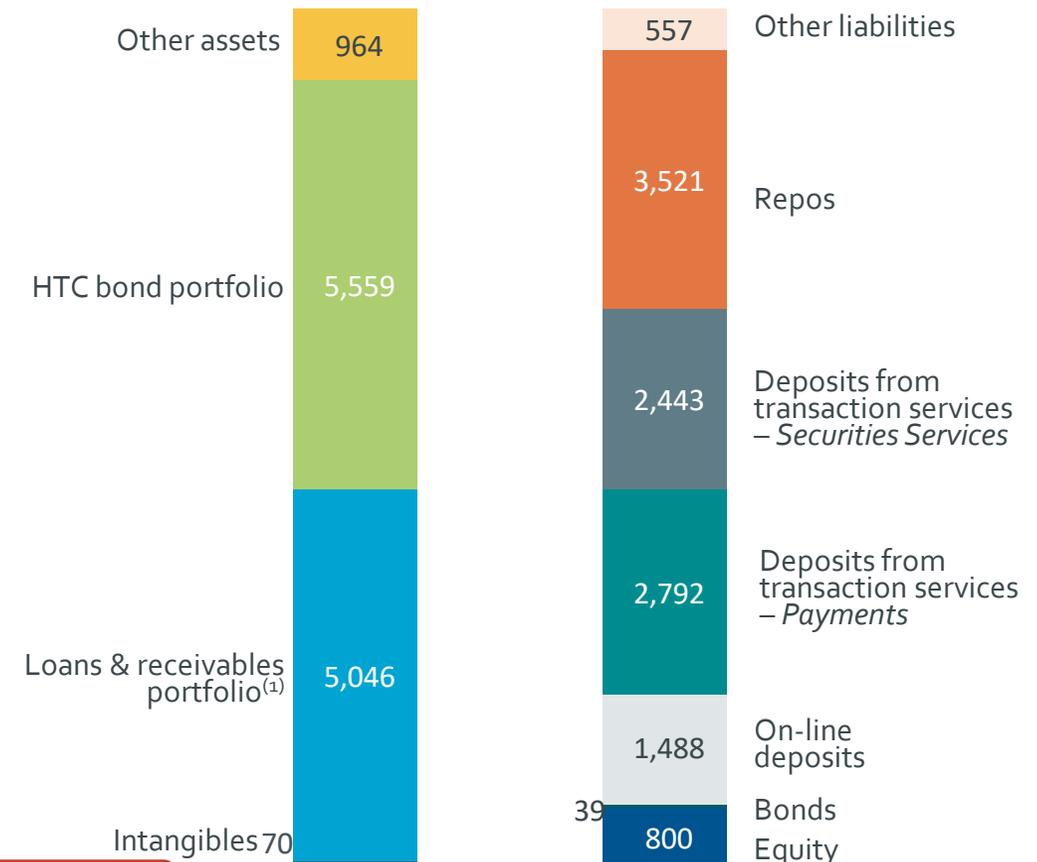
# A diversified and stable funding base with no ECB borrowing



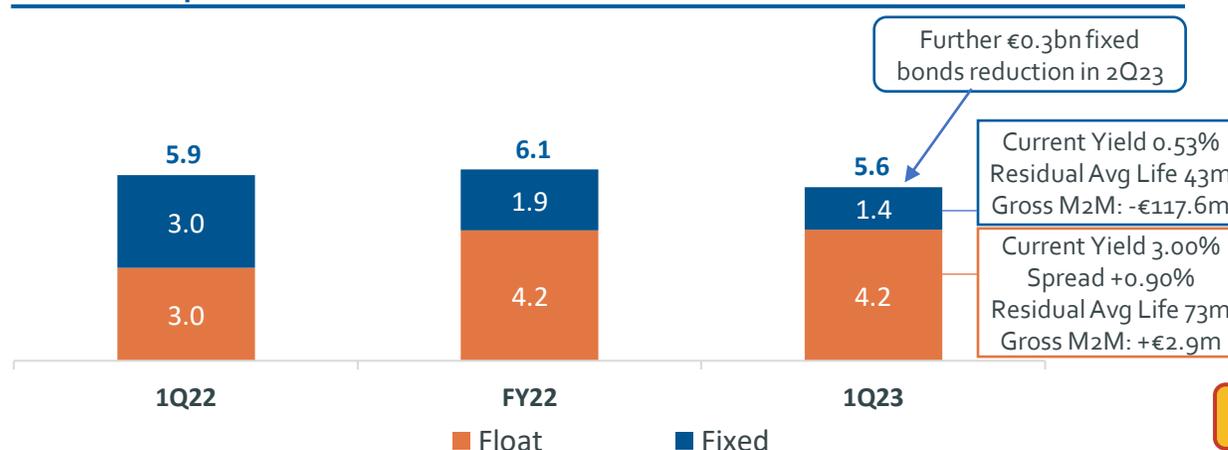
- Loan/Deposit ratio at 75%, stable vs. Dec-22. Online deposits up at €1,488m at 31-Mar-23 (+16%, €1,283m in YE22).
- LCR at 195.3% (297.8% at YE22) and NSFR at 152.6% (vs.161.1% at YE22). Improved leverage ratio at 5.2% (vs. 4.6% at YE22).
- Euro cost of funding at -53bps over Euribor 1-month in 1Q23, vs. -40bps in 4Q22. **No ECB LT facilities to be refinanced.**
- HTC Italian Government bond portfolio at €5.6bn as of 31-Mar-23 (vs. €6.1bn at YE22), with strong reduction of fixed bonds (24% in 1Q23 vs. 50% in 1Q22).

Loan/Deposits	75%	Leverage ratio	5.2%	NSFR	152.6%	LCR	195.3%
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## Balance Sheet Breakdown 1Q23 (€m)



## HTC bond portfolio (€bn)



€13.3bn FY22 Tot. assets €11.6bn Tot. liabilities €11.6bn

(1) Including fiscal receivables "Ecobonus" for €211m, which are accounted in «Other Assets» in FY22 Consolidated Financial Accounts, and stock of on balance-sheet "Recovery cost" rights and LPIs at €489m.

# Good Asset Quality with negligible cost of risk

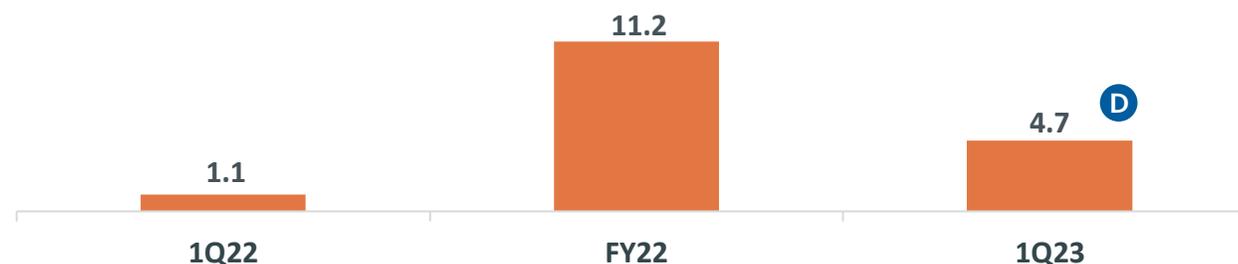


- A** NPE at €300.7m, slightly higher vs. YE22, in line with payment delays and without any increase in underlying risk:
- B** almost entire exposure towards Public Administration (92% of NPE);
- C** NPL are mainly due to municipalities in conservatorship ("dissesti")<sup>(1)</sup>, with **NPL ratio** excl. "dissesti" at 0.1% of loans.
- D** **Cost of Risk in 1Q23** at 4.7bps.
- E** Strong NPL coverage ratio excluding Italian Municipalities at 74%, at the same level of FY22.

€m	1Q22	FY22	1Q23
Net NPLs	77.1	86.4	89.3
<i>of which: Italian Municipalities</i>	69.7	79.7	82.5
<i>of which: Others</i>	7.4	6.7	6.8
Net UTP	13.6	12.1	13.1
Net Past due	33.5	185.3	198.3
<b>Net impaired loans</b>	<b>124.2</b>	<b>283.8</b>	<b>300.7</b>
<i>NPL ratio excluding Italian Municipalities</i>	0.2%	0.1%	0.1%
<i>NPL Coverage ratio excluding Italian Municipalities</i>	68%	74%	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) More stringent criteria in the interpretation of New DoD: "Guidelines on the application of the definition of default under Art. 178 of Regulation (EU) no. 575/2013".

# Strong capital ratios, €205m of excess capital vs. 15% TCR target, with c. €0.28 per share accrued dividend vs. €0.21 in 1Q22



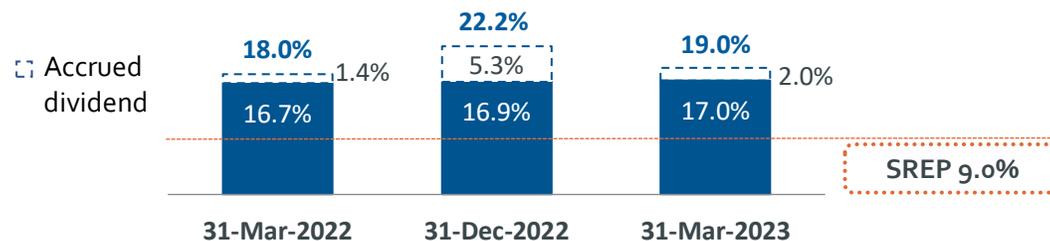
- Total Capital ratio at 22.6% and CET1 ratio at 17.0%, slightly improved vs. YE22, with €205m of capital in excess of 15.0% TC ratio target.
- Flat RWA density vs. 1Q22.

RWAs €m	2,316	2,740	2,692
RWAs density	44%	42%	45%

## Total Capital ratio



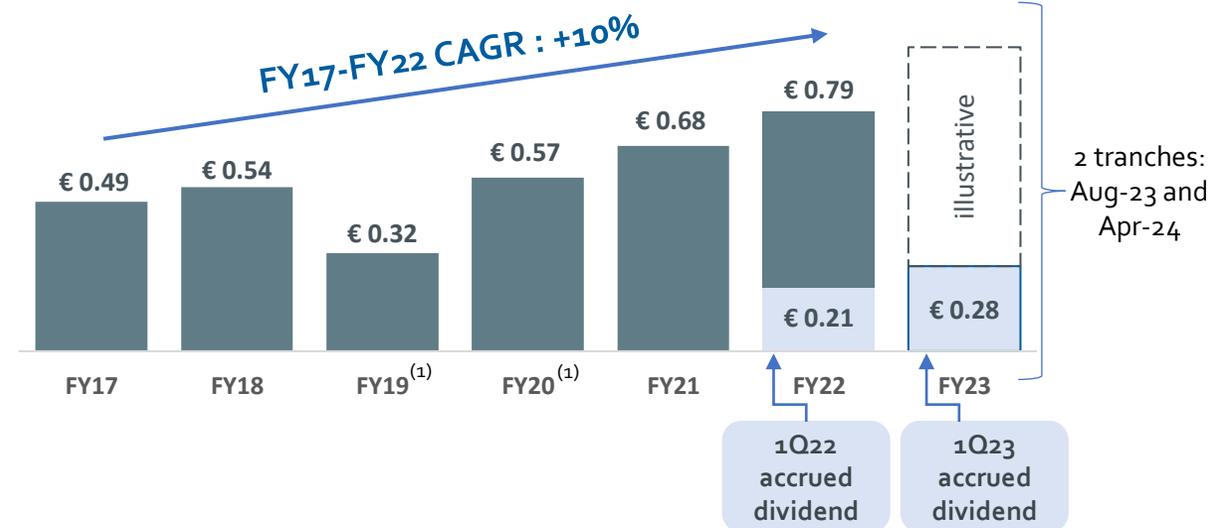
## Common Equity Tier 1 ratio



(1) Paid in 2021.

- 2023 dividend paid twice a year on the basis of the Net Adjusted Profit of the period, subject to TCR >15.0%.
- c. €0.28 per share already accrued in 1Q23, part of the interim dividend distribution of Aug-23.
- Second tranche to be paid in Apr-24 post AGM on the basis of 2H23 results.

## Dividend per share (€)



# Upcoming Events



**12<sup>th</sup> May-23 –  
19<sup>th</sup> May-23**

1Q2023 post-results Roadshow – Milan, London: physical; Rest of the World: virtual

**24<sup>th</sup> May-23**

UniCredit & Kepler – Italian Investment Conference – Milan

**23-24<sup>th</sup> May-23**

UBS – Annual Financial Institutions Conference – Lausanne

**14<sup>th</sup> Jun-23**

Goldman Sachs – 27<sup>th</sup> Annual European Financials Conference – Paris

**20<sup>th</sup> Jun-23**

Mediobanca – 9<sup>th</sup> CEO Conference – Milan

**29<sup>th</sup> Jun-23**

Capital Markets Day - London

# Appendix

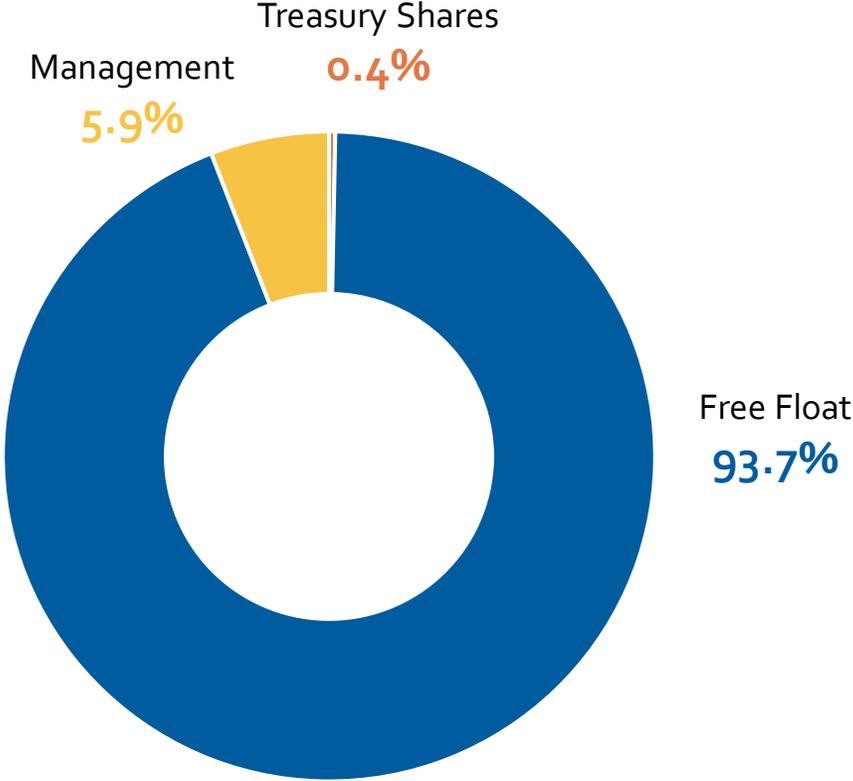


# Glossary



<b>AGM</b>	Annual General Meeting	<b>F&amp;L</b>	Factoring & Lending	<b>OPEX</b>	Operating Expenditures
<b>AuC</b>	Assets under custody	<b>G&amp;A</b>	General and Administrative	<b>P&amp;L</b>	Profit & Loss
<b>AuD</b>	Assets under depositary	<b>HTC</b>	Held-To-Collect	<b>PA</b>	Public Administration
<b>Avg.</b>	Average	<b>KPIs</b>	Key performance indicators	<b>PAYM</b>	<i>Payments</i>
<b>Bps</b>	Basis Points	<b>LCR</b>	Liquidity Coverage Ratio	<b>PBT</b>	Profit before taxes
<b>CAGR</b>	Compounded Average Growth Rate	<b>LLP</b>	Loan loss provisions	<b>Q</b>	Quarter
<b>CC</b>	Corporate Center	<b>LPIs</b>	Late payment interests	<b>QoQ</b>	Quarter-on-quarter
<b>CEE</b>	Central-Eastern Europe	<b>LT</b>	Long Term	<b>Repo(s)</b>	Repurchase agreement(s)
<b>CET<sub>1</sub></b>	Core Equity Tier 1	<b>M2M</b>	Mark 2 Market	<b>RWA</b>	Risk weighted assets
<b>DoD</b>	Definition of Default	<b>NHS</b>	National Healthcare System	<b>SREP</b>	Supervisory Review and Evaluation Process
<b>D&amp;A</b>	Depreciation and amortisation	<b>NII</b>	Net Interest Income	<b>SS</b>	<i>Securities Services</i>
<b>ECB</b>	European Central Bank	<b>NPE</b>	Non-performing exposures	<b>TC/TCR</b>	Total Capital/Total Capital Ratio
<b>EoP</b>	End of the period	<b>NPL</b>	Non Performing Loans	<b>UTP</b>	Unlikely To Pay
<b>Euribor</b>	Euro InterBank Offered Rate	<b>NSFR</b>	Net Stable Funding Ratio	<b>YE</b>	Year End
<b>FY</b>	Full-year	<b>OCI</b>	Other comprehensive income	<b>YoY</b>	Year-on-year

# A true Public Company with Management owning c. 5.9%



Total Number of shares as of 31/03/2023: 185,623,140

# Summary reported consolidated Balance Sheet



€m	BFF + DEPObank		
	1Q 2022	FY 2022	1Q 2023
Cash and cash balances	937.4	634.9	150.4
Financial assets measured at fair value through profit or loss	38.3	90.5	129.1
<i>a) financial assets held for trading</i>	5.1	0.2	0.4
<i>b) financial assets designated at fair value</i>	-	-	-
<i>c) other financial assets mandatorily measured at fair value</i>	33.2	90.3	128.8
Financial assets measured at fair value through OCI	128.6	128.1	129.4
Financial assets measured at amortized cost	10,451.1	11,895.9	10,650.8
<i>a) loans and receivables due from banks</i>	613.1	478.2	183.8
<i>b) loans and receivables due from customers</i>	9,838.0	11,417.6	10,466.9
Hedging derivatives	0.0	-	-
Equity investments	13.6	13.7	13.7
Property, plant and equipment	50.6	54.3	56.8
Intangible assets	66.4	70.2	69.9
Tax assets	86.9	60.7	61.9
Other assets	343.6	394.2	377.9
<b>Total consolidated assets</b>	<b>12,116.6</b>	<b>13,342.4</b>	<b>11,639.9</b>
Financial liabilities measured at amortized cost	10,730.5	11,994.8	10,339.6
<i>a) deposits from banks</i>	683.1	1,166.4	870.5
<i>b) deposits from customers</i>	9,965.4	10,789.4	9,430.0
<i>c) securities issued</i>	82.1	39.0	39.1
Financial Liabilities Held for Trading	8.2	0.9	2.8
Hedging derivatives	19.0	14.3	-
Tax liabilities	100.2	136.0	154.4
Other liabilities	602.7	401.4	304.1
Employees severance indemnities	3.8	3.2	3.2
Provisions for risks and charges	23.3	33.0	35.5
Equity	597.6	526.7	751.8
Net Profit	31.3	232.0	48.4
<b>Total consolidated liabilities and equity</b>	<b>12,116.6</b>	<b>13,342.4</b>	<b>11,639.9</b>

# 1Q23 summary P&L



€m	F&L	SS	PAYM.	CC	ADJUSTED	Adjustments	REPORTED
Interest Income	85.7	1.2	1.8	36.5	125.1	-	125.1
Interest Expenses	(42.3)	-	-	(20.5)	(62.8)	-	(62.8)
<b>Net Interest Income</b>	<b>43.4</b>	<b>1.2</b>	<b>1.8</b>	<b>16.0</b>	<b>62.3</b>	<b>-</b>	<b>62.3</b>
Net Fee and Commission Income	0.8	5.8	11.7	(0.6)	17.7	-	17.7
Dividends	-	-	-	6.7	6.7	-	6.7
Gains/Losses on Trading	-	-	-	(2.1)	(2.1)	-	(2.1)
Fair value adjustments in hedge accounting	-	-	-	-	-	-	-
Gains/losses on disposal/repurchase of	-	-	-	19.8	19.8	-	19.8
<i>a) financial assets measured at amortized cost</i>	-	-	-	19.8	19.8	-	19.8
<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	-	-	-	(1.0)	(1.0)	-	(1.0)
<i>a) financial assets and liabilities designated at fair value</i>	-	-	-	-	-	-	-
<i>b) other financial assets mandatorily measured at fair value</i>	-	-	-	(1.0)	(1.0)	-	(1.0)
<b>Net Banking Income</b>	<b>44.2</b>	<b>7.0</b>	<b>13.4</b>	<b>38.9</b>	<b>103.5</b>	<b>-</b>	<b>103.5</b>
Net adjustments/reversals of impairment for credit risk concerning:	(0.4)	-	-	(0.1)	(0.5)	-	(0.5)
<i>a) financial assets measured at amortized cost</i>	(0.5)	-	-	(0.1)	(0.6)	-	(0.6)
<i>b) financial assets measured at fair value through OCI<sup>(1)</sup></i>	0.1	-	-	-	0.1	-	0.1
Administrative and Personnel Expenses	(10.0)	(5.0)	(7.9)	(13.8)	(36.6)	(5.2)	(41.8)
Net provisions for risks and charges	0.2	-	0.1	(0.2)	0.1	-	0.1
<i>a) commitments and guarantees provided</i>	(0.0)	-	-	-	(0.0)	-	(0.0)
<i>b) other net allocations</i>	0.2	-	0.1	(0.2)	0.1	-	0.1
Net Adjustments to/ Writebacks on Property, Plan and Equipment and Intangible Assets	(0.6)	(0.1)	(0.2)	(1.5)	(2.4)	(0.7)	(3.0)
Other Operating Income (Expenses)	5.8	0.0	2.5	0.1	8.4	-	8.4
<b>Profit Before Income Taxes from Continuing Operations</b>	<b>39.2</b>	<b>1.9</b>	<b>7.9</b>	<b>23.4</b>	<b>72.4</b>	<b>(5.9)</b>	<b>66.5</b>
Income Taxes					(19.8)	1.6	(18.2)
<b>Net Profit</b>					<b>52.7</b>	<b>(4.3)</b>	<b>48.4</b>

(1) "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	1Q22	1Q23	YoY %
<b>Reported Net Profit</b>	<b>31.3</b>	<b>48.4</b>	<b>+54.8%</b>
Stock Options & Stock Grant plans	1.4	1.5	
Transaction/restructuring costs/M&A <sup>(1)</sup>	2.3	2.3	
Taxes related to intercompany dividends and DTA write-off	2.7	-	
Customer contract amortisation	0.5	0.5	
<b>Adjusted Net Profit</b>	<b>38.1</b>	<b>52.7</b>	<b>+38.1%</b>

(1) Transaction/restructuring costs and M&A represents two different accounting items, grouped in a single line for representation purposes.

# Group P&L per quarter 1Q21-1Q23



€m GROUP	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
Interest Income	51.3	53.8	54.9	73.2	60.3	75.8	76.8	112.5	125.1
Interest Expenses <sup>(1)</sup>	(7.5)	(12.6)	(3.9)	(6.7)	(5.5)	(17.3)	(15.6)	(44.5)	(64.9)
<b>Net Interest Income<sup>(1)</sup></b>	<b>43.8</b>	<b>41.2</b>	<b>51.0</b>	<b>66.5</b>	<b>54.8</b>	<b>58.6</b>	<b>61.2</b>	<b>68.1</b>	<b>60.3</b>
Net Fee and Commission Income	22.4	23.1	25.1	23.8	22.9	22.9	22.9	22.0	17.7
Other Income	4.6	(0.3)	2.1	(0.0)	9.1	2.0	2.2	1.8	25.5
<b>Net Banking Income</b>	<b>70.8</b>	<b>64.0</b>	<b>78.2</b>	<b>90.3</b>	<b>86.8</b>	<b>83.5</b>	<b>86.3</b>	<b>91.8</b>	<b>103.5</b>
Other Operating Income (Expenses)	5.3	9.2	6.0	7.7	5.1	6.9	6.4	12.3	8.4
<b>Total Net revenues</b>	<b>76.1</b>	<b>73.2</b>	<b>84.2</b>	<b>98.0</b>	<b>92.0</b>	<b>90.4</b>	<b>92.7</b>	<b>104.1</b>	<b>111.8</b>
Direct OPEX	(39.0)	(49.0)	(38.1)	(43.0)	(35.5)	(42.7)	(36.6)	(44.8)	(36.6)
<i>of which Personnel Expenses</i>	<i>(18.4)</i>	<i>(16.9)</i>	<i>(18.6)</i>	<i>(18.1)</i>	<i>(17.1)</i>	<i>(17.7)</i>	<i>(16.3)</i>	<i>(18.4)</i>	<i>(17.2)</i>
<i>of which G&amp;A</i>	<i>(20.6)</i>	<i>(32.1)</i>	<i>(19.5)</i>	<i>(24.9)</i>	<i>(18.3)</i>	<i>(25.0)</i>	<i>(20.3)</i>	<i>(26.4)</i>	<i>(19.4)</i>
D&A	(2.5)	(2.5)	(2.6)	(0.9)	(2.0)	(2.2)	(2.2)	(1.6)	(2.4)
Loan Loss Provisions	0.9	0.4	0.1	0.0	0.0	(2.3)	(1.2)	(2.2)	(0.5)
Net provisions for risks and charges	(0.0)	2.5	0.3	0.0	(0.7)	0.5	(0.0)	(0.4)	0.1
<b>Adjusted Profit Before Taxes</b>	<b>35.5</b>	<b>24.5</b>	<b>43.8</b>	<b>54.1</b>	<b>53.8</b>	<b>43.7</b>	<b>52.7</b>	<b>55.2</b>	<b>72.4</b>

(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)



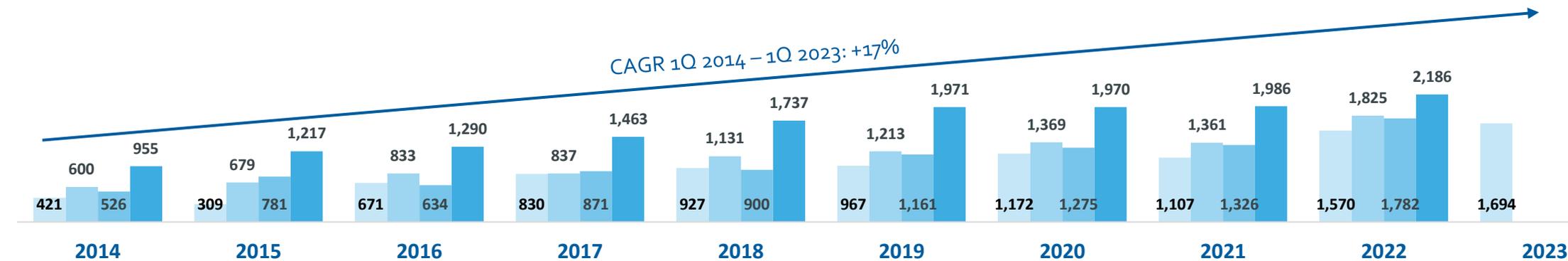
Non-recourse factoring volumes		1Q 2022	4Q 2022	1Q 2023
<b>Italy</b>		<b>958</b>	<b>1,003</b>	<b>1,019</b>
NHS		590	474	709
PA		151	424	261
Other		217	105	49
<b>Spain</b>		<b>389</b>	<b>713</b>	<b>345</b>
NHS		300	472	239
PA		89	240	105
<b>Portugal</b>		<b>53</b>	<b>200</b>	<b>100</b>
NHS		34	122	47
PA		20	78	53
<b>Greece</b>		<b>43</b>	<b>50</b>	<b>62</b>
NHS		37	39	50
PA		6	11	10
Other		-	0.3	1
<b>Croatia</b>		<b>0.0</b>	-	-
NHS		0.0	-	-
PA		-	-	-
<b>France</b>		<b>11</b>	<b>18</b>	<b>15</b>
NHS		11	14	12
PA		0.1	4	3
<b>A Total</b>		<b>1,455</b>	<b>1,983</b>	<b>1,540</b>

Non-recourse factoring and lending volumes		1Q 2022	4Q 2022	1Q 2023
<b>Poland</b>		<b>112</b>	<b>187</b>	<b>150</b>
Healthcare		87	165	140
Local Government Units		25	22	10
<b>Slovakia</b>		<b>2.8</b>	<b>15</b>	<b>3.4</b>
Healthcare		1.8	4	0.1
Local Government Units		1.0	12	3.3
<b>Czech Republic</b>		<b>0.7</b>	<b>0.4</b>	<b>0.6</b>
Healthcare		0.7	0.4	0.4
Local Government Units		-	-	0.3
<b>B Total</b>		<b>115</b>	<b>203</b>	<b>154</b>

<b>A + B</b>	1Q 2022	4Q 2022	1Q 2023
<b>Group Total</b>	<b>1,570</b>	<b>2,186</b>	<b>1,694</b>

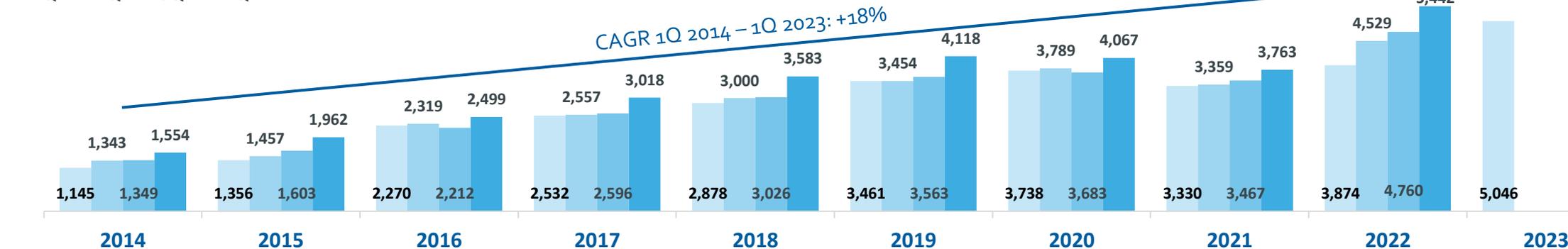
## New Volumes by quarter (€m)

1Q 2Q 3Q 4Q



## Customer Loans by quarter (€m)

1Q 2Q 3Q 4Q



# Factoring & Lending P&L per quarter 1Q21-1Q23



€m	FACTORING & LENDING	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q2022	3Q 2022	4Q 2022	1Q 2023
<b>Net Interest Income</b>		<b>32.9</b>	<b>31.5</b>	<b>32.9</b>	<b>51.5</b>	<b>35.5</b>	<b>39.0</b>	<b>39.8</b>	<b>39.4</b>	<b>43.4</b>
Net Fee and Commission Income		1.7	1.6	1.2	1.1	1.0	1.3	0.0	1.2	0.8
Other Income (Expenses)		(0.0)	(0.3)	0.3	-	-	-	-	-	-
<b>Net Banking Income</b>		<b>34.7</b>	<b>32.9</b>	<b>34.5</b>	<b>52.6</b>	<b>36.5</b>	<b>40.3</b>	<b>39.8</b>	<b>40.6</b>	<b>44.2</b>
Other Operating Income (Expenses)		1.5	1.6	0.9	3.4	1.8	2.9	2.6	5.5	5.8
<b>Total Net Revenues</b>		<b>36.2</b>	<b>34.5</b>	<b>35.3</b>	<b>56.0</b>	<b>38.3</b>	<b>43.3</b>	<b>42.4</b>	<b>46.1</b>	<b>49.9</b>
Direct OPEX		(8.4)	(9.5)	(9.1)	(10.3)	(9.4)	(9.6)	(9.6)	(13.8)	(10.0)
<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>(5.6)</i>
<i>of which G&amp;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>	<i>(4.4)</i>
Direct D&A		(0.4)	(0.4)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.3)	(0.6)
Loan Loss Provisions		(0.1)	(0.1)	(0.3)	(0.3)	0.0	(2.0)	(1.0)	(2.8)	(0.4)
Net provisions for risks and charges		(0.2)	0.4	0.1	0.0	(0.0)	0.0	0.0	(0.6)	0.2
<b>Profit Before Taxes</b>		<b>27.2</b>	<b>24.9</b>	<b>25.7</b>	<b>45.0</b>	<b>28.5</b>	<b>31.3</b>	<b>31.4</b>	<b>28.7</b>	<b>39.2</b>

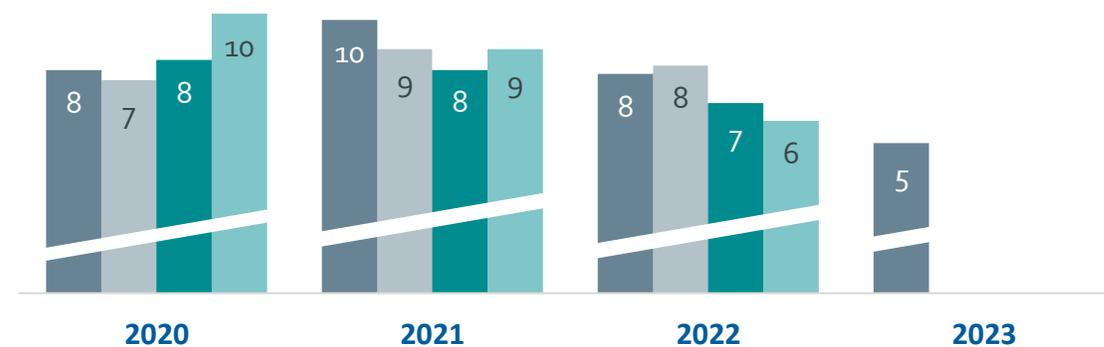
# Securities Services & Payments



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 1Q21-1Q23



€m	SECURITIES SERVICES	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
	<b>Net Interest Income</b>	<b>3.0</b>	<b>1.5</b>	<b>2.1</b>	<b>4.2</b>	<b>2.7</b>	<b>2.3</b>	<b>0.5</b>	<b>3.3</b>	<b>1.2</b>
	Net Fee and Commission Income	10.9	11.4	11.7	12.1	11.8	11.7	12.1	6.8	5.8
	<b>Net Banking Income</b>	<b>13.9</b>	<b>12.8</b>	<b>13.9</b>	<b>16.4</b>	<b>14.5</b>	<b>14.0</b>	<b>12.6</b>	<b>10.1</b>	<b>7.0</b>
	Other Operating Income (Expenses)	0.2	0.2	0.2	0.4	0.0	(0.1)	(0.0)	1.3	0.0
	<b>Total Net Revenues</b>	<b>14.0</b>	<b>13.0</b>	<b>14.0</b>	<b>16.8</b>	<b>14.6</b>	<b>14.0</b>	<b>12.6</b>	<b>11.4</b>	<b>7.0</b>
	Direct OPEX	(7.0)	(7.1)	(6.9)	(7.5)	(6.3)	(6.6)	(6.1)	(5.6)	(5.0)
	<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>(3.1)</i>	<i>(2.8)</i>
	<i>of which G&amp;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>	<i>(2.2)</i>
	Direct D&A	(0.3)	(0.2)	(0.2)	0.5	(0.0)	(0.1)	(0.0)	(0.1)	(0.1)
	Loan Loss Provisions	-	-	-	-	-	-	-	-	-
	Net provisions for risks and charges	-	-	-	-	(0.4)	(0.1)	0.1	0.4	-
	<b>Profit Before Taxes</b>	<b>6.7</b>	<b>5.6</b>	<b>6.9</b>	<b>9.8</b>	<b>7.8</b>	<b>7.2</b>	<b>6.6</b>	<b>6.1</b>	<b>1.9</b>

# Payments P&L per quarter 1Q21-1Q23



€m PAYMENTS	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
<b>Net Interest Income</b>	<b>0.5</b>	<b>2.6</b>	<b>2.3</b>	<b>1.9</b>	<b>2.1</b>	<b>2.0</b>	<b>1.5</b>	<b>1.0</b>	<b>1.8</b>
Net Fee and Commission Income	10.3	10.5	12.3	10.7	10.3	10.5	10.5	14.1	11.7
<b>Net Banking Income</b>	<b>10.7</b>	<b>13.1</b>	<b>14.6</b>	<b>12.5</b>	<b>12.4</b>	<b>12.5</b>	<b>12.0</b>	<b>15.1</b>	<b>13.4</b>
Other Operating Income (Expenses)	2.7	2.8	2.8	2.8	2.5	3.1	3.2	2.4	2.5
<b>Total Net Revenues</b>	<b>13.4</b>	<b>16.0</b>	<b>17.4</b>	<b>15.3</b>	<b>14.9</b>	<b>15.6</b>	<b>15.2</b>	<b>17.6</b>	<b>15.9</b>
Direct OPEX	(7.5)	(7.8)	(7.8)	(7.6)	(7.5)	(7.9)	(8.1)	(8.4)	(7.9)
<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>(1.0)</i>
<i>of which G&amp;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>	<i>(6.9)</i>
Direct D&A	(0.2)	(0.2)	(0.2)	0.5	(0.1)	(0.1)	(0.0)	(0.1)	(0.2)
Loan Loss Provisions	-	-	-	-	-	-	-	-	-
Net provisions for risks and charges	-	-	-	-	(0.0)	0.1	(0.0)	(0.1)	0.1
<b>Profit Before Taxes</b>	<b>5.7</b>	<b>7.9</b>	<b>9.3</b>	<b>8.2</b>	<b>7.4</b>	<b>7.8</b>	<b>7.1</b>	<b>9.0</b>	<b>7.9</b>

# Corporate Center P&L per quarter 1Q21-1Q23



€m CORPORATE CENTER	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
<b>Net Interest Income<sup>(1)</sup></b>	<b>7.4</b>	<b>5.5</b>	<b>13.7</b>	<b>8.9</b>	<b>14.5</b>	<b>15.2</b>	<b>19.4</b>	<b>24.4</b>	<b>14.0</b>
Net Fee and Commission Income	(0.5)	(0.4)	(0.2)	(0.1)	(0.2)	(0.6)	0.2	(0.1)	(0.6)
Other Income	4.6	0.0	1.8	(0.0)	9.1	2.0	2.2	1.8	25.5
<b>Net Banking Income</b>	<b>11.5</b>	<b>5.2</b>	<b>15.2</b>	<b>8.8</b>	<b>23.4</b>	<b>16.6</b>	<b>21.8</b>	<b>26.0</b>	<b>38.9</b>
Other Operating Income (Expenses)	1.0	4.6	2.2	1.0	0.8	0.9	0.7	3.0	0.1
<b>Total Net revenues</b>	<b>12.5</b>	<b>9.7</b>	<b>17.4</b>	<b>9.9</b>	<b>24.2</b>	<b>17.5</b>	<b>22.5</b>	<b>29.0</b>	<b>39.0</b>
<i>Direct OPEX</i>	(16.0)	(24.6)	(14.2)	(17.6)	(12.3)	(18.7)	(12.9)	(17.0)	(13.8)
<i>of which Personnel Expenses</i>	(9.1)	(7.4)	(9.2)	(8.9)	(7.6)	(8.8)	(7.6)	(8.7)	(7.8)
<i>of which G&amp;A</i>	(6.9)	(17.2)	(4.9)	(8.7)	(4.6)	(9.8)	(5.2)	(8.3)	(5.9)
D&A	(1.7)	(1.7)	(1.9)	(1.6)	(1.7)	(1.6)	(1.8)	(1.1)	(1.5)
Loan Loss Provisions	1.0	0.5	0.4	0.3	0.0	(0.3)	(0.1)	0.6	(0.1)
Net provisions for risks and charges	0.2	2.0	0.2	0.0	(0.2)	0.4	(0.1)	(0.2)	(0.2)
<b>Adjusted Profit Before Taxes</b>	<b>(4.0)</b>	<b>(14.1)</b>	<b>1.9</b>	<b>(8.9)</b>	<b>10.1</b>	<b>(2.6)</b>	<b>7.6</b>	<b>11.3</b>	<b>23.4</b>

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

# 1Q22 summary P&L



	€m	F&L	SS	PAYM.	CC	ADJUSTED	Adjustments	REPORTED <sup>(1)</sup>
Interest Income		46.4	3.5	2.4	8.1	60.3	-	60.3
Interest Expenses		(10.8)	(0.7)	(0.3)	1.7	(10.2)	-	(10.2)
<b>Net Interest Income</b>		<b>35.5</b>	<b>2.7</b>	<b>2.1</b>	<b>9.7</b>	<b>50.0</b>	<b>-</b>	<b>50.0</b>
Net Fee and Commission Income		1.0	11.8	10.3	(0.2)	22.9	-	22.9
Dividends		-	-	-	5.7	5.7	-	5.7
Gains/Losses on Trading		-	-	-	4.8	4.8	-	4.8
Fair value adjustments in hedge accounting		-	-	-	-	-	-	-
Gains/losses on disposal/repurchase of		-	-	-	-	-	-	-
<i>a) financial assets measured at amortized cost</i>		-	-	-	-	-	-	-
<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		-	-	-	3.4	3.4	-	3.4
<i>a) financial assets and liabilities designated at fair value</i>		-	-	-	-	-	-	-
<i>b) other financial assets mandatorily measured at fair value</i>		-	-	-	3.4	3.4	-	3.4
<b>Net Banking Income</b>		<b>36.5</b>	<b>14.5</b>	<b>12.4</b>	<b>23.4</b>	<b>86.8</b>	<b>-</b>	<b>86.8</b>
Net adjustments/reversals of impairment for credit risk concerning:		0.0	-	-	0.0	0.0	-	0.0
<i>a) financial assets measured at amortized cost</i>		0.0	-	-	0.0	(0.1)	-	(0.1)
<i>b) financial assets measured at fair value through OCI<sup>(2)</sup></i>		(0.0)	-	-	0.0	0.1	-	0.1
Administrative and Personnel Expenses		(9.4)	(6.3)	(7.5)	(12.3)	(35.5)	(5.2)	(40.6)
Net provisions for risks and charges		(0.0)	(0.4)	(0.0)	(0.2)	(0.7)	-	(0.7)
<i>a) commitments and guarantees provided</i>		-	-	-	(0.2)	(0.2)	-	(0.2)
<i>b) other net allocations</i>		-	(0.4)	-	(0.0)	(0.5)	-	(0.5)
Net Adjustments to/ Writebacks on Property, Plan and Equipment and Intangible Assets		(0.3)	(0.0)	(0.1)	(1.7)	(2.0)	(0.7)	(2.7)
Other Operating Income (Expenses)		1.8	0.0	2.5	0.8	5.1	-	5.1
<b>Profit Before Income Taxes from Continuing Operations</b>		<b>28.5</b>	<b>7.8</b>	<b>7.4</b>	<b>10.1</b>	<b>53.8</b>	<b>(5.9)</b>	<b>47.9</b>
Income Taxes						(15.7)	(1.0)	(16.7)
<b>Net Income</b>						<b>38.1</b>	<b>(6.9)</b>	<b>31.3</b>

(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.



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