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Investor Presentation

Inaugural €300m 5NC4 Social Senior Preferred

2nd April 2024

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BFF a Bank like no other

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1 Leader in specialty finance, unique value proposition in F&L, Securities and Payments services

- Unique credit profile with **95% credit exposure to public-sector** (1)
- **Good NII momentum** as rates peak and are set to fall: BFF liabilities reprice faster than assets
- **Late Payment Interest rate at 12.5%** from 1-Jan-24, driving future profitability
- **Top management fully aligned with investors thanks to** large stake in the business

2 Profitable and growing business in every season

- Rock solid and resilient business with **no exposure to credit cycle**
- FY23 Total Revenues **up by 71% YoY** | Adjusted Net Income up **by 25% YoY** at €183.2m
- **Strong cost discipline** with C/I at 41% as at FY23
- Substantial **embedded earnings upside**

3 Solid Balance Sheet with high quality asset base

- FY23 **loan book** at €5.6bn, a new historical high
- Maintained a **High-Quality Portfolio**, with Negligible Credit Risk
- **Strong liquidity position** (297.7% LCR) and **low leverage** (4.8% leverage ratio)
- **Diversified funding** with ample liquidity. Loan/ Deposit ratio at 62%

4 Sound capital position with protective dividend policy and off-balance sheet reserves

- **TC ratio of 19.1% and CET 1 ratio of 14.2%** vs. SREP requirement at 12.5% and 9.0% respectively
- **Protective dividend policy: no dividend payout if** level below 12% CET1 (2)
- In FY23 €606m of off-balance sheet reserves (LPIs and Recovery costs), **+€76m YoY**, a significant increase in embedded profitability upside

5 Strong commitment to sustainability

- Powering positive impact through **BFF's ESG strategy**
- **BFF Social Bond Framework** structured **in accordance with ICMA 2023 Social Bond Principles**
- **Inaugural Social Senior Preferred Bond** 5NC4 for €300m (Exp. Issue rating Ba2 by Moody's)

(1) Exposure to public sector as at 1H23

(2) In addition to TCR >15%, as long as requested by ECB. Please see slide 54 of BFF "Ever more *a bank like no other*".

Born in 1985, BFF has an history of success in Europe

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1985 – **BFF** is established

2010 – **Opened its Spanish subsidiary**

2013 – BFF becomes **Bank**

2014 – **BFF** Opened its branch in **Portugal**. **Conto Facto** is launched in Italy

2015 – Launch of Cuenta Facto in **Spain**

2016 – BFF grows in **Central-eastern Europe** acquiring **Magellan** in **Poland**

2017 – BFF is listed on **Borsa Italiana** and launch of Spanish online deposits in Germany

2018 – The Group launch its business in **Greece** and **Croatia**. A new branch is opened in Portugal

2019 – BFF **IOS Finance in Spain.** Launch the x-boarder activity in **France**. New branch in **Poland. Lokata Facto** in **Poland**, and Cuenta Facto in **Netherlands** and **Ireland**. First public rating by **Moody's**

2020 – Opened branch in **Greece**

2021 – Acquisition of **DEPObank: expansion in Securities services and Payment services**

2022-24 – **BFF TechLab** is acquired, and **BFF Immobiliare** is established

1

A leading European B2B Specialty Bank

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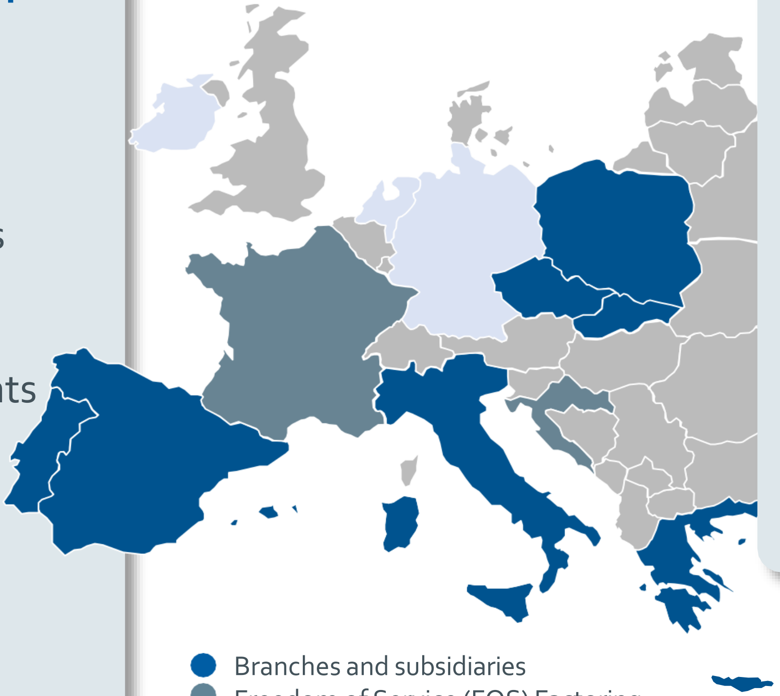
LEADER IN SPECIALTY FINANCE

- 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

Source: 1H23 Consolidated Financial Report

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

BFF a bank like no other®

	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	#1 in Europe towards the public sector
SECURITIES SERVICES	• Domestic asset managers and banks - Mutual funds - Pension funds - AIFs	1) Depositary bank 2) Global custody 3) Fund accounting 4) Transfer agent	#1 Italian independent depositary bank: national champion
PAYMENTS SERVICES	• Small/medium sized Italian Banks • Medium/Large Corporates • Partnership with Nexi	1) Intermediation 2) Corporate Payments 3) Check & receivables	#1 Independent bank in intermediation services

Rock solid business resilient in every season with no exposure to credit cycle

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Exposure vs. PA

Loan book almost entirely towards PA

95%(1)

Cost of Risk (bps)

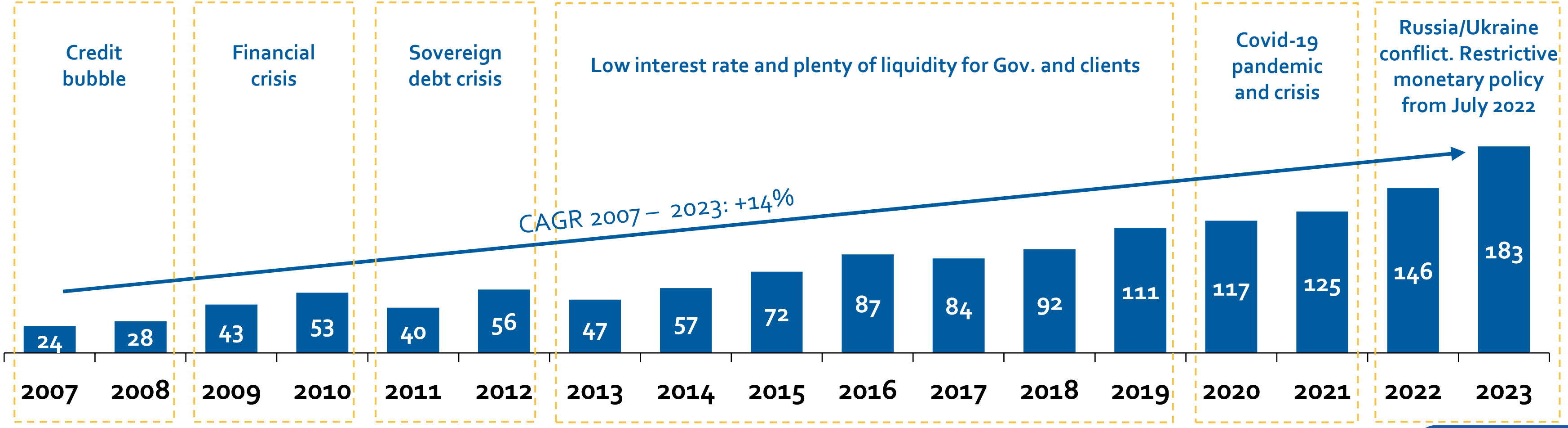
Cost of Risk FY23

9.4bps

Credit losses

Negligible cumulated losses reported in the last decade

Adjusted Net Income 2007 - 2023 (€m)



(1) As of 1H23

Substantial embedded earnings upside

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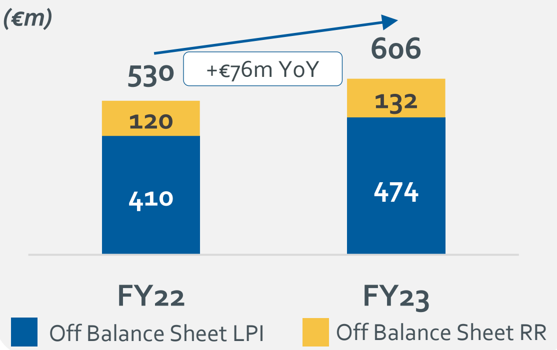
1 Good NII momentum, as rates peak and are set to fall

Natural hedge vs. lower rates thanks to lagged LPI accrual and assets repricing with time-lag vs. liabilities, contrary to traditional banks.

BFF is exposed mainly to Short-term(1) Floating Liabilities

2 Significant deferred profitability

Deferred profitability from off-balance sheet buffer reserves locks in inertial profit growth on top of earnings growth.



3 Likely upside from LPD

Late Payments Directive proposed revision favourable to BFF (see slide 27):

- Easier enforcement
- Payment terms to 30 days also for NHS
- Recovery Costs from €40 to at least €50 up to avg. €100 per invoice.

European Parliament

European Commission

Council of the European Union

(1) Shorter than 6 months.

Strong tailwinds on Net Income in the last three years

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1. FY23 Total Revenues up by 71% YoY, despite faster repricing of liabilities, strong performance in:
   - F&L, c. 1.7x vs. FY22
   - HTC gov. bonds, 4x YoY, on smaller portfolio.
2. Higher cost of funding due to higher interest rates.
3. F&L: Opex and D&A at €46.6m, up by 6% YoY, due to increased legal collection costs.
4. Improved Cost/Income at 41%, among the lowest in the Italian Banking sector.
5. Net income +25% YoY at €183.2m.

Adjusted P&L	€m	FY 2021	FY 2022	FY 2023
Revenues F&L		208.1	263.7	437.3
Revenues Payments		54.9	56.7	63.1
Revenues Securities Services		47.0	With ARCA 43.7	23.6
Other Revenues		52.1	97.8	268.0
of which HTC Bond Portfolio		*13.5*	*42.8*	*180.5*
1 Total Revenues		362.0	461.9	791.9
2 Cost of funding(1)		(30.6)	(82.8)	(354.9)
Total Net Revenues		331.4	379.1	437.0 (+15% YoY)
3 OPEX incl. D&A		(177.6)	(167.6)	(178.4)
4 *Cost / Income (%)*		*54%*	*44%*	*41%*
Provisions		4.1	(6.2)	(8.9)
PBT		157.9	205.4	249.8
5 Net Income		125.3	146.0	**183.2** (+25% YoY)

(1) Includes gains / losses on derivatives used to manage the hedging of currencies and interest rates exposure.
Reported data are unaudited

Strong Balance Sheet, ample deposit funding

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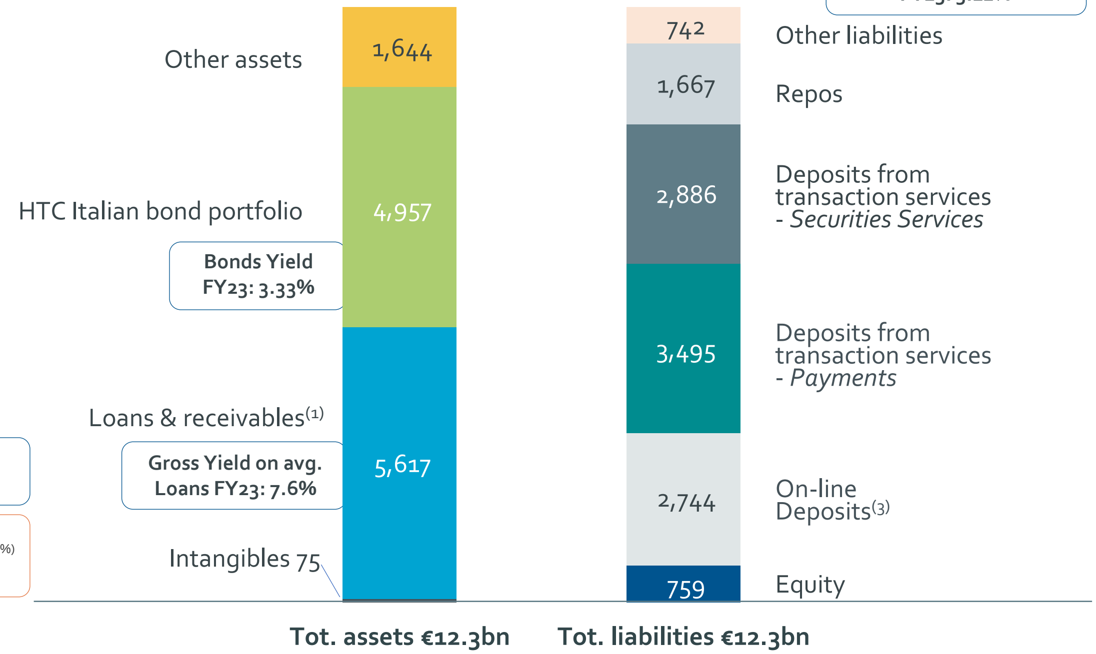
NSFR	192.4%	LCR	297.7%

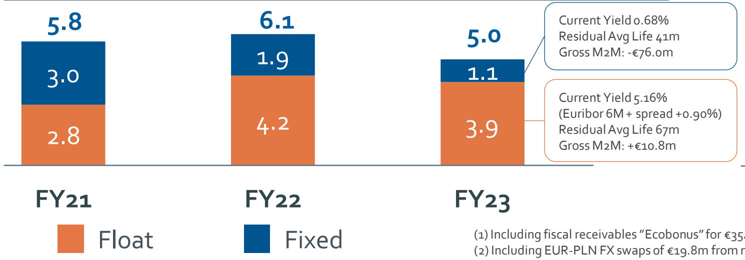
- Leverage ratio at 4.8%, vs. 4.6% at Dec-22.
- Loan/ Deposit ratio: 62% vs. 76% at Dec-22.
- Cost of funding lower than the average market reference rates.
- No ECB funding to be refinanced.
- Deposits at €9.1bn at YE23, +27% YoY, vs. declining deposits in the Italian market (-3.5% YoY)[4]

Balance Sheet Breakdown FY23 (€m)

Group Cost of funding[(2)] FY23: 3.22%



HTC bond portfolio (€bn)



(1) Including fiscal receivables "Ecobonus" for €354m, which are accounted in «Other Assets» in Consolidated Financial Accounts, and stock of on balance-sheet "Recovery cost" rights and LPIs at €528m.
(2) Including EUR-PLN FX swaps of €19.8m from management accounts. (3) On-line deposits in zloty equal to €466m. (4) Monetary developments in the euro area: November 2023 (europa.eu).

Total Asset Breakdown: high quality asset base with 95% of Loans and Receivables exposure towards Public Sector

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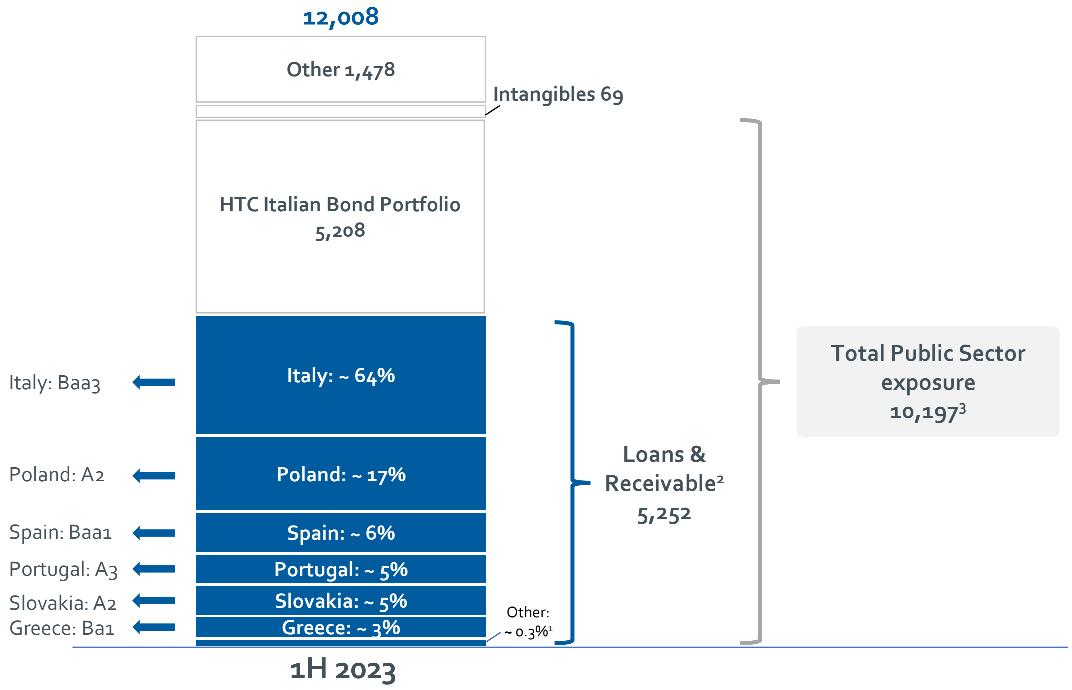
- FY23 loan book at €5.6bn, a new historical high
- 95% of Loans and Receivables exposure towards Public Sector
- High creditworthiness of the counterparties, which implies Negligible credit risk (entities of the public administration in Europe)
- The HTC Bond Portfolio consists of Italian government securities, especially variable securities for €3.9bn (€1.1bn fixed) as at FY23

Total Asset breakdown (€m)



(1) Other Countries: Croatia (Baa2), France (Aa2) and the Czech Republic (Aa3)
(2) Including fiscal receivables "Ecobonus" for €238m, which are accounted in «Other Assets» in Consolidated Financial Accounts, and stock of on balance-sheet "Recovery cost" rights and LPIs at €508m
(3) Including HTC Italian Bond Portfolio and 95% of Loans and Receivables

Strong Asset Quality

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- **A** **NPE** at €333.4m, reflecting increase in municipalities in conservatorship ("*dissesti*")(1) and public sector Past Due.
- **B** Almost entire exposure towards Public Administration (90% of NPE).
- **C** NPL are mainly due to municipalities in conservatorship, with **NPL ratio** excl. "*dissesti*" at 0.1% of loans and **NPL coverage ratio** excl. "*dissesti*" at 75%.
- **D** **Cost of Risk in FY23** at 9.4bps.

€m	FY21	FY22	FY23
Net NPLs	72.2	86.4	99.8
of which: Italian Municipalities	*64.5*	*79.7*	*92.6*
of which: Others	*7.8*	*6.7*	*7.2*
Net UTP	12.4	12.1	13.7
Net Past due	19.4	185.3	219.9
Net impaired loans	**104.1**	**283.8**	**333.4** A
		Change in DoD(2) guidelines in Sep-22	90% public sector B
NPL ratio excluding Italian Municipalities	*0.2%*	*0.1%*	*0.1%* C
NPL Coverage ratio excluding Italian Municipalities	*68%*	*74%*	*75%* C
Annualized Cost of Risk (bps on loans)	**(0.9)**	**11.2**	**9.4** D
	Release of 0.9bps		

(1) Municipalities in conservatorship are classified as NPLs by regulation, despite BFF is legally entitled to receive 100% of the principal and LPIs at the end of the recovery process.
(2) More stringent criteria in the interpretation of New DoD: "Guidelines on the application of the definition of default under Art. 178 of Regulation (EU) no. 575/2013".

Strong capital positions and unique dividend policy

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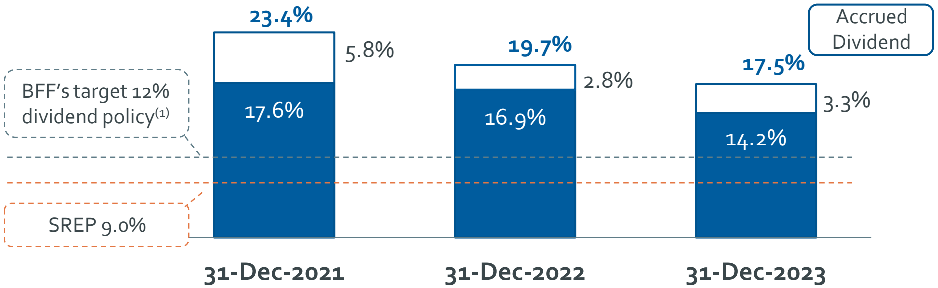
Capital Ratios

- CET1 ratio at 14.2% vs. a SREP of 9.0%, with €68m of capital in excess of 12.0% CET1 ratio target, excluding 2H accrued dividends. The Total Capital ratio is at 19.1%[1], vs. a SREP of 12.5%.
- €606m of off-balance sheet reserves (LPIs and Recovery costs), +€76m YoY, a significant increase in embedded profitability upside

Common Equity Tier 1 ratio

	31-Dec-2021	31-Dec-2022	31-Dec-2023
RWAs *€m*	2,171	2,740	3,077
RWAs density	45%	42%	43%



Dividend Policy

- BFF Dividend Policy at CET1 level highly protective for bondholders
- 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

Semi-annual payment

Compliance with all regulatory capital requirements

CET1 RATIO> 12%[2]

(1) Including € 101.2m of accrued dividend TC Ratio increase to 22.4%. (2) In addition to TCR >15%, as long as requested by ECB. Please see slide 54 of BFF "Ever more *a bank like no other*".

Powering positive impact through our ESG strategy

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Ratings and Awards

Institutional Investor	Sustainalytics	MSCI	Standard Ethics	CDP
Institutional Investor **Best ESG program**[1]	**Low Risk** 17.0[2]	**AA**	**E+**	**C**

INSTITUTIONAL INVESTOR
2023 DEVELOPED EUROPE EXECUTIVE TEAM
BFF BANK
BEST ESG PROGRAM - ITALY, SMALL-CAP

Environment

- ✓ **Netting Strategy:** more energy-efficient building in Rome close to public transport
- ✓ **47% employees**[3] currently in **LEED-certified offices**
- ✓ Ongoing process to **integrate climate and environmental risks** into the BFF risk framework

Social

- ✓ Published **Social Bond Framework**[4]
- ✓ Creation of BFF **Inclusion Board** to ensure equal opportunities
- ✓ **54% female workforce**[3], 53% female in new hires[3]. 38% female managers[3], up from 2022

Governance

- ✓ **Board Slate Process aligned with best market practice:**
  - ➢ Shareholders guidelines published in Oct-23[5]
  - ➢ Selected new Chairman
  - ➢ Board list to be published on 7-Mar-24

(1) Best ESG program - Italy, small cap; (2) 2022 Rating 18.1, Low Risk; (3) 2023 management data; (4) 2023 Social Bond Framework; (5) Guidelines for Shareholders on the qualitative and quantitative composition of the Board of Directors and for the preparation of the list of the Board of Directors.

5

BFF commitment towards Sustainability

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BFF Banking Group pays particular attention to sustainability issues, assessing the impacts that the business and its behaviour generate in environmental, social and good governance terms. In the last years, indeed, BFF has embarked on a challenging path towards sustainability, achieving important results.

	Area	Ambition	Target
E	Climate risk and credit process	**Integrate climate risks** in business, operations and credit process of the Group	Full **integration of climate and environmental risks** in the organization by 2025
E	Towards Carbon neutrality	Improve the **environmental performance of Group premises**, in terms of energy and materials consumtpion and mitigation and offsetting of CO2 emissions	➢ More than **80% of employees** in LEED buildings, by 2026 ➢ **Relocation of head office** to green building - by 2025 ➢ Maintaining **low levels of paper consumption** ➢ **Achieving Net Zero** with own carbon emissions (Scope 1 and 2) - by 2026
E	Environmental disclosure	Guarantee a **transparent disclosure of sustainability performance** of the Group	Alignment with the **recommendations of the Task Force on Climate - Related Financial Disclosures** (TCFD) by 2026
S	Talent pool diversification	**Promoting diversity** within the working environment	Increase in the number of employees from **under-represented groups** (e.g. gender, nationality, age) in key roles
S	Gender Pay Gap		Reduction of the **gender pay gap** with specific target set for certain figures in the Remuneration Policy
S	Distribution of created value	Continue to **distribute the value created** in the organisation through the LTI [(1)] programme	-
S	Fast Forward Foundation	**Promoting the Foundation's new purpose**, supporting the execution of the strategy, increasing its contribution	-
S	Social Bond	**Financing high social impact** projects in line with the Group's ESG strategy	**Issue of a Social Bond**, based on the Social Bond Framework published in 2023
G	Business Ethics	**Monitor, measure and mitigate negative impacts** related to the Group's operations, in line with regulatory developments	Review of the **procurement process** to include ESG metrics in suppliers' evaluation and selection
G	Accountability	**Obtaining ESG ratings** with the aim of aligning with market best practices and improving sustainability performance	Maintaining a **low-risk ESG rating profile and obtain additional ESG ratings**
G	Principles for responsible banking	**Joining international initiatives and/or alliances**, with the aim of improving sustainability performance and ensuring transparent reporting	**Adhesion to PRB by 2026**

SDGs: 7, 11, 13, 10, 5, 16, 17

(1) Long Term Incentive

Social Bond Framework

Social Bond Framework

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BFF Social Bond Framework (the "Framework") has been structured **in accordance with the 2023 edition of the Social Bond Principles ("SBP") published by ICMA,** with the intention of seeking alignment with market best-practices and contributing to one of the social objectives presented in the Final Report on **Social European Taxonomy**

1 Use of Proceeds	• The **net proceeds** raised from any of the Issuer's Social Bonds issued under this Framework will be exclusively **allocated to** finance and/or re-finance[1], in whole or in part, new and/or existing loans/projects **("Eligible Social Assets" or "Eligible Assets")** • The **target population is general public,** i.e., population who **benefits from the public healthcare system** • Social Eligible Categories have been defined with the intention of seeking alignment with the Final Report of the **Social European Taxonomy Regulation**
2 Project Evaluation and Selection	• **BFF established an ESG Committee** responsible for the evaluation on the eligibility of the assets and for the related selection process • Finance Department will identify potential Eligible Assets and, with the support of the O.U. Group ESG & Financial Reporting Officer Support, will review and analyze the alignment to the eligibility criteria and will approve their admission to the Eligible Asset Portfolio • **Eligible Assets aligned with the criteria are then added into a "Social Bond Register"**
3 Management of Proceeds	• The proceeds from the Bonds issued under this Framework will be managed on a **portfolio basis** • BFF Banking Group will establish a Register to track the allocation of proceeds of the Social Bonds issued under the Framework to the Eligible Asset Portfolio • Proceeds are expected to be **allocated within one year** from the bond issuance • In case of divestment or if a project/asset no longer meets the eligibility criteria listed above, the asset will be removed from the Eligible Asset Portfolio. In addition, BFF intends to reallocate the funds to other Eligible Assets during the term of the relevant Social Debt Instrument
4 Reporting	• BFF **will report annually, and until bond maturity, on the allocation** of the proceeds of the Social bonds issued under this Framework **and the relative impact** of the assets at category level, on a portfolio basis
5 External Review	• In its **Second Party Opinion, ISS ESG considers that BFF's Framework is aligned** with the four core components of ICMA's Social Bond Principles 2023 ("SBP") • A **verification or assurance** of the reporting may be released on an annual basis **by a third party ESG agency or financial auditor**

(1) Due to the nature of BFF's business, the activity of financing is mainly to be considered as a purchase of assets.
Source: https://investor.bff.com/social-bond-framework

Use of Proceeds

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1 Social Eligible Categories

The proceeds are used exclusively to **finance or refinance activities that meet the following eligibility criteria**:

Social Eligible Category	Eligibility Criteria	Social Benefits	Target Population	Impacted SDGs
Access to essential Services – Healthcare	Factoring to Public Sector Suppliers (focused on National Healthcare Systems) and lending to Public Sector healthcare facilities, to finance infrastructure , services and the access to products and projects supporting the development or delivery of the following: • Medical infrastructure like the construction/renovation of clinics, dispensaries, and hospitals • Medical equipment, such as surgical devices, diagnostic equipment, assistive devices, ambulances, syringes, personal protective equipment • Pharmaceutical products such as OTC suppliers, vaccines • Training of hospital staff and welfare workers • General operations of healthcare facilities	• Increase access to quality, timely and accessible healthcare • Increase availability of quality medical equipment to healthcare facilities and individuals	• General Public (population who benefits from the public healthcare system)	

Excluded Categories and Limitations

The **Bank will not allocate proceeds** received from the issuance of Social Bonds under this Framework to any kind of investment **in the following sectors** and in any case in sectors for which negative impacts on the environment and/or society have been demonstrated:

- Gambling
- Weapons/ammunitions
- GMO (Genetically Modified Organisms)
- Tobacco
- Alcohol
- Sex trade

Project Evaluation and Selection and Management of Proceeds

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2 Process for Project Evaluation and Selection

- **BFF established the ESG Committee** as a body of a managerial nature with propositional and advisory functions to the Chief Executive Officer regarding assessments and decisions relating to sustainability topics. The ESG Committee comprises the entire top management, and reports directly to the CEO as a Management Committee
- The Control and Risks Committee supports the Board of Directors ensuring the integration of ESG risks into business strategies and processes
- **The ESG Committee is responsible for** the evaluation on the **eligibility of the assets** and for the related selection process, which is detailed as follows:
  - the Finance Department will identify a combination of potential Eligible Assets based on the criteria listed in the Framework and on internal policies of the Bank
  - the Finance Department, with the support of the O.U. Group ESG & Financial Reporting Officer Support, will review and analyze the alignment of potential Eligible Assets to the aforementioned criteria and will approve their admission to the Eligible Asset Portfolio
  - the Eligible Assets aligned with the criteria exposed in section "Use of Proceeds" are identified and added into a "Social Bond Register" and into BFF Group's internal information system by the Finance Department
  - the Finance Department will periodically monitor and update the "Social Bond Register", considering the exclusion criteria listed in the Framework

3 Management of Proceeds

- **BFF Banking Group will establish a Register** in order to track the allocation of proceeds of the Social Bond issued under this Framework **to the Eligible Asset Portfolio**
- The **Finance Department will be in charge for allocating the proceeds** to the identified loans/assets that meet Eligibility Criteria, while the **O.U. Group ESG & Financial Reporting Officer Support will track** the amount of net proceeds from the sale of any Social debt instrument issued under this Framework allocated to Eligible Assets
- On a semi-annual basis, the Finance Department will ensure that the amount of the **Eligible Asset Portfolio exceeds the balance of net proceeds of all outstanding Social Bonds**, while on an annual basis the ESG Committee will oversee the process of monitoring
- The **proceeds** of any bond issued under the Framework **are expected to be allocated within one year from the Bond's issuance**
- **Pending the full allocation** of the proceeds or in the unlikely case of insufficient Eligible Assets, **BFF will temporarily hold any unallocated funds** in the Group's Treasury investment portfolio **in accordance with BFF's normal liquidity management**
- **In case of divestment or if a project/asset no longer meets the eligibility criteria** listed above, the asset will be removed from the Eligible Asset Portfolio. In addition, BFF intends **to reallocate the funds to other Eligible Assets** during the term of the relevant Social Debt Instrument
- BFF will **monitor the investments of the proceeds** allocated to Eligible Assets **through the review of the external auditor**

Reporting

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4 Allocation Reporting

- BFF will **report approximately starting from the earliest one year after the issuance of the first bond, and annually thereafter until maturity, on the use of proceeds**. The Report will be verified by an external auditor and will include:
  - The total amount of Social Debt Instruments outstanding
  - The total amount of the Portfolio broken down per Eligible Category
  - Aggregate amounts of net proceeds allocated to each Eligible Category of the Portfolio
  - Aggregate amounts of net proceeds allocated geographically
  - The balance of unallocated proceeds at the time of reporting, if any
  - The amount or the percentage of new financing and refinancing

4 Impact Reporting

- BFF also intends to **report annually on the social benefits** resulting from the Portfolio disbursed from the Social Debt Instruments issued**, until maturity**. The impact report may include:
  - Nr of hospitals and other healthcare facilities supported
  - Nr of hospital beds created, retained or supported (and nr of beds actually utilized)
  - Nr of medical personnel that will serve patients in healthcare facilities
  - Nr of outpatient and/or inpatient served in healthcare facilities
  - Nr of days of hospitalization in inpatient healthcare facilities
  - Increased hospital bed capacity and/or decreased density
  - Nr of additional medically equipped ambulances
  - Nr of illness-related and accident-related ambulances trips
  - Nr of total patients transported with ambulances
  - Nr of medical treatment given in the ambulances to young children (< 14 yo)

External Review ISS ESG

5 Second Party Opinion released by ISS ESG

SPO Section	Summary	Evaluation
Alignment with SBP	The Issuer has defined a formal concept for its Social Debt Instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is **in line with the Social Bond Principles**.	***Aligned***
Sustainability quality of the Eligibility Criteria	The Social Debt Instruments will (re)finance the eligible social asset category: Access to Essential Services - Healthcare. Product and/or service-related use of proceeds category individually contribute**s to one or more of the following SDGs**: The **social risks** associated with that use of proceeds category **are managed**.	***Positive***
Alignment with the Final Report on Social Taxonomy	The economic activities of the eligible project category have been assessed with the relevant social objectives outlined in the Final Report on Social Taxonomy, on a best effort basis. The description of the UoP category is **eligible to be aligned with the substantial contribution** mapping proposed in the Final Report on EU social taxonomy **on 'Adequate Living Standards and well-being for end-users'.**	***Eligible to be aligned***
Linking the transaction to BFF's ESG Profile	The key sustainability objectives and the rationale for issuing Social Debt Instruments are clearly described by the Issuer. The project category considered is in line with the sustainability objectives of the Issuer. At the date of publication of the report and leveraging ISS ESG Research, no severe controversies have been identified.	***Consistent with Issuer's sustainability strategy***

Source: https://investor.bff.com/social-bond-framework

Eligible Social Portfolio Overview

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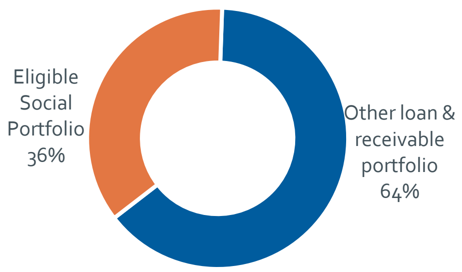
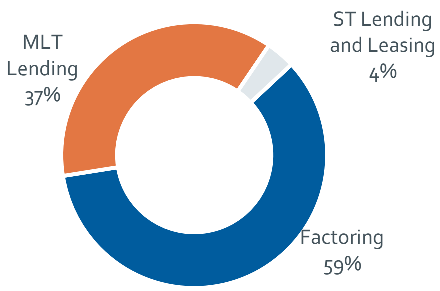
- Based on managerial data as of 31 December 2023, the eligible social portfolio represents more than a third of the banks' total loans & receivables. In absolute terms, the eligible social assets amount to EUR ~2bn, which are due by National Healthcare System legal entities.
- In terms of geography, about half of the eligible portfolio would be related to Italian debtors; while more than a third would be located in Poland; the remaining part in Portugal.
- The average duration of the Italian and Portuguese portfolios is < 1y; while it grows up to > 1y for the Polish segment.
- Moving to the product split, more than half of the social portfolio relates to the factoring business; while more than a third comes from Medium- and Long-term lending and the remaining part from Short term lending.
- **BFF expects to allocate the entirety of the debut social bond's proceeds to new proceeding/financing, also taking into consideration the short duration of the eligible assets.**

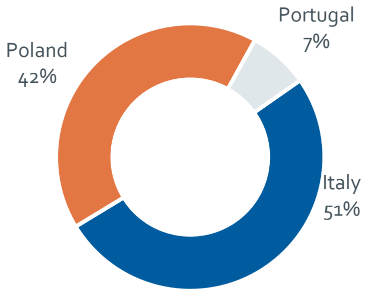
Eligible social portfolio



Split by product of eligible social portfolio



Split by country of eligible social portfolio



Inaugural 5NC4 Social Senior Preferred: Indicative Termsheet

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Issuer	BFF Bank SpA
Issue LEI/ ISIN	815600522538355AE429 / IT0005591851
Issuer Ratings / Expected Issue Ratings	Ba2 (stable) | BBH (stable) (Moody's | DBRS) / Ba2 (Moody's)
Status	Senior Preferred unsecured, unsubordinated. Each holder unconditionally and irrevocably waives any right of set-off
Form / Format	5-year Non-Call 4-year / Reg S, Bearer, Dematerialised
Acknowledgement of Bail-in Power	Each Noteholder acknowledges and agrees to be bound by the exercise of any Bail-In Power by the Relevant Resolution Authority in accordance with Condition 16 (Contractual Recognition of Bail-In Power)
Aggregate Principal Amount	EUR 300,000,000
Maturity Date / Optional Redemption Date	[●] 2029 / [●] 2028
Specified Denominations	EUR 100,000 and integral multiples of EUR 1,000
Rate of Interest	[●]per cent., Fixed, Actual/Actual (ICMA), annually in arrear, in respect of the Fixed Interest Period from the Issue Date until (but excluding) the Reset Date[●]. Reset from the Reset Date to a fixed rate equal to the 1-year mid-swap rate prevailing at the Reset Determination Date plus the Reset Margin (no step-up) in accordance with Condition 4.2 of the Terms and Conditions of the Dematerialised Notes
Interest Payment Dates	[●] in each year, commencing on [●]
Business Day Convention	Following Business Day Convention
Final Redemption Amount	100 per cent. of the Aggregate Principal Amount of the Notes
Use of Proceeds	An amount equal to the net proceeds of the Notes will be exclusively allocated to finance and/or refinance Eligible Social Asset as defined within the Issuer's Social Bond Framework 2023 available at the following Link . SPO report available at the following Link
Redemption at the Option of the Issuer	The Issuer may redeem the Notes at par, in whole, but not in part, on the Optional Redemption Date pursuant to Condition 7.5 of the Terms and Conditions of the Dematerialised Notes, subject to the Relevant Authority granting permission, as required by the Applicable Banking Regulations and subject to Condition 7.12 (Regulatory conditions for call, redemption, repayment and repurchase or amendment of Senior Notes) of the Terms and Conditions
Redemption for Tax Reasons:	The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time for taxation reasons (obligation to pay additional amounts as a result of amendment to tax legislation) as set out at Condition 7.2 of the Terms and Conditions of the Dematerialised Notes
Redemption of Senior Notes due to a MREL Disqualification Event:	Redeemable at any time at the option of the Issuer upon a MREL Disqualification Event, in whole but not in part, as set out at Condition 7.4 of the Terms and Conditions of the Dematerialised Notes
Clean-Up Call Option	Applicable (75%) at par
Documentation / Selling restrictions	Under the Issuer's EMTN Programme dated 3rd October 2023 as duly supplemented on 27th March 2024 / As per the Base Prospectus (RegS, Compliance Category 2, No communications with or into the U.S.)
Governing Law / Listing / Clearing	Italian Law / Euronext Dublin / Euronext Securities Milan (Monte Titoli S.p.A.)
MiFID II and UK MiFIR Target Market	Manufacturer target market (MIFID II product governance and UK MiFIR product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in EEA and the UK
ESG Structuring Advisor	IMI – Intesa Sanpaolo
Joint Lead Managers	Citi, IMI – Intesa Sanpaolo, Morgan Stanley

Appendix

ESG Governance

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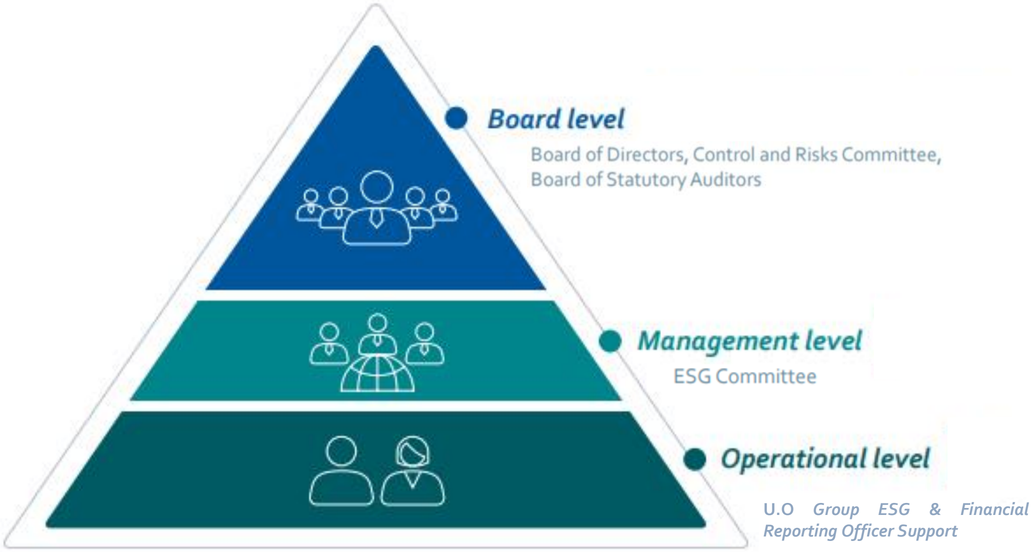
BFF completed its process of structuring ESG Governance by defining additional roles and responsibilities within the Group, as shown below.



The Board of Directors:
• sets Group-wide guidelines, targets and strategies on sustainability issues;
• ensures the integration of ESG risks into business strategies, governance, processes, procedures, and the- system of controls;
• approves the materiality analysis, the NFD, and major policies within its purview;- supervises the proper oversight of these issues.

The Control and Risks Committee to which - as of 2020 - the Board of Directors has assigned responsibilities in the area of ESG, has:
• fact-finding, proposal and advisory functions and, more generally, supports the Board of Directors on- sustainability issues (having regard to ESG parameters);
• responsibility for the periodic review of updates on the progress of sustainability interventions.

ESG Committee as a body of a managerial nature with propositional and advisory functions to the Chief Executive Officer regarding assessments and decisions relating to sustainability issues – commonly known as Environment, Social & Governance ("ESG") – connected to the Bank's and the Group's business operations and its dynamics of interaction with all stakeholders, approving its Rules. More specifically, the Committee has investigative duties vis à-vis sustainability matters to be submitted to the CEO, supporting the latter in managing all social responsibility issues and ensuring the Group's positioning on these matters in the various areas of reference.

The Group ESG O.U. is responsible for all issues and initiatives related to the sustainability area, in order to ensure that environmental, social and governance issues are integrated and promoted in the Group's business model and activities

LPD Revision: EU Parliament (IMCO) confirms an even more BFF-favourable approach than Commission's Proposal

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Sep-23 — European Commission

Proposal[1]:

- From "directive" to "regulation": easier enforcement.
- Payment terms to 30 days across all sectors, including NHS[2], increasing outstanding, LPI and overdue invoices[3].
- Recovery Costs from €40 to at least €50 per invoice.

Mar-24 — European Parliament

Compromised text voted in IMCO[4][5]:

- From "directive" to "regulation": easier enforcement.
- Payment terms to 30 days across all sectors, including NHS[2], increasing outstanding, LPI and overdue invoices[3].
- Recovery Costs from at least €50 potentially to avg. €100 per invoice.

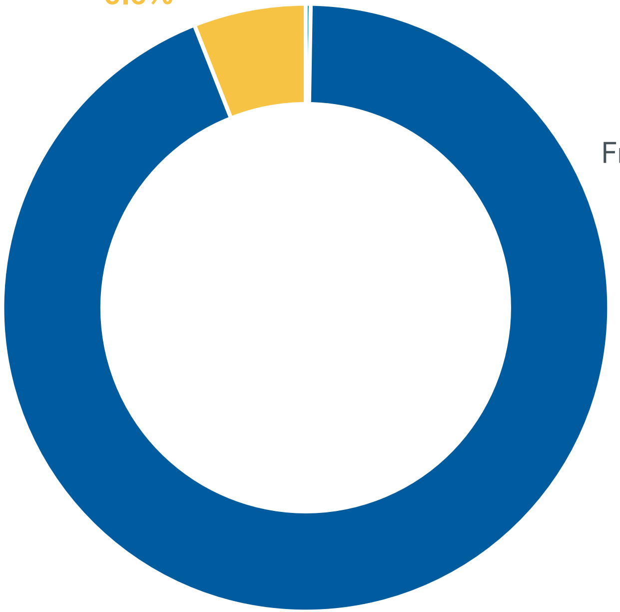
1H 2024 – 1H 2025 — Council of the European Union; European Commission; European Parliament

Expected Next Steps

- EU Parliament vote expected on Apr-24.
- Waiting for position of EU Council.
- Trilogue expected 1H25, following EU Elections (6-9th Jun-24).

(1) Proposal for a Regulation of the EU Parliament and of the Council on combating late payment in commercial transactions; (2) Currently 60 days for NHS and 30 days for other PA; (3) Except for exceptional circumstances identified by individual national legislators; (4) IMCO Committee - Compromised text on the proposal for a Regulation on combating late payment in commercial transactions; (5) Committee on the Internal Market and Consumer Protection;

A true Public Company with strong Management committed to equity



Total number of shares as of 31/12/2023:
186,944,029

Source: CONSOB and BFF internal records. Percentages are calculated on total issued shares as of 31 December 2023.
(1) (i) As of 18 September 2023, Capital Research and Management Company held 5.2% of the Bank's share capital; and (ii) as of 13 November 2023, JPMorgan Asset Management Holdings Inc. held 3.2% of the Bank's share capital.
(2) As of 31 December 2023, pursuant to MAR rules, the Group's CEO Massimiliano Belingheri and his closely associated persons held (directly or indirectly) 5.8% of the Bank's share capital. The remaining management's stake refers to BFF shares held by the 4 Vice Presidents in force as of that date, and by their respective closely associated persons.
As of 10 March 2023, pursuant to rules governing the disclosure of major shareholdings, The Bali Trust held indirectly 4.8% of the Bank's share capital. The Bali Trust is an irrevocable trust with Massimiliano Belingheri and his heirs as beneficiaries."

Summary reported consolidated Balance Sheet

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€m	FY2022	FY2023
Cash and cash balances	634.9	257.2
Financial assets measured at fair value through profit or loss	90.5	166.0
a) financial assets held for trading	*0.2*	*1.2*
b) financial assets designated at fair value	-	-
c) other financial assets mandatorily measured at fair value	*90.3*	*164.9*
Financial assets measured at fair value through OCI	128.1	137.5
Financial assets measured at amortized cost	11,895.9	10,805.8
a) loans and receivables due from banks	*478.2*	*593.6*
b) loans and receivables due from customers	*11,417.6*	*10,212.3*
Hedging derivatives	-	-
Equity investments	13.7	13.2
Property, plant and equipment	54.3	60.7
Intangible assets	70.2	74.7
Tax assets	60.7	113.7
Other assets	394.2	663.4
Total consolidated assets	**13,342.4**	**12,292.3**
Financial liabilities measured at amortized cost	11,994.8	10,814.2
a) deposits from banks	1,166.4	*2,269.1*
b) deposits from customers	10,789.4	*8,545.1*
c) securities issued	39.0	*0.0*
Financial Liabilities Held for Trading	0.9	1.2
Hedging derivatives	14.3	-
Tax liabilities	136.0	123.8
Other liabilities	401.4	555.4
Employees severance indemnities	3.2	3.0
Provisions for risks and charges	33.0	35.9
Equity	526.7	587.2
Net Profit	232.0	171.7
Total consolidated liabilities and equity	**13,342.4**	**12,292.3**

Summary P&L

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€m	FY2022	FY2023
Interest Income	354.8	629.4
Interest Expenses	(93.0)	(345.3)
Net Interest Income	**261.8**	**284.2**
Net Fee and Commission Income	90.7	75.2
Dividends	9.8	8.9
Gains/Losses on Trading	12.6	0.3
Fair value adjustments in hedge accounting	-	-
Gains/losses on disposal/repurchase of	0.2	21.9
a) financial assets measured at amortized cost	0.2	*22.0*
b) financial assets measured at fair value through OCI	-	*(0.1)*
c) financial liabilities	-	-
Gains (losses) on other financial assets and liabilities measured at fair value through profit or loss	5.2	1.8
a) financial assets and liabilities designated at fair value	-	-
b) other financial assets mandatorily measured at fair value	5.2	*1.8*
Net Banking Income	**380.2**	**392.2**
Net adjustments/reversals of impairment for credit risk concerning:	(5.6)	(5.2)
a) financial assets measured at amortized cost	(5.9)	*(4.9)*
b) financial assets measured at fair value through OCI(1)	0.3	*(0.3)*
Administrative and Personnel Expenses	(170.6)	(180.1)
Net provisions for risks and charges	(10.5)	3.7
a) commitments and guarantees provided	0.1	*(0.3)*
b) other net allocations	(10.6)	*(3.4)*
Net Adjustments to/ Writebacks on Property, Plan and Equipment and Intangible Assets	(12.6)	(13.1)
Other Operating Income (Expenses)	150.4	44.8
Profit Before Income Taxes from Continuing Operations	**331.2**	**235.0**
Income Taxes	(99.2)	(63.3)
Net Profit	**232.0**	**171.7**
Adjusted Net Profit	**146.0**	**183.2**

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

Strong cost discipline: improved Cost/Income YoY to 41%

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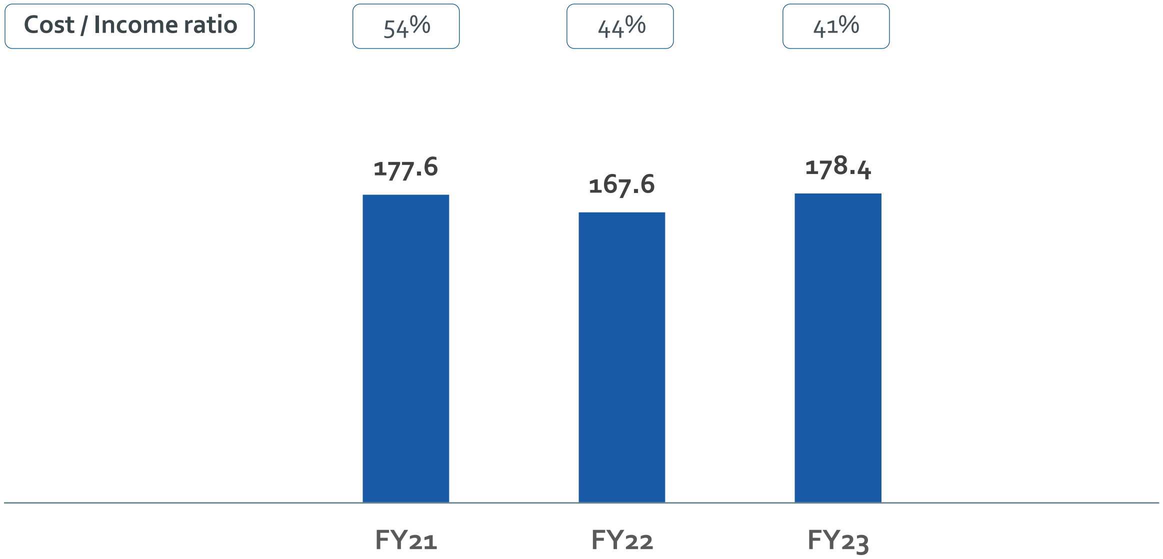
- **BFF Cost/ Income is among the lowest in the Italian Banking sector**
- F&L: Opex and D&A at €46.6m, up by 6% YoY, due to increased legal collection costs.
- Payments: Opex and D&A up by 3% YoY, reflecting higher volumes.
- Securities Services: Opex and D&A down by 16% YoY, thanks to lower direct costs and personnel expenses. Arca's exit cost saving at run-rate from Aug-23.
- Other: Opex and D&A +16% YoY, with part of the increase due to higher contribution to Resolution Fund (€6.4m in FY23 vs. €3.6m in FY22), AIRB and ICT projects and renewal of banking sector national collective agreement.

Group Opex and D&A (€m)



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