BFF 2023

Investors Day

15th March 2021

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1. Overview: *a bank like no other*

2. Our businesses

3. A financial profile *like no other*

4. A sustainable business *like no other*

5. Our financial targets

6. Appendix

A bank like no other® - "BFF 2023" Strategy

2019-2023 Business Plan presentation of 29 May 2019

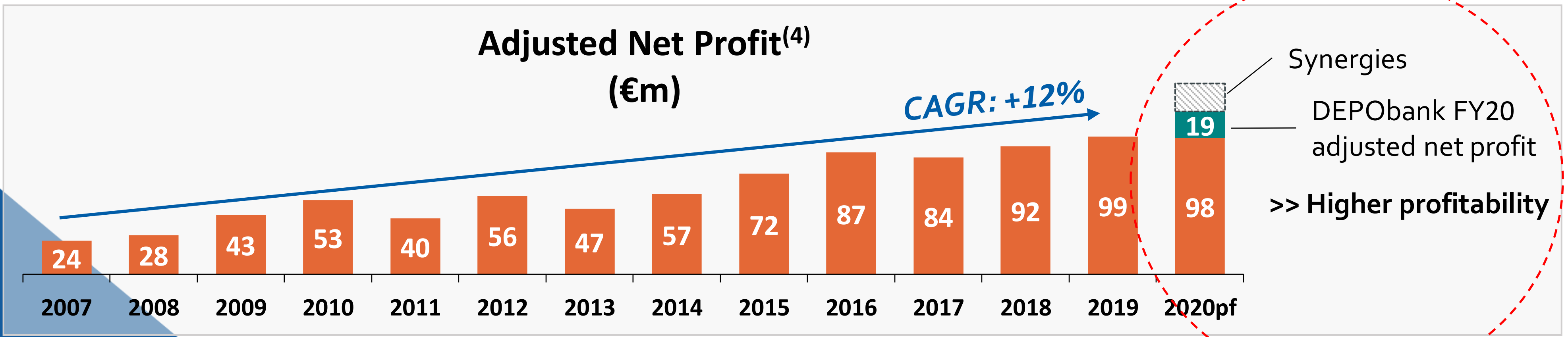
a bank like no other®

	"BFF 2023"
Who	Leader in specialty finance niches in Europe
How	▪ Low risk ▪ High operational efficiency ▪ Best practices as public company ▪ Honest, transparent and valuing people
Targets to 2021	▪ Volume and loans growth >10% per annum ▪ Net Profit growth ~10% per annum on average ▪ RoTE > 30% with a growing CET 1 ratio ▪ Total Capital ratio at 15%

A rock-solid business

Highly capital generative	Sizable Embedded value	No credit losses on P.A. factoring
36% Adj. Return on Tangible Equity(1) >€650m Dividends since 2007(2)	c. €840m	Zero on Public sector €5.7m(3) cumulated last 14 years, 0.5% of cumulated PBT

Tried and tested in every season



(1) BFF 2020 adjusted RoTE, excluding 2019&2020 accrued dividends (€168.5m). (2) Including €70.9m of 2019 and € 97.6m of 2020 accrued cash dividends. (3) Excluding BFF Polska Group. (4) Normalised and adjusted as reported in IPO prospectus and annual accounts.

A leading European B2B Specialty Finance

A specialised & trusted service provider within a bank

a bank like no other®

A ~~Bank~~ by Nature

Specialised vs. Universal

Agile vs. Crystallised

Entrepreneurial vs. Bureaucratic

A ~~Bank~~ by Opportunities

Broad addressable market vs. Saturation

Leader vs. One of the many

M&A as an opportunity vs. M&A as usual

A ~~Bank~~ by Results

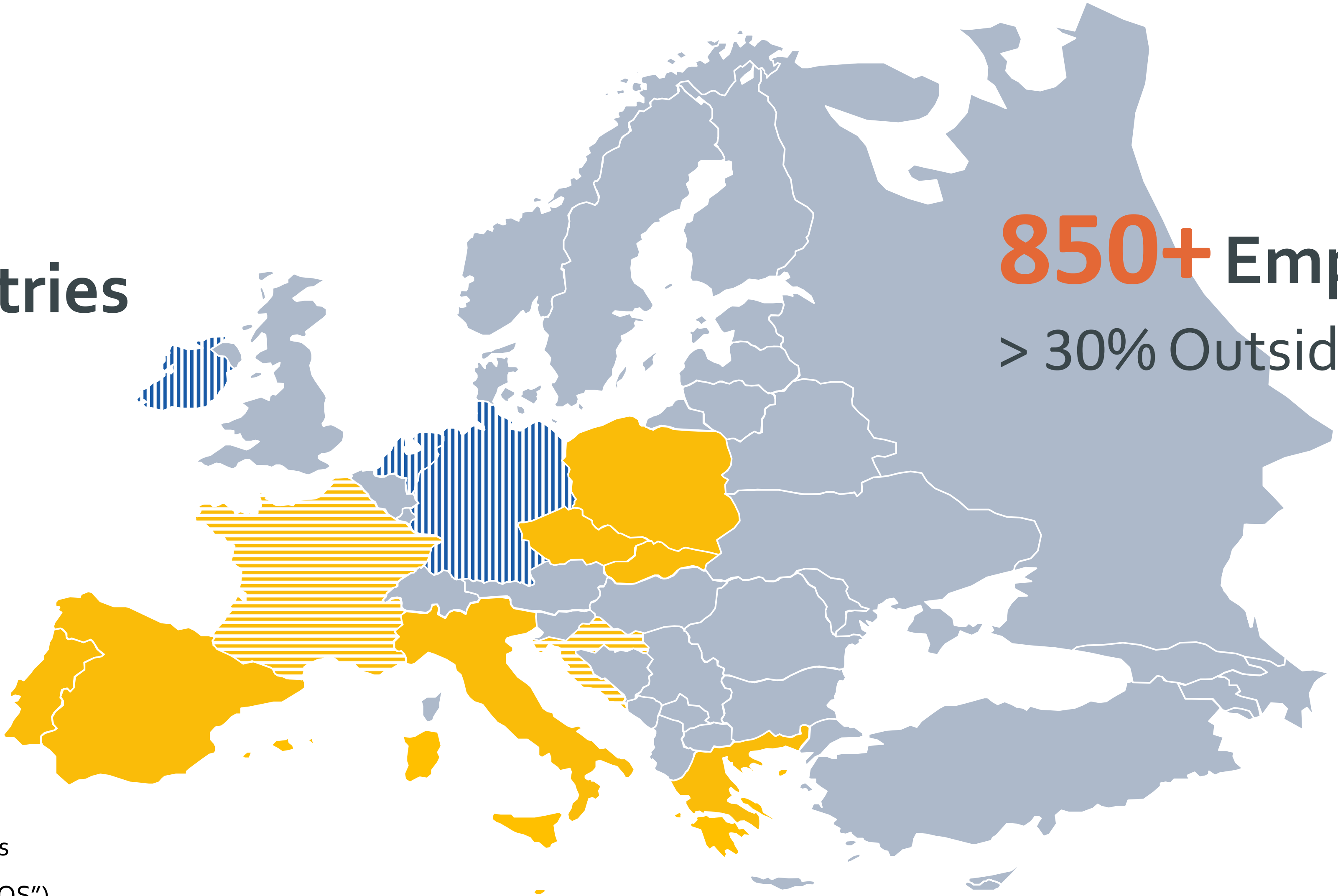
RoE >> CoE vs. ROE ≤ CoE

Capital generating vs. Capital absorbing

No credit cycle exp. vs. Credit cycle exposure

Our reach: a pan-European footprint

12 Countries



850+ Employees

> 30% Outside Italy

- Branches & subsidiaries
- Freedom of service ("FOS")
- On-line deposits through a third party platform

Leader in our niches

FACTORING & LENDING	€9bn	Purchased and/or managed public receivables	#1	in Europe towards the public sector
SECURITIES SERVICES	€268bn	AuM(1)	#1	Italian independent depositary bank: national champion
PAYMENTS SERVICES	562m	Transactions	#1	Independent bank in intermediation services

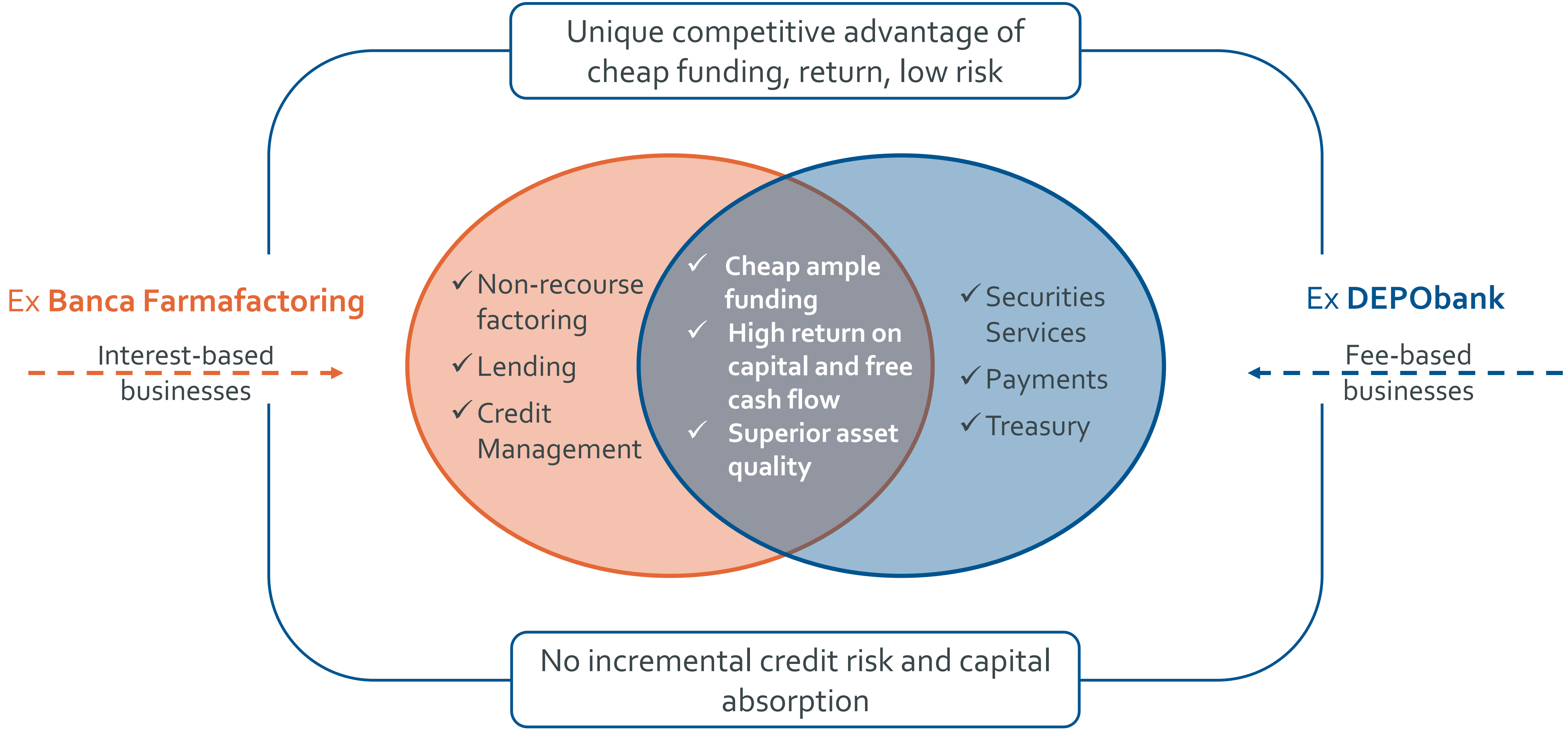
(1) 31/12/2020 Assets under Depositary (AuD) and Assets under Custody (AuC).

Increased diversification in niche business with market leadership

	FY20 revenues and % on total	Positioning	Overview of the main products and services
NON-RECOURSE FACTORING vs. P.A.	€148m 49%	Leader in Europe	▪ Purchase, management and collection of receivables towards the PA and the NHS ▪ Presence:
CREDIT MANAGEMENT vs. P.A.	€6m 2%	Leader in Italy	▪ Credit management solutions for receivables due from PA and NHS through the monitoring of the entire credit life cycle ▪ Presence:
FACTORING & LENDING vs. healthcare/PA in CEE	€48m 16%	Largest independent player	▪ Specialized lending products following the acquisition of Magellan (now BFF Polska) ▪ Presence:
SECURITIES SERVICES(1)	€54m 18%	Leader in Italy	▪ Depositary bank, Global custody, Fund accounting, and Transfer agent ▪ Presence:
PAYMENTS(1)	€48m 16%	Leader in Italy	▪ Intermediation, Corporate Payments, and Check & receivables ▪ Presence

(1) Including both interest income and fees and commissions.

Perfect mix of high yield, cheap funding, low risk and high ROE



A B2B solution provider for complex & key processes to high quality customers

	CLIENTS	WHAT WE OFFER	WHERE
FACTORING & LENDING	• Public sector suppliers • Large multinationals • Hospitals & municipalities	1) Non-recourse factoring 2) Lending (Central-Eastern Europe only) 3) Credit management	
SECURITIES SERVICES	• Domestic asset managers and banks - Mutual funds - Pension funds - AIFs	1) Depositary bank 2) Global custody 3) Fund accounting 4) Transfer agent	
PAYMENTS SERVICES	• Small/medium sized Italian Banks • Medium/Large Corporates • Partnership with Nexi	1) Intermediation 2) Corporate Payments 3) Check & receivables	

3 business units with large organic growth opportunities

	OPPORTUNITIES
FACTORING & LENDING	• >€400bn of yearly receivables • <10% non-recourse penetration
SECURITIES SERVICES	• Secular growth in Asset Management
PAYMENTS SERVICES	• Secular transition from cash to digital payments in Italy

Unique competitive position

ORGANIC GROWTH

A strong team

BFF has invested in an integrated structure to successfully capture the growth opportunities ahead

- Right balance of experience, innovation, cultures represented, allowing agility and good execution
- 13 CEO's first report
- Leadership programs
- *Ad hoc* coaching development paths
- 31% of female managers among CEO's - 1 executives first reports. Almost doubled female managers in the last 2 years
- Long bench with key management succession plans

EXPERIENCED MANAGEMENT TEAM

BoD	**Massimiliano Belingheri**	*Group CEO*				
Vice Presidents	**Michele Antognoli**	*International Markets*	**Roberto Castiglioni**	*Factoring*	**Enrico Tadiotto**	*Transaction Services*
Vice Presidents	**Piergiorgio Bicci**	*CFO, Finance & Administration*	**Massimo Pavan**	*Technology & Processes Improvement*		
Directors	**Alessia Barrera**	*Communications & Institutional Relations*	**Michela Della Penna**	*Group Compliance & AML*	**Giuseppe Piparo**	*Group ICT*
Directors	**Andrea Benettin**	*Credit Management*	**Gino Gai**	*Payments*	**Alessandra Rizzi**	*HR & Organizational Development*
Directors	**Fabio Boninsegni**	*Group Credit Evaluation*	**Mario Gustato**	*Group General Counsel & Business Legal Affairs*	**Andrea Russo**	*Group Legal Affairs*
Directors	**Paolo Callegaro**	*Security Services*	**Walter Landi**	*Group Finance & Treasury*	**Maurizio Tacchella**	*Depositary Bank*
Directors	**Claudio Ceccaroni**	*Group Internal Audit*	**Alessandro Mayer**	*Chief of Staff*	**Carlo Zanni**	*Financial Manager in Charge Planning, Administration & Control*
Directors	**Caterina Della Mora**	*Group Investor Relations, Strategy and M&A*	**Marco Piero**	*Group Risk Management*		
Country Heads	**Marek Duban**	*Slovakia, Czech Republic*	**Krzysztof Kawalec**	*Poland*	**Mariya Terzieva**	*Croatia, France*
Country Heads	**Nuno Francisco**	*Portugal*	**Javier Molinero**	*Spain*	**Christos Theodossiou**	*Greece*

M&A: executing our disciplined strategy

BFF

New M&A targets

1 Existing business (including Vertical integration)

2019

IOS FINANCE

2 Adjacent sectors

2016

magellan

3 New niche markets

2021

DEPObank BANCA DEPOSITARIA ITALIANA

Potential targets' profile:

- Must create value either through growth of top line or funding/capital synergies
- No M&A at all costs: must fall within categories 1, 2,3
- No new geographies in new niche markets

Targets' profile:

- Operating in the same businesses of BFF, in adjacent sectors, or in the existing value chain
- Attractive asset yield with a low risk profile
- Consolidation of BFF's market shares for existing business and/or expansion into new segments leveraging upon existing BFF expertise
- Operating in the same countries covered by BFF or opening new geographies

Main benefits:

- Strengthening efficiency and the level of service offered
- Operational synergies
- Funding synergies

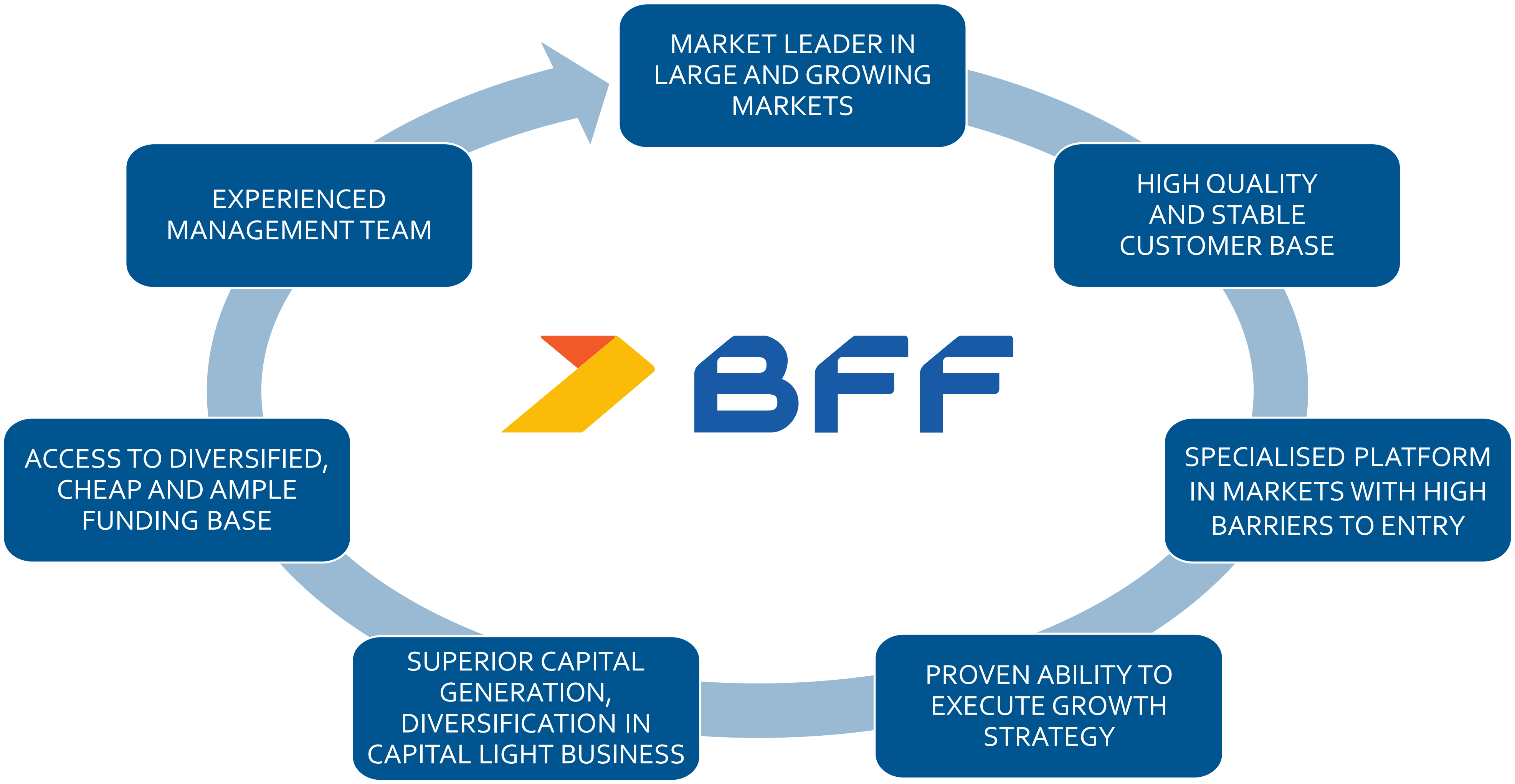
Targets' profile:

- Operating in niche business not covered by traditional banks
- Attractive asset yield with a low risk profile
- Operating only in countries already covered by BFF

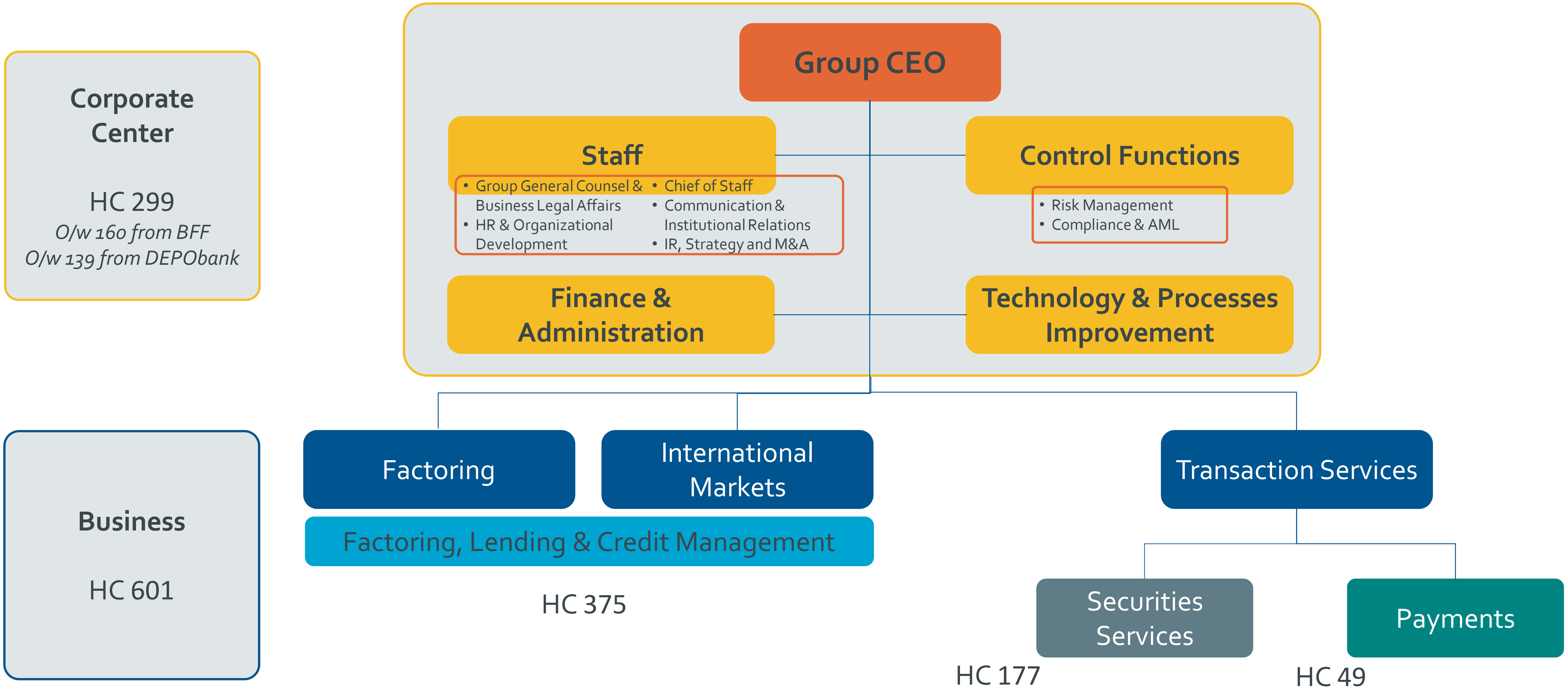
Main benefits:

- Funding synergies
- Diversification
- HQ operational synergies

We are uniquely positioned to deliver



The Group is organized around three businesses supported by a strong Corporate Center



1. Overview: *a bank like no other*

2. Our businesses
   - **2.1 Factoring & Lending**
   - 2.2 Securities Services
   - 2.3 Payments Services
   - 2.4 Central Functions

3. A financial profile *like no other*

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A Factor *like no other*

BFF factoring & lending

Delivering superior performance vs. the market

ROE > 30%

vs. Market : 6.2%*

NPL ratio 0.1%

vs. Market : 4.4%*

A B2B TRUSTED PARTNER
FOR SUPPLIERS OF PA AND NHS

CET1 ratio 15.5%

vs. Market : 11.6%*

Cost/Income 38%

vs. Market : 40.9%*

* Source: KPMG – «*Bilanci delle società di factoring italiane: trend e prospettive 2019*».

Providing working capital solutions to public sector suppliers in the EU

BFF factoring & lending

Structural P.A. late payment of its suppliers, because of:

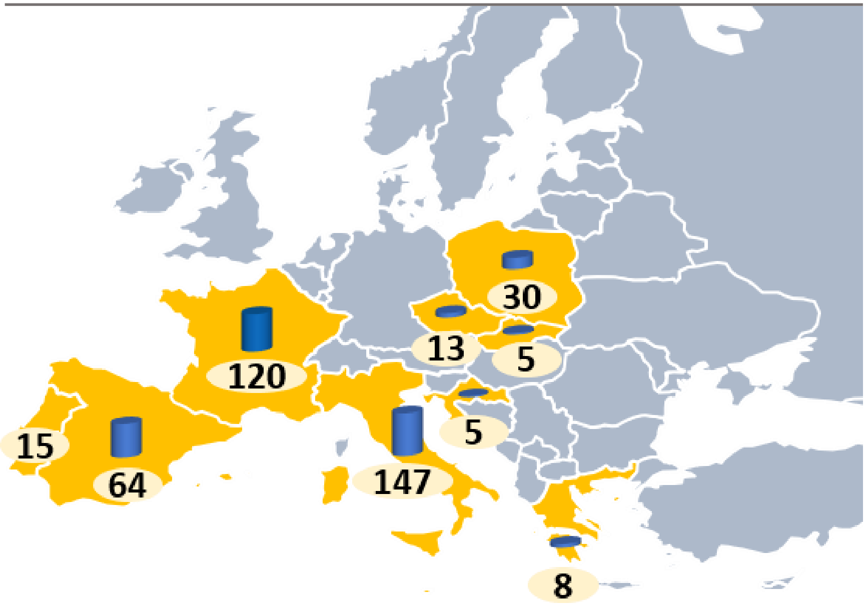
1. Mismatch between centralised tax collection and decentralised public spending

   E.g., in Italy only 17% of total public expenditure for goods & services is managed by the Central government(1)

2. Administrative complexity and inefficiency, with many public entities: c. 22,150 in Italy(2), 18,321 in Spain, and 4,674 in Portugal

3. Commercial debt not classified as public debt, allowing financial flexibility to governments

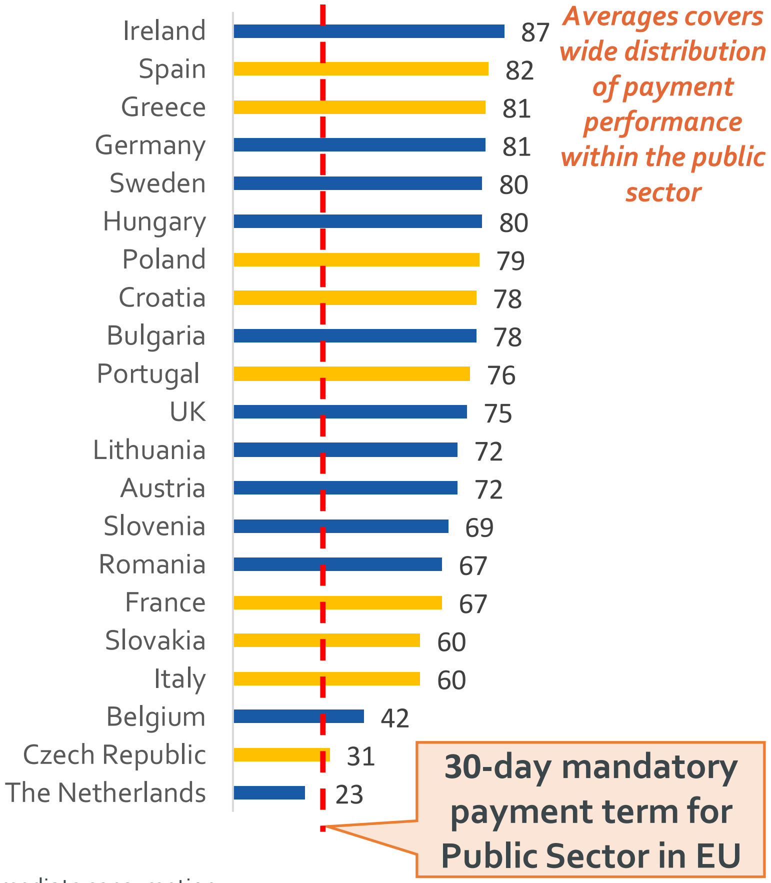
Public expenditure in goods & services(1) in the EU countries where BFF operates



BFF's countries of operations

Public expenditure in good & services in 2019 (€bn)(1)

Average payment time of the Public Sector in the EU(3)



(1) Source : Eurostat (2019 data updated as of 15th February 2021). Italy and Portugal: Intermediate consumption + Social transfers in kind; all other countries: Intermediate consumption.
(2) Source as of 03/03/2021: https://indicepa.gov.it/report/n-rep-amministraz-percategoria.php.
(3) Average days taken by customer to pay. Source: European Payment Report 2020, Intrum.

EU leader in non-recourse factoring, credit management and specialised lending towards PA

BFF factoring & lending

- European Leader in non recourse factoring of invoices towards PA
- Only pan-European platform able to serve our multinational clients'
- Over 35-years of on-the-field experience and proprietary know-how in payment dynamics and collection strategy towards PA
- Long standing relationships: top 10 clients on average for >15 years
- Specialized and proprietary IT platform
- Credit collection acts as an important enabler of factoring services

KEY DATA | NEW VOLUME BREAKDOWN | CLIENTS

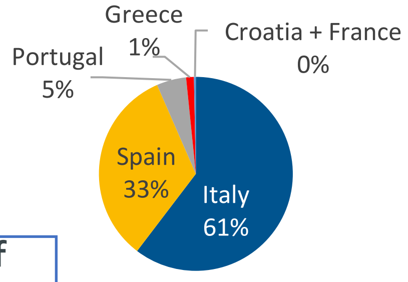
Non-recourse factoring in Southern Europe

- Clients pay discount to face value
- Debtors (PA entities) pay Late Payments Interests ("LPIs") at ECB rate + 8%

Key data:

- New Volume: €5,020m
- Loans:€ 3,167m

72% of revenues



Clients: PA suppliers (pharma, utilities, telco, etc.)

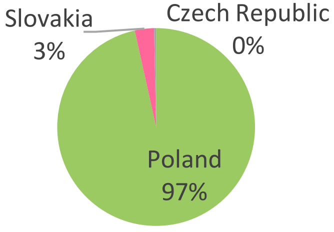
Financing and non-recourse factoring in CE Europe

- Interest on loans / financing
- Discount to face value for factoring
- LPIs paid by the debtors

Key data:

- New Volume: €765m
- Loans:€901m

25% of revenues



Clients: Local Gov., public hospitals and PA suppliers

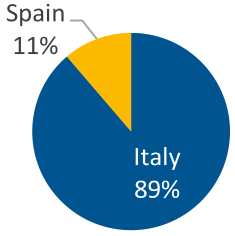
Credit management

- Clients pay service fees for the credit management and collection outsourcing

Key data:

- New Volume: €3,181m
- Loans: -

3% of revenues



Clients: PA suppliers (e.g., pharma companies)

Foundations of our success

BFF factoring & lending

1 Large Addressable Market > €400bn

- PA expenditure growing at c.2/3% per annum +
- c. €410bn size of markets already covered +
- c. €30bn size of potential new markets

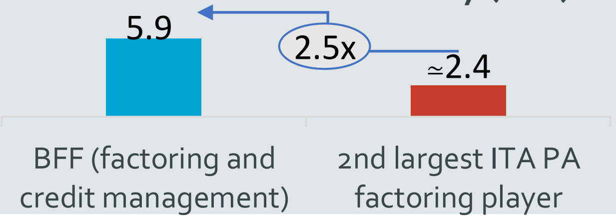
2 Longevity of client & debtors relationships

- A trusted partner for our customers: top 10 clients with BFF on average for >15 years
- A soundtrack record in dealing with public debtors for > 30 Years

3 Strong Entry Barriers

- Significantly bigger scale vs. competitors
- Only pan-European platform
- "New DoD" raises complexity for new entrants

New volume 2020 in Italy (€bn)



4 Consistently High Return

- Adjusted Interest Income/RWAs > 10%
- Highly capital generating model, consistent over time
- Able to self fund superior growth

>30% RoTE

>10% net income growth p.a. since 2013

>€400bn addressable market vs. €5.8bn of new business volume

Organic growth opportunity

> 10% p.a. volume and loans growth

Long-Term Public Expenditure Growth

Growth on the back of HC and public expenditure growth

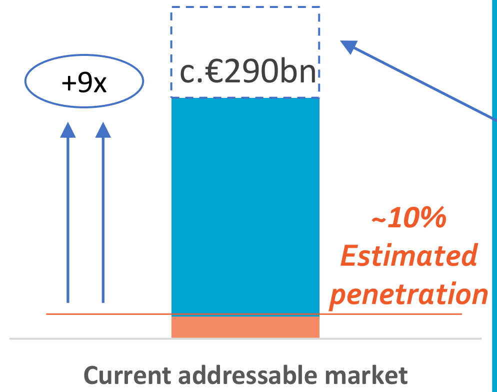
> +2 / 3% CAGR

Low to mid single digit in mature markets, higher in Central Eastern Europe

+

Increase Market Penetration

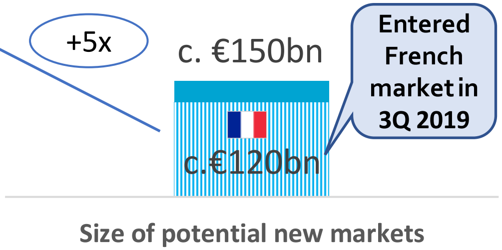
Only c. 10% of c. €290bn PA invoices are factored



+

New Markets

Potential new PA markets account for additional c. €150bn of receivables



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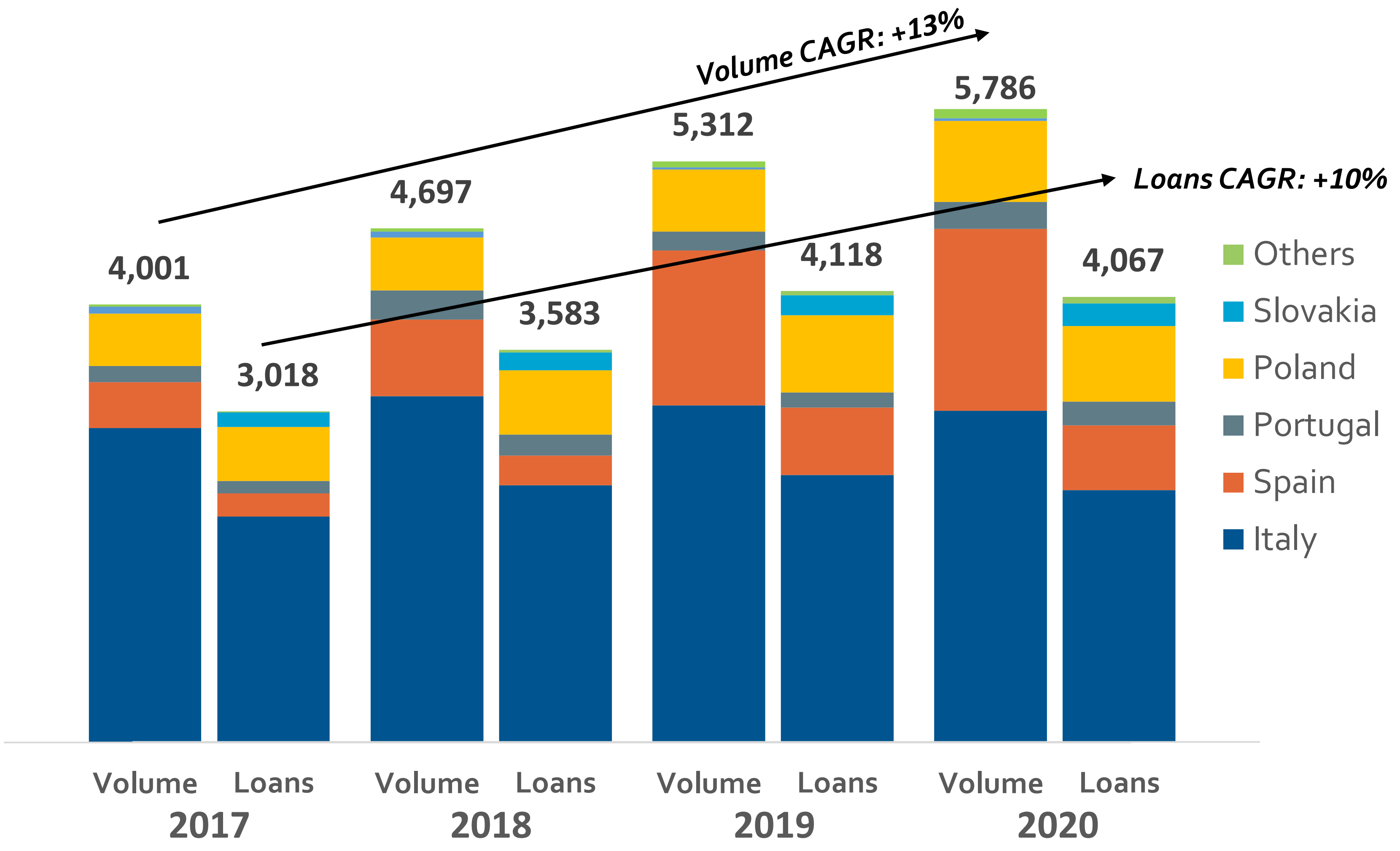
Despite growth, international business still underweight...

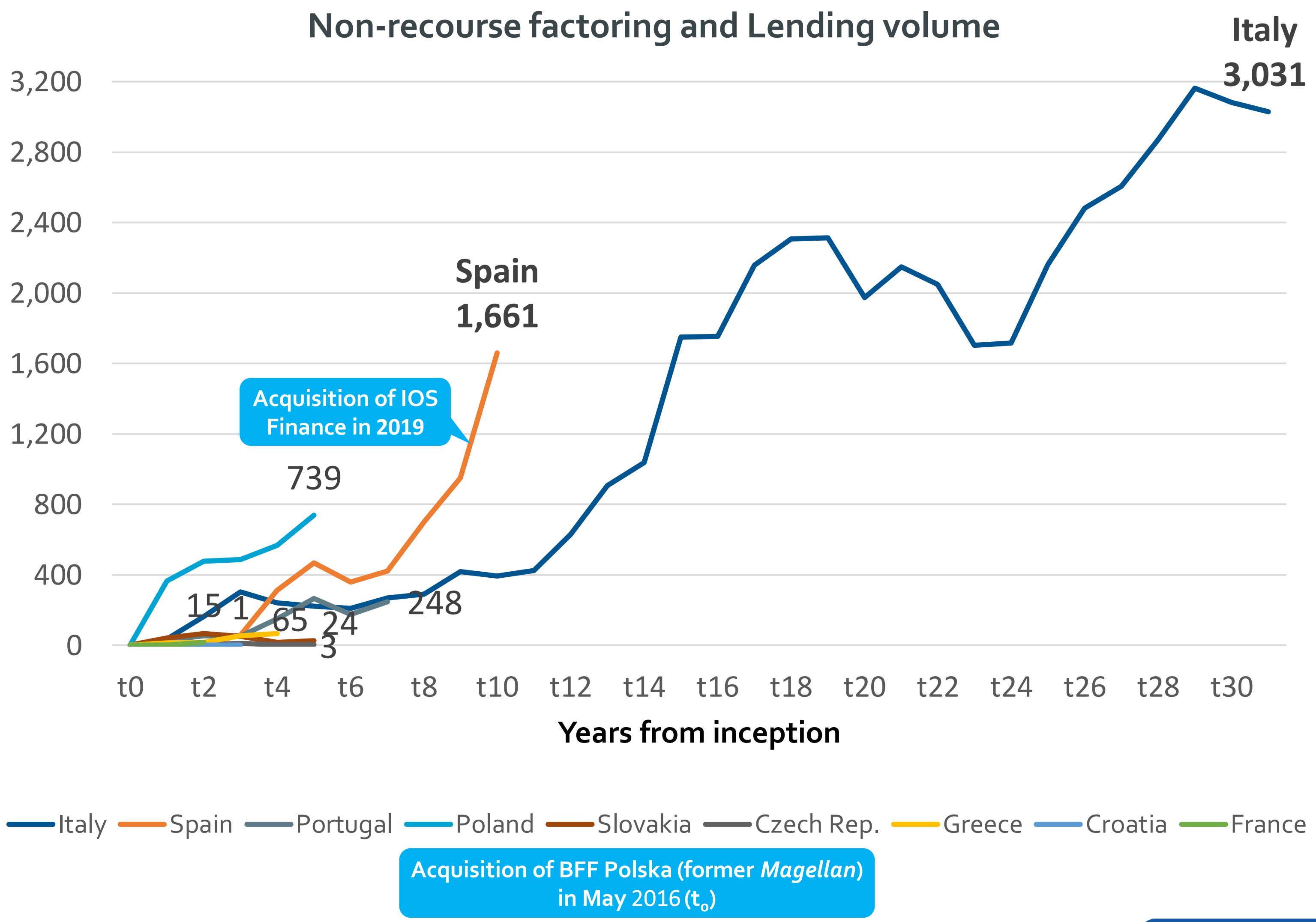
- Increased geographic diversification, with strengthened exposures in non-domestic markets
- Launched activities in freedom of service (FOS):
  - in Greece in September 2017 (branch from September 2019)
  - in Croatia in December 2018
  - In France in August 2019



...Due to volume's slow ramp-up in the first years with steep growth later on

1

- Factoring has a long ramp-up period: market penetration requires time
- In order to steepen the growth curve, it takes on average 4+ years
- Initially clients derive from cross border activity, while the acquisition of new clients in new geographies requires a teach-in effort with a deferred steep growth
- The investment in infrastructure and sale force are not at full capacity at the beginning



High quality and stable customers' base

BFF factoring & lending

Revenues coming from both clients and debtors

Public sector suppliers (BFF's clients)

Pay purchase price

Sell receivables

\+ Maturity commissions

BFF

Collect cash

Active collection of receivables

\+ Late payment interests (LPIs) set by the EU

Public sector entities (debtors)

Leading multinational and national suppliers of the public sector

GE Healthcare, Air Liquide (creative oxygen), eni, TIM, Merck, Bristol-Myers Squibb, Baxter, gsk, Abbott (A Promise for Life), enel, Pfizer, BD

For illustrative purpose only

Debtors are PA in the EU

- Central government entities (i.e ministries)
- Regions
- Provinces and Municipalities
- Other local government entities
- Public and public owned hospitals
- Other HC entities and other public entities

Strong competitive advantages vs. competitors

BFF factoring & lending

	COMPETITORS			
	TRADITIONAL BANKS	**SPECIALTY FINANCE**	**NEW COMERS**	**BFF**
ASSET QUALITY CLIENT BASE	– Mix of multinational corporates and SMEs	– Mix of multinational corporates and SMEs	▼ Low: mostly SMEs. Large corporate requires long engagement	▲ Mostly multinationals suppliers of the PA
ASSET QUALITY DEBTOR OF THE RECEIVABLES	– Mix of public and private sector	– Mix of public and private sector	▼ Usually, high exposure towards private sector	▲ Almost 100% exposure towards public sector (NHS and other PA)
INTERNATIONAL COVERAGE	– Medium-Low: difficult to replicate profitably the business also abroad	▼ Low, almost only domestic	▼ Low, only domestic	▲ High, with 9 countries and minimum incremental investment
RELATIONSHIP WITH PA	▼ PA is client in other business lines → possible conflict of interest in LPIs recovery	▲ PA is not client → no conflict of interest in LPIs recovery	– PA may be or not a client	▲ PA is not client → no conflict of interest in LPIs recovery
ABILITY TO COLLECT LPIs FROM PA	▼ Almost no LPIs collection track-record	– May have track-record	▼ No track-record	▲ 35 years of track-record
COST OF FUNDING	▲ Low, but with high fixed costs → branches	▼ High	▼ High	▼ High: pre DEPObank deal ▲ Low: after DEPObank deal
PROFITABILITY	▼ Low	– Medium	▼ Low, especially at the beginning: LPIs collected over m/l time span	▲ Strong, with LPIs collected and accounted over 5y period on average

4

Factoring and Lending – Historical KPI

BFF factoring & lending

Main Trends 2018-20:

- Double digit growth in volume
- Strong collections in 2020, driven by high liquidity in the system
- Portfolio grew at slower pace than volume due to higher collections
- Low risk level. RWA positively impacted by new DoD
- LPI collection impacted by COVID-19 pandemic, resulting in growing LPI fund
- Lower LPI collection and Wibor decrease in 2020 caused Yield reduction
- High operating efficiency, despite continuous investment in growth

€m	2018	2019	2020
Volume	4,697	5,312	5,786
Collections - Non recourse	3,677	4,465	5,209
Loans & Receivables	3,583	4,118	4,067
RWAs	2,262	2,414	1,616
Debt excluding REPO	3,272	3,919	3,697
LPIs collected	90	88	78
LPIs fund	563	634	681
Unrecognised LPIs fund	356	396	406
Yield on average loans %	7.3%	6.6%	5.8%
Cost of Funding(1) %	(2.3%)	(2.2%)	(1.8%)
Net Interest Income/RWAs(2) %	7.1%	6.9%	10.0%
OPEX/Loans %	1.0%	0.9%	0.9%
Cost/Income(3) %	19%	19%	20%
Cost of Risk %	0.13%	0.06%	0.08%
Number of employees	333	367	375

(1) See page 57 for transfer price mechanism.
(2) Net interest income on year end RWAs.
(3) Calculated as (OPEX and D&A)/(Net Banking Income and Other operating income).

Expected trends 2020-23:

- Double digit growth on Loans and Volume, assuming stable DSOs
- Double digit growth on LPI collection, also thanks to the assumed recovery of 2020 uncollected LPI
- Unchanged best in class asset quality and capital absorption
- Stable Yield and return on RWA
- OPEX to Loans and Cost/Income stable

Factoring and Lending – Historical Financials

BFF factoring & lending

Main Trends 2018-20:

- Overecoveries impacted by slowed LPI collection
- Rescheduling driven by increase of portfolio to be managed (beginning of period level)
- Net interest income affected by lower net overecoveries
- Other operating income impacted by recovery of credit collection costs
- Increase in costs follow investment in growth maintaining high efficiency
- High asset quality with risk profile under control

€m	2018	2019	2020
Interest Income	225.6	241.8	226.8
of which Net LPI over-recovery	*19.5*	*16.8*	*7.3*
Interest Expenses	(64.3)	(74.8)	(64.9)
Net Interest Income	**161.4**	**166.9**	**161.8**
Net Fee and Commission Income	5.7	4.5	4.6
Other Income	(0.0)	(0.0)	0.0
Net Banking Income	**167.1**	**171.4**	**166.4**
Other Operating Income (Expenses)	3.9	7.2	10.4
Direct OPEX	(31.4)	(32.7)	(33.9)
of which Personnel Expenses	*(17.8)*	*(19.0)*	*(20.8)*
of which G&A	*(13.6)*	*(13.8)*	*(13.1)*
Direct D&A	(0.5)	(0.5)	(0.7)
Loan Loss Provision	(4.8)	(2.4)	(3.2)
Net provisions for risks and charges	0.0	0.0	0.0
Adjusted Profit Before Taxes	**134.3**	**143.0**	**139.1**

Expected trends 2020-23:

- Double digit growth in loans
- Double digit interest income sustained by recovery in LPI collection
- Efficient cost structure able to sustain growth, increasing high single digit
- Stable negligible credit risk

Lead the market with specialization and unique competitive position

Opportunities

> €400bn of addressable market (public expenditure in good & services in the EU countries where BFF operates)

Further expand business outside Italy, providing high quality services

Strengthen relationships with large multinational clients at headquarter levels to increase cross-border deals, offering a global service

Leverage on credit management as a retention tool and teach-in tool for new customers

Delivering excellent execution, through back-office automatisation & standardised processes

Potential challenges

Cyclical trend of DSOs

High liquidity from Governments and competition

National champion in the Securities Services business with focus on domestic segments

BFF securities services

- **Italian national champion in the Securities Services market, leader in pension funds**
- Long standing relationships and key role in the Italian financial ecosystem with a diversified customer base composed of:
  - > 170 mutual Italian funds
  - > 50 Italian pension funds
  - > 110 Italian alternative funds (AIF)
- Customized offer for small/medium size Italian banks and investment funds
- Unique domestic value proposition *versus* international players, offering tailor-made solutions and a dedicated commercial service
- **Synergic business**: depositary services are enablers for cross selling in FA and TA due to their complementarity

c. 36.6%(1) pension fund market share and 6% depositary market(2)

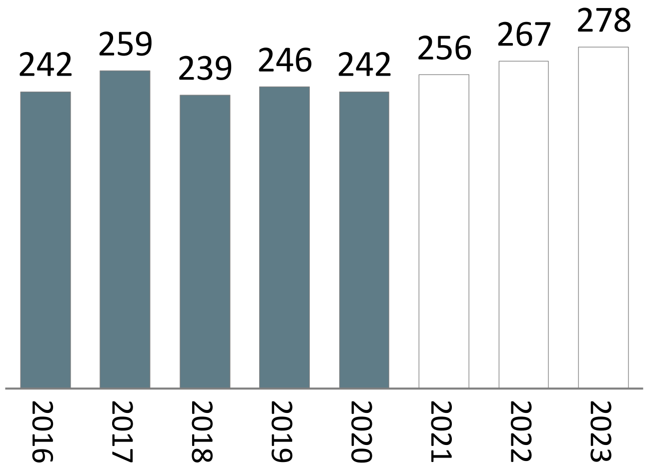
	Service	Key data	Clients
A	**Depositary Bank** ▪ Recording/keeping securities records and reporting, monitoring and reconciliation ▪ Compliance with local funds' norms ▪ Witholding agent in connection with capital gains excluded from substitute tax	€76bn Assets under Depositary	• Mutual Fund • Pension Fund • AIF
B	**Global Custody** ▪ Securities safekeeping and corporate actions ▪ Account keeping, tax reclaim and reporting ▪ Holding of assets and remuneration of securities	€145bn assets	• Mutual Fund • Pension Fund • Broker and Dealer (SIM) • Bank
C	**Fund Accounting** ▪ NAV calculation, regulatory & tax reporting ▪ Fees management and portfolio investment tracking ▪ Corporate & legal services, financial reporting	€48bn assets	• Mutual Fund • Pension Fund • AIF
D	**Transfer Agent** ▪ Investor recordkeeping/shareholder servicing ▪ Certificates management, account administration & reporting including compliance ▪ Cash/Dividend distributions	#2.3m retail investors	• Mutual Fund • AIF

(1) Source: Mefop «Bollettino Statistico 78». **(2)** BFF elaboration.

Italian funds expected to grow in the next years by mid-single digits

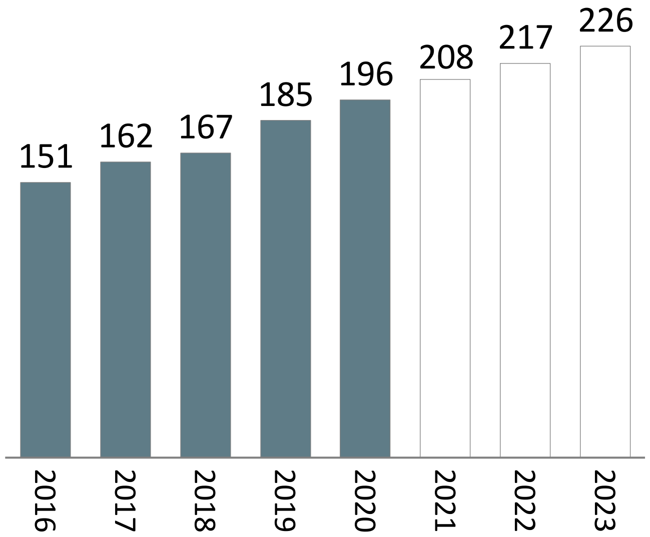
Perimeter: Italian funds[1]

AuM Open Italian Mutual funds (€B)



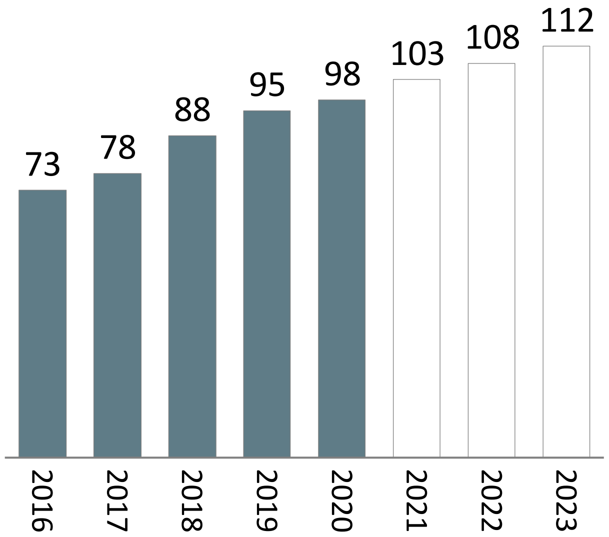
Projected growth driven by expected recovery from the Covid crisis

AuM Italian Pension funds (€B)



Rising accumulation driven by demographics

AuM Alternative[2] Italian funds (€B)



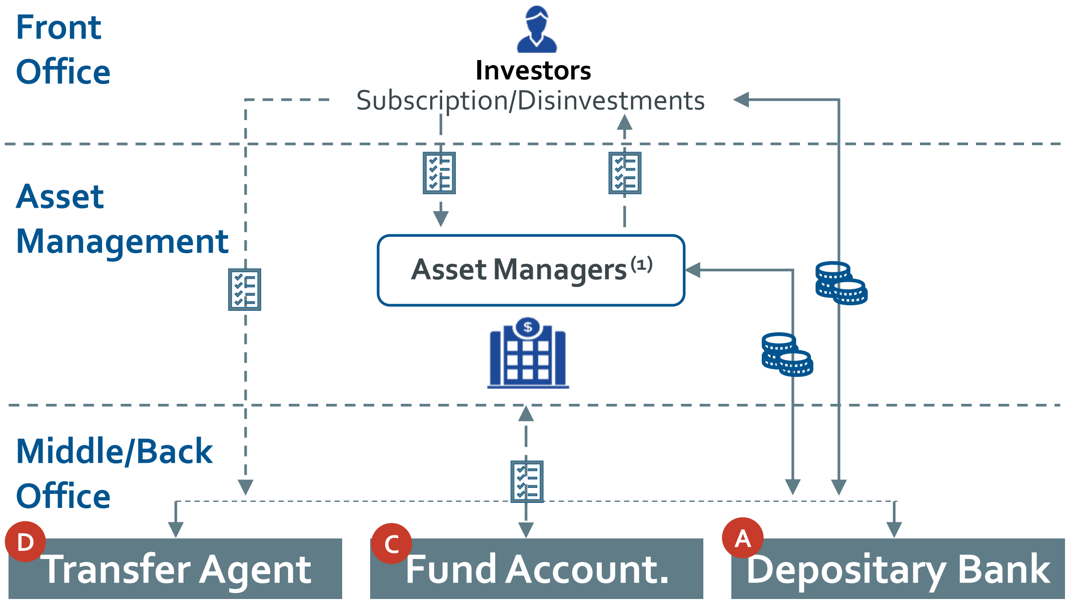
Low interests & investor sophistications drive demand for AIFs

(1) I.e., funds governed by Italian law.
(2) Real Estate and Private Equity funds (incl. foreign funds active in Italy).
(3) Alternative Investment Fund
Source: Assogestioni, Covip, AIFI, Prometeia, BCG Analysis.

Securities Services at glance

BFF securities services

Fund Services



Transfer Agent: Services addressed to Investors: i.e., record-keeping

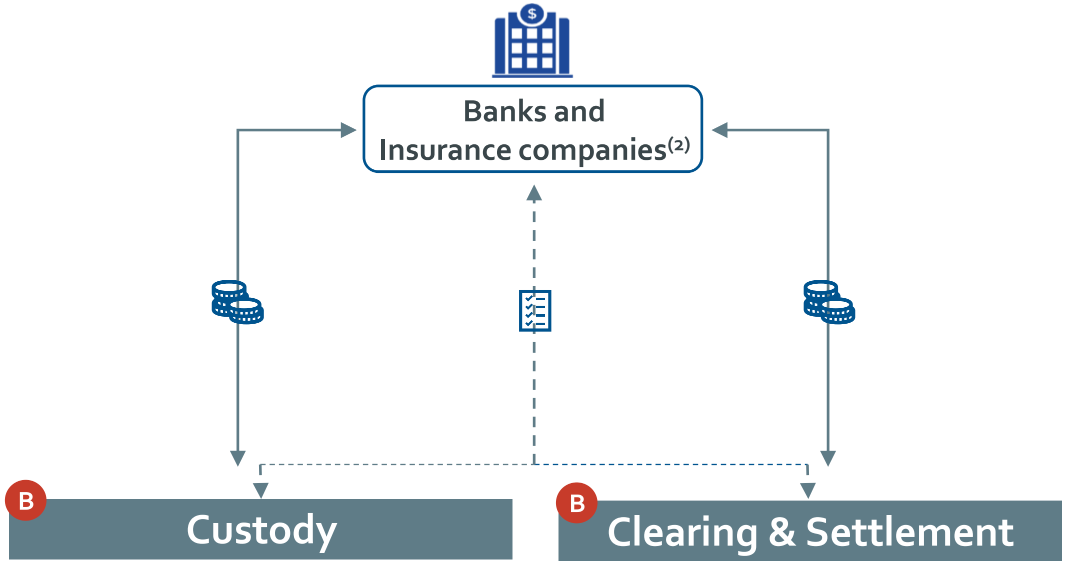
Fund Account.: NAV calculation, regulatory & tax reporting

Depositary Bank: Reporting and monitoring Regulatory Entities and funds' norms

Regulatory Entities

Transfer Agent	Fund Account.	Depositary Bank
Mutual funds	Pension funds, mutual funds and AIFs	Pension funds, mutual funds and AIFs

Global Custody



Custody
- Securities Safekeeping
- Tax reclaims
- Corporate Actions
- Proxy voting

Clearing & Settlement
- Settlement
- EMIR reports
- Collateral management

Banks and Insurance Companies

Information flow

Cash transaction flow

(1) Asset Managers are the main clients.(2) Banks and insurance companies are the main clients.

Competitive positioning in securities services

Globally the value chain is structurally served by two types of providers

1 International **players covering the whole value chain with a standardised offer**

- **Complete services package**
- **Standardised offer**
- **Leveraging acquisitions and economy of scale** to obtain clients with **more capital managed** and who also manage **foreign based funds**

STATE STREET. BNP PARIBAS SECURITIES SERVICES. BNY MELLON. SOCIETE GENERALE Securities Services. caceis INVESTOR SERVICES. RBC Investor Services

2 **National players («local custodian») with selective focus and personalised services**

- **Selective services package**
- **Highly flexible and personalized offer**
- **Strong knowledge of the local market**
- **Small and / or medium sized clients**

BFF. cecabank SERVICIOS FINANCIEROS. DZ BANK

Strategic Partnership

3 **Strategic partnership with a leading global player to offer additional value added services**

- **International equity custody**

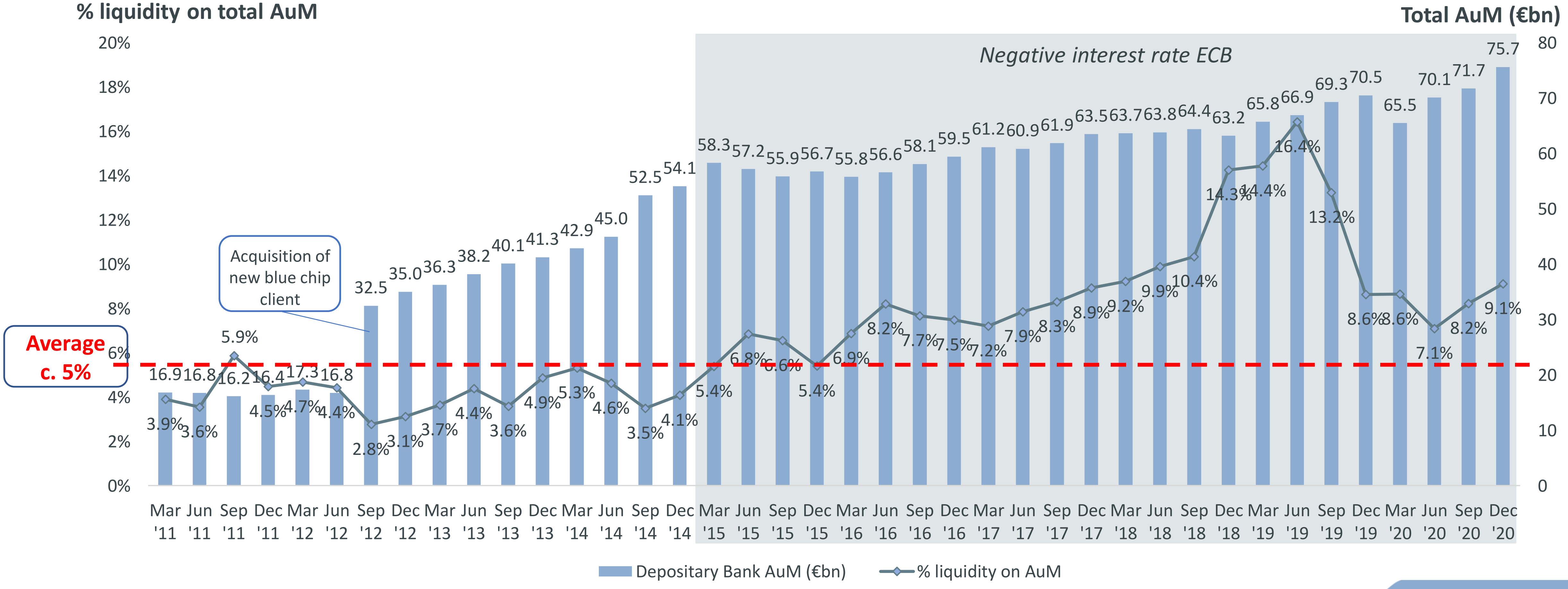
Work in progress

- **Securities Lending**
- **Italian Fiscal Services**
- **Develop a joint value proposition for large prospect clients**
- **Services for asset managers**

The depositary bank is a major source of liquidity

Evolution of depositary bank AuM (€bn), and % liquidity on total AuM

Historically depositary bank liquidity is on avgerage c. 5% of AuM .
The peak period shown in the graph below is due to macro instability and exemption to charge interest to clients (in whole or in part).
Going forward, negative interest rate on deposits will be actively used to bring liquidity towards the 5% target



Securities Services – Historical KPI

Main Trends 2018-20:

- Depositary Bank's AuM and Global Custody's AuC increased yoy thanks to business development and market performance
- Fund Accounting and Transfer Agent trend driven by Depositary Bank's performance
- Year-end deposits driven by market conditions (with a peak at Dec2018 and Jun2019, see slide 35)

	2018	2019	2020
Depositary Bank (AuD, €m)	63,208	70,539	75,659
Fund Accounting (AuM, €m)	44,707	47,716	47,892
Transfer Agent (n° clients, #m)	2	2	2
Custody (AuC, €m)	120,613	143,397	144,592
Settlement (n° operations, #m)	2	2	2
Year End Deposits (€m)	9,325	6,137	7,614
Number of headcounts	181	173	177
Cost/Income(1)	55%	52%	55%

Commissions - €m	2018	2019	2020
Depositary Bank controls	16.6	15.1	14.6
Fund Accounting	12.3	10.0	10.0
Transfer Agent	6.9	8.6	7.1
Custody	5.1	6.4	6.2
Settlements & Other services	2.7	3.2	4.2
Securities Services - Commissions	**43.6**	**43.3**	**42.1**

(1) Calculated as (OPEX and D&A)/(Net Banking Income and Other operating income).

Expected Trends 2020-23:

- AuM (Depositary Bank and Fund Accounting) and n° of subscribers (Transfer Agent) increasing yoy @high single digits, for business development and market performance
- Custody AuC expected to growth @mid single digits, driven by the AuM expected increase and market performance
- Year-end deposits expected to follow AuM trend and the related physiological level of liquidity

Securities Services – Historical Financial

BFF securities services

Main Trends 2018-20:

- Net Interest Income trend impacted by the peak in deposits in Jun2019
- Net Fee and Commission Income impacted by i. Covid crisis in 2Q/3Q 2020 (AuM experienced a drop during the year - due to the market performance - and bounced back at the end of 2020), and ii. renewed pricing condition applied to important clients
- Direct Costs and D&A decreasing YoY due to costs initiatives to improve efficiency

€m	2018	2019	2020
Net Interest Income	**14.1**	**16.3**	**11.4**
Net Fee and Commission Income	43.6	43.3	42.1
Net Banking Income	**57.7**	**59.6**	**53.6**
Other Operating Income (Expenses)	1.8	1.4	0.7
Direct OPEX	(30.7)	(30.8)	(28.6)
of which Personnel Expenses	*(11.7)*	*(11.9)*	*(12.1)*
of which G&A	*(19.0)*	*(18.9)*	*(16.5)*
Direct D&A	(1.8)	(0.7)	(1.4)
Net provisions for risks and charges	(0.0)	(0.4)	(0.6)
Adjusted Profit Before Taxes	**27.0**	**29.1**	**23.6**

Main Trends 2021-23:

- Net Interest Income expected to significantly increase in 2023 due to average deposits trend, more efficient liquidity management and transfer pricing effect
- Net Fee and Commission Income expected to increase at a slower rate than AuM (@mid single digits)
- Direct Costs and D&A slightly increasing in absolute terms, but a slower pace than revenue growth, thanks to scale economy, with C/I lower than 40% in 2023

Differentiating in value added services and with focus on customization and tailored solutions

securities services

Opportunities

Asset under Management growth

Retention of existing clients, in particular of Mutual Funds and Pension Funds, through focus on customer service and securities services

Specialization in businesses segments where DEPObank is market leader and which require customized approach, such as small/medium AIFs rapidly growing and Pension Funds

Increase scope of value added services to meet clients' growing needs (i.e. securities lending, Italian fiscal services)

Potential challenges

Asset managers consolidation

Fee pressure

Italian independent leader in banking payments

Independent intermediary. Bundled ACH offering

BFF payments

- **Italian independent leader on domestic transactions with a significant focus on intermediation services**
- Key role for both the medium-small sized banks (e.g. intermediation services) and for the large banks (e.g. card settlement)
- Long-standing relationship with Nexi for the management of payments from acquiring and issuing of credit cards

	Key data	Clients
1 Intermediation ▪ Transfer and collections intermediation (SEPA) ▪ Card settlement: (i) clearing and settlement of VISA and MasterCard circuit and (ii) Competitive intermediation (Setif) ▪ Other settlement services & Web/ATM payment	Transaction #470.1m	Banks, Payment Institutions, IMEL
2 Checks & receivables ▪ Checks issuing: project support, supply of personalized check ▪ Checks collection: bank intermediation and accounting ▪ Receivable collection: management of unpaid/protested and collection management	Transaction #56.2m	Banks, Corporates
3 Corporate Payments ▪ Collection and management of payment flows ▪ Intermediation bank between corporate and other banks ▪ Collector body, operative & accounting intermediator	Transaction #35.5m	Banks, Corporates, Public Administrations

Payments value chain

BFF payments

Interbank intermediation (illustrative example)

Value Chain(1)

Customers	PSP Payment Service Providers	Intermediary Bank	Clearing House	Systems regulation
Players examples:	mediolanum BANCA, PAYTIPPER, CheBanca!, nexi	BFF, Cassa Centrale Banca Gruppo Bancario, Gruppo bancario Iccrea	nexi, EQUENS, SIA, EBA CLEARING	BANCA D'ITALIA, target2
Description: 3 macro-categories • Retail • Corporate • Public administration	Payment Service Provider • Bank • Institution of payment • Electronic Money Institution they provide, as far as competence, services banking and based on payment accounts	Bank collector of settlement agent services on behalf of generally small to medium size PSP	System Infrastructure enabled the realization of the "clearing phase" of interbank payments	System Platform authorized to "finality phase "of interbank payments (i.e. BIComp, Target 2)

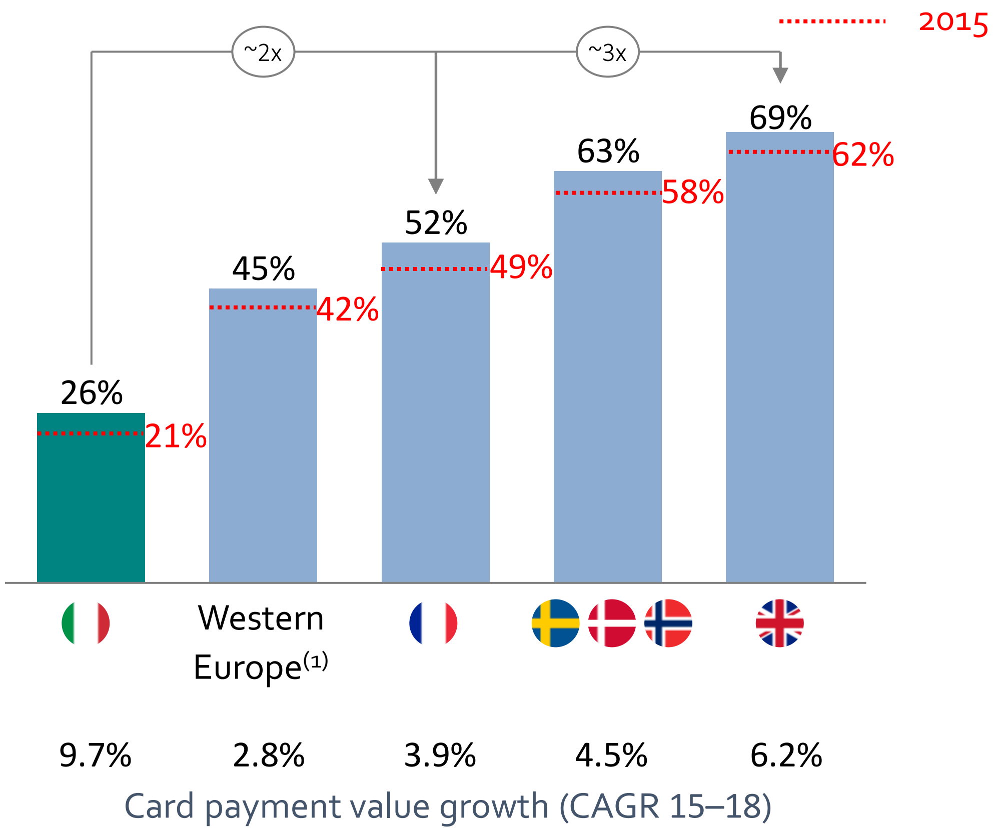
Correspondent banking

Cash base

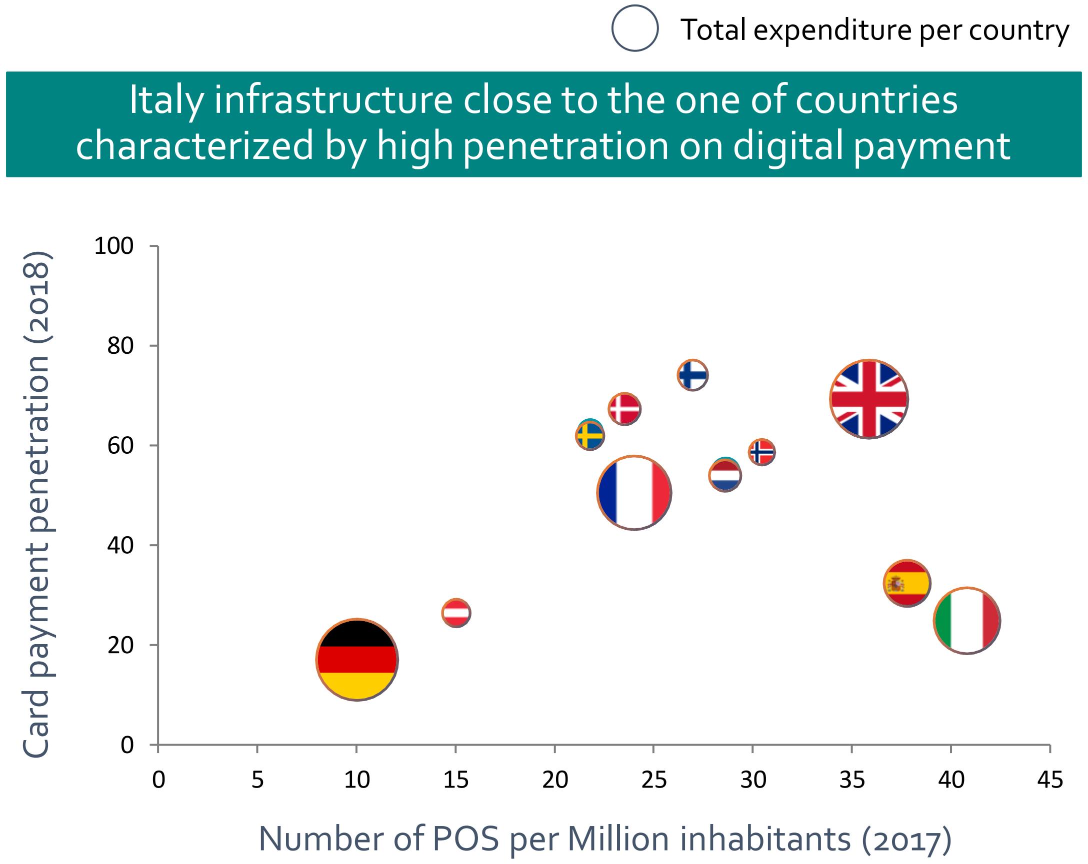
(1) Relational flow.

Italy's digital payments' low penetration allows high growth potential

Incidence of non-cash transactions on total payment volume (2018)



Infrastructure landscape
Card payment penetration and POS presence



(1) Western Europe countries excluding Turkey; Source: Edgar, Dunn & Co.

Payments offering at glance

BFF payments

Main Clients served:

1 Intermediation & Settlement

Banks, Payment Institutions, IMEL

*Services related to the management of financial intermediation services **and clearing (where expected)** and settlement of collection and payment transactions for PSP clients **(Bank/Payments Institution/IMEL license is required)***

Transfers and collections intermediation	Card Settlement	Setif intermediation	Extra-EU payments	Other
• Standard intermediation: SEPA, ACH, Domestic Bi-comp, Target 2 • ACH intermediation offered to banks/payment companies not subscribed to ACH	Clearing and settlement of VISA and MasterCard circuit	• Competitive intermediation • Setif • Interbanking • Multi currency	Extra Euro area payments through a network of correspondent banks and SWIFT	Other settlement services and Web/ATM payment (i.e., phone recharges, Prepaid cards, Postal payment, Utilities, … etc.)

2 3 Check & receivables and Corporate Payments

Banks, Corporates, Public Administrations

Services related to the management of payments and collections through issuance, negotiation and settlement

- Checks issuing and collection
- Bank intermediation and accounting
- Receivable collection ("effetti")
- Transfer and collection for corporate clients
- Payment services for Public Administrations
- Physical Caveau
- Payment services and mobile phone recharge via WEB and ATM
- Payment services public pensions (INPS)

BFF is the only independent intermediary in the Italian market

BFF payments

	Vertically integrated	Cooperative banks	Independent 3rd party
	~72%(1)	~7%	~21%
Intermediary Banks and examples	Vertically integrated banks mainly intermediate themselves or other group banks and use external ACH provider **Large banks**: INTESA SANPAOLO, UniCredit **Small banks**: BANCA DI ASTI, La Cassa di Ravenna S.p.A.	Cooperative banks have an integrated ACH (Iccrea) and intermediate banks gradually consolidating into a single group Gruppo bancario Iccrea	Independent intermediary, without group relations with customer banks. It has a bundled ACH offering. BFF
Behavior	ACH provider does not influence intermediary provider decision	Strong interaction intermediary – client banks with integrated ACH	ACH and intermediary with a bundled offer to client banks

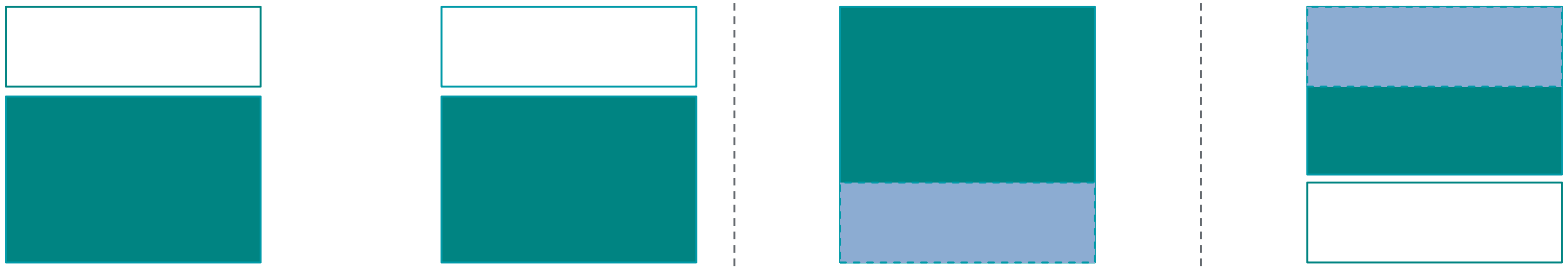
Value chain position

Automated Clearing House (ACH)

Intermediary Bank

Client Bank

Customer



(1) It includes SIA, CSM and Nexi for the portion not intermediated by DEPObank.

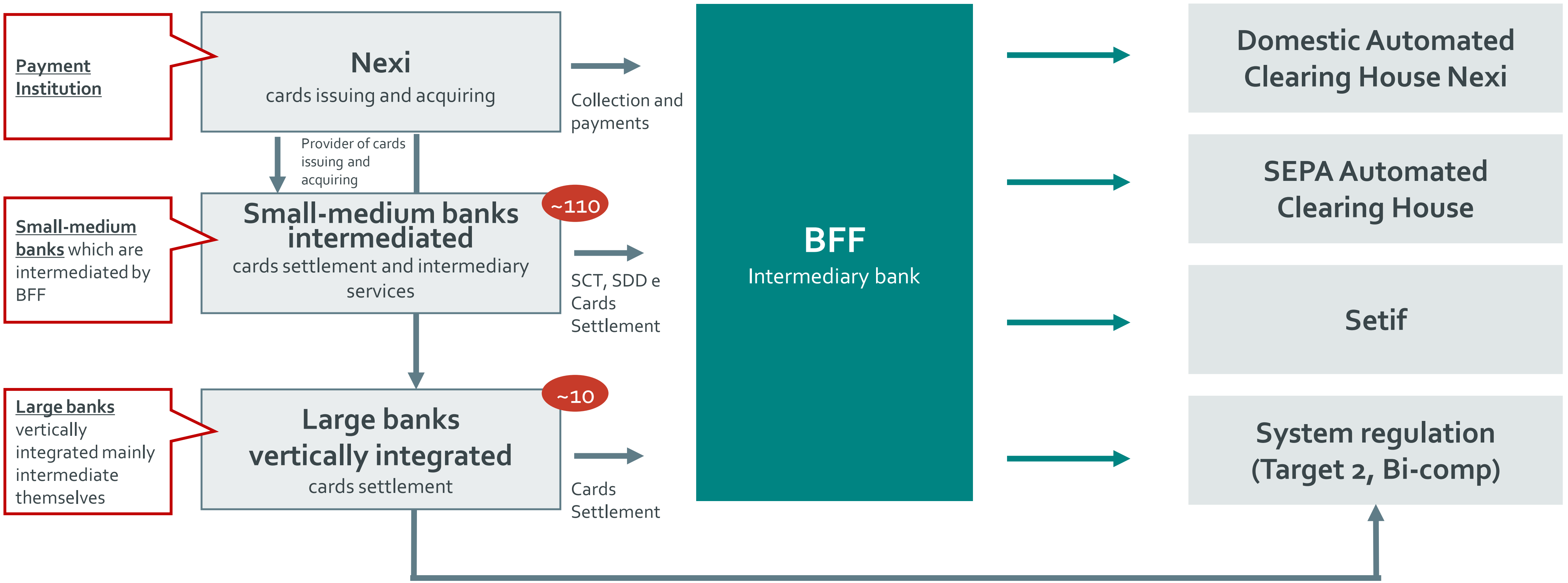
Market share estimate based on ACH # of transactions. Source: Bank of Italy

Relationship with Nexi

BFF payments

BFF is a key layer for Nexi payments management and collections respectively of the acquiring (merchant payments) and issuing of credit cards (card collections), both for medium-small customer banks (which are intermediated) and large banks (direct members) for the settlement of the cards. Relationship extended to 2026

Nexi | **Intermediary bank** | **Payment infrastructure**



Payments – Historical KPI

Main Trends 2018-20:

- Intermediation standard almost flat yoy; market trend offset by banking sector concentration effect
- Card settlement was the main service impacted in 2020 by COVID effect
- Checks and receivables operations declining at market trends
- Year end deposit impacted by payments operativity and checks

	2018	2019	2020
Transfer and collections (n° oper., #m)	267	283	282
Card & Other settlement (n° oper., #m)	199	227	188
Checks & receivables (n° oper., #m)	62	51	36
Corporate Payments (n° oper., #m)	52	58	56
Year End Deposits (€m)	595	705	850
Number of headcounts	62	58	49
Cost/Income(1)	68%	63%	60%

Commissions - €m	2018	2019	2020
Transfer and collections	7.9	7.2	7.3
Card & Other settlement	16.3	19.1	20.4
Checks & receivables	6.0	6.1	4.8
Corporate Payments	7.6	8.1	7.9
Payments - Commissions	**37.8**	**40.6**	**40.3**

(1) Calculated as (OPEX and D&A)/(Net Banking Income and Other operating income).

Expected Trends 2021-23:

- Intermediation increasing at mid single digits yoy following market trend and business development
- Card Settlement and corporate payment operations increasing at high single digit as a result of the expected economic environment recovery post COVID and commercial initiatives
- Checks and notes volume continued reduction. Revenues declining slower due to fixed charge pricing
- Expected year end deposits following liquidity physiological level of payment operations

Payments – Historical Financial

BFF payments

Main Trends 2018-20:

- Net Interest Income mainly impacted by average deposits trends
- Net Fee and Commission Income increasing yoy except in '20 (impacted by COVID): the reduction of operations numbers was offset by the increasing revenues coming from Guarantee Fund services
- Direct Costs and D&A decreasing YoY due to costs initiatives to improve efficiency

€m	2018	2019	2020
Net Interest Income	**2.0**	**1.8**	**2.2**
Net Fee and Commission Income	37.8	40.6	40.3
Net Banking Income	**39.8**	**42.4**	**42.5**
Other Operating Income (Expenses)	5.4	7.8	7.5
Direct OPEX	(30.2)	(31.2)	(29.0)
of which Personnel Expenses	*(4.5)*	*(4.3)*	*(4.0)*
of which G&A	*(25.8)*	*(26.8)*	*(25.0)*
Direct D&A	(0.7)	(0.6)	(1.2)
Net provisions for risks and charges	(0.0)	(0.2)	(0.1)
Adjusted Profit Before Taxes	**14.3**	**18.2**	**19.8**

Expected Trends 2021-23:

- Net Interest Income impacted by mixed effect of average deposits trends and applied rates, growing at high single digit
- Net Fee and Commission Income increasing yoy at high single digit as a result of the expected economic environment recovery post COVID and commercial initiatives
- Direct Costs and D&A slightly increasing in absolute terms, but a slower pace than revenue growth, thanks to scale economy, with C/I not higher than 55% in 2023

Growth potential in a low penetrated market, pioneering tech change

BFF payments

Opportunities

Increase market penetration: penetration of digital payment services in Italy among the lowest in Europe, with strong growth

"New" service in a fast growing niches: strategic initiatives, such as instant payments, new relations with third party providers (allowed by new technology PSD2)

Nexi partnership, with revised and more flexible terms for ICT contract

Nexi-SIA merger: increase of win-win business opportunities for BFF

Potential challenges

Banks' consolidation

Fees pressure

Decrease in checks and «effetti»

Corporate Center covers the HQ functions, ICT and treasury

The corporate center includes all the central functions and staff activities (HR and SG&A) not already allocated to BUs, all the ICT opex and capex not directly booked in the BUs, and the treasury and funding functions, including the transfer pricing revenues. **All the costs and funding synergies are allocated to the corporate center.**

A — Central Function & Staff

- HR not already allocated to BUs
- SG&A not already allocated to BUs

B — ICT

- Opex & Capex not already allocated to BUs

C — Funding & Treasury

- Manages liquidity to and from BUs
- Deploys liquidity in Factoring and Lending, Govies, ECB accounts

Opex and Capex Synergies (A, B)

Funding Synergies (C)

Corporate center - reconciliation

The corporate center comprises:

- All the costs and revenues not directly allocated to the business units
- The treasury margin

Banca Farmafactoring P&L − Factoring & Lending P&L = Banca Farmafactoring Corporate Center P&L

\+

DEPObank P&L − S.S. P&L / Payments P&L = DEPObank Corporate Center P&L(1)

=

BFF Corporate Center pre synergies

€m	2018	2019	2020
Net Interest Income	**27.4**	**33.6**	**36.6**
Other Income	0.4	0.3	0.6
Net Banking Income	**27.8**	**33.9**	**37.2**
Other Operating Income (Expenses)	0.0	0.0	0.0
Personnel Expenses	(13.4)	(17.3)	(18.1)
G&A	(21.3)	(21.0)	(20.7)
D&A	(2.8)	(4.6)	(4.8)
Net provisions for risks and charges	(1.0)	(2.5)	(0.6)
Adjusted Profit Before Taxes	**(10.6)**	**(11.4)**	**(6.9)**

€m	2018(2)	2019	2020
Net Interest Income	**19.3**	**12.9**	**21.4**
Net Fee and Commission Income	2.5	(1.7)	(0.9)
Other Income	14.4	17.6	5.8
Net Banking Income	**36.1**	**28.8**	**26.3**
Other Operating Income (Expenses)	33.9	1.2	1.1
Personnel Expenses	(38.2)	(13.9)	(15.7)
G&A	(35.1)	(20.8)	(25.4)
D&A	(13.6)	(11.6)	(11.0)
Loan Loss Provision	(7.3)	2.4	1.8
Net provisions for risks and charges	0.5	(0.3)	(0.2)
Adjusted Profit Before Taxes	**(23.7)**	**(14.2)**	**(23.1)**

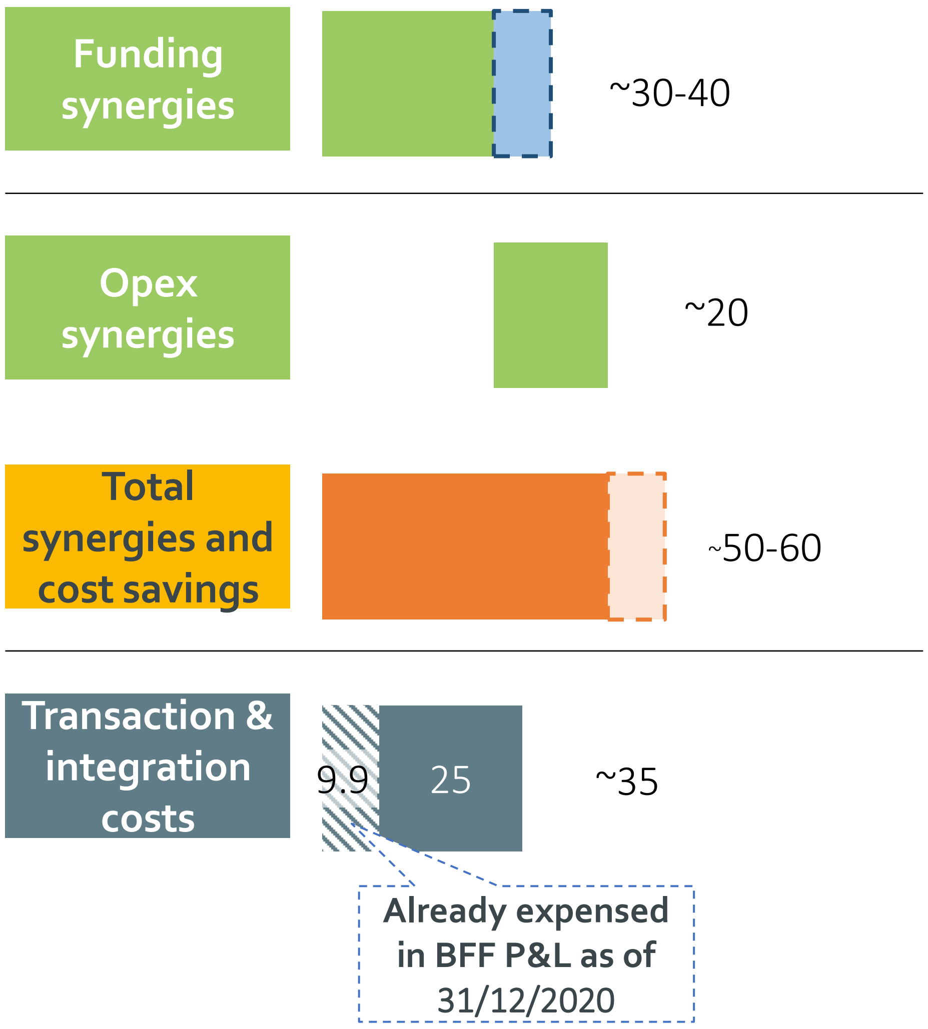
€m	2018	2019	2020
Net Interest Income	**46.6**	**46.5**	**58.0**
Net Fee and Commission Income	2.5	(1.7)	(0.9)
Other Income	14.9	17.9	6.5
Net Banking Income	**63.9**	**62.7**	**63.5**
Other Operating Income (Expenses)	33.9	1.2	1.1
Personnel Expenses	(51.7)	(31.2)	(33.7)
G&A	(56.3)	(41.8)	(46.1)
D&A	(16.4)	(16.2)	(15.8)
Loan Loss Provision	(7.3)	2.4	1.8
Net provisions for risks and charges	(0.5)	(2.8)	(0.8)
Adjusted Profit Before Taxes	**(34.3)**	**(25.7)**	**(30.0)**

Key synergies areas

(1) DEPObank Corporate Center includes for comparison purposes customer contract amortization (declining over the years) and loan loss provision. (2) 2018 data includes the effects of activities dismissed during the year.

Updated synergies

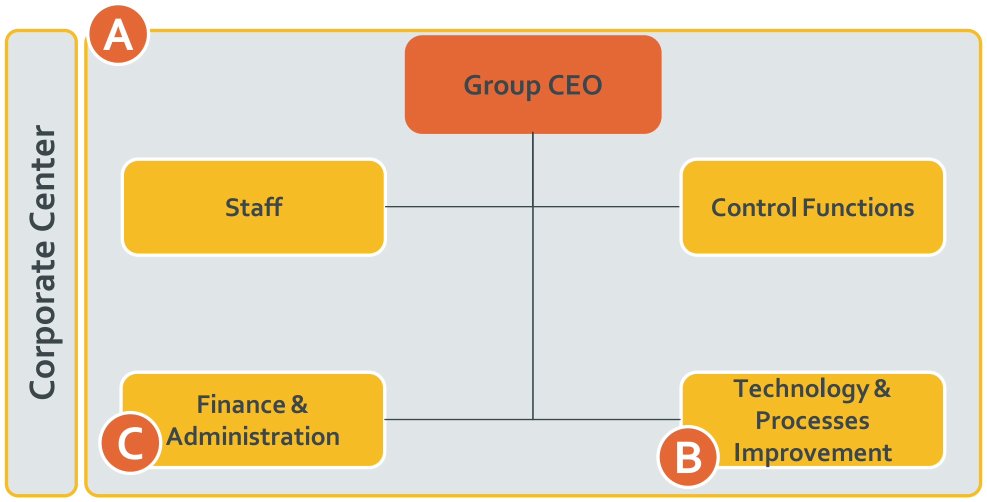
- Funding: gradual replacement of part of the current BFF funding lines by using DEPO available liquidity with the aim to maintain a diversified funding base as well as a balanced maturity profile of assets and liabilities
  - pre-tax annual run-rate funding synergies in the range of €30-40m in 2023
- Costs: results from (i) integration of the corporate bodies and IT systems, (ii) optimization of the SG&A cost base, and (iii) closure of business line dedicated to the Specialized SME lending; (iv) exits agreed/executed at or about closing
  - pre-tax annual run-rate costs synergies ~ 20m out of which ~ €11-13m due to corporate center opex and ~ €7-9m to ICT costs
- Increased integration costs to €35m



A

Central Functions & Staff

- All the SG&A and HR costs not allocated to the 3 BUs are included in the corporate center ("CC") and amount to €79.8m for the combined business, of which €23.6m of ICT SG&A and €5.5m of ICT HR costs
- In terms of headcounts, CC is the sum of the former DEPObank's CC and the current BFF's CC, minus already agreed personnel exits
- It is therefore staffed to support the BUs growth and the physiological turn-over, without incurring in incremental hires
- Total synergies for opex ex ICT at ~€11-13m, of which ~€9m locked in at closing through agreed HR exits and elimination of SG&A duplications
- Current level of staffing and SG&A allows for limited growth of cost base going forward



€m	Corporate Center Costs ex ICT		
	SG&A	HR	Total
BFF	14.9	14.8	29.7
DEPObank	7.6	13.4	20.9
Total	**22.5**	**28.2**	**50.7**

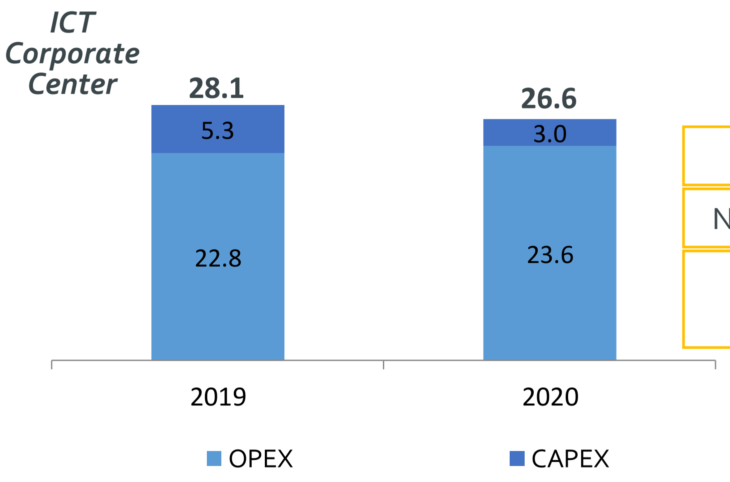
Synergies ~20% of the combined cost base

B

Technology & Process improvement

- ICT is crucial for the Group to allow excellent execution and provide for tech-advanced services
- 2020 total cash cost of the two ICT Systems amounts at €52.0 million on annual base:
  - Personnel expenses related to internal resources of the department (€5.5m)
  - ICT business dedicated and allocated to the BU (€19.9m)
  - BFF's ICT Corp. Center cash cost (€7.8m) represents 29% of the total combined, related to applications costs, infrastructure and device hardware costs, and foreign branches ICT costs
  - DEPO's ICT Corp. Center cash cost (€18.8m) represents 71% of the tot. combined
- Efficiency is driven by the consolidation and integration of systems and contracts renegotiations, i.e., new core banking and ICT contract with Nexi, accounting for €7-9m cost synergies

Total ICT (BFF+DEPO)	*49.1*	*52.0*
Personnel Expenses	*4.9*	*5.5*
ICT Business	*16.1*	*19.9*



New core banking

New Nexi ICT contract

Other Providers rationalization(1)

TREND 2023

ICT Costs

Run rate synergies €7-9mln

(1) Not included one-off costs related to core banking replacement and integration costs (€0.8m in 2019 and €5.0m in 2020).

C

Funding & Treasury

- Treasury manages liquidity generated mainly by the depositary bank activities, payments and external funding sources and deploys it in Factoring and Lending, Italian government bonds and at the European Central Bank
- Corporate Center margin is the result of:
  - Interest income received from BU factoring, lending and credit management on funding granted
  - Interest costs paid to Transaction Services on funding received, based on mix of liquidity received (see next slide)
  - Interest costs paid on external funding
  - Yield on excess liquidity invested in Government Bonds or other investments
- All funding synergies are generated by corporate center funding management for c. €30-40m

CORP & Treasury BFF	2018	2019	2020
Net Interest Income	27.4	33.6	36.6

HTC revenues
External funding and I/C management

+

CORP & Treasury DEPO	2018	2019	2020
Net Interest Income	19.3	12.9	21.4

HTC revenues
Liquidity management

=

CORP & Treasury TOTAL	2018	2019	2020
Net Interest Income	46.6	46.5	58.0

TREND 2023

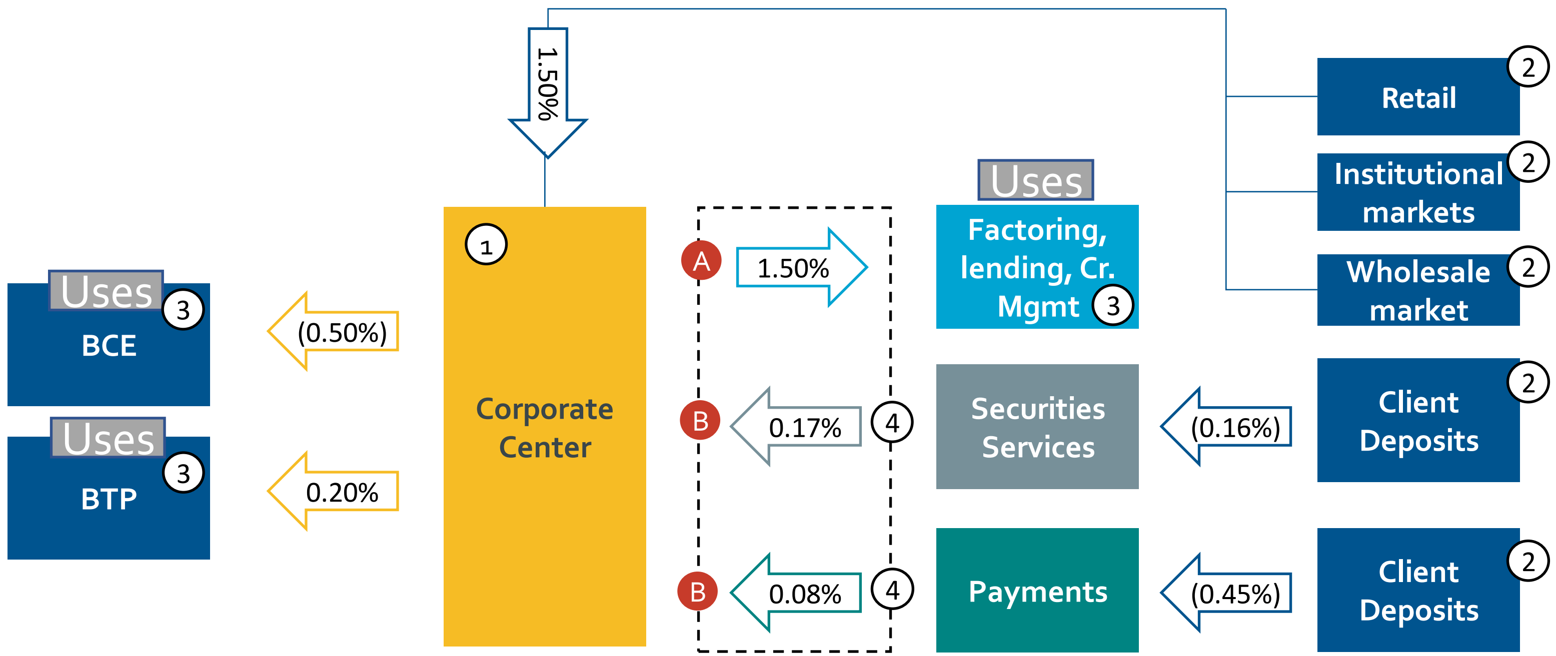
Balance Sheet	Almost flat
HTC portfolio revenues	Flat
Funding synergies	Run rate €30-40mln

C A transfer pricing framework has been set up to avoid excess liquidity and pricing erosion

2021 illustrative example

1. Corporate Center manages the funding to and from BUs
2. Funding is sourced through Securities Services, Payments, retail deposits, wholesale sources and institutional markets
3. Funding is deployed in factoring and lending business, in government bonds or deposited in ECB
4. The deposit from 2S and payments are remunerated by the CC at a rate determined according to a proprietary mechanism

A. CC provides funding to BU factoring, lending and credit management and receives a remuneration equal to the COF pre Depo
B. CC provides funding to BU D2S and pays a remuneration which depends on the uses mix of the liquidity thus received



1. Overview: *a bank like no other*

2. Our businesses

3. A financial profile *like no other*

4. A sustainable business *like no other*

5. Our financial targets

6. Appendix

BFF is a unique mix of revenue generation, low risk, high free cash flow

The combination of the two entities strengthens the ability to generate profit, with a low capital absorption growth → Higher capital and dividend capacity, with a unbeatable ROE

Business Factoring & Lending		Business S.S. & Payments		Synergies		Financials like no other
▪ High RoRWA ▪ High potential growth, with low RWA absorption ▪ Deferred earnings ▪ Profitability buffer (LPIs)	+	▪ Commission based ▪ Not incremental capital required for growth ▪ Ample liquidity	+	▪ Cost efficiency ▪ Funding	=	• High RoRWA • Low incremental absorption of capital → High dividend capacity • Low risk
ROE >30%		**ROE >15%**		**INCREMENTAL EARNINGS**		**ROE >30%**

Financials *like no others*

1. Diversified revenue growth opportunity	2. Diversified, ample and cheap Funding	3. Efficient but unsaturated platform	4. Low Risk Profile	5. Strong Capital Position and Generation	6. Embedded value
▪ Underpenetrated market and secular trends support long term growth in BFF's businesses ▪ Credit revenues coming from high quality factoring customers and public sector debtors ▪ Commission revenues drive payments and securities services business growth	▪ Access to diversified funding sources to maintain the best cost/risk mix with a match between assets and liabilities ▪ Transaction services liquidity redeployed to finance receivables towards PA with higher yield and lower duration than unsecured Govies ▪ Excess liquidity used to invest in Govies	▪ Rationalization of cost structure (e.g. integration of the corporate bodies and Integration of IT systems) eliminating redundancies ▪ Higher business volume will lead to economies of scale	▪ BFF negligible credit risk (factoring and lending activities focused of Public Administration) ▪ No incremental credit risk coming from Depo acquisition ▪ "New DoD" successfully implemented ▪ Leverage and Concentration Risk are the key focus for capital management	▪ Stronger capital position with ample buffer of excess capital ▪ No increase on capital absorption coming from DEPOBank merger ▪ Unchanged dividend policy, with 100% pay-out above 15% TCR	▪ BFF embedded value at c.€ 840m due to: equity and excess capital; 2019 & 2020 accrued dividends; off-balance sheet LPIs stock after tax ▪ Embedded value more than twice the reported CET1 ratio of the group

1

Diversified revenue growth opportunity

- A high yield, low risk factoring & lending portfolio coupled with an uncorrelated commission based business
- Businesses exposed to underpenetrated markets or secular growth trends

	REVENUES	TREND 2023
FACTORING & LENDING	**Portfolio * %yield + LPIs over-recovery** **Commission fees**	Portfolio ↑ %yield on RWAs = LPIs ↑
SECURITIES SERVICES	**AuM * %fee**	AuM ↑ Deposits/Liquidity at 5-9% AuM = Fees ↑
PAYMENTS SERVICES	**#transactions * %fee**	#transactions ↑ Fees ↑

2

Diversified, ample and cheap funding

DEPObank liquidity to fund BFF core business, maintaining access to diversified credit markets.
No encumbered assets which may be used as back up in case of higher volume or shocks.

BFF

- Diversified mix of funding to finance receivables vs. PA with high asset yield
- Conservative ALM policy
- Good LCR and NSFR

Moody's Long Term Issuer Rating "Ba1" with Developing outlook

+

DEPObank

- High liquidity from depositary bank deployed in low yield Government bonds and ECB accounts
- Pricing not used to manage liquidity level

=

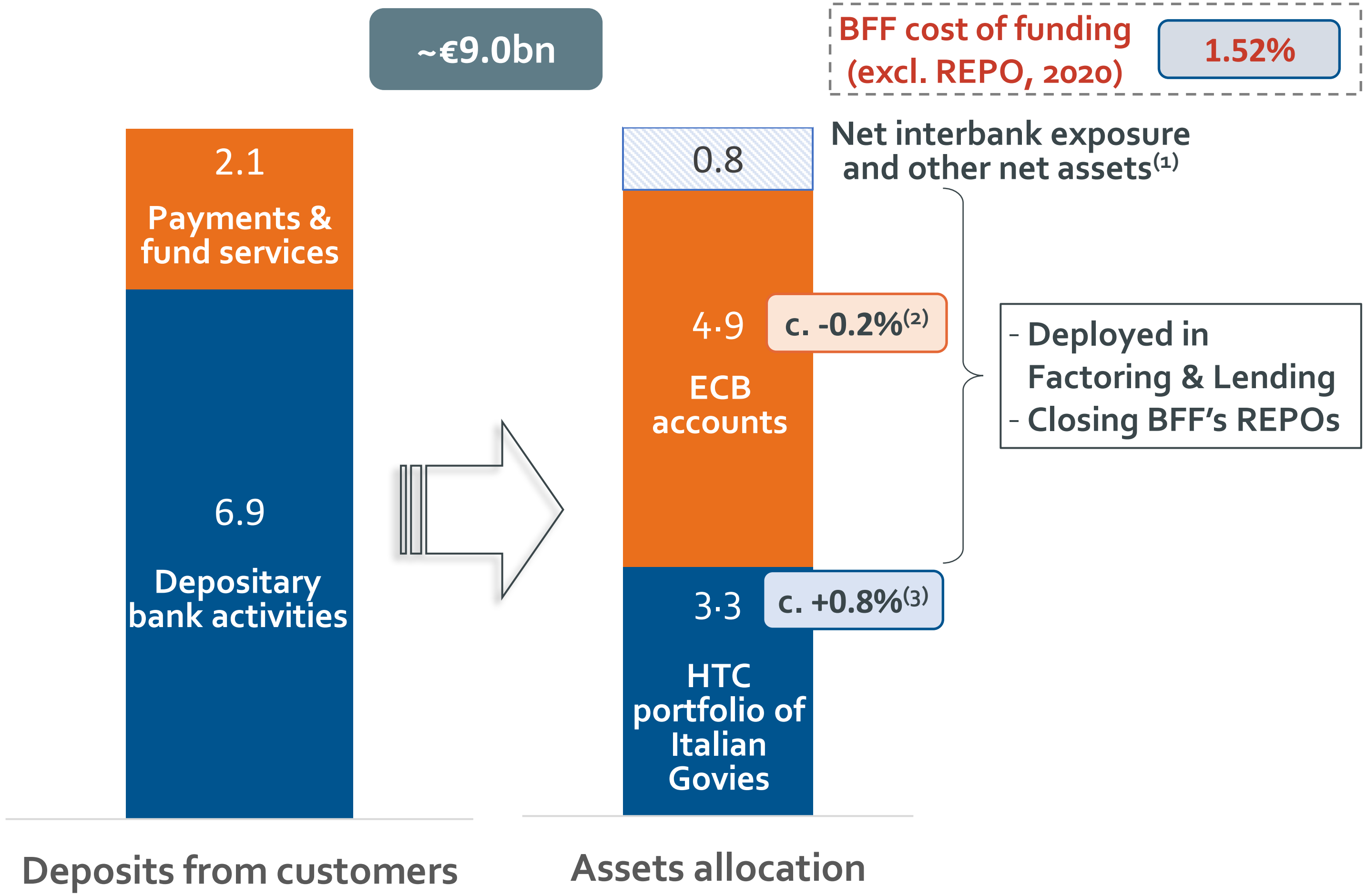
BFF Banking Group

- Diversified funding platform to be used on the basis of market conditions and trends
- DEPObank liquidity redeployed in Factoring & Lending, and generating CoF reduction
- Deleveraging balance sheet via decrease of REPOs on Govies and ECB deposits → Lower encumbered assets, a buffer in case of shocks
- Balanced ALM (receivables vs. PA with lower duration and high yield vs. unsecured Govies), strong LCR and NFSR

2 Deployment of liquidity allows reduction of asset duration and risk

- DEPObank's liabilities mainly consist of customer deposits for €9.0bn as of December 2020
- **Pre transaction**, liquidity mainly invested in Italian Government bonds (€3.3bn, classified as Held-to-Collect) and in ECB accounts (€4.9bn)
- **Post transaction**, depositary bank balance sheet mostly **invested in Factoring & Lending**, allowing for more balanced ALM, returns, de-risk:
  - Commercial receivables towards PA have **shorter duration, higher return and better credit risk vs. Government bonds**

DEPObank liquidity composition at YE2020 (€bn)



(1) Interbank accounts for the intermediation services while REPOs for the management of Treasury unit.
(2) Average yield as of 2020, applying the two tier system for remunerating excess reserve holdings, which envisages that an amount equal to 6x the minimum reserve requirements will be remunerated at 0%.
(3) Average yield as of 2020

2 DEPObank liquidity deployed in BFF business within a diversified funding base and low encumbered assets

- Deleveraging of balance sheet through reduction of REPOs on Government bonds and ECB deposits, resulting in lower encumbered assets
- Diversified funding platform, maintaining deposits platform, access to debt capital markets, and wholesale funding

Total Assets Combined

1. At closing: c. €(1.7)bn BFF REPOs, c. €(300)m DEPObank capital
2. By June 2021: c. €(300)m BFF bonds
3. By 2021 year end: c. €(800)m BFF funding, c. €(1.9)bn BFF deposits

Illustrative

BFF Bank (€m)	31/12/2020	
Assets		
Cash and cash Balances	173.3	
Financial assets measured at amortized cost	5,780.6	
Other Assets	97.5	
Total Assets	**6,051.3**	
Liabilities		
Financial liabilities measured at amortized cost	5,415.2	
a) deposits from banks	1,034.7	3 ~ €(800)m funding
b) deposits from customers	3,571.6	3 ~ €(1,9)bn deposits
o/w repos	*1,674.8*	1 ~ €(1.7)bn REPOs
c) securities issued	808.9	2 ~ €(300)m bond
Other Liabilities	173.6	
Equity	462.6	1 ~ €300m capital >15% CET1
Total Liabilities	**6,051.3**	

DEPObank (€m)	31/12/2020
Assets	
Cash and cash Balances	4,921.0
Financial assets measured at amortized cost	5,200.6
Other Assets	533.4
Total Assets	**10,654.9**
Liabilities	
Financial liabilities measured at amortized cost	9,899.7
a) deposits from banks	916.5
b) deposits from customers	8,983.2
Other Liabilities	317.9
Equity	437.3
Total Liabilities	**10,654.9**

3

Efficient but unsatured platform

- High volume of activities will lead to a more efficient structure with the realization of economies of scale on BU factoring and lending and Transactional Services
- Integration of the the corporate bodies and optimization of the SG&A will lead to strong cost synergies on the corporate center

	COST EFFICENCY INDICATORS 2020	TREND 2023	
FACTORING & LENDING	Cost/loans at 0.9%	• Stable (=)	Scale economies – increase in volume generates a lower increase in costs
SECURITIES SERVICES	Cost/income at 55%	• Decreasing @ <40% (↓)	
PAYMENTS SERVICES	Cost/income at 60%	• Decreasing @ <55% (↓)	
CORPORATE CENTER	Cost level at €95.6m (1)	• €75m-80m (↓)	Cost synergies ~ 20m at run rate

(1) o/w Personnel Expenses (€33.7m), G&A (€46.1m), D&A (€15.8m)

4

Excellent asset quality, low risk business

Credit profile remains unchanged, past due risk under "New DoD" significantly lower, with embedded leverage risk and concentration risk due to larger total assets

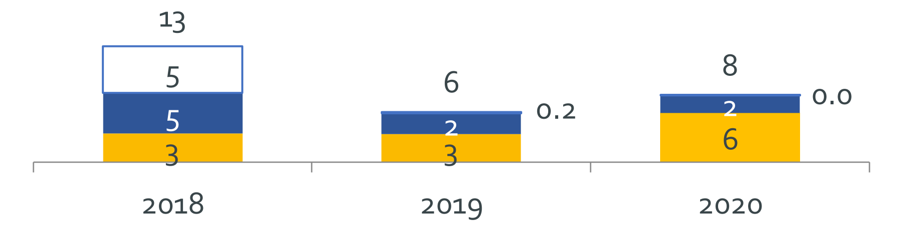
BFF	+	DEPObank	=	BFF Banking Group
▪ Credit risk, past due risk ▪ Concentration risk, no leverage risk ▪ Stronger capital position with "New DoD" ▪ Large exposure ▪ Tier 2 as a RWAs buffer ▪ Capital protective dividend policy	+	▪ No credit risk ▪ Leverage Risk ▪ Strong Capital Position ▪ Operational risk	=	▪ Credit risk unchanged ▪ Leverage and Concentration Risk as main constraints ▪ Very strong capital position, with even ampler buffers ▪ Unchanged dividend policy, higher free capital generation

Asset quality *like no other*: best in class also post DEPObank acquisition

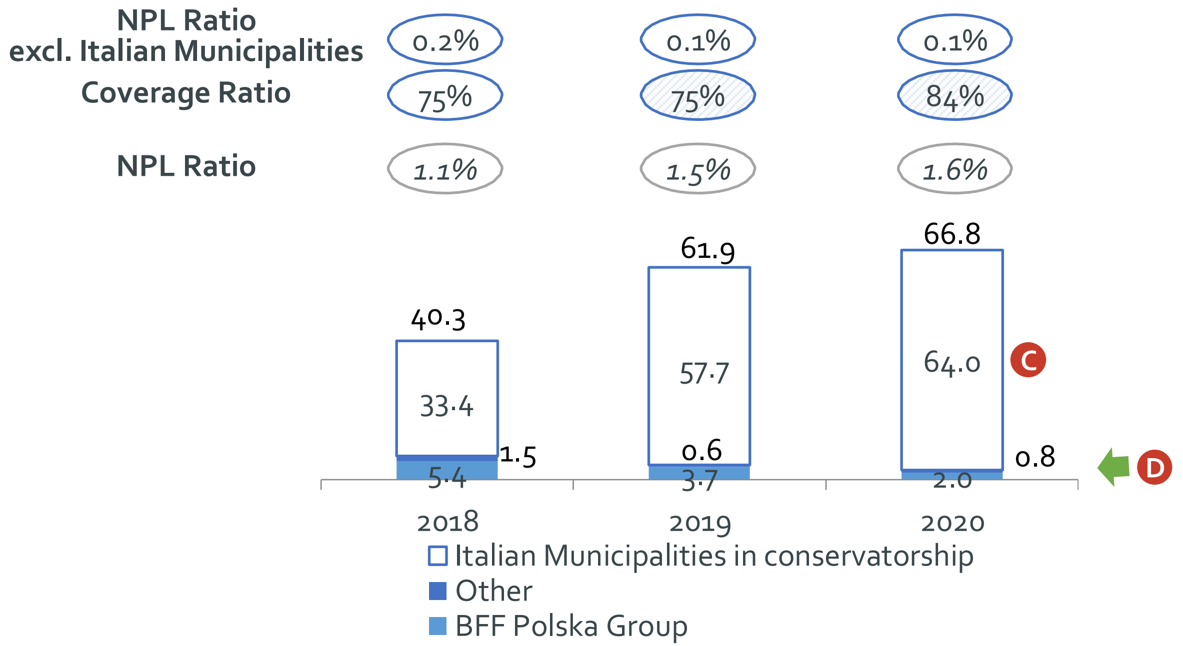
4

- **A Negligible Cost of Risk, in the low single bps per annum**
- **B Impaired loans are essentially towards public sector**
- C Increase in NPLs is driven almost entirely by growing activities towards municipalities in conservatorship ("*dissesti*"): exposures classified NPLs by regulation despite BFF being legally entitled to receive 100% of the capital and LPIs at the end of the process
- D **Net NPLs**, excl. Italian municipalities in conservatorship ("*dissesti*"), **decreasing**
- **E Significant reduction in past due under "New DoD" regulation**

A Cost of Risk (bps)



Net Non-Performing Loans Evolution (€m)



(€m)	2018	2019	2020	2020 pro-forma
Net NPLs	40.3	61.9	66.8	2.8(1)
Net UTP	6.8	9.5	15.7	15.7
Net Past due	72.6	34.7	42.1	2.0(2)
Net impaired loans	**119.7**	**106.2**	**124.6**	**20.5**

Ex "dissesti"

E "New DoD" effect

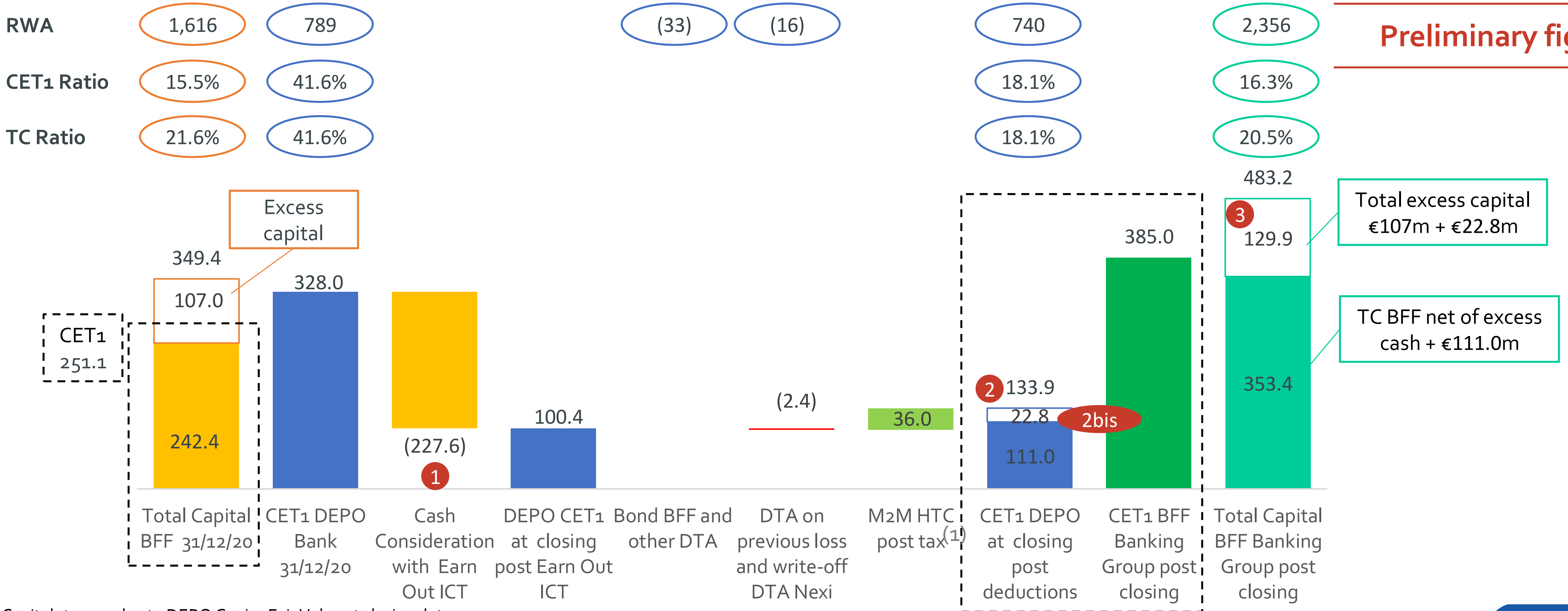
B 83% public sector

(1) Not including Italian Municipalities in conservatorship.
(2) Past due level as of 01/01/2021 under "New DoD" rules.

5 Stronger capital and increased buffer through DEPObank acquisition

- Cash Consideration component, equal to the excess capital of DEPObank above CET1 ratio at 15% (including the net income of the period and ICT Earn Out), is equal to €227.6m (1)
- DEPObank CET1, post Cash Consideration (including ICT Earn Out) and releases and deductions related to DTA and mark-to-market, is equal to c. (2) €134m (covered by the capital increase and the badwill), of which the excess capital above DEPObank 15% CET1 is €23m (2bis)
- BFF post acquisition has an excess capital of €130m (3)

Preliminary figures



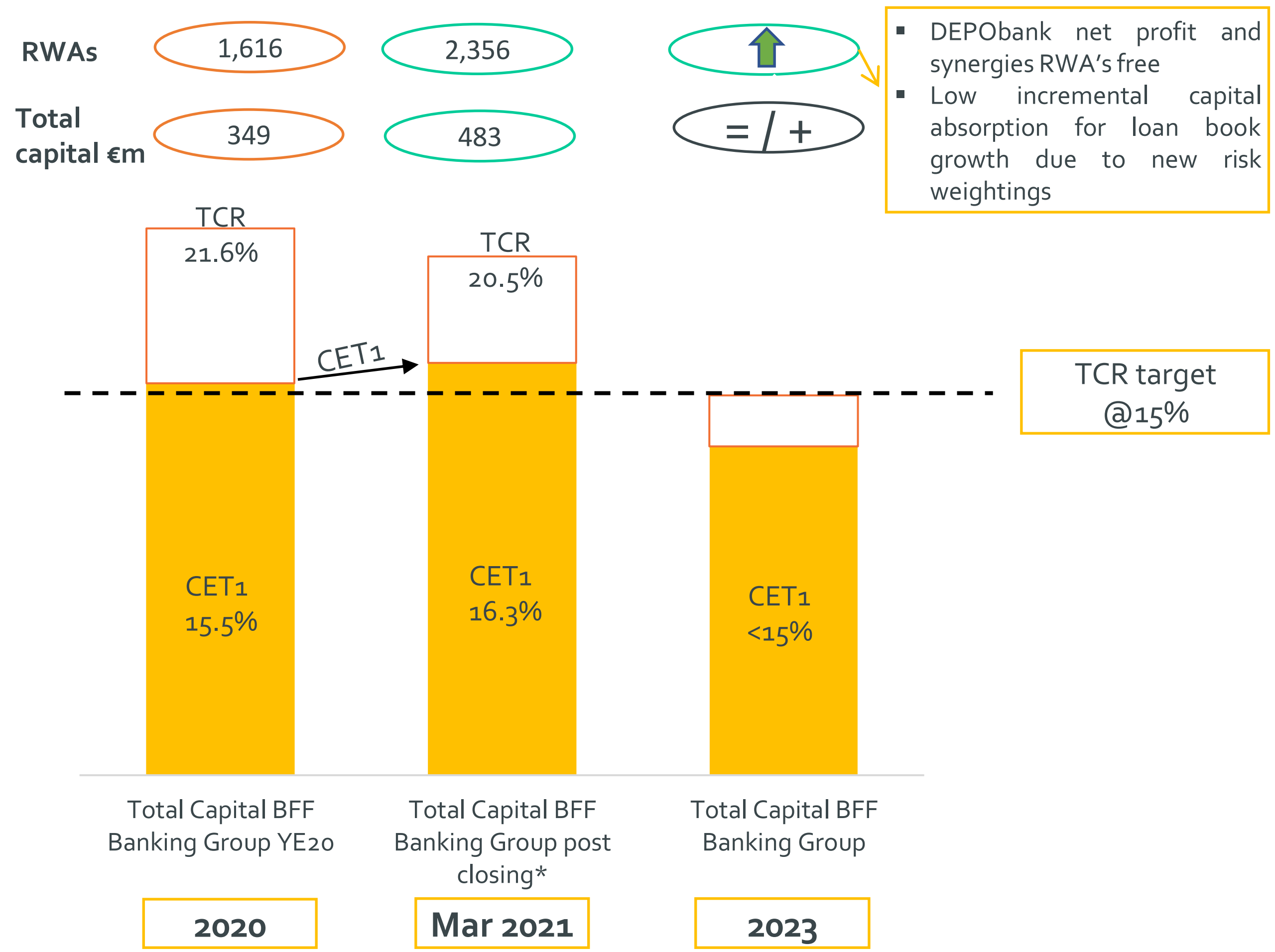
(1) Capital step-up due to DEPO Govies Fair Value at closing date.

5

Unchanged dividend policy with improved profit generation and gradual absorption of excess capital

- The merger with DEPObank optimizes the two entities' strengths, improving BFF CET1 to 16.3% post closing* from 15.5%. Low incremental capital absorption, along with DEPObank's profits and synergies, which are RWA's free, further increase BFF's dividend capacity
- BFF dividend policy remains unchanged, with the aim to self-fund business growth and pay excess capital to shareholders:
  - <u>target Total Capital ratio (TCR) level of 15%</u>, no obligation to pay a minimum DPS or pay-out ratio
  - <u>earnings of the period retained to maintain the 15% TCR target</u> and pay-out the portion of the net profit of the year in excess of the 15% TCR threshold
- 2019 & 2020 BFF dividends ready to be paid, of which €3.2m in March 2021, and the remaining €165m as soon as the regulatory scenario allows it

Total Capital position



* Preliminary estimates

6

Strong embedded value in the business

BFF's strong capital position, accrued dividends and off-balance sheet LPI stock result in over 840m of "embedded" value, more than twice the group CET1 ratio

€255m	CET1 combined entity @15% Total Capital(1)
€130m	BFF's CET1 capital > 15% Total Combined post DEPObank acquisition
€169m	2019 & 2020 accrued Dividends(2)
€288m	Post tax off-balance sheet LPIs stock(3)

c. €840m Embedded Value > 2x CET1

Notes: (1) BFF' target for Total Capital ratio. (2) including €3.2m to be paid in March 2021 (3) Tax rate assumed at 29%.

BFF's goals towards a sustainable and responsible growth

Superior commitment to ESG reporting and transparency: in 2020 BFF was one the only Italian listed company to publish, on a voluntary basis, the consolidated *Non-Financial Disclosure*[1]

Environment

- ✓ Reduction in environmental footprint

Social

- ✓ Well being of community and employees
- ✓ Responsible product offering

Governance

- ✓ One of the few Italian public companies, striving for best corporate governance standards
- ✓ Strong alignement of incentives between management and shareholders

(1) Related to 2019 ESG disclosure.

Environment: our path to footprint reduction

By industry low exposure to environmental risk, but solid path to minimize direct and indirect impact of operations

Environment

Committed to reduce impact on environment

- ✓ The Group is not exposed to significant environmental risk; however, it is committed to reduce the environmental impact of its operations
- ✓ Progressive relocation of offices in green buildings, fostering employees well being and reducing environmental impact:
  - Poland: 2019, LEED[1] rating: Gold
  - Spain: 2020, LEED[1] rating: Platinum (maximum)
  - Italy: goal targeted in 2023
- ✓ 60% reduction of paper through digitalisation process and users' identification and more technologically advanced printer machines (tons of paper consumption 2019: 11.34t, 2020: 4.57t)
- ✓ Reorganisation of Group's international business trips, leveraging on the 2020 significant improvements related to COVID-19 lockdown

(1) LEED certification is an official recognition that a project complies with the requirements prescribed within the LEED rating systems as created and maintained by the U.S. Green Building Council® (USGBC®).

Social: investing in our people and our community

Investing in our people's professional growth and leadership, further enhancing the sustainability of our business to better serve our community

Social

Well being for community and employees

- ✓ Increased charitable initiatives for our community: donations of over €225k for COVID-19 in Italy, Spain and Poland and to Polish hospitals
- ✓ Through Farmafactoring Foundation promotion and enhancement of cultural and research initiatives, BFF contributed over €600k in 2020
- ✓ Increased business, languages and soft skills training in 2020: #25.535hrs of training (2019: #20,461hrs of training, approx. 48hrs per employee in 2020 vs. 40hrs in 2019) and Managerial/Leadership training, partnering with Harvard Business School (50hrs of training to 24 *Group CEO*'s -1 & -2 managers)
- ✓ 2021 performance management program based on:
  - sustainability: EBTDA risk adjusted to protect asset risk
  - customers' satisfaction (external annual survey)
  - effort to pursue diversity in hiring
- ✓ Increased diversity: 31% of female managers among CEO's - 1 executives first reports. Almost doubled female managers in the last 2 years
- ✓ Responsible product offering, with specific sales policy for workforce

Governance: aim for the gold standard (1/2)

BFF is now a true public company, and has implemented the best governance standards among peers, starting from process of Board of Directors renewal and Board Members slate submission

Governance

Set the best market practices

✓ Aim to be a reference model for public companies' governance in Italy, aligned with best market practice, and compliant with Self-Regulation Code[(1)]:

- Board of Directors submitted its list of candidates with 67% of independents (AGM on 25-Mar-2021, see next slide)

✓ As of today, BoD:

- annual self evaluation
- regular meeting of independents
- 67% independents
- 44% female members
- 33% non Italians
- 78% with international experience
- *Group CEO* succession plan

(1) BFF is compliant to those prescriptions of Self-Regulation Code which are addressed only to large companies, which BFF is not yet.

BFF Board of Directors' slate (2/2)

BFF's slate for the period 2021-2023 further strengthens *ad hoc* competencies of BFF "combined" core business. Rigorous selection process

BoD's Slate

Set the best market practices

- ✓ Rigorous Board Slate definition process: Board self-assessment → Quali-quantitative composition → Selection process → Board Slate definition, with the support of Nomination Committee and blue-chip advisor
- ✓ Confirmation of the current Group CEO (Massimiliano Belingheri), Chairman (Salvatore Messina), Vice Chairman (Federico Fornari Luswergh), along with Barbara Poggiali – Chairman of Remuneration Committee, Michela Aumann – Chairman of Control and Risk Committee, Isabel Aguilera, and proposal of Piotr Stepniak – Chairman of BFF Polska (ex *Magellan*) since 2015
- ✓ Increasing focus on DEPObank business with Domenico Gammaldi, formely in Bank of Italy a recognized expert of payments, and Amelie Scaramozzino, designated by Equinova(2), with a wide experience in payments and M&A
- ✓ Alignment to corporate governance best market practice:
  - 67% of independent
  - 89% with international experience
  - 44% female members
  - 44% non Italians

(1) Guidelines for Shareholders on the Qualitative and Quantitative Composition of the Board of Directors for the Preparation of the Board of Directors List, approved by the Board of Directors and published on 19th January 2021.
(2) The holding company controlled by Advent, Bain, Clessidra, with a 7.6% stake in BFF.

Management incentives set to promote sustainability, diversity and share capital ownership

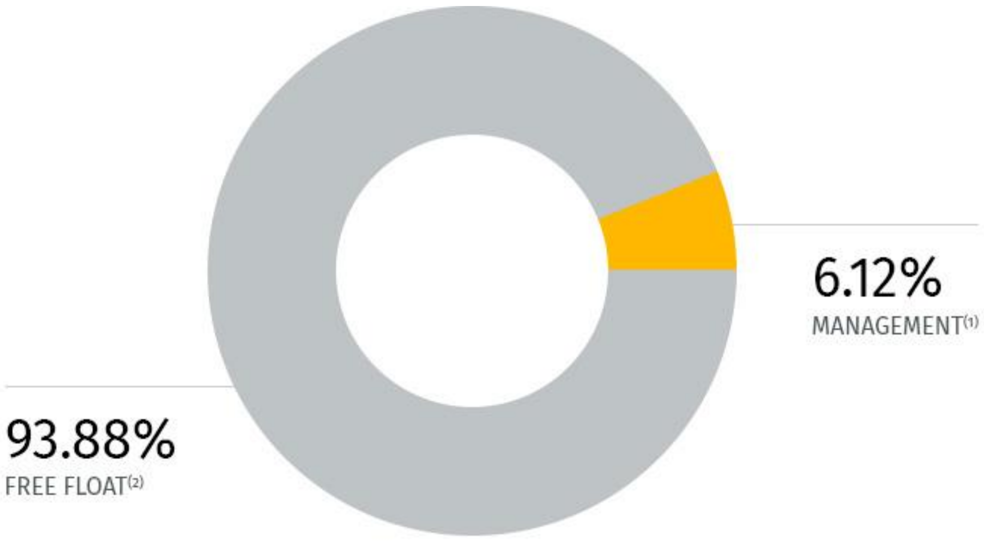
Management Incentives linked to sustainability and diversity criteria
SOP covering ample portion of population to promote employees' direct interest in share capital of the Group

Short Term Incentives linked to sustainability	✓ STI paid only if gates based on i) profit risk adjusted $EBTDA^{RA}$ (1) , ii) LCR and iii) TC are met, **allowing for long term sustainability** ✓ 50% in shares or stock options for risk takers, 30% of total deferred for 3 years ✓ Multipliers based on $EBTDA^{RA}$ extra performance and **customer satisfactions** ✓ **Diversity drivers** from 2021: both gender and nationality for hiring new managers
Large share capital ownership via direct stake and SOP	✓ **Management owns 5.7% stake** as of 05/03/2021 ✓ **Broad coverage of stock option plan** (c. 20%) of population, **dilution** approximately 3.5% (SOP 2016 & 2020)(2) ✓ 2020 Stock Option Plan: **3y vesting period**, subject meeting Return on Adjusted Capital for Risk and LCR parameter

(1) $EBTDA^{RA}$ = EBTDA risk-adjusted - (Average RWAs * Total Capital ratio target * Cost of Equity). Please refer to page 13 of 2020 Remuneration Policy.
(2) Please refer to the press release of 25th February 2020.

One of the few Italian public companies

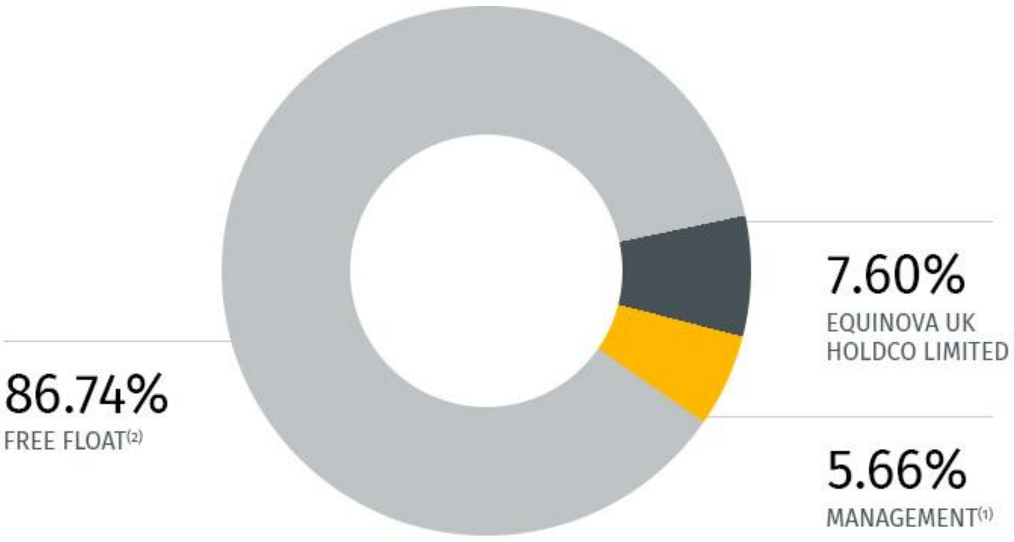
Shareholdings pre DEPObank merger



Total number of shares issued 170.650.642

Source: official communications to BFF (Disclosure Forms 120A - 120B) and "Annual report on remuneration and incentive policy of Banca Farmafactoring banking Group". Percentage stakes are calculated on total issued shares as of 23/09/2020.
(1) A 5.9% stake is held by Massimiliano Belingheri (Group CEO) and by his Closely Associated Persons (Bray Cross Ltd. and Scalve S.à r.l.) as of 16/02/2021; the remaining stake is related to other 5 managers with strategic responsibilities as of 31/12/2020.
(2) Includes the treasury shares.

Shareholdings post DEPObank merger



Total number of shares issued 184.694.346

Source: official communications to BFF (Disclosure Forms 120A - 120B) and "Annual report on remuneration and incentive policy of BFF Banking Group". Percentage stakes are calculated on total issued shares as of 05/03/2021.
(1) A 5.4% stake is held by Massimiliano Belingheri (Group CEO) and by his Closely Associated Persons (Bray Cross Ltd. and Scalve S.à r.l.) as of 16/02/2021; the remaining stake is related to other 5 managers with strategic responsibilities as of 31/12/2020.
(2) Includes the treasury shares.

Business and Group Adj. PBT targets

Steady business growth, coupled with cost and funding synergies are expected to significantly improve the profitability of the group

	Factoring & Lending P&L	+	Securities Services P&L	+	Payments P&L	+	Corporate Center pre synergies(1)	+	Synergies	=	BFF Banking Group P&L(2)
ADJ. PBT 2020	€139.1m		€23.6m		€19.8m		(€30.0m)		n/a		€152.4m
ADJ. PBT 2023	€175-185m		€40-45m		€25-30m		(€70-60m)		€50-60		€240-260m

(1) Corporate Center pre-synergies results impacted by funding and structure costs increase (respectively €19m and €10m) to sustain business growth and lower Govies returns (for €7m).
(2) 2020 PBT includes for DEPOBank customer contract amortization (€7.7m).

Key financial targets

		2020 combined pro-forma	2023	Drivers
Business drivers	Volume	€5.9bn	CAGR > 10%	Business development and market penetration
	Customer Loans	€4.1bn	CAGR > 10%	Volume growth, product mix and duration
	AUM[1]	€268bn	CAGR ~ 5%	Business development and market performance
	Transactions	562m	CAGR ~ 10%	Growth in operativity
	Cost/income [2]	55%	~ 40-45%	Scale economies Opex and capex rationalization
Financial targets	Adjusted Net profit	€117mln	€170-180m	Growth and Synergies
	ROE [3]	26%	>30%	Net profit Equity level

(1) Assets under Depositary (AuD) and Assets under Custody (AuC), net of duplications.
(2) Calculated as (OPEX and D&A)/(Net Banking Income and Other operating income.
(3) R.O.E. net of unpaid dividend to be distributed and net profit for the year.

BFF + "New DoD" + DEPObank: even stronger with a unique competitive position

2020 results		2021 opportunities				A stronger BFF
BFF	+	**New risk-weights**	+	**DEPObank**		+ Higher capital generation
▪ Solid capital position ▪ High profitability ▪ Moderate cost/income	+	▪ High excess capital to fund growth ▪ Risk-weights aligned with competitors	+	▪ Diversification in capital light businesses ▪ Low cost of funding and ample liquidity ▪ No incremental RWAs		+ Cheaper and ampler funding base = Stronger competitive position

We are uniquely positioned to deliver

MARKET LEADER IN LARGE AND GROWING MARKETS

HIGH QUALITY AND STABLE CUSTOMER BASE

SPECIALISED PLATFORM IN MARKETS WITH HIGH BARRIERS TO ENTRY

PROVEN ABILITY TO EXECUTE GROWTH STRATEGY

SUPERIOR CAPITAL GENERATION, DIVERSIFICATION IN CAPITAL LIGHT BUSINESS

ACCESS TO DIVERSIFIED, CHEAP AND AMPLE FUNDING BASE

EXPERIENCED MANAGEMENT TEAM

Workpath to "BFF 2023"

a bank like no other®

	"BFF 2023"
Who	Leader in specialty finance niches in Europe From presentation «BFF 2023» Strategy
How	▪ Low risk ▪ High operational efficiency ▪ Best practices as public company ▪ Honest, transparent and valuing people From presentation «BFF 2023» Strategy
New targets to 2023	▪ Volume and loans growth >10% per annum ▪ 100% pay-out of excess capital > 15% TC ratio target ▪ Net Profit to €170-180m ▪ ROE > 30% with a growing CET1 ratio

Banca Farmafactoring P&L detail 2020

2020 - €m	Reported	Adjustments*	Adjusted	Factoring & Lending	CORP & Treasury BFF
Interest Income	245.3	0.0	245.3	226.8	18.5
of which Net LPI over-recovery	*7.3*	*0.0*	*7.3*	*7.3*	
Interest Expenses	(46.9)	0.0	(46.9)	(64.9)	18.1
Net Interest Income	**198.4**	**0.0**	**198.4**	**161.8**	**36.6**
Net Fee and Commission Income	4.6	0.0	4.6	4.6	0.0
Other Income	6.4	(5.7)	0.6	0.0	0.6
Net Banking Income	**209.3**	**(5.7)**	**203.6**	**166.4**	**37.2**
Other Operating Income (Expenses)	10.4	0.0	10.4	10.4	0.0
OPEX	(86.4)	13.8	(72.6)	(33.9)	(38.7)
D&A	(5.5)	0.0	(5.5)	(0.7)	(4.8)
Loan Loss Provision	(3.1)	0.0	(3.1)	(3.2)	0.0
Net provisions for risks and charges	(1.0)	0.4	(0.6)	0.0	(0.6)
Adjusted Profit Before Taxes	**123.7**	**8.4**	**132.2**	**139.1**	**(6.9)**
Income Taxes	(32.6)				
Net Income	**91.1**				

*11.4m M&A costs, (€5.7m) positive impact from €/PLN exchange rate movement, €2.7m other extraordinaries.

Banca Farmafactoring P&L detail 2019

2020 - €m	Reported	Adjustments*	Adjusted	Factoring & Lending	CORP & Treasury BFF
Interest Income	249.0	0.0	249.0	241.8	7.2
of which Net LPI over-recovery	*16.8*	*0.0*	*16.8*	*16.8*	
Interest Expenses	(48.4)	0.0	(48.4)	(74.8)	26.4
Net Interest Income	**200.5**	**0.0**	**200.5**	**166.9**	**33.6**
Net Fee and Commission Income	4.5	0.0	4.5	4.5	0.0
Other Income	(0.4)	0.7	0.3	(0.0)	0.3
Net Banking Income	**204.6**	**0.7**	**205.3**	**171.4**	**33.9**
Other Operating Income (Expenses)	7.2	0.0	7.2	7.2	0.0
OPEX	(79.5)	8.5	(71.0)	(32.7)	(38.2)
D&A	(5.1)	0.0	(5.1)	(0.5)	(4.6)
Loan Loss Provision	(2.4)	0.0	(2.4)	(2.4)	0.0
Net provisions for risks and charges	(3.2)	0.7	(2.5)	0.0	(2.5)
Adjusted Profit Before Taxes	**121.7**	**9.9**	**131.6**	**143.0**	**(11.4)**
Income Taxes	(28.6)				
Net Income	**93.2**				

*€4.5m M&A costs, €2.4m Group CEO retention bonus post IPO, €1.7m SOP 2016, €1.3 other extraordinaries.

Banca Farmafactoring P&L detail 2018

2020 - €m	Reported	Adjustments*	Adjusted	Factoring & Lending	CORP & Treasury BFF
Interest Income	231.6	0.0	231.6	225.6	6.0
of which Net LPI over-recovery	*19.5*	*0.0*	*19.5*	*19.5*	
Interest Expenses	(42.9)	0.0	(42.9)	(64.3)	21.4
Net Interest Income	**188.7**	**0.0**	**188.7**	**161.4**	**27.4**
Net Fee and Commission Income	5.7	0.0	5.7	5.7	0.0
Other Income	3.0	(2.6)	0.4	(0.0)	0.4
Net Banking Income	**197.5**	**(2.6)**	**194.9**	**167.1**	**27.8**
Other Operating Income (Expenses)	3.9	0.0	3.9	3.9	0.0
OPEX	(68.2)	2.0	(66.1)	(31.4)	(34.7)
D&A	(3.2)	0.0	(3.2)	(0.5)	(2.8)
Loan Loss Provision	(4.8)	0.0	(4.8)	(4.8)	(0.0)
Net provisions for risks and charges	(1.0)	0.0	(1.0)	0.0	(1.0)
Adjusted Profit Before Taxes	**124.3**	**(0.6)**	**123.7**	**134.3**	**(10.6)**
Income Taxes	(32.1)				
Net Income	**92.2**				

*€1.3m SOP 2016, (€2.6m) positive impact from €/PLN exchange rate movement, €0.7 other extraordinary costs.

BFF P&L split by Business Units

€m	Factoring & Lending KPI 2018	Factoring & Lending KPI 2019	Factoring & Lending KPI 2020	CORP & Treasury BFF 2018	CORP & Treasury BFF 2019	CORP & Treasury BFF 2020	Total BFF 2018	Total BFF 2019	Total BFF 2020
Interest Income	225.6	241.8	226.8	6.0	7.2	18.5	231.6	249.0	245.3
of which Net LPI over-recovery	*19.5*	*16.8*	*7.3*	*0.0*	*0.0*	*0.0*	*19.5*	*16.8*	*7.3*
Interest Expenses	(64.3)	(74.8)	(64.9)	21.4	26.4	18.1	(42.9)	(48.4)	(46.9)
Net Interest Income	**161.4**	**166.9**	**161.8**	**27.4**	**33.6**	**36.6**	**188.7**	**200.5**	**198.4**
Net Fee and Commission Income	5.7	4.5	4.6	0.0	0.0	0.0	5.7	4.5	4.6
Other Income	(0.0)	(0.0)	0.0	0.4	0.3	0.6	0.4	0.3	0.6
Net Banking Income	**167.1**	**171.4**	**166.4**	**27.8**	**33.9**	**37.2**	**194.9**	**205.3**	**203.6**
Other Operating Income (Expenses)	3.9	7.2	10.4	0.0	0.0	0.0	3.9	7.2	10.4
Direct OPEX	(31.4)	(32.7)	(33.9)	(34.7)	(38.2)	(38.7)	(66.1)	(71.0)	(72.6)
of which Personnel Expenses	*(17.8)*	*(19.0)*	*(20.8)*	*(13.4)*	*(17.3)*	*(18.1)*	*(31.3)*	*(36.2)*	*(38.9)*
of which G&A	*(13.6)*	*(13.8)*	*(13.1)*	*(21.3)*	*(21.0)*	*(20.7)*	*(34.9)*	*(34.8)*	*(33.8)*
Direct D&A	(0.5)	(0.5)	(0.7)	(2.8)	(4.6)	(4.8)	(3.2)	(5.1)	(5.5)
Loan Loss Provision	(4.8)	(2.4)	(3.2)	(0.0)	0.0	0.0	(4.8)	(2.4)	(3.1)
Net provisions for risks and charges	0.0	0.0	0.0	(1.0)	(2.5)	(0.6)	(1.0)	(2.5)	(0.6)
Adjusted Profit Before Taxes	**134.3**	**143.0**	**139.1**	**(10.6)**	**(11.4)**	**(6.9)**	**123.7**	**131.6**	**132.2**
ADJUSTMENTS	0.0	0.0	0.0	0.0	0.0	0.0	0.6	(9.9)	(8.4)
Profit Before Taxes	**134.3**	**143.0**	**139.1**	**(10.6)**	**(11.4)**	**(6.9)**	**124.3**	**121.7**	**123.7**

DEPObank P&L detail 2020

2020 - €m	Reported	Adjustments*	Adjusted	Securities Services	Payments	CORP & Treasury DEPObank
Net Interest Income	35.0	0.0	35.0	11.4	2.2	21.4
Net Fee and Commission Income	81.6	(0.1)	81.5	42.1	40.3	(0.9)
Other Income	(29.1)	34.9	5.8			5.8
Net Banking Income	**87.5**	**34.9**	**122.4**	**53.6**	**42.5**	**26.3**
Other Operating Income (Expenses)	9.3	(0.1)	9.3	0.7	7.5	1.1
OPEX	(109.2)	10.6	(98.7)	(28.6)	(29.0)	(41.1)
D&A	(13.8)	0.2	(13.6)	(1.4)	(1.2)	(11.0)
Loan Loss Provision	1.8	0.0	1.8	0.0	0.0	1.8
Net provisions for risks and charges	(8.2)	7.3	(0.9)	(0.6)	(0.1)	(0.2)
Adjusted Profit Before Taxes	**(32.7)**	**52.9**	**20.2**	**23.6**	**19.8**	**(23.1)**
Income (Expenses) from dismissing activities	**(14.0)**					
Income Taxes	10.9					
Net Income	**(35.8)**					

*€36.4m bond disposal loss due to merger agreement, €8.0m SME business related costs, €8.5m other extraordinaries, mainly due to the merger agreement, New Core Banking implementation and extraordinary Resolution Fund contribution

DEPObank P&L detail 2019

2019 - €m	Reported	Adjustments*	Adjusted	Securities Services	Payments	CORP & Treasury DEPObank
Net Interest Income	31.7	(0.7)	31.1	16.3	1.8	12.9
Net Fee and Commission Income	82.1	0.0	82.1	43.3	40.6	(1.7)
Other Income	21.0	(3.4)	17.6			17.6
Net Banking Income	**134.9**	**(4.1)**	**130.8**	**59.6**	**42.4**	**28.8**
Other Operating Income (Expenses)	10.5	(0.1)	10.4	1.4	7.8	1.2
OPEX	(101.6)	4.9	(96.7)	(30.8)	(31.2)	(34.7)
D&A	(12.9)	0.0	(12.9)	(0.7)	(0.6)	(11.6)
Loan Loss Provision	2.4	0.0	2.4	0.0	0.0	2.4
Net provisions for risks and charges	(0.9)	(0.0)	(0.9)	(0.4)	(0.2)	(0.3)
Adjusted Profit Before Taxes	**32.4**	**0.7**	**33.1**	**29.1**	**18.2**	**(14.2)**
Goodwill net adjustments	**(45.9)**					
Income Taxes	**(15.6)**					
Net Income	**(29.2)**					

*€6.1m 2019-2023 Industrial Plan initiatives and SME business start-up costs, €(2.9)m FV gains on financial assets, €(2.5)m mainly due to positive extraordinaries for written-off payables.

DEPObank P&L detail 2018

2018** - €m	Reported	Adjustments*	Adjusted	Securities Services	Payments	CORP & Treasury DEPObank
Net Interest Income	35.3	0.0	35.3	14.1	2.0	19.3
Net Fee and Commission Income	83.9	0.0	83.9	43.6	37.8	2.5
Other Income	18.8	(4.4)	14.4	0.0	0.0	14.4
Net Banking Income	**138.1**	**(4.4)**	**133.7**	**57.7**	**39.8**	**36.1**
Other Operating Income (Expenses)	40.0	1.2	41.2	1.8	5.4	33.9
OPEX	(142.7)	8.5	(134.2)	(30.7)	(30.2)	(73.3)
D&A	(16.1)	0.0	(16.1)	(1.8)	(0.7)	(13.6)
Loan Loss Provision	(7.3)	0.0	(7.3)	0.0	0.0	(7.3)
Net provisions for risks and charges	(3.5)	3.9	0.4	(0.0)	(0.0)	0.5
Adjusted Profit Before Taxes	**8.4**	**9.3**	**17.6**	**27.0**	**14.3**	**(23.7)**
Income (Expenses) from dismissing activities	**4.3**					
Income Taxes	**(7.5)**					
Net Income	**5.2**					

*€6.7mln Group's reorganisation charges, (€3.3)mln FV gains on financial assets, €3.9mln net extraordinary provisions for risks and charges, €2.0mln mainly due to extraordinary Resolution Fund contribution.

** 2018 Financials impacted by the effects of some dismissed activities (Brokerage and Payments services).

DEPObank P&L split by Business Units

	Securities Services			Payments			CORP & Treasury DEPObank			CORP & Treasury TOTAL		
€m	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Net Interest Income	**14.1**	**16.3**	**11.4**	**2.0**	**1.8**	**2.2**	**19.3**	**12.9**	**21.4**	**35.3**	**31.1**	**35.0**
Net Fee and Commission Income	43.6	43.3	42.1	37.8	40.6	40.3	2.5	(1.7)	(0.9)	83.9	82.1	81.5
Other Income	0	0	0	0	0	0	14.4	17.6	5.8	14.4	17.6	5.8
Net Banking Income	**57.7**	**59.6**	**53.6**	**39.8**	**42.4**	**42.5**	**36.1**	**28.8**	**26.3**	**133.7**	**130.8**	**122.4**
Other Operating Income (Expenses)	1.8	1.4	0.7	5.4	7.8	7.5	33.9	1.2	1.1	41.2	10.4	9.3
OPEX	(30.7)	(30.8)	(28.6)	(30.2)	(31.2)	(29.0)	(73.3)	(34.7)	(41.1)	(134.2)	(96.7)	(98.7)
of which Personnel Expenses	*(11.7)*	*(11.9)*	*(12.1)*	*(4.5)*	*(4.3)*	*(4.0)*	*(38.2)*	*(13.9)*	*(15.7)*	*(54.4)*	*(30.2)*	*(31.8)*
of which G&A	*(19.0)*	*(18.9)*	*(16.5)*	*(25.8)*	*(26.8)*	*(25.0)*	*(35.1)*	*(20.8)*	*(25.4)*	*(79.8)*	*(66.5)*	*(66.9)*
D&A	(1.8)	(0.7)	(1.4)	(0.7)	(0.6)	(1.2)	(13.6)	(11.6)	(11.0)	(16.1)	(12.9)	(13.6)
Loan Loss Provision	0.0	0.0	0.0	0.0	0.0	0.0	(7.3)	2.4	1.8	(7.3)	2.4	1.8
Net provisions for risks and charges	(0.0)	(0.4)	(0.6)	(0.0)	(0.2)	(0.1)	0.5	(0.3)	(0.2)	0.4	(0.9)	(0.9)
Adjusted Profit Before Taxes	**27.0**	**29.1**	**23.6**	**14.3**	**18.2**	**19.8**	**(23.7)**	**(14.2)**	**(23.1)**	**17.6**	**33.1**	**20.2**
ADJUSTMENTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(9.3)	(0.7)	(52.9)
Reported Profit Before Taxes	**27.0**	**29.1**	**23.6**	**14.3**	**18.2**	**19.8**	**(23.7)**	**(14.2)**	**(23.1)**	**8.4**	**32.4**	**(32.7)**

Factoring business underpinned by EU Directive made more stringent over time

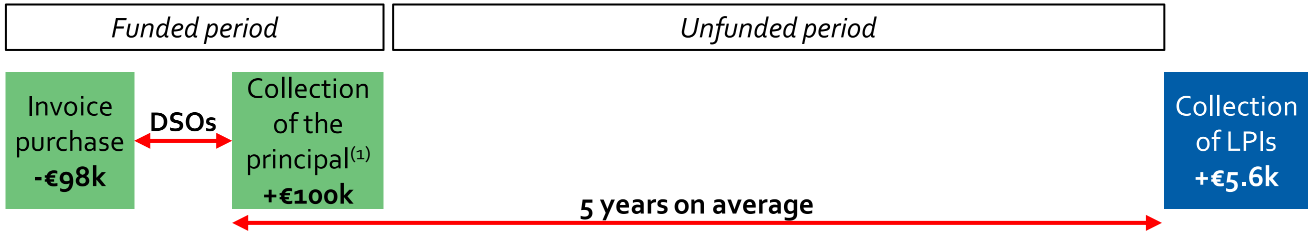
- LPIs in commercial transactions are regulated by the **Late Payment Directive n° 2011/7/EU (LPD)**: when invoices due by PA are not paid on time (i.e., by 60 days for NHS and 30 days for other PA), LPIs accrue at 8% over the ECB refinancing rate, plus compensation for recovery costs
- The LPD aims to protect the private sector from the detrimental effects of late payments; besides, **the LPD has become more stringent over time: no signals that it will be changed**
- The LPD is binding to all the Member States (MS) and is directly implemented through national legislation. The European Commission (EC) regularly verifies its correct implementation in all the MS through assessments and consultations
  - The EC has at least 5 infringement procedures versus MS on this Directive
- **With the 2019 resolution, the European Parliament, *inter alia*, recommended that EC and MS made sure the LPD was enforced and respected**, making easier the credit enforcement towards debtors. All the most recent official actions, therefore, go into the direction not only to keep the present regulatory framework, but also to make it more stringent versus debtors

Year	EU Directives/resolutions on PA late payments in commercial transactions	Payment terms for NHS/PA	Statutory interest rate for 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	60/30 days	ECB refin. rate + 8%
2015	**Ex-post evaluation of the LPD** (commissioned by the EC), stating that it "*has been successful in bringing the issue of late payments to the forefront of the political agenda in Europe*"		
2016	The EC adopted a **report on the implementation of the LPD**: "*it is recommended that the Directive is maintained in its current form*"		
2019	The **European Parliament adopted a resolution** that calls "*on the MS and the EC […] to take the necessary steps to ensure that public authorities pay their suppliers on time and that creditors receive the automatic payment of statutory interest on late payments and compensation when payments are late without the need for overdue payment proceedings, and calls on the EC to propose automatic interest computation*"		

Revenue recognition for non-recourse factoring

Assumptions for this illustrative example

- BFF purchase date: **31-Dec-19**
- Nominal value of the invoice (principal): **€100k**
- Maturity commission (discount): 2% → Purchase price: **€98k**
- Expected collection time for the principal (DSOs): **1 year**
- LPIs rate: **ECB refinancing rate + 8.0% = 8.0%**
- LPIs collection time: **5 years** → 31-Dec-24
- Statutory accrued LPIs for BFF: **45% → €3.6k**
- LPIs collection rate: **70% → €5.6k**
- LPIs over-recovery: €5.6k - €3.6k = €2.0k
- IRR: **5%**



€k	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	Total
Balance sheet	**98.0**	**3.0**	**3.1**	**3.3**	**3.4**	**0.0**	**-**
Maturity commission (discount)	-	*2.0*	-	-	-	-	*2.0*
LPIs at 45%	-	*3.0*	*0.1*	*0.2*	*0.2*	*0.2*	*3.6*
LPIs over-recovery (collection at 70%)	-	-	-	-	-	*2.0*	*2.0*
Total P&L	**-**	**5.0**	**0.1**	**0.2**	**0.2**	**2.2**	**7.6**

(1) For receivables not collected within the expected maximum collection date, interest income is reduced by the amount of yield required to keep the IRR of the portfolio constant (i.e., equal to IRR at pricing) until the new expected collection rate. In particular, the value of the credit on the balance sheet is re-calculated using the new expected cash-flow schedule (including expected LPIs), and the negative delta in value is booked in P&L to maintain the original IRR ("rescheduling impact").

Source: figures included in this slide are not based on BFF's actual data or results, but rather included strictly for illustrative purposes only for revenue recognition in non-recourse factoring.

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