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BFF: successful placement of an additional tier 1 bond issuance; open market purchase programme

Milan, 12 January 2022 – BFF Bank S.p.A. (the "Bank" or the "Issuer") announces that it has successfully completed the placement of a new bond issuance to be qualified as additional tier 1 capital in accordance with applicable laws and regulations, addressed to institutional investors, with a nominal amount of Euro 150 million. The bond issuance is aimed at optimizing and strengthening the regulatory capital structure of the Bank and diversifying its funding sources.

The bonds are perpetual (with maturity linked to the corporate duration of the Bank) and may be called by the Issuer on any calendar day during the six-month period commencing on 19 January 2027 and ending on 19 July 2027 and thereafter on any interest payment date.

The bonds pay, on a semi-annual basis, a fixed rate coupon of 5,875% per annum for their first 5.5 years; if not called, the coupon will be reset every 5 years to the aggregate of the then 5-Years Mid-Swap rate plus the spread originally applied at issuance. Coupon payments are fully discretionary and subject to certain limitations.

The trigger of 5.125% of Common Equity Tier 1 (CET1) provides that, if the CET1 ratio of the Group or the Bank is below such trigger, the nominal value of the additional tier 1 bonds will be temporarily reduced for the amount needed to restore the trigger level, taking into account also the other instruments with similar characteristics.

The rating agency Moody's is expected to rate the Notes B2.

The bond has been distributed to different institutional investor categories such as Hedge Fund and Asset Management, with a broad geographical diversification in the final allocation originated for about 80% in UK and Italy.

The settlement of the bond issuance is scheduled on 19 January 2022. The bonds will be listed issuance on the MTF of Euronext Dublin.

In connection with the bond issuance, Morgan Stanley acted as Sole Global Coordinator and Sole Bookrunner.

The Bank's legal counsels were the law firm White & Case (Europe) LLP and, in relation to the tax aspects, the law firm Gatti Pavesi Bianchi Ludovici. Clifford Chance Studio Legale Associato assisted Morgan Stanley.

The Bank has approved an open market purchase programme with respect to the following securities: (i) €200,000,000 2.00 per cent. Notes due 2022 (the “**2022 Notes**”); and (ii) €300,000,000 1.750 per cent. Senior Preferred Notes due 23 May 2023 (the “**2023 Notes**” and, together with the 2022 Notes, the “**Notes**”). Following the tender offer announced and completed in June 2021, the nominal amount outstanding is approximately Euro 42.8 million for the 2022 Notes and approximately Euro 40.0 million for the 2023 Notes.

The purchase transactions may apply to the entire nominal amount outstanding of the Notes and will be carried out with direct counterparts on the market until 30 June 2022. The maximum purchase price will be adjusted on the basis of the trading price of the Notes.

The purpose of the repurchase programme is to allow the Bank to optimise its balance sheet, and proactively use its available cash, whilst maintaining a prudent approach to liquidity. The Notes repurchased will be cancelled.

The Bank announces that, if the nominal amount outstanding of the 2022 Notes as a result of the repurchases is equal to, or lower than, Euro 30 million, the Bank reserves the right to exercise the call option set out in Condition 6(c) (Clean-Up Call Option) of the terms and conditions of the 2022 Notes.

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This press release is available on-line on BFF Group’s website www.bff.com within the section: [Investors > PR & Presentations](#).

BFF Banking Group

BFF Banking Group is the largest independent specialty finance in Italy and a leading player in Europe, specialized for the management and non-recourse factoring of trade receivables due from the Public Administrations, Securities Services, Banking and Corporate Payments. The Group operates in Italy, Croatia, the Czech Republic, France, Greece, Poland, Portugal, Slovakia and Spain. BFF is listed on the Italian Stock Exchange. In 2020 it reported a consolidated Adjusted Net Profit of € 97.6 million, with a 18.5% Group CET1 ratio at the end of September 2021.

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