

2025

PILLAR III
Disclosure to the public
as at June 30, 2025



1985 | 2025 a bank like no other

CONTENTS

Introduction	3
Disclosure of Key Metrics	5
Certification by the Financial Reporting Officer	8
Certification compliant with Article 431 (3) of the CRR (Regulation (EU) No. 575/2013 as updated) regarding disclosure requirements pursuant to Part Eight of the CRR	8

Introduction

The Basel Committee Accords ("Basel 3") aimed at strengthening banks' capacity to absorb shocks from financial and economic tensions, improving risk management and governance, and strengthening banks' transparency and reporting, entered into force in European Union law on January 1, 2014.

This being said, at Community level, the contents of "Basel 3" were adopted with two distinct pieces of legislation:

- ▶ Regulation (EU) no. 575/2013 of June 26, 2013 (referred to as the Capital Requirements Regulation - "CRR") - Part Eight "Disclosures by Institutions" (Articles 431 - 455) and Part Ten, Title I, Chapter 3, "Transitional provisions for disclosure of own funds" (Article 492) - which governs Pillar I prudential supervision mechanisms and public disclosure rules (Pillar III);
- ▶ Directive 2013/36/EU of June 26, 2013 (referred to as "CRD IV"), which concerns, inter alia, conditions for access to banking, freedom of establishment and freedom to provide services, the prudential supervision process and additional capital reserves.

The above-mentioned European regulation became applicable in the Italian legal system on the basis of Bank of Italy Circular No. 285 "Supervisory Provisions for Banks" of December 17, 2013 as subsequently amended, which implements the provisions of the CRR and the CRD IV.

With the publication of Regulation (EU) No. 876/2019, (CRR2), a series of significant amendments were introduced to the regulatory framework, applicable as of June 28, 2021. These changes, regarding in particular Part Eight of the CRR, aim to standardize the periodic disclosure to be provided to the market.

Regulation (EU) no. 1623/2024 (CRR3) of May 31, 2024 introduced further significant changes to the regulatory framework, related to requirements for credit risk, credit valuation adjustment risk (CVA), operational risk, market risk, and the output floor, the capital requirements that banks calculate using their internal models, which entered into effect on January 1, 2025, with the exception of changes to prudential requirements for Market Risk (referred to as "FRTB", *Fundamental Review of Trading Book*), for which the entry into force was, during 2024, postponed to January 1, 2026.

In the Implementing Regulation (EU) no. 3172/2024, which repeals and replaces Regulation no. 637/2021 in force until December 31, 2024¹, operators were provided with instructions for mapping between the information to be published and that which is set forth in supervisory reporting. In accordance with the CRR, banks publish the required information at least on an annual basis, and the Key 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.

The approach based on three "Pillars" was maintained.

Specifically:

- ▶ **Pillar I** defines the system of capital requirements that banks are required to meet to address typical banking risks: credit risk (which also includes counterparty risk), market risk, and operational risk.

This aspect has been reinforced by CRR2, introducing a definition of higher quality capital and requiring additional capital conservation buffers, with the inclusion of rules on liquidity risk management, both short term (*Liquidity Coverage Ratio* - LCR) and long term (*Net Stable Funding Ratio* - NSFR), and the introduction of a leverage limit;

- ▶ **Pillar II** requires banks to set up strategies, control processes and tools for determining, in addition to Pillar I risks, the adequacy of current and prospective 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 Group annually submits the "ICAAP/ILAAP Report" to the Bank of Italy, as an autonomous assessment of current and future capital adequacy and the liquidity risk governance and management system, in relation to the risks assumed and company strategies;
- ▶ **Pillar III** establishes specific periodic disclosure obligations concerning capital adequacy, risk exposure and the general features of the related systems for identifying, measuring and managing such risks. This aspect has also been revised to introduce increased transparency requirements and more detailed information on the breakdown of regulatory capital and on how the Banking Group calculates capital ratios.

¹ Except for those aspects related to Disclosure on the use of the standardized methodology and internal models for market risk, in effect until December 31, 2025.

Under Article 433 quater of the CRR, banks publish the public information required by EU regulations at least on an annual basis, and the Key Metrics on a semi-annual basis, together with the financial statements.

To this end, the Board of Directors of BFF Bank has approved a dedicated procedure named "Procedure for Disclosure to the Public (Pillar III)".

Pursuant to this procedure, the disclosure to the public should be:

- ▶ approved by the Board of Directors before it is made public;
- ▶ published on the website www.bffgroup.com (Section: <https://investor.bff.com/it/pillar-iii> in Italian and Section: <https://investor.bff.com/en/pillar-iii> in English) at least once a year and semi-annually with regard to the Key Metrics by the deadlines set for the publication of the financial statements, and therefore within 30 days of the date of approval of the financial statements by the Shareholders' Meeting.

The BFF Banking Group ("BFF Banking Group" or the "Group") is a leader in specialized finance. It is the only pan-European platform, present in 9 countries, specializing in the management and non-recourse purchase of trade receivables from the public administration and National Health Systems. Through the merger with DEPObank, BFF has 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.

The Group is active in Italy, Croatia, France, Greece and Portugal through BFF Bank, in Spain through BFF Finance Iberia S.A.U. ("BFF Finance Iberia") and in Poland, the Czech Republic and Slovakia through BFF Polska S.A. ("BFF Polska") and its subsidiaries (referred to as "BFF Polska Group").

BFF Bank fulfills the public disclosure obligation for BFF Banking Group and prepares this document on a consolidated basis according to the aforementioned regulatory provisions.

It should be noted that:

- ▶ information on the risks the Group is exposed to and information on the policies for managing and controlling those risks is provided in Part E of the Notes to the "Interim Consolidated Financial Report 2025" as at June 30, 2025;
- ▶ information on the Group's own funds and banking regulatory capital ratios is published in particular in Part F of the Notes to the "Interim Consolidated Financial Report 2025" as at June 30, 2025;
- ▶ information on governance structures can be found in the "Report on Corporate Governance and Ownership Structures" published in the "Governance" section of the Group's website www.bff.com;
- ▶ information regarding the Group's remuneration and incentive policies is also specifically provided in the "Report on Remuneration" published in the "Governance" section of the Banking Group website;
- ▶ with reference to certain best practices identified by the EBA in the Report "on assessment of Institutions' Pillar 3 Disclosure" (EBA/REP/2020/09), as well as in the Report "Guidelines on the management of environmental, social and governance (ESG) risks" (EBA/GL/2025/01), scheduled to come into force as of January 1, 2026, and by Bank of Italy in the Supervisory Expectations on Climate and Environmental Risks (April 2022), disclosure on sustainability issues, including information on impacts, risks and opportunities and their interaction with the strategy and business model is reported, based on current regulations, in a special Section of the "Interim Consolidated Financial Report 2025" and published on the Group's website www.bff.com.

Disclosure to the Public (Pillar III) is also subject to the certification by the Financial Reporting Officer pursuant to Article 154-bis of Italian Legislative Decree 58/98 (Consolidated Law on Finance, or the so-called "TUF").

All amounts are stated in thousands of euros, when not specified otherwise.

Disclosure of Key Metrics

The following provides the information in tabular format envisaged by Article 447 of Regulation 575/2013 and implemented in EU KM1 template of Regulation 3172/2024 and Regulation 763/2021 on minimum requirement of own funds and eligible liabilities and implemented in EU KM2 template.

Consolidated capital requirements, in compliance with the provisions of Article 19 of the CRR, are calculated considering BFF Bank at the top of the Banking Group.

EU KM1 TEMPLATE: KEY METRICS TEMPLATE

Row		a	b	c	d	e
		30/06/2025	31/03/2025	31/12/2024	30/09/2024	30/06/2024
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	702,896	677,129	638,504	625,703	596,391
2	Tier 1 capital	852,896	827,129	788,504	775,703	746,391
3	Total capital	852,896	827,129	788,504	775,703	746,391
Risk-weighted exposure amounts						
4	Total Risk exposure amount	4,910,717	4,927,163	5,214,662	5,100,750	5,028,974
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	14.31%	13.74%	12.24%	12.27%	11.86%
6	Tier 1 ratio (%)	17.37%	16.79%	15.12%	15.21%	14.84%
7	Total capital ratio (%)	17.37%	16.79%	15.12%	15.21%	14.84%
Additional own funds requirements to address risks other than excessive leverage risk (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements based on SREP (%)	2.00%	2.00%	2.00%	2.00%	2.00%
EU 7b	- Of which consisting of CET1 capital (%)	2.00%	2.00%	2.00%	2.00%	2.00%
EU 7c	- Additional AT1 SREP requirements (%)	2.00%	2.00%	2.00%	2.00%	2.00%
EU 7d	Total SREP own funds requirements (%)	10.00%	10.00%	10.00%	10.00%	10.00%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50%	2.50%	2,50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.108%	0.097%	0.113%	0.102%	0.123%
EU 9a	Systemic risk buffer (%)	0.596%	0.288%	0.290%	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	-	-	-	-	-
11	Combined buffer requirement (%)	3.204%	2.885%	2.903%	2.602%	2.623%
EU 11a	Overall capital requirements (%)	13.204%	12.885%	12.903%	12.602%	12.623%
12	CET1 available after meeting the total SREP own funds requirements (%)	361,824	334,413	267,038	265,628	243,494

CONT'D

(CONT'D: EU KM1 TEMPLATE: KEY METRICS TEMPLATE)

Row		a	b	c	d	e
		30/06/2025	31/03/2025	31/12/2024	30/09/2024	30/06/2024
Leverage ratio						
13	Leverage ratio total exposure measure	14,017,983	12,882,840	12,546,856	12,191,998	12,133,781
14	Leverage ratio (%)	6.08%	6.42%	6.28%	6.36%	6.15%
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)						
EU 14a	Additional own funds requirements to address risks of excessive leverage (%)					
EU 14b	- of which consisting of CET1 capital (%)					
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Leverage ratio buffer and total leverage ratio requirement (as a percentage of leverage ratio total exposure amount)						
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	3,456,038	3,632,629	3,863,687	3,324,754	3,208,237
EU 16a	Cash outflows - Total weighted value	1,989,940	1,900,145	1,925,797	1,811,581	1,854,439
EU 16b	Cash inflows - Total weighted value	505,105	429,281	385,526	410,672	515,854
16	Total net cash outflows (adjusted value)	1,484,834	1,470,864	1,540,271	1,400,910	1,338,586
17	Liquidity coverage ratio (%)	234.95%	246.97%	250.78%	238.89%	241.05%
Net Stable Funding Ratio						
18	Total available stable funding	6.728.551	6.666.333	6.902.789	6.120.172	6.135.537
19	Total required stable funding	4.690.120	4.761.476	4.939.641	4.736.000	4.565.028
20	NSFR ratio (%)	143.46%	140.01%	139.74%	129.23%	134.40%

EU KM2 TEMPLATE: KEY METRICS - MREL AND, WHERE APPLICABLE, OWN FUNDS REQUIREMENT AND ELIGIBLE LIABILITIES FOR G-SIIs

		a
		Minimum requirement for own funds and eligible liabilities (MREL)
Row		30/06/2025
Total risk exposure amount and total exposure measure		
1	Own funds and eligible liabilities	1,457,918
EU-1a	- Of which own funds and subordinated liabilities	852,896
2	Total risk exposure amount (TREA) of the group under resolution	4,910,717
3	Own funds and eligible liabilities as a percentage of TREA	29.69%
EU-3a	- Of which own funds and subordinated liabilities	17.37%
4	Total exposure measure (TEM) of the group under resolution	14,017,983
5	Own funds and eligible liabilities as a percentage of TEM	10.40%
EU-5a	- Of which own funds or subordinated liabilities	6.08%
6a	Subordination waiver referred to in Article 72 <i>ter</i> , paragraph 4 of Regulation (EU) no. 575/2013 (CRR) (5% waiver) applies	
6b	Total amount of eligible non-subordinated liability instruments permitted if the subordination option is applied in accordance with Article 72 <i>ter</i> , paragraph 3, CRR (3.5% maximum waiver)	
6c	Where the capped subordination waiver applies in accordance with Article 72 <i>ter</i> , paragraph 3 of the CRR, the amount of issued liabilities that rank equally with excluded liabilities and are included in line 1, divided by the issued liabilities that rank equally with excluded liabilities and that would be included in line 1 if no cap were applied (%)	
Minimum requirement for own funds and eligible liabilities (MREL)		
EU-7	MREL expressed as a percentage of TREA	23.20%
EU-8	- Of which to be met by own funds or subordinated liabilities	
EU-9	MREL expressed as a percentage of TEM	5.40%
EU-10	-Of which to be met by own funds or subordinated liabilities	

Certification by the Financial Reporting Officer

The *Financial Reporting Officer*, Giuseppe Manno, pursuant to paragraph 2 Article 154 *bis* of the Consolidated Law on Finance,

DECLARES

that the accounting information contained in this document, corresponds to the documentary evidence, books and accounting records.

Giuseppe Manno
The Financial Reporting Officer
of corporate accounting documents



Certification compliant with Article 431 (3) of the CRR (Regulation (EU) No. 575/2013 as updated) regarding disclosure requirements pursuant to Part Eight of the CRR

The undersigned Massimiliano Belingheri, in his capacity as *Chief Executive Officer*, and Giuseppe Sica, in his capacity as *Chief Financial Officer*,

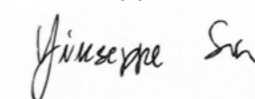
CERTIFY

that, compliant with the provisions of Article 431, paragraph 3 of the CRR (Regulation (EU) no. 575/2013, as amended) on disclosure requirements pursuant to Part Eight of the CRR, the information provided pursuant to the above-mentioned Part Eight has been drafted in compliance with the formal policy and internal processes, systems and controls.

Massimiliano Belingheri



Giuseppe Sica



40  **BFF**
1985 | 2025