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Ever more
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Strategy Update to 2028

29th June, 2023

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Agenda

Time (WET)		Speaker
09:30	Key Highlights	**Massimiliano Belingheri** *Group Chief Executive Officer*
10:00	Factoring & Lending	**Michele Antognoli** *Vice President* *Factoring & Lending*
10:20	Payments and Securities Services	**Enrico Tadiotto** *Vice President* *Transaction Services*
10:40	Balance Sheet Management, Operating Costs, Sustainability and Financial Targets	**Piergiorgio Bicci** *CFO, Vice President* *Finance & Administration*
11:00	Closing Remarks Q&A	**Massimiliano Belingheri** *Group Chief Executive Officer*

A Bank Like No Other

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A specialised & trusted service provider with a banking licence

BFF

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BY NATURE

- **Specialised** vs. Universal
- **Agile** vs. Crystallised
- **Entrepreneurial** vs. Bureaucratic

BY OPPORTUNITY

- **Broad addressable market** vs. Saturation
- **Leader** vs. One of the many
- **M&A as an opportunity** vs. M&A as usual

BY RESULTS

- **RoE >> CoE** vs. ROE ≤ CoE
- **Strong capital generation** vs. Medium-low capital generation
- **No credit cycle exp**. vs. Credit cycle exposure

A leading European B2B Specialty Finance

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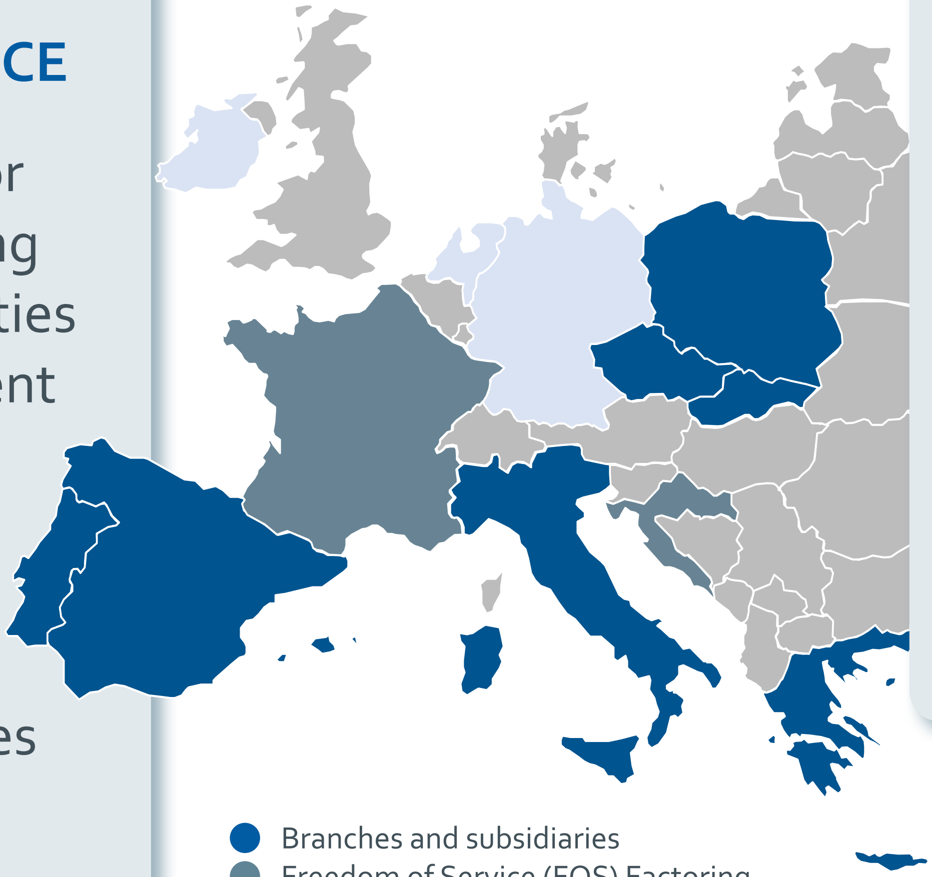
LEADER IN SPECIALTY FINANCE

- Leader in Europe for factoring and lending towards Public Entities
- The only independent intermediary bank for banking payments and the only Italian provider of securities services



- Branches and subsidiaries
- Freedom of Service (FOS) Factoring
- On-line FOS deposits through third party platform

- **9 Countries + 3 Countries for online FOS deposits**
- **800+ Employees** > 30% outside Italy
- **200+ Credit Managers** in Europe
- **12,500+ Public Debtors** managed
- **400+ Banks, AM Companies and Pension** choose BFF as custodian
- **300+ Pension Funds, UCITS and AIF Funds** choose BFF as depositary bank
- **The only independent player in Bank Payment, with 100+ banks and PSPs** as clients

A great value creation story…

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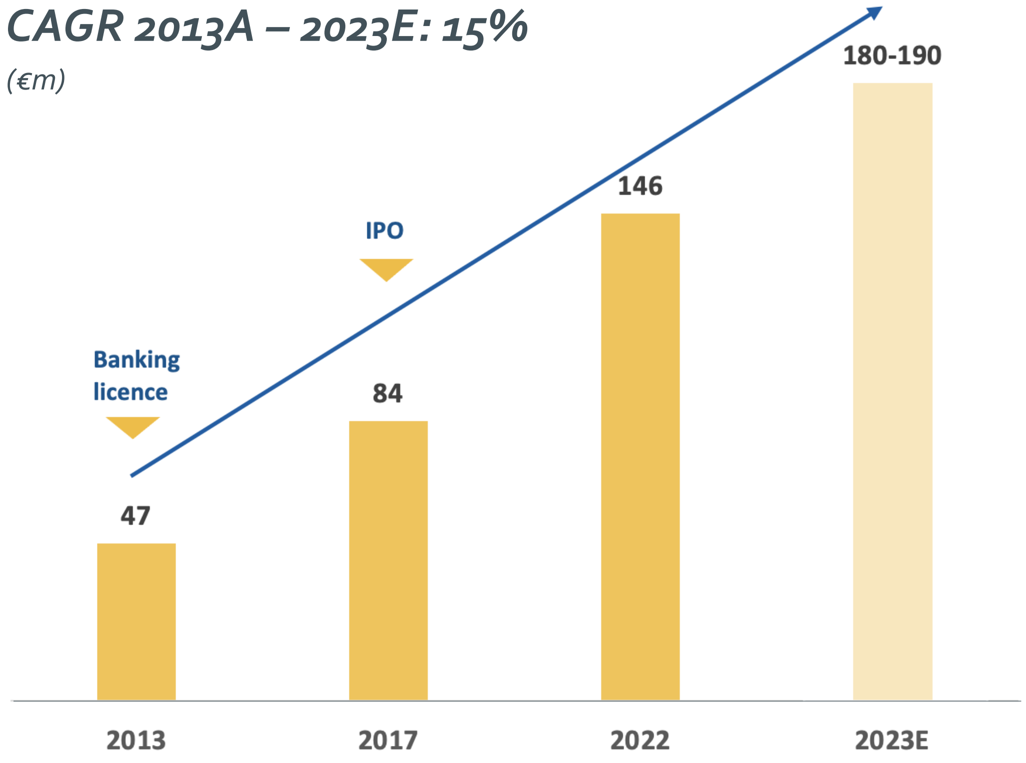
	1985 Foundation	2017 IPO	2023 Today
Value	€ 0.26m Capital invested in 1985	€ 800m IPO Market Cap	€ 1,800m Current Market Cap(2)
Share Price	€ 0.002(1)	€ 4.7	€ 9.8(2)
RoTE(3)		35%	39%(4)
Dividends Cumulated	€ 448m Pre IPO		€ 615m Post IPO

77% of IPO Market Cap

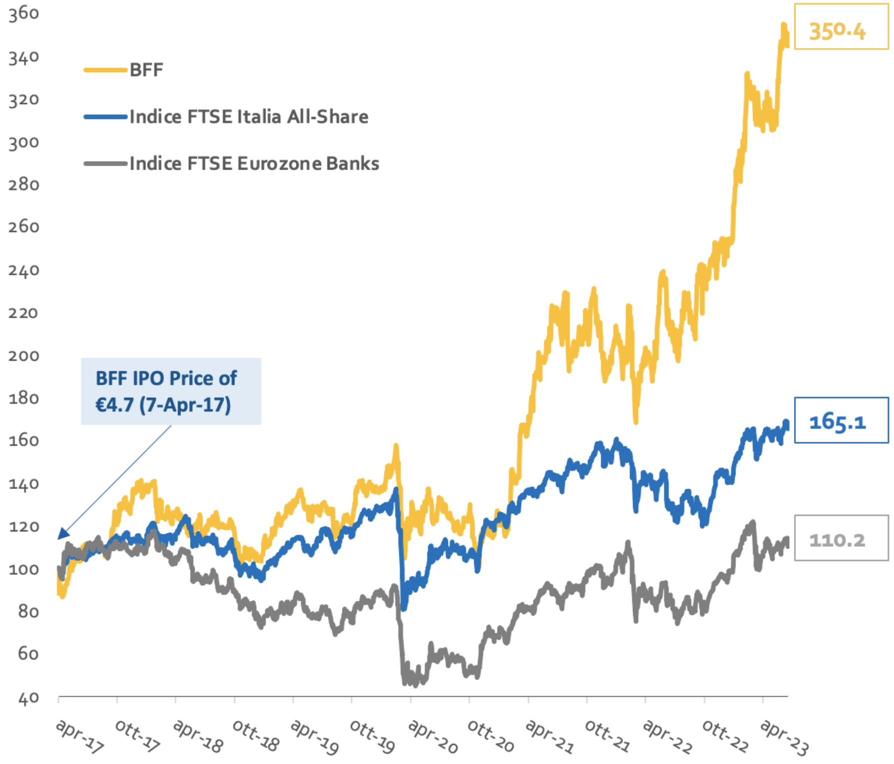
(1) Based on shares outstanding at IPO. (2) As of 23 June 2023. (3) RoTE: Adj. Net Profit / (Year end Equity book value – Reported Net Income + Interim dividend - AT1 – Year End Intangibles).
(4) As of 31 December 2022.

…with consistent profit growth in the last 10 years and shareholder returns significantly above market

Adjusted Net Profit (€m)



Total Return since IPO, with reinvested dividends



Source: Market data updated from Factset as of 23 June 2023.

Superior execution: majority of "BFF 2023" Plan financial targets hit one year ahead

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	Target "BFF 2023"		Comments
Volumes	20-23 CAGR >10%	✓ (on track)	20-22 CAGR 13%
Customer loans	20-23 CAGR >10%	✓ (met)	20-22 CAGR 16%
AuM(1)	20-23 CAGR ~ 5%	✗	Entirely driven by Arca's exit
#Transactions(2)	20-23 CAGR ~ 10%	✓ (on track)	20-22 CAGR 10%
Cost/income ratio(3)	~ 40-45%	✓ (met)	FY22 44%
Adjusted Net Income	€ 170-180m	✓ (on track)	Target increased to € 180-190m at YE22
ROE(4)	>30%	✓ (met)	FY22 >30%

✓ Target met 1 year in advance ✓ On track to meet or exceed target ✗ Target not met

(1) Assets under Depositary (AuD) and Assets under Custody (AuC), net of duplications.
(2) Including transfer and collections, cards and other settlements, checks and promissory notes, client payments and receipts.
(3) Calculated as (OPEX and D&A)/(Net Banking Income and Other operating income).
(4) Please note that from YE22, net book value increased by positive €100m one-off related to the new accrual accounting in RR and step up in LPI accrual rate.

"BFF 2028"

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Vision	Leader in specialty finance, with a unique value proposition in our reference markets: a highly-specialised and sustainable *bank like no other*
Mission	• Operating with honesty and transparency, respecting and valuing people • Maintaining leadership in innovation, customer service and execution in the reference markets • With a low risk profile and high operational efficiency

From "BFF 2023" Strategy

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The foundations of our success

BFF 2028: "A growth *like no other*" supported by a different context and unexploited business opportunities

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1 Favourable macro-context

2 Unexploited markets opportunities

GROWTH

REVENUES

EPS

RoTE

ENABLERS

a Operating leverage across all divisions

b Diversified funding

c Upside from embedded profitability

d Low credit risk

e Disciplined M&A

f Sustainable business

g Team

h Aligned with shareholders

1 We have entered a new and favourable environment for our business…

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Previuous Strategic Plans' (2019[1] and 2021[2])	2023 Strategic Plan	Expected Impact for BFF
High liquidity in the market	**Low liquidity** in the market	**Volumes** ↗
Negative interest rates	**Positive interest rates** expected to remain at a higher level vs. 2019-1H22	**Interest Income** ↗
Low inflation	**Surging inflation**	**Volumes** ↗
Low Public Investments	**High Public Investments** also driven by NGEU	**Volumes** ↗
Legislative changes (LPD, split payment, e-invoice, Past Due)	**Legislative framework is more stable** with some uncertainty (split payment)	No expected impacts
Decreasing DSO (i.e.: Italy from 351 days in 2011 to 119 days in 2021)	**Increasing DSO** (i.e.: Italy from 119 days in 2021 to 132 days in 2022)	**Volumes** ↗

(1) *"BFF 2023" Strategy*
(2) *BFF 2023 Investors Day*

1 ...with DSO driven by PA's structure and by cost of public debt...

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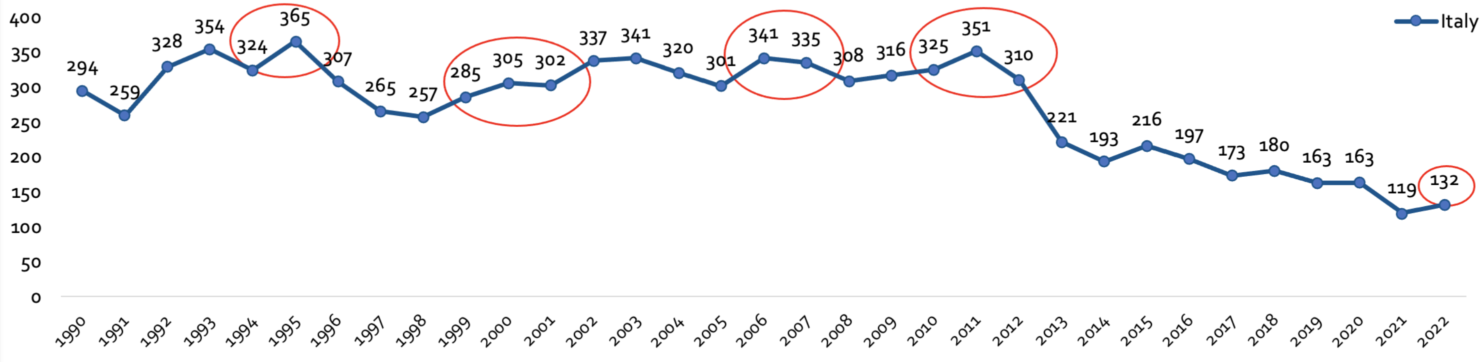
- **DSO tend to follow the increase in public debt interest rates due to worsening of public finances.**
- **PA late payments are also due to:**

  - **Mismatch** between centralised tax collection and decentralised public spending.

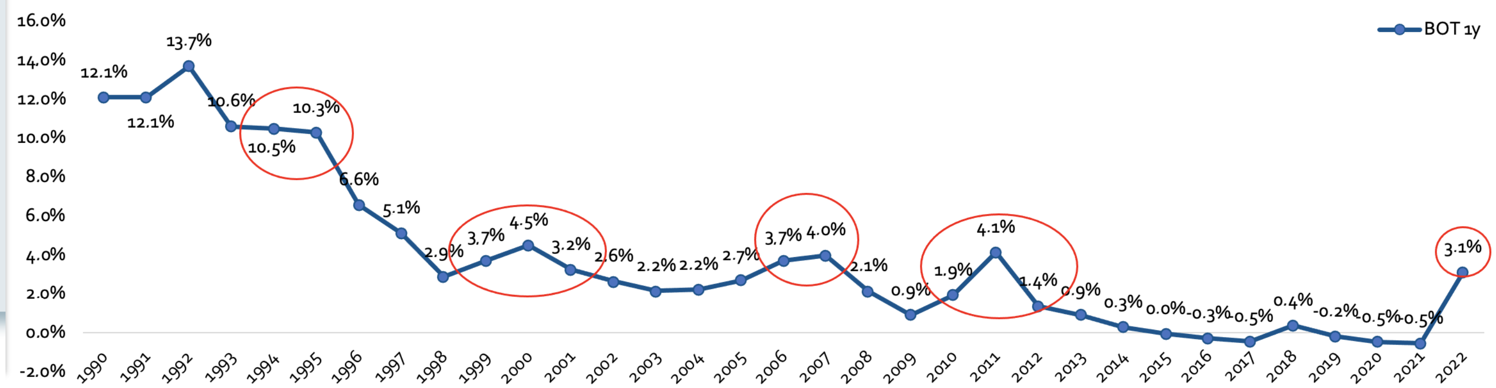
  - **Administrative complexity**, with many public entities: c. 22,925 in Italy[(1)], 17,949 in Spain, and 4,820 in Portugal.

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

Public Administration Days Sales Outstanding



Short-term Public Debt Interest Rates



Source: Company data, Bloomberg.
(1) Source as of 12/06/2023: https://indicepa.gov.it/ipa-portale/dati-statistiche/numeri-ipa

2 ...and with growth opportunities for all our businesses

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Factoring & Lending

€1 trillion market

- Inertial growth driven by inflation and real GDP growth
- Increase in market penetration in all segments of PA expenditures and investments

Payments Services

Structural shift to digital payments

- Expecting a significant increase in the number of digital payments in Italy

Securities Services

Steady growth across all segments of the AM industry

- Growth opportunities in Pension Fund, *Casse* and AIF segments
- Higher nominal returns drive AuM growth

a Operating leverage across all divisions

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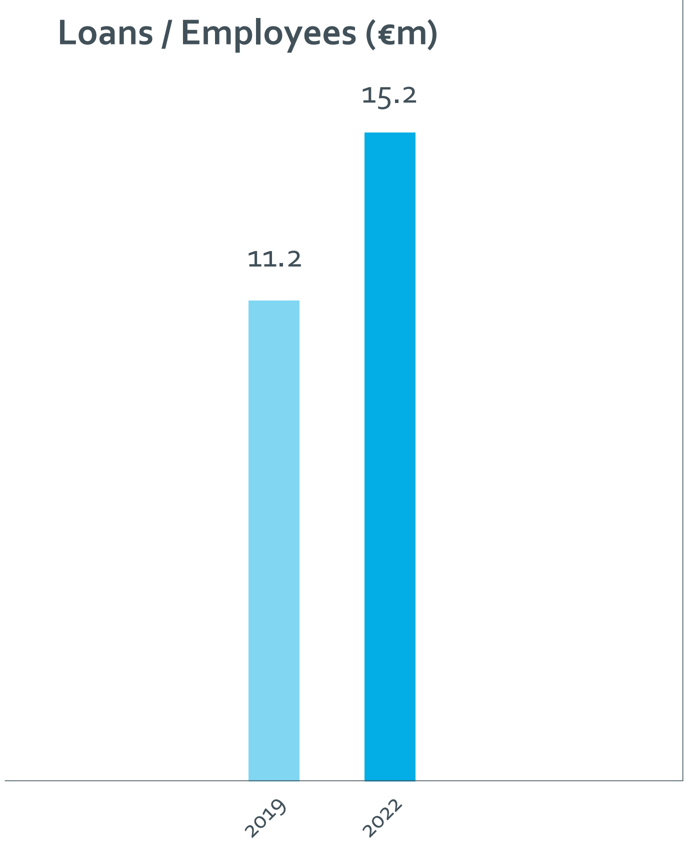
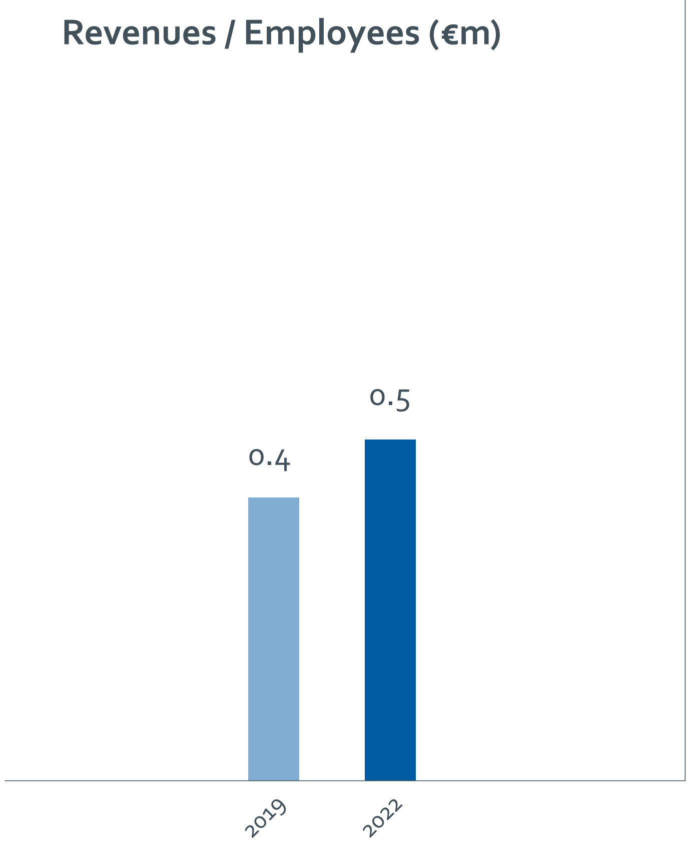
Scalable business model

- Embedded scale economies: increase in volume generates a lower increase in costs both in the F&L, Payments + Securities Services
- Light operating structure with no retail branch network

Factoring & Lending



Payments + Securities Services



b

A diversified and ample funding backing our growth

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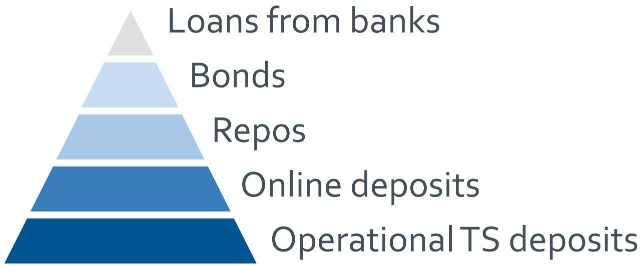
Diversified Funding Platform

- **Ample funding** almost entirely from **Transaction Services operational deposits** and **retail deposits**
- Access to **multiple sources** of **funding**
- No **ECB LT facilities** to be refinanced



Geographical Diversification

- **Online deposits platform covering 6 geographies**

2014 – Italy
2015 – Spain
2017 – Germany(1)
2019 – Poland, Netherlands(1), Ireland(1)

Ample Funding Capacity

Loan to deposit ratio

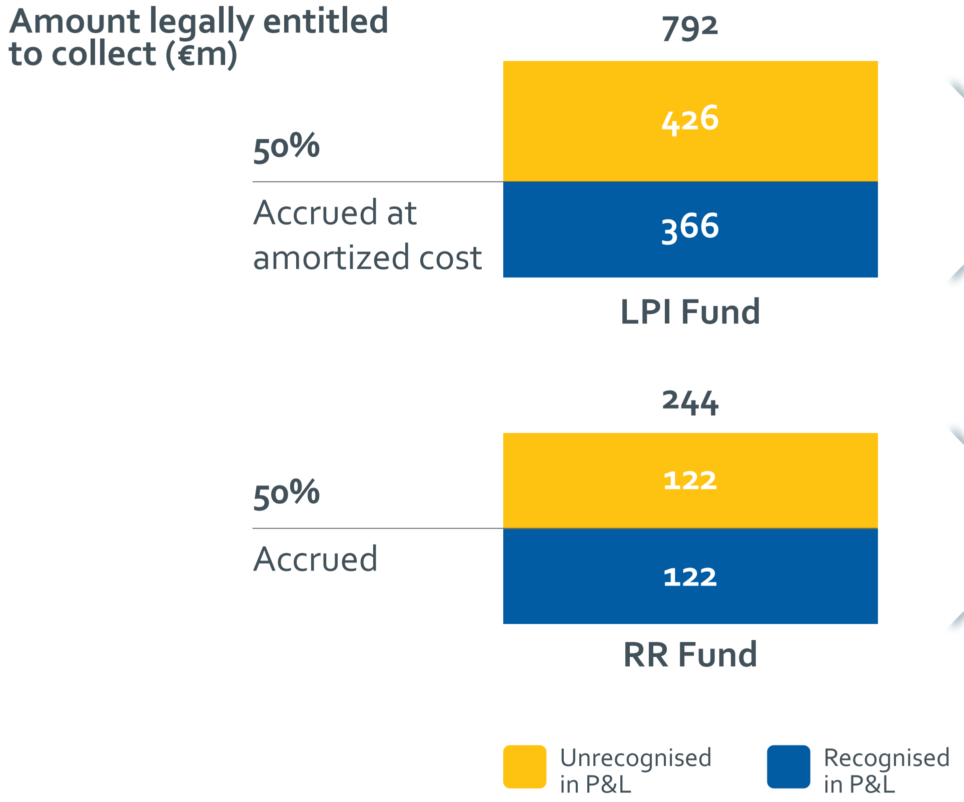
- Available funding headroom to back growth

2019: 304%
2023(2): 75%

(1) Indirect offer through third-party platforms.
(2) As of 1Q23.

Significant off balance-sheet reserves and embedded profitability upside

LPIs and Recovery Rights Funds(1)



€ 426m

€ 122m

Deferred Profitability Potential

Focus on slide 32

(1) As of 1Q23.

d

Low risk business model, no exposure to credit cycle

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Exposure vs. PA	Cost of Risk (bps)	Credit losses
Loan book almost entirely towards PA **95%**(1)	Average Cost of Risk(2) since IPO of 8.5 bps	€6.2m(3) cumulated losses in the last 16 years

(1) FY22.
(2) Also including generic provisions.
(3) Excluding DEPObank and BFF Polska Group.

e

Disciplined M&A strongly connected with business strategy

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Consolidation of existing business and/or entry into new market niches not covered by traditional banks
Maintaining the Group's low risk profile
Value creation through (i) revenue growth, (ii) funding/capital synergies or (iii) cost efficiencies

Existing Business

2019 — IOS FINANCE

2022 — MC3 HOUSE OF SOFTWARE

Adjacent Sectors

2016 — magellan

New Niche Markets

2021 — DEPObank BANCA DEPOSITARIA ITALIANA

Target
- Same or adjacent business as BFF
- High asset yield with a low risk profile
- New + existing geographies

Expected Benefits
- Market share consolidation, new segments, vertical integration
- Operational synergies
- Funding synergies

Target
- New market niches not covered by traditional banks
- Only in existing geographies

Expected Benefits
- Funding synergies
- Diversification

Strong governance, commitment on social-responsibility and more sustainable operations

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Environment

- 47% employees currently working in green building(1)
- 37% reduction of paper (vs. 2019)
- 25% reduction of gasoline/ diesel cars, replaced by Hybrid / Electric ones

Social

- Wide distribution of value through LTI covering c. 21% of total employees
- Diversity drivers: focus on gender and nationality, "gender pay-gap reduction" in CEO's scorecard
- 37%(2) of female managers
- 21,000 hours of training
- c. €600k of contributions to Farmafactoring Foundation and charitable initiatives for community

Governance

- Full alignment to Self-Regulation code
- Our BoD:
  - 56% independent
  - 44% female
  - 33% foreign residents
  - 78% international experience
- Succession plan for the CEO and Chairman
- One of the few Italian banks to present BoD's slate

SUSTAINALYTICS
2022 ESG Risk Rating 18.1
Low Risk

MSCI
2023 ESG Rating
AA

(1) Building with LEED rating gold or higher. LEED, or Leadership in Energy and Environmental Design, is a rating system developed by the U.S. Green Building Council to evaluate the environmental performance of a building. (2) See NFD 2022 page 111.

g Strong team with a well-balanced management team

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Our Team

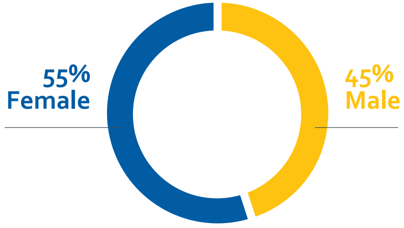
842(1) Employees

11 CEO's first reports

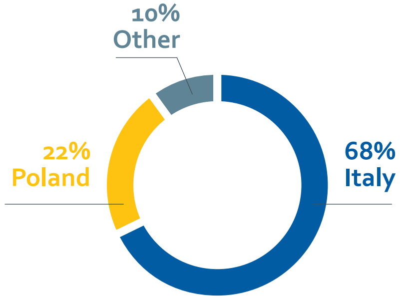
45% with international experience

36% female management, doubled since 2018

Average tenure: **7.1y**



By Gender



By Countries

Our Management

Group CEO, *Massimiliano Belingheri*

CEO's First Reports

Vice Presidents

Finance & Administration	Factoring & Lending	Transaction Services	Technology & Processes
Piergiorgio Bicci	*Michele Antognoli*	*Enrico Tadiotto*	*Massimo Pavan*
9 years	8 years	6 years	3.5 years

Directors

Communication & Institutional Rel.	Compliance & AML	HR & Organizational Development	Investor Relations, Strategy, M&A
Alessia Barrera	*Michela Della Penna*	*Marilena Ferri*	*Caterina Della Mora*
5 years	25 years	1 years	4 years
Group General Counsel & Legal	**Risk Management**	**Chief of Staff**	
Mario Gustato	*Marco Piero*	*Alessandro Mayer*	
7 years	6.5 years	3 years	

Tenure

(1) As of 31.12.2022

Organization aligned to shareholders through incentives promoting meritocracy, ownership and sustainability

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Short Term Incentives

- **100% of employees covered by bi-annual review system**
- **72% employees coverage, pursuing sustainability:**
  - gate criteria and multiple performance criteria based on: i) risk- adjusted profit $EBTDA^{RA(1)}$, ii) LCR and iii) TCR;
  - 50% paid in shares or financial instruments for risk takers;
  - 60% of total deferred for up to 5y.

Stock Option Plans

- **21% employees coverage, promoting ownership and retention:**
  - gate criteria and multiple performance criteria including $EBTDA^{RA(1)}$ and carbon emission;
  - deferral period: 3y+3y for risk takers;
  - new LTI 2025-27 expected to be launched at expiration of the current one.

(1) $EBTDA^{RA}$ = EBTDA risk-adjusted - (Average RWAs * Total Capital ratio target * Cost of Equity). Please refer to page 76 of 2023 Remuneration Policy.

h Proud to be a true Public Company

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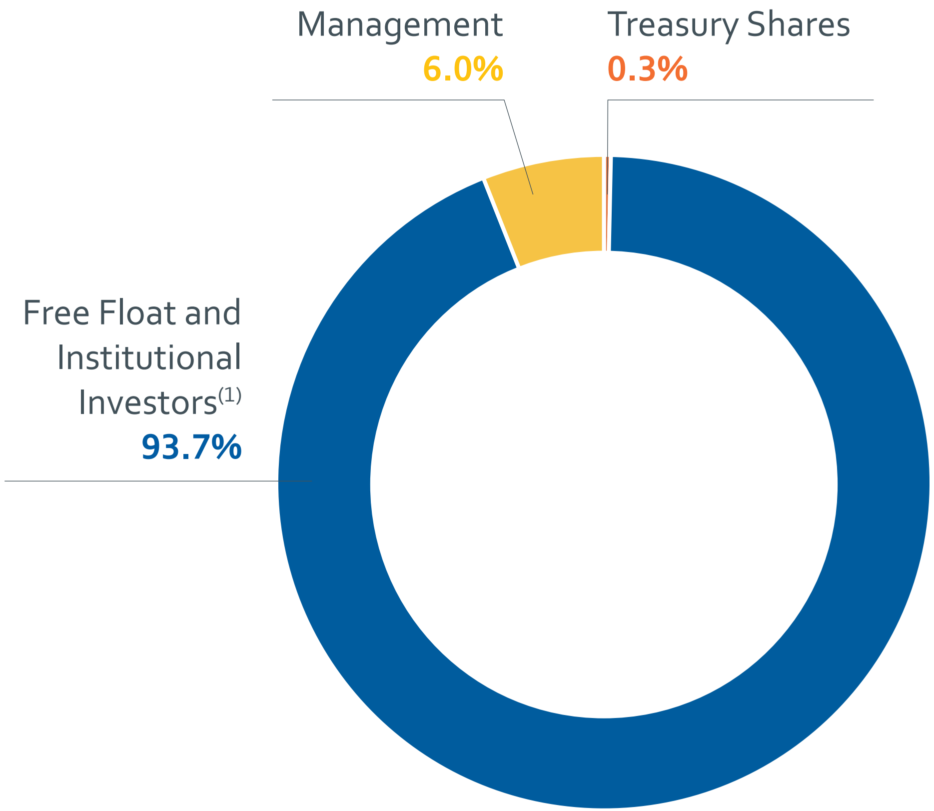
- One of the few true Public Companies in Italy
- Management owning >6%, strongly aligned with Shareholders
- First-class and very well-balanced Shareholders' base[(2)]



(1) Source: 120A - 120B - 120D Disclosure Forms and Internal Dealing communications. Percentage stakes are calculated on 185,744,276 total issued shares as of 06/06/2023. As of 06/06/2023 Capital Research and Management Company held 9.4m of BFF shares, equal to 5.1% of the share capital. As of 06/06/2023 JPMorgan Asset Management Holdings Inc. held 5.7m of BFF shares, equal to 3.1% of the share capital. (2)Source: Company analysis based on public records.

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Factoring & Lending
Payments
Securities Services

bff.com

Our Business Units: Factoring & Lending

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Factoring & Lending | Payments Services | Securities Services

€1 trillion market

- Inertial growth driven by inflation and real GDP growth
- Increase in market penetration in all segments of PA expenditures and investments

Structural shift to digital payments

- Expecting a significant increase in the number of digital payments in Italy

Steady growth across all segments of the AM industry

- Growth opportunities in Pension Fund, *Casse* and AIF segments
- Higher nominal returns drive AuM growth

Foundation of our success in F&L

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A **Large underpenetrated target market**

€1trillion market opportunity in underserved segments of PA expenditure and investments

B **Unique business economics**

Very high profitability: two sources of interest income in Factoring, operating leverage and negligible credit risk

C **Unassailable competitive advantages**

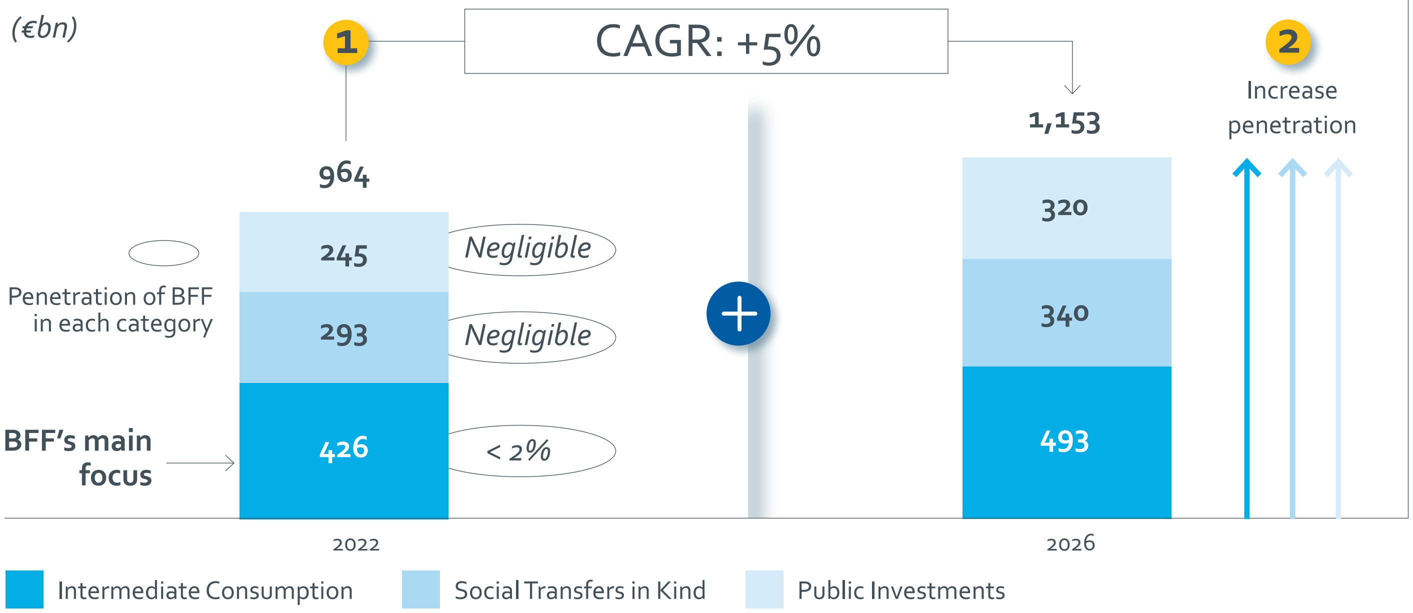
Unique pan-European platform with decades of successful track-record in dealing with PA

A €1 trillion market opportunity, mostly underserved

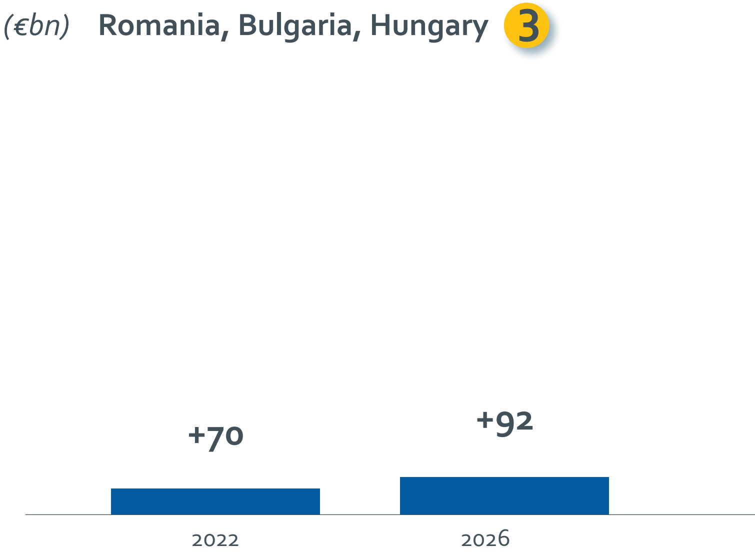
1 Secular growth of total public investments and public expenditure and 2 increased coverage in all PA spending categories, with 3 further upside from international expansion

Organic Loans Growth CAGR 22-26 >10%

Long Term Public investments and Public expenditure Growth in BFF countries



Further Upsides (Not incl. in target growth)



Source: Eurostat data and internal analysis.

Considerable growth potential in NHS and Italy by aligning PA penetration to NHS current penetration

A

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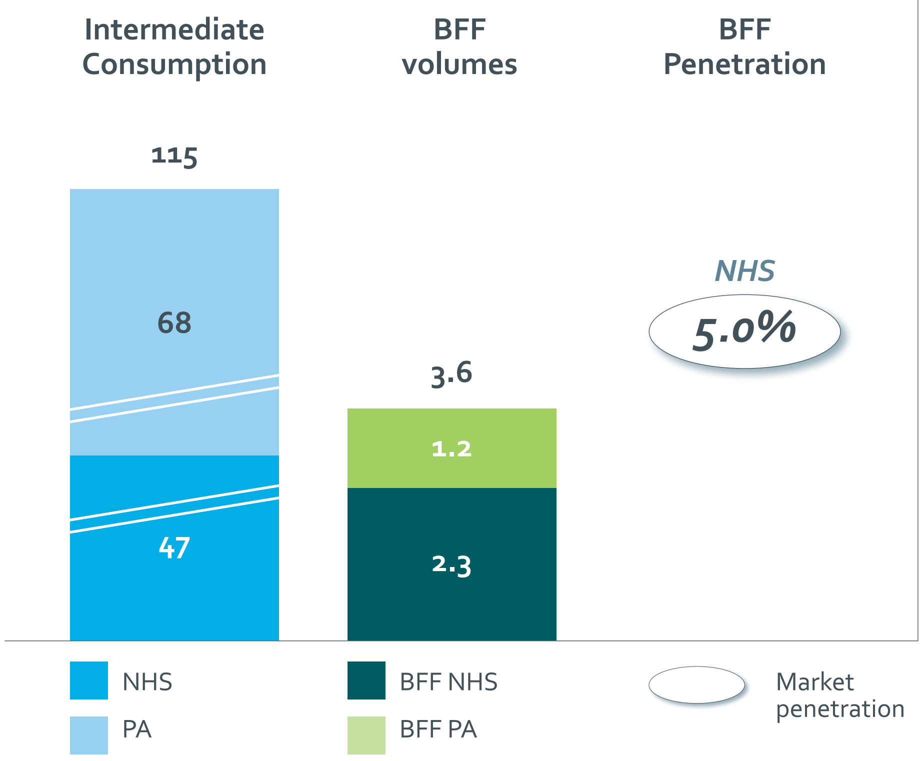
BFF Italian Market (2022 - €bn)



Source: Eurostat data and internal analysis.

Market Opportunity

1 Growth in NHS market (2022-26 CAGR of +5%)

2 **Applying NHS market penetration to all PA market**

BFF's NHS market penetration in Intermediate Consumption		PA Intermediate Consumption		New total volumes
5.0%	x	€68bn	=	€3.4bn
New total volumes		**Current BFF volumes in PA**		**Additional BFF volumes**
€3.4bn	–	€1.2bn	=	+€2.1bn

2.3x current volumes in Italy

Ⓐ Substantial opportunity abroad: bringing international markets to BFF's penetration in Italy would quadruple our volumes

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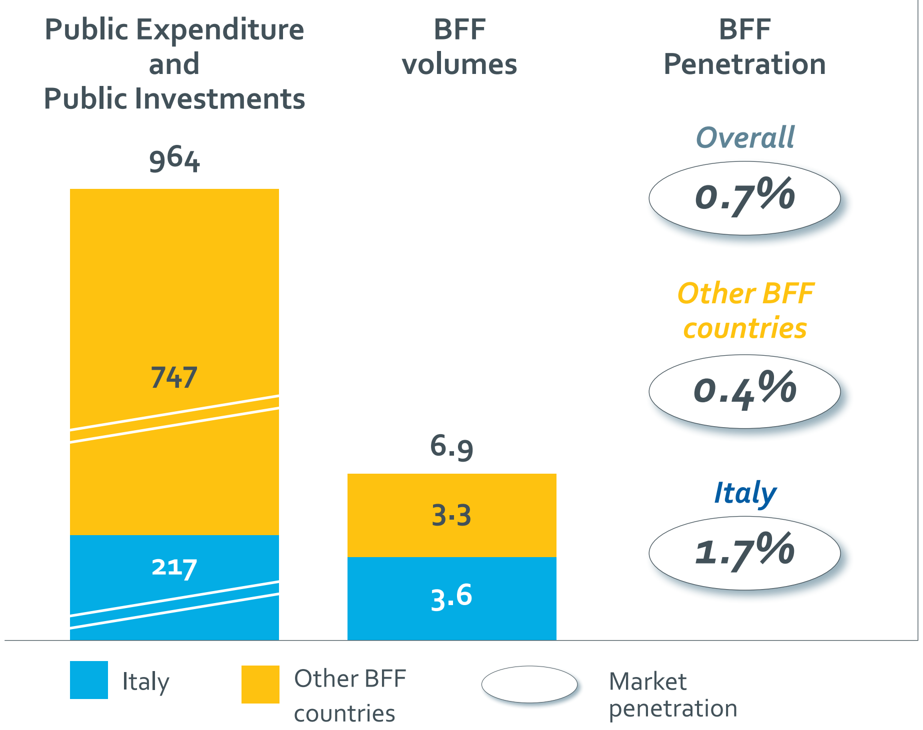
BFF Markets (2022 - €bn)



Market Opportunity

1 Secular growth (2022-26 CAGR of +5%)

2 **Applying Italian market penetration to all BFF Countries (ex Italy)**

BFF's Market penetration in Italy		Total Public expenditure (excluding Italy)		New total volumes
1.7%	x	€747bn	=	€12bn
New total volumes		**Current BFF volumes (other geographies)**		**Additional BFF volumes**
€12bn	–	€3bn	=	+€9bn

4x current volumes
in other geographies

Source: Eurostat data and internal analysis.

B Unique revenue generation model with income coming from both clients and debtors…

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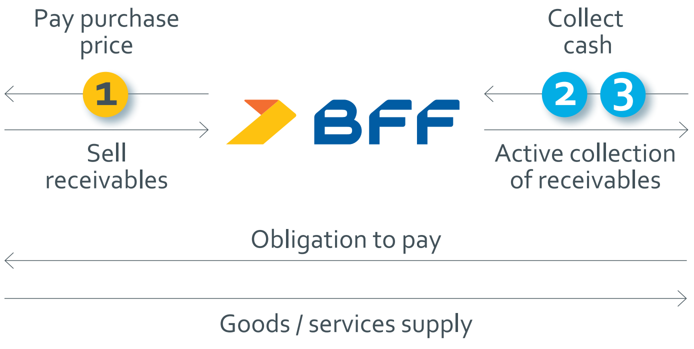
Public sector suppliers (BFF clients)

Pfizer, Bracco (Life from inside), Korian, Mundipharma, Titagarh Firema S.p.A, Rekeep (minds that work), Amplifon, Baxter, Air Liquide, Merck, Althea



Public sector debtors (BFF debtors)

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

Revenues components

1 Maturity commission +

- Discount on the face value of the invoice

2 Late Payment Interests (LPIs) +

- ECB Refinancing rate + 8% spread
- 50% accrued in P&L
- Over-recoveries vs. 50% cashed over 5-6y (deferred income)

3 Recovery Rights (€40 per invoice)

- 50% accrued in P&L
- Over-recoveries vs. 50% cashed over 5-6y (deferred income)

...underpinned by the EU Late Payment Directive...

European Directive on Late Payment (LPD) sets a clear regulatory framework for late payments in B2G (and B2B)

	Regulatory Framework	Statutory Rate	Recovery Rights	Payment terms (#days)	
				NHS	PA
2000	Late Payment Directive *(2000/35/EC)*	ECB refinancing rate +7%	--	90	60
+11 years					
2011	First Revision *(2011/7/EU)*	ECB refinancing rate +8%	At least €40 per invoice	60	30
+12 years					
2023	Public Consultation finalized to the new Revision	Possible upside, no negative impacts expected[1] In 2023/24 expected stable environment for further 10 years			

(1) https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13665-Late-payments-update-of-EU-rules_en

B

…with significant deferred profitability, expected to increase even further

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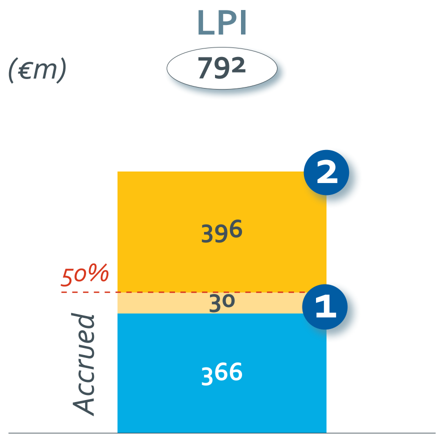
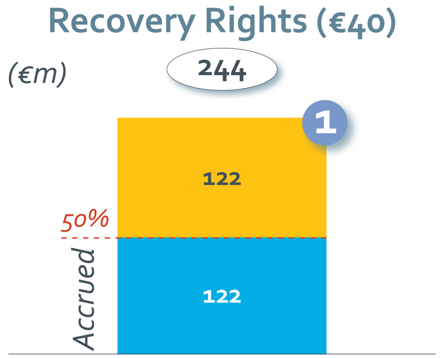
Funds(1)





Deferred Components

1 Discounting effect of the 50% accrual rate:
LPIs accrued in P&L will increase in next 5y also in case of stable outstanding.

2 Over-recoveries LPIs
Over-collection vs. 50% minimum accrual recognized on a cash basis only in c. 6y.

1 Over recovery RR
Over-collection vs. 50% minimum accrual recognized on a cash basis only in c. 6y.

Unrecognised in P&L

Recognised in P&L

€30m

+

c. €158m
(20%(2) of €792m)
Illustrative example

+

c. €49m
(20%(2) of €244m)
Illustrative example

=

Total €237m

Expected to increase

Growth Drivers

LPI Rate increase from 8% to 12% ↗

Volumes increase ↗

DSO increase ↗

invoices increase ↗

DSO increase ↗

(1) As of 1Q23.
(2) Based on a 70% illustrative final collection rate.

C

Unassailable competitive advantage in a market with high entry barriers

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	BFF	Banks	Specialty Finance	New entrants
Client base	Mostly large multinational suppliers of PA, high creditworthiness, high growth potential from cross borders sales	Mix of SME and large companies	Mix of SME and large companies	Mainly SMEs while large companies require long engagement
Debtors	Almost entire exposure vs PA and NHS with no credit risk	Medium credit risk, debtors are also SMEs	Medium credit risk, debtors are also SMEs	High credit risk, debtors are mainly SMEs
International coverage	Operating in 9 countries, minimum incremental investment to open new countries	May have international coverage but lower profitability abroad	Mainly domestic	Fully domestic
Fixed cost base	Minimum incremental costs with higher volumes	High fixed costs branches	Costs increase with volumes	Costs increas with volumes

...continues

C Unassailable competitive advantage in a market with high entry barriers (Cont'd)

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	BFF	Banks	Specialty Finance	New entrants
Relationship with PA	PA is not a client, no conflict of interest in the LPI collection process	PA is a client, with conflict of interest	PA is not a client, with no conflict of interest	PA is not a client, with no conflict of interest
Ability to collect LPIs and RR from PA	Multi-year collection database of LPI and RR allows for accrual accounting vs. cash accounting	No charge of LPIs and RR	Accrual accounting w/o multi-year collection database	Cash accounting
Funding	Ample and stable funding thanks to operational deposits	Ample but with high fixed costs: i.e. branches	Funding constraint	Funding constraint

Strong opportunity ahead in F&L

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(€m)	FY 2022	2023 – 2026 Expected Trends
Volumes	7,364	Volumes and loans growth CAGR 22-26 >10%
Loans	5,442	
Gross yield on avg. Loans (%)	5.6%	High single digit gross yield on loans
Revenues from F&L	264	2.5x increase in revenues from 2022
of which Gross Interest Income	247	
of which Other Revenues	16	

- Interest Income: in Factoring, revenues from both clients (maturity commissions) and debtors (LPIs)

- Other revenues: mainly include "Recovery cost rights"

Our Business Units: Payments

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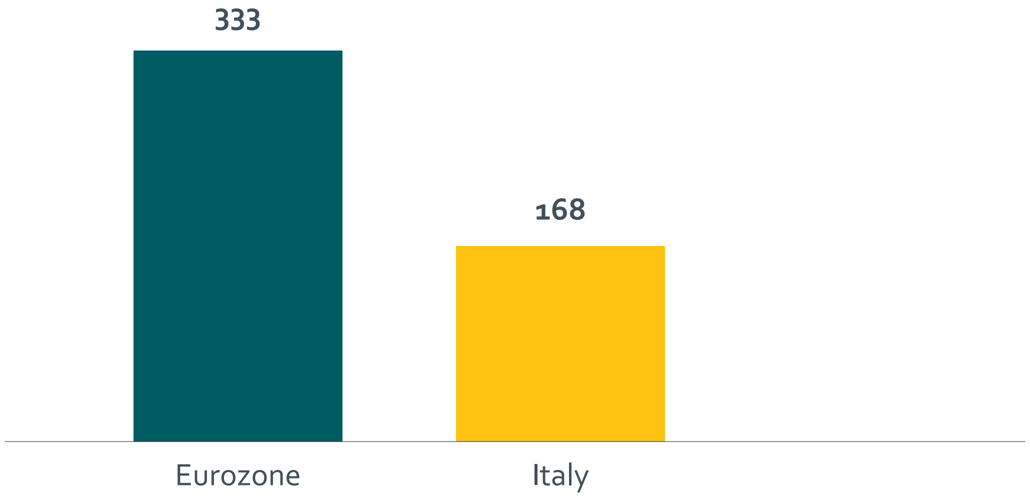
Factoring & Lending	Payments Services	Securities Services
€1 trillion market	Structural shift to digital payments	Steady growth across all segments of the AM industry
• Inertial growth driven by inflation and real GDP growth • Increase in market penetration in all segments of PA expenditures and investments	• Expecting a significant increase in the number of digital payments in Italy	• Growth opportunities in Pension Fund, *Casse* and AIF segments • Higher nominal returns drive AuM growth

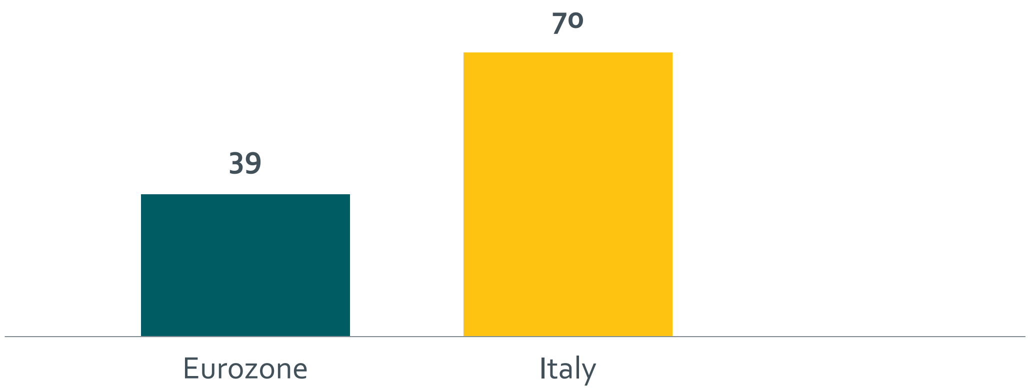
Growth potential in Italy aligning digital payments penetration rates with European levels…

- **Italy is** in the **bottom tier of the Eurozone countries** in terms of **number of cashless transactions per capita…**
- …but with high-growth potential given that Italy relies on **a well-developed payment infrastructure vs. Eurozone countries**

# of digital payments transactions per capita (2021)



# of Pos per thousand inhabitants (2021)



Source: ABI analysis on ECB data.

… also driven by NRRP, new regulations and innovations

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NRRP[1]

Aiming at the **digitalisation** of the Italian economy, with an impact on **Italian digital payments**

PA

- Digitalisation of the payments to/from the **Public Administrations**
- **Mandatory electronic payments** for merchants and professionals also for small amounts

New Regulations

New regulations boosting an **increase of activity** in the digital payment markets, and creating **new use cases:**

- **Instant Payment Regulation,** making it mandatory for all banks to provide instant payment services
- **Digital Euro / digital currency,** there is need for a systemic bank to guarantee interoperability and reachability
- **PSD revision,** generating higher costs for PSPs favoring outsourcing of non-competitive activities

Innovation

Innovation increases the number of both **players and digital payment instruments available in the market:**

- **Payment Institutions** (PI) and **Electronic Money Institutions** (EMI)
- **Fintech**
- **Smart devices**
- **Account-to-Account payments**
- **Bank As a Services**
- **DLT/Blockchain**

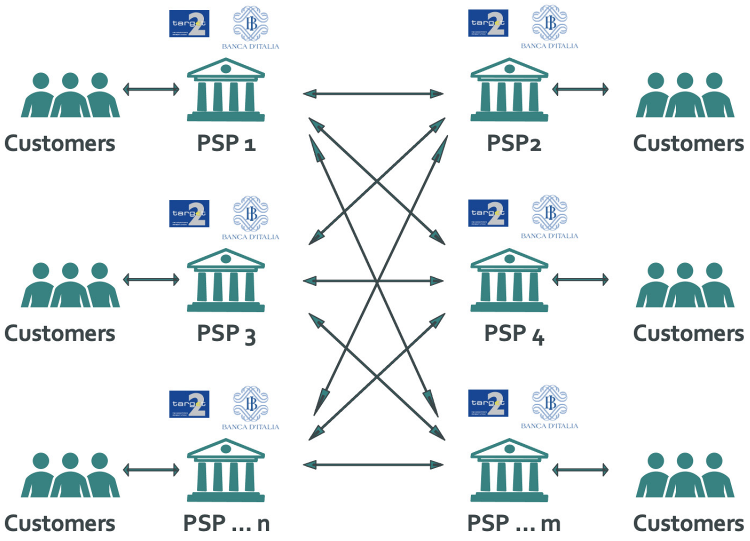
Supported by a digital native generation (i.e. millennials)

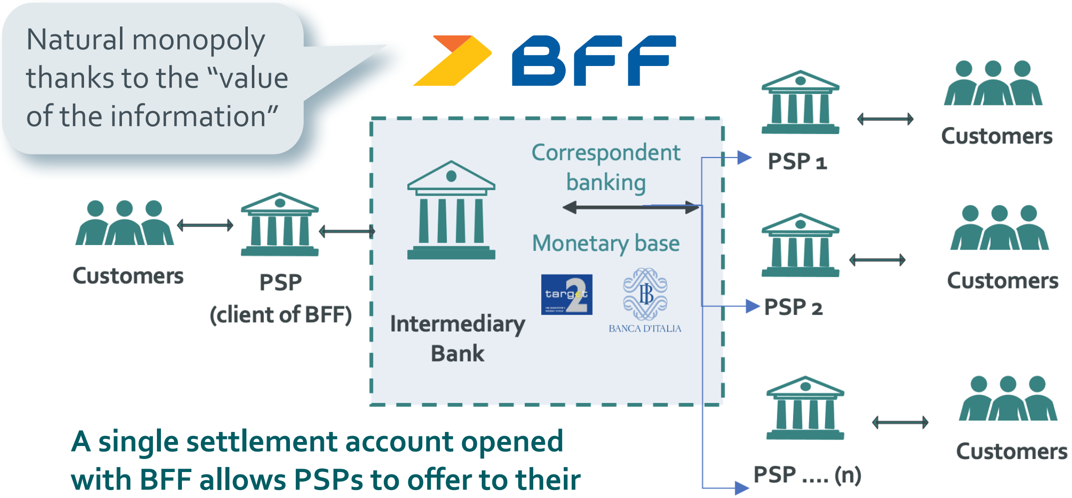
(1) National Recovery and Resilience Plan.

"*Banca di Secondo Livello*"(1): providing efficiency, simplification and a level playing field for small players

- Clear value proposition allowing smaller PSPs to focus their investments on payment instruments (competitive area) rather than the payment process (non-competitive area) and, therefore, to compete with major PSPs ➔ **resulting in increased competition in the digital payments market**
- Recognized as the only independent intermediary in the Italian market (not a competitor of other PSPs in any segment) ➔ **"natural" monopoly":** for PSPs the value of the information regarding their customers' payments flow is higher than the cost of the payment itself

Direct Model Higher cost and investment and more complexity	**Intermediation Model** Lower cost and investment and less complexity





A single settlement account opened with BFF allows PSPs to offer to their clients all types of payments

(1) Second level bank, i.e. a bank offering services to other banks.

Wide spectrum of services offered in the payments value chain

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Service family	Intermediation & Settlement	Checks & Receivables	Clients receipts & payments
Service	• Domestic intermediation, SEPA and Target2 • International card settlement & SETIF • Extra-EU payments • Payment services and mobile phone recharge via WEB and ATM	• Checks issuing and collection • Receivables collection ("effetti") • Cash Letters management	• SDD, SCT, SCT high priority, foreign payments for corporate and PA • Telepass intermediary • Payment service for public pensions (INPS) • Other services (e.g. PagoPA)
Clients	Banks, payment institutions and IMEL	Banks, corporates and public administrations	

Expected trends

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(€m)	FY 2022	2023 – 2026 Expected Trends
N° of transactions (#m)	675	Modest growth resulting from balancing high-growth activities with structurally declining ones
Revenues (Net Fee and Commission Income)	57	
EoP Deposits	2,852	Slight decrease due to lower liquidity in the banking system

\# transactions * % fee + Flat service charges

Balances on operational accounts related to payment transactions

Our Business Units: Securities Services

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Factoring & Lending	Payments Services	Securities Services
€1 trillion market	Structural shift to digital payments	Steady growth across all segments of the AM industry
• Inertial growth driven by inflation and real GDP growth • Increase in market penetration in all segments of PA expenditures and investments	• Expecting a significant increase in the number of digital payments in Italy	• Growth opportunities in Pension Fund, *Casse* and AIF segments • Higher nominal returns drive AuM growth

Italian AM market shows a growing trend in AuM, even faster in Pension Funds

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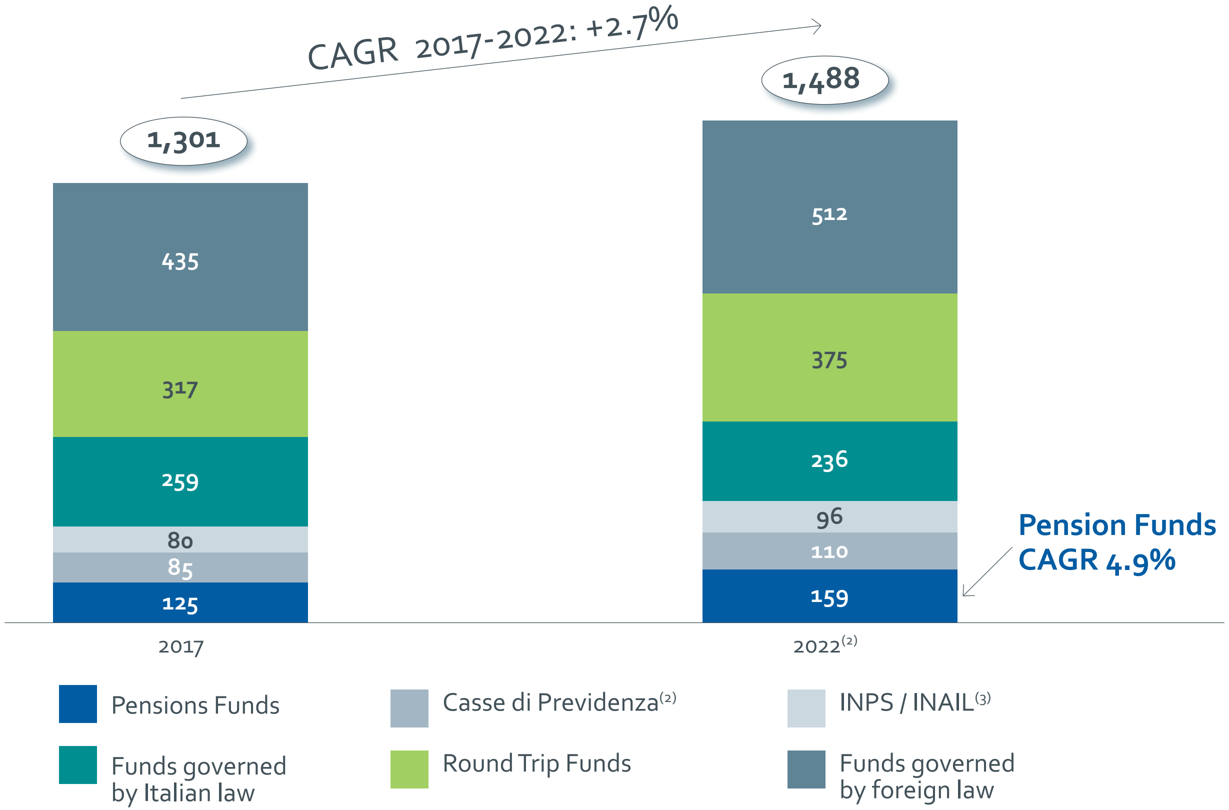
Considerations

- BFF serves all types of Italian funds (Pension, Alternative and Mutual), also providing value-added services.
- Secular growth in the Italian AM market, with a positive CAGR of 2.7%. Pension Funds have the steadiest growth and are less affected by market volatility.
- New regulation introducing the obligation for *Casse di Previdenza*[(4)] to appoint a Depositary Bank, opening a market worth c. €110bn (public tenders to select the Depositary Bank in 2H23/24).
- Positive trends also for Alternative Funds[(1)], a strategically attractive segment in terms of size and liquidity.

AuM Trend (€bn) excl. AIFs[(1)]



Source: Q4 2022 Assogestioni Data, Bollettino MEFOP 84, Itinerari Previdenziali-Nono Report.
(1) Not including AIFs due to lack of reliable data; (2) Pension schemed data as of 1Q22; (3) INPS / INAIL and Casse di Previdenza data for 1Q22 have been estimated equal to those at the end of 2021. (4) Social Insurance Funds providing income following the retirement of professional workers.

Well positioned in the domestic arena, delivering steady growth and liquidity to the Group

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BFF Services	Client	Market	Competitive Advantage	Growth Outlook
Depositary Bank; Fund Accounting; Global Custody	Pension Funds	• BFF provides services in a highly fragmented market, where local presence is a competitive advantage	• Local presence • Focus on tailored solutions • Customer-centric approach	Accumulation phase
Depositary Bank; Fund Accounting; Transfer Agent; Global Custody	AIFs			Growth
Depositary Bank; Fund Accounting; Transfer Agent; Global Custody	Domestic Mutual Funds	• BFF operates with small funds, better served by local players • Medium/large funds served by large Securities Services providers with long term relations originated by M&A deals		Low growth
Global Custody	Banks & Brokers	• BFF provides custody services to small/medium banks who need an independent and flexible operator		Low/steady growth

- **Important source of stable and operational deposits**
- **Steady revenue inflow with mostly fixed cost base**

Growth drivers

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Increasing penetration among AIFs	• Very dynamic segment where BFF can act as a reference Securities Services provider for medium-small asset managers thanks to the full coverage of core and added-value services • Track record of innovation (litigation, vessel, SIS), quality service, and ability to attract existing funds migrated from other Securities Services providers
New Market *Casse di Previdenza*	• Opening a new market of c. €110bn, where BFF can offer not only the traditional services of a Depositary Bank but also value-added services • Leveraging on the leading position in the Closed Pension Fund segment and on unique value-added services (where some *Casse* are already clients of BFF for such services)
BFF's strong anchoring to domestic operating context	• Ability to offer Depositary Bank and administrative services in outsourcing to all types of domestic funds with tailor-made solutions leveraging on a deep knowledge of local regulations • The only Italian Securities Services provider operating in the Italian market
New value-added services	• Continuously adding new value-added services to BFF's current offering, thanks to the deep knowledge of the reference market and new regulations (i.e., ESG, SDRII, etc.) • Servicing new clients (family offices, professional categories with "conto pegnato")

Expected trends

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AuD and AuC * % fee

Liquidity balances in connection with clients' asset allocations policy

(€m)	FY 2022	2023 – 2026 Expected Trends
Depositary Bank (AuD EoP)	49,524	Double digit growth in Depositary Bank AuD and low single digit growth in Global Custody AuC
Global Custody (AuC EoP)	153,065	
Revenues (Net Fee and Commission Income)	44	High single digit growth net of Arca
EoP Deposits	3,167	Up to 2x current volumes including *Casse di Previdenza*

Potential challenges

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Factoring & Lending

- **Execution risk** and **higher past due exposure**
- Adverse change in **Late Payment Directive**
- **DSO decrease**

Payments Services

- **Consolidation** of the **Italian banking system**
- Limited growth potential and **decreasing volumes** for some **instruments**
- Developments of **new products** which may **reduce need** for **intermediation services** (Digital Euro and DLT/Crypto/digital asset technologies)

Securities Services

- **Consolidation** of the **Italian banking system**
- **Increasing pressure** on **margins** also due to large international players
- **Lack** of **coverage of funds established abroad** (by Italian or foreign asset managers) **and distributed in Italy**

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Balance Sheet Management Operating Costs and Sustainability

A stable Balance Sheet, with strong growth in loan book

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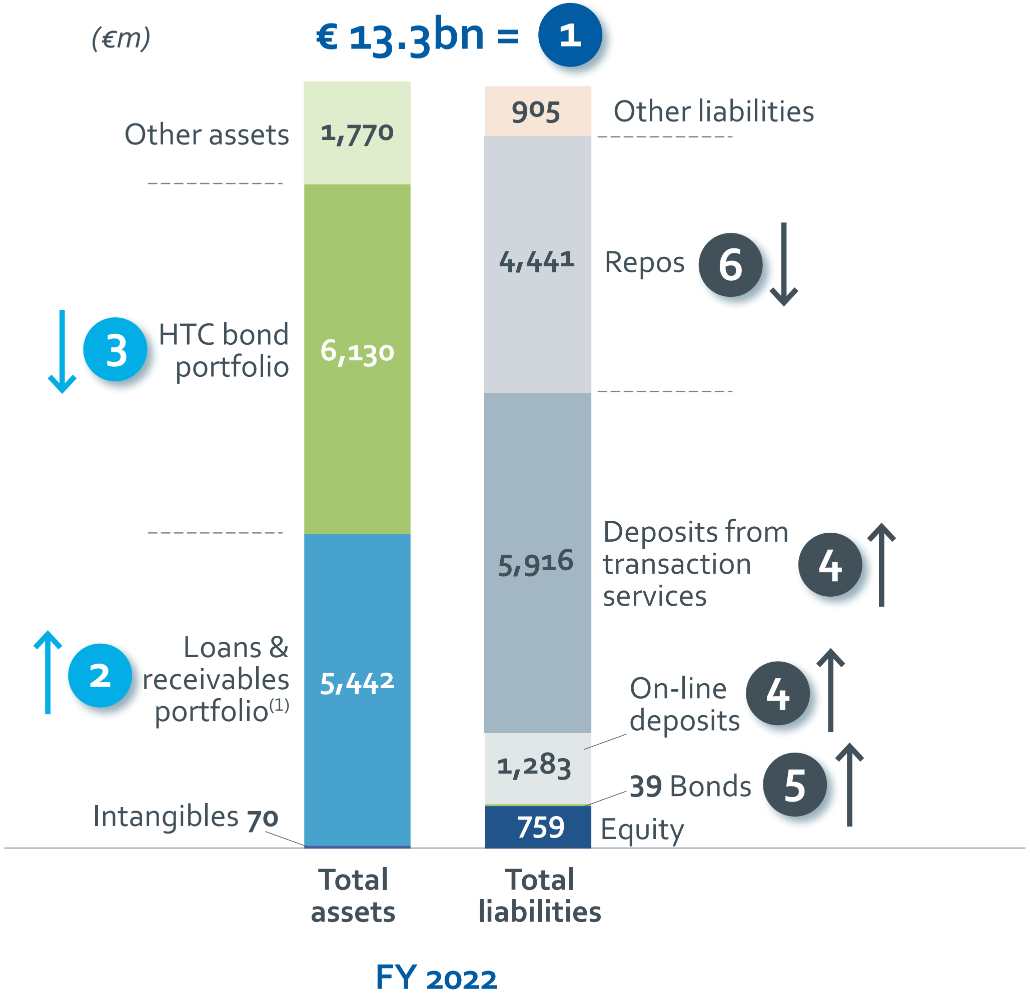
FY 2026 Trends

1. Stable Total Assets
2. Strong growth in Loans & Receivables
3. Progressive reduction of HTC portfolio
4. Transaction Services and on-line deposits expected to grow, substituting Repos
5. Expected issuance of €300-500m senior preferred to cover MREL requirements
6. Repos to significantly decrease, faster than HTC bond portfolio reduction



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

3 HTC Italian Government Bond Portfolio progressively gives up space to a higher loan book

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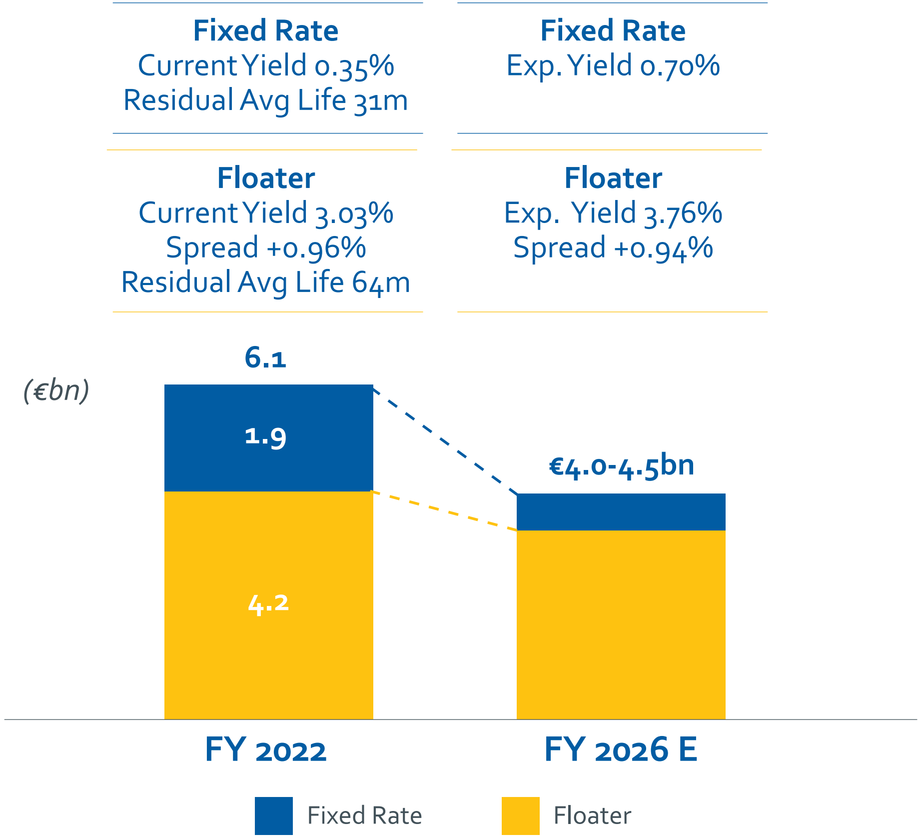
Strategy

- Progressive amortization of HTC Italian Government Bond portfolio.
- At YE26, c. 80% of HTC portfolio expected to be floater.
- Repos utilized partially to refinance the HTC portfolio to optimize Group liquidity.
- Long-term bond portfolio target size at ~25% of Total Assets.
- Gross Interest Income from HTC portfolio to triple in 2026 from 2022.



A diversified funding mix, with ample availability supporting our growth

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	Instruments		2022	2026E Range
Core / 4	**TS Deposits** Investment Grade(1)	Main source of funding, expected to increase with AuM	€5.9bn	€8.0-9.0bn
Core / 4	**On-line Deposits** Investment Grade(1)	Second most important funding source ("insurance policy"), expected to open to new countries	€1.3bn	€1.5-2.5bn
	Loans from banks / Interbank funding	Funding liquidity back-up and short-term liquidity optimization	€0.3bn	--
5	Bonds	Improving MREL	€39m	€300-500m
6	Repo	Refinancing of HTC Bond Portfolio	€4.4bn	€1.0-2.0bn

FY26 interest expenses c. 4x vs. €83m(2) FY22, due to interest rates growth

- Diversified funding with "core" coming from operational deposits and term deposits
- Good L/D ratio to cover growth
- Bonds to cover MREL and NSFR requirements

(1) Moody's Rating as of 18/11/2022: i. Long-Term deposits: Baa3 / negative, ii. Long-Term Issuer: Ba2 / Stable, iii. Baseline Credit Assessment: Ba2.
(2) Includes Gains/Losses on trading.

Improving operating leverage while investing in growth and operational improvements

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- **Improved cost / income to below 40% in 2026, despite continuing investments in our growth.**
- **Key strategic investments** to improve growth trajectory and risk management such as:
  - New Factoring System
  - Branch in France
  - Online-deposits platform in additional markets
  - AIRB development (internal model for credit risk calculation)
  - Further efficiency in legal collection activities.

	2022	2026E
Cost / Income[1]	44%	Below 40%

1 Target[2]

(1) Calculated as (OPEX and D&A)/(Net Banking Income and Other operating income); (2) See page 61 for 2026 Key Financial Targets.

Asset quality like no other

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- Low Cost of Risk.
- Impaired loans are essentially towards Public Sector (92% YE22).
- NPL ratio 2023-26 expected to remain substantially constant on F&L portfolio compared to YE22. NPLs are due to mainly to municipalities in conservatorship[1].
- Capital deductions from Calendar Provisioning prudently estimated to be around €10m per annum (€1 estimated for 2023).

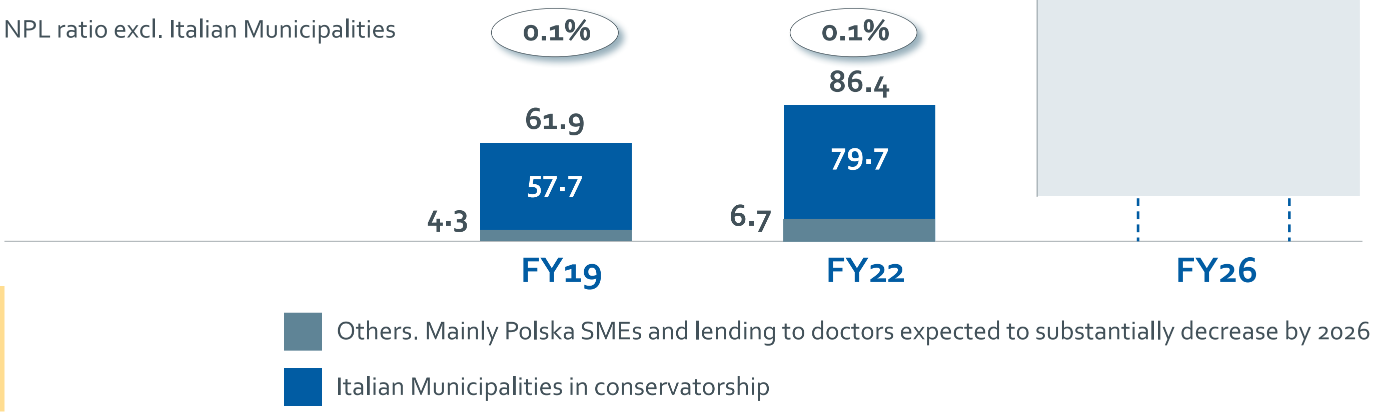
€m	FY19	FY22
Net NPLs	61.9	86.4
Net UTP	9.5	12.1
Net Past Due	34.7	185.3
Net impaired loans	**106.2**	**283.8**
Excl. Italian municipalities	48.5	204.1

Change in DoD[2] guidelines

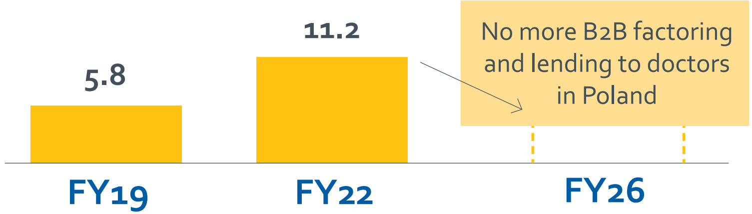
FY26

Increase in NPE in line with growing loan book and expected to be almost entirely towards the public sector, therefore technical in nature

Net Non-Performing Loans evolution (€m)



Annualized Cost of Risk (bps on loans)



(1) Exposures are currently classified NPLs by regulation despite BFF being legally entitled to receive 100% of the capital and LPIs at the end of the process.
(2) DoD: "Guidelines on the application of the definition of default under Art. 178 of Regulation (EU) no. 575/2013".

Confirmed our Dividend Policy, but at CET1 level

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- Unique dividend policy which pays out – twice a year – all the excess capital generated above of a certain threshold to fund Group's growth, preserve capital in case of need and distribute excess capital to the shareholders.
- Previously capital threshold was set with reference to TCR, now it has been moved to CET1, to align it with other banks main capital target.

Previous	New
Semi-annual payment (August interim – April balance)	Semi-annual payment (August interim – April balance)
Compliance with all regulatory capital requirements	Compliance with all regulatory capital requirements
TCR > 15%	CET1 RATIO> 12%(1)

(1) In addition to TCR >15%, as long as requested by ECB.

Strong starting capital position, allowing high growth and distribution of excess capital

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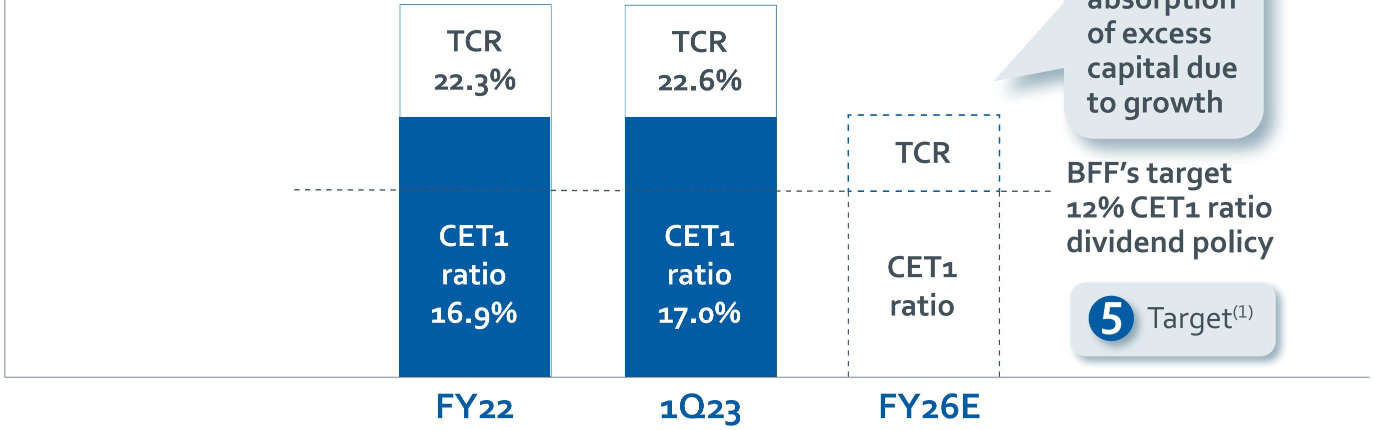
- The Group has a strong capital position, with significant excess capital (as of 1Q23) allowing RWAs to grow up to c. €1.1bn, while paying until then the entirety of its Adjusted Net Income as dividends.
- Given the high RoTE (39% YE22), further capital needed for loan book growth will be entirely funded through retained earnings, while maintaining an attractive absolute dividend.

Capital Position

	FY22	1Q23	FY26E
RWA (€m)	2,740	2,692	↑
Total Capital (€m)	611.9	608.4	↑
CET1 (€m)	461.9	458.4	↑



(1) See page 61 for 2026 Key Financial Targets.

Towards carbon neutrality in 2026

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Targets

- **Net zero carbon emissions target**(1) to be achieved through low-impact office buildings and efficient technological infrastructure.
- **>80%** of employees in **buildings LEED certified.**
- Move into **Casa BFF** by **2025,** new headquarter with **LEED Platinum** and **WELL Gold certifications.** The building, with 2,400+ sq m of photovoltaic panels covering c. 65% building's energy needs, will host 500+ employees.
- Full **integration** of **climate** and **environmental risks** through all our organization.
- Alignment to **TCFD**(2) and **PRB**(3) by 2028.
- Maintain low risk **ESG rating profile** and obtain additional **ESG ratings.**

Carbon Emissions reduction

999 tCO_2 *2022* → - 100% → Ø *2026*

Casa BFF

(1) Including scope 1 and 2 emissions. (2) Task Force on Climate-related financial disclosure.
(3) Principle for Responsible Banking.

Improving our positive impact on society

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Targets

- **Social bond framework.**
- **69%** of **employees** in **building WELL**[1] **certified.**
- *Casa BFF* to focus on people and promote integration with the community.
- **Talent pool diversification:** increase the number of **employees** belonging to **under-represented groups** (e.g. gender, nationality, age) in core roles.
- **Reduction** of **gender pay gap** and **increase women** representation **in management.**
- Promote the new purpose of the **Farmafactoring Foundation** - *"foster the sustainable and inclusive transformation of welfare for the protection of individuals and communities"* - sustain the execution of the strategy and increase the contributions.

Casa BFF

- Part of the project to regenerate and redevelop one of the historic areas of Milan.
- Sustainability and art will be among the distinctive features of the building, with a museum and Agora outdoor space: a place dedicated not only to all Group employees but to the local community.

Farmafactoring Foundation

- The strategic plan focuses on three main areas, closely interrelated to the concept of **integrated welfare:** *Health, Supplementary Social Protection, Digital Payments for Financial Inclusion.*

(1) For additional details please see: https://www.wellcertified.com/

Full alignment with best corporate governance market practice, even in the BoD slate process

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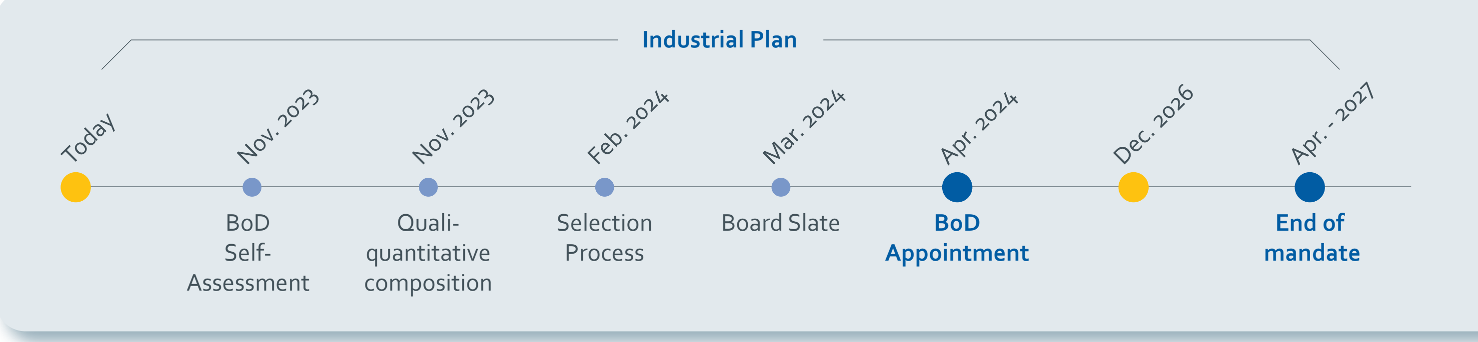
Targets

- Continue to be aligned with best market practice.
- Enhance further the diversity of the BoD.
- Proposal of new BoD members list fully aligned with our industrial plan targets in order to reinforce key competences (including, for example, ESG competences or specific expertise related to the depositary business).
- Maintain ESG "Low Risk" rating profile.

Board of Directors timeline



BoD Self Assessment: the Board of Directors defined the criteria to strengthen the Board by selecting new Candidates

Quali-quantitative Composition: The Board of Directors, with the support of the Nomination Committee and leading independent advisors, identified its optimal qualitative and quantitative composition

Selection Process: The outgoing Board of Directors with the support of Nomination Committee and an external advisor conducts the selection process

Board Slate: BFF Board of Directors, with the support of the Nomination Committee and leading independent advisors, identified and publishes its own list of candidates for the role of BFF director

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Financial Targets

Positive interest rates and GDP growth over BFF plan horizon

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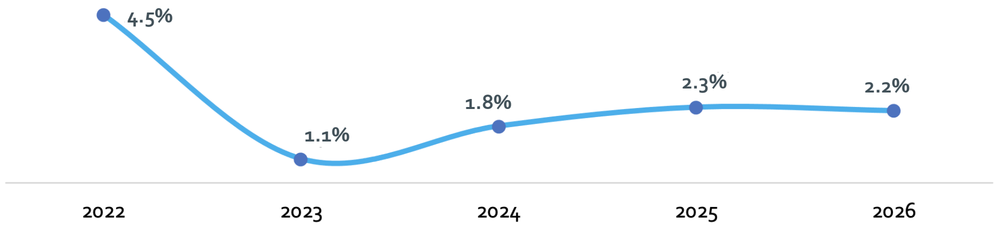
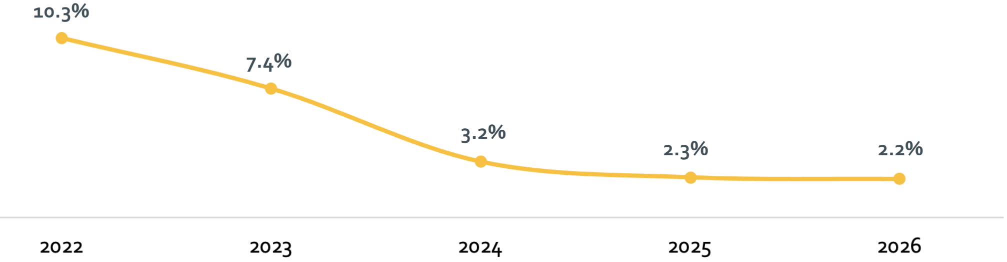
Real GDP Growth – BFF countries



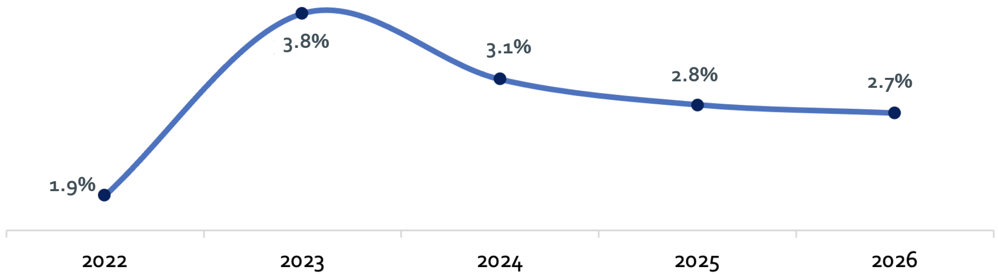
We assume 1.9% average real GDP growth on BP horizon

Inflation – BFF countries



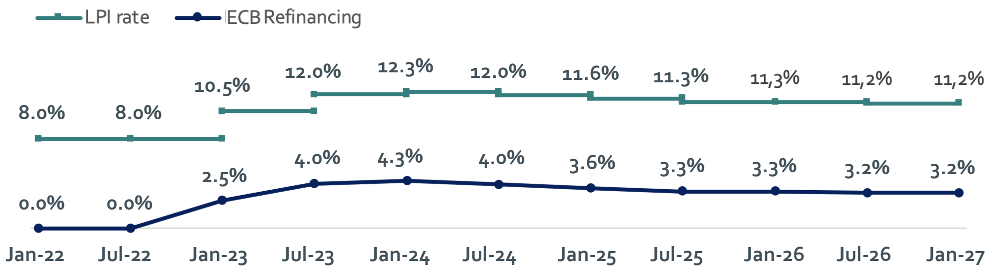
We assume inflation to converge to c. 2% by 2025

Euribor 1M



We assume Euribor 1M to decrease starting from 2024, at 2.7% in 2026

LPI and ECB rate



We assume ECB rate to decrease starting from 2024, at 3.2% in 2026

Source: IMF, Bloomberg, Eurostat, internal analysis.

2026 Key Financial Targets

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		FY 2022	2026 Targets
1	Cost/Income (%)	44%	Below 40%
2	Adjusted Net Profit[1]	€146m	€255-265m
3	EPS (€ per share)	€0.79	€1.37-1.43 (€1.34-1.39 fully diluted[2])
4	Cumulated dividends (FY23-26)	-	over €720m (c. 40% current market cap)
5	CET 1 Ratio (%)	17%	≥12%[3]
6	RoTE (%)	39%	>50%

(1)) Net income reported less extraordinary expenses including the portion of stock options which is accounted through P&L;
(2) Based on maximum dilution related to all outstanding stock-option plans; (3) CET1 ratio target as set in new dividend policy.

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Closing Remarks

Final remarks

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- Strong market opportunity
- Favourable macroeconomic context
- Operating leverage
- Ample and diversified funding
- Solid track-record of execution and strong management team
- Sustainable business

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BFF to 2026:

- **>75% earnings growth**
- **>40% cash returns**

Ever more *a bank like no other*

BFF
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Vision	Leader in specialty finance, with a unique value proposition in our reference markets: a highly-specialised and sustainable *bank like no other*
Mission	• Operating with honesty and transparency, respecting and valuing people • Maintaining leadership in innovation, customer service and execution in the reference markets • With a low risk profile and high operational efficiency
Target to 2026	• Cost/Income below 40% • Adjusted Net Profit at €255-265m • EPS at €1.37-1.43 (€1.34-1.39 fully diluted) • Cumulated dividends (FY23-26) over €720m (c. 40% of current market cap) • CET1 ratio ≥12% • RoTE > 50%

Glossary

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AIF	Alternative Investments Fund	EU	European Union	P&L	Profit and Loss
AIRB	Advanced internal rating based	F&L	Factoring and Lending	PA	Public Administration
AM	Asset Management	FOS	Freedom of Service	PI	Payment Institution
AT1	Additional Tier 1	FY	Full Year	POS	Point of Sale
ATM	Automated Teller Machine	GCEO	Group Chief Executive Officer	PRB	Principles for Responsible Banking
AuC	Assed Under Custody	GDP	Gross Domestic Product	PSD	Payment Service Directive
AuD	Assed Under Depositary	H	Half	PSP	Payment Service Provider
AuM	Asset Under Management	HTC	Held To Collect	Q	Quarter
B2B	Business to Business	IMEL	Istituto di Moneta Elettronica Europeo	REPO	Repurchase Agreement
B2G	Business to Government	INAIL	Istituto Nazionale Assicurazione contro gli Infortuni sul Lavoro	RoE	Return on Equity
BoD	Board of Directors	INPS	Instituto Nazionale Previdenza Sociale	RoTE	Return on Tangible Equity
BOT	Buoni Ordinari del Tesoro	IPO	Initial Public Offering	RR	Recovery Costs Rights
bps	Basis Points	L/D	Loan to Deposit ratio	RWA	Risk Weighted Assets
CAGR	Compound annual growth rate	LCR	Liquidity Coverage Ratio	SCT	Sepa Credit Transfer
CEO	Chief Executive Officer	LPD	Late Payment Directive	SDD	Sepa Direct Debit
CET1	Common Equity Tier 1	LPI	Late Payment Interest	SDRII	Shareholder Rights Directive II
CoE	Cost of Equity	LT	Long Term	SEPA	Single Euro Payments Area
D&A	Depreciation and Amortization	LTI	Long Term Incentive	SETIF	Sistema Elettronico di Trasferimento Interbancario dei Fondi
DLT	Decentralized Ledger Technology	M&A	Mergers & Acquisitions	SIS	Società di Investimento Semplice
DoD	Definition Of Default	MREL	Minimum requirements for own funds and eligible liabilities	SME	Small Medium Enterprise
DSO	Days Sales Outstanding	NFD	Non Financial Disclosure	TCFD	Task Force on Climate-related Financial Disclosure
EBTDA	Earnings Before Taxes Depreciation and Amortization	NGEU	Next Generation EU	TCR	Total Capital Ratio
ECB	European Central Bank	NHS	Nation Health Service	TS	Transaction Services
EMI	Electronic Money Institution	NPL	Non Performing Loans	UCITS	Undertakings for the Collective Investment in Transferable Securities
EoP	End of Period	NRRP	National Recovery and Resiliance Plan	UTP	Unlikely to Pay
EPS	Earning Per Share	NSFR	Net Stable Funding Ratio	YE	Year End
ESG	Environmental Social Governance	OPEX	Operating Expenditures		