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PRESS RELEASE

BFF Banking Group announces consolidated financial results for the first semester 2025: 1H record high Volumes, Factoring & Lending PBT +21% YoY

- 1H 2025 Adj. Net Profit at €75.3m vs. €71.0m in 1H 2024, with F&L PBT up 21% YoY. 2Q 2025 Adj. Net Profit up 37% YoY and 15% QoQ at €40.3m.
- Loan book at €5.9bn (+5% YoY) and Volumes at €4.2bn (+10% YoY) with Italy +17% YoY. Highest 1H ever for Group Loan Book and Volumes.
- Ample liquidity: Loan/Deposit ratio at 67%, with Deposits from Transaction Services up €1.7bn YoY.
- HTC Government bond portfolio mark-to-market at +€47.7m, +€124m YoY and +€35m in 2Q 2025 vs. 1Q 2025.
- Past due at €1.6bn down 10% vs. December 2024. Contaging invoices at €303m, -12% in 1H 2025 – -29% since June 2024 credit reclassification. 40% of the December 2024 past due loans collected or exited from past due.
- Net NPLs/Loans ratio at 0.2% excluding Italian municipalities in conservatorship. Received in May new ECHR ruling confirming Italian State liability on receivables due by additional three municipalities in conservatorship and filed appeals to the ECHR for c. €65m invoices.
- CET1 ratio at 14.3% and TCR at 17.4%. €114m of excess capital vs. 12% CET1 ratio target, out of which €75m related to 1H 2025 Adj. Net Income. €226m excess capital vs. CET1 SREP.

Milan, 5th August 2025 – Today the Board of Directors of BFF Bank S.p.A. ("**BFF**", the "**Bank**", the "**Company**" or the "**Group**") approved BFF's first half 2025 Consolidated Financial Report.

CONSOLIDATED PROFIT AND LOSS

1H 2025 **Adjusted Total Revenues** stand at **€347.7m** (**-13%** YoY), of which **€204.3m** coming from *Factoring, Lending & Credit Management* **("F&L")**, **€32.9m** from *Payments*, **€13.4m** from *Securities Services* and **€97.2m** from *Corporate Center Revenues*.

1H 2025 **Cost of Funding** is **€149.2m** (**-26%** YoY).

Adjusted Total Net Revenues stand at **€198.6m, +1%** YoY.

1H 2025 Total Adjusted Operating Expenses including D&A, are **€94.7m** vs. €91.3m in 1H 2024, whilst Adjusted LLPs and Provisions for Risks and Charges stand at **€0.9m** vs. €6.3m in 1H 2024.

This results in an **Adjusted Profit Before Taxes ("PBT")** of **€103.0m** (**+3%** YoY), driven by F&L up **21%** YoY and Securities Services up **43%** YoY. Lower contribution from Corporate Center and Payments.

1H 2025 **Adjusted Net Profit** is **€75.3m**, **+6%** YoY and 1H 2025 **Reported Net Profit**[1] is **€70.4m** down **56%** YoY, due to the one-off increase in 1H 2024 of the accrual rate of Late Payment Interests ("LPIs") and Recovery Fees to 65%, from 50%, to align it to the historical collection rate.

With regard to the business units' KPIs and adjusted Profit & Loss data, please refer to the "*1H 2025 Results*" presentation published in the *Investors > Results > Financial results* section of BFF Group's website. Please note that the *Corporate Center* comprises all the revenues and costs not directly allocated to the three core business units (*Factoring, Lending & Credit Management*, *Payments* and *Securities Services*).

CONSOLIDATED BALANCE SHEET

As of 30th June 2025, the **consolidated Total Assets** stand at **€13.2bn** up by **€1.1bn** (**+9%** vs. the end of June 2024), with an increase in the **Loan Book**, a smaller **Government bond portfolio** and temporary higher cash balances.

The **Loan Book** is at **€5,875m**[2], up by **€263m** YoY (**+5%**), and **Volumes** are at **€4,201m**, up **10%** YoY, **recording the highest 1H ever for Group Loan Book and Volumes**.

[1] Reported Net Profit includes:

- the negative impact of adjustments accounted on the following items:
  - -€2.0m post tax, -€2.8m pre tax, related to Stock Options & Stock Grant plans;
  - -€0.5m post tax, -€0.6m pre tax, of other non-recurring activities;
  - -€0.9m post tax, -€1.3m pre tax, related to Customer contract amortizations;
  - -€1.5m post tax, -€1.5m pre tax, related to the Bank of Italy administrative pecuniary sanction.

[2] Loan Book portfolio includes fiscal receivables "Ecobonus" for €404m, which are accounted in "Other Asset" in the 1H 2025 Consolidated Financial Accounts and the stock of on-balance sheet LPIs and "recovery fees" at €764m.

At the end of June 2025, the **Government bond portfolio** is entirely classified as *Held to Collect* or "HTC" and it is down to **€4.6bn** vs. €5.0bn at the end of June 2024. Its positive mark-to-market stands at **€47.7m**, increasing by **€124m** YoY. The fixed bond portfolio (**21%** of total) has **28** months residual average life and **0.59%** yield. The floater bond portfolio residual average life is **56** months, with a spread **+0.93%** vs. 6-month Euribor and a yield of **3.25%** as of 30th June 2025.

On the **Liabilities** side, the main changes vs. end of June 2024 are the following:

- **deposits from Transaction Services** are up by **€1.7bn** YoY, **+31%**, closing 1H 2025 at **€7.2bn**;
- thanks to the increase of deposits from Transaction Services, **on-line retail deposits** are down by **39%** YoY (**€1.6bn** vs. €2.7bn at the end of June 2024) and continue to be raised primarily through the Spanish and Polish branches;
- **Repos** are down by **13%** YoY at **€1.9bn** at the end of June 2025 vs. €2.2bn at end of June 2024;
- **social unsecured senior preferred bonds** stand at **€605m** at the end of June 2025 vs. €302m at the end of June 2024, due to the additional €300m issuance in October 2024.

BFF does not have European Central Bank "ECB" funding to be refinanced (PELTRO, TLTRO, etc.).

The Group keeps a strong liquidity position, with 1H 2025 **Liquidity Coverage Ratio (LCR)** at **249.5%** and **Net Stable Funding Ratio (NSFR) at 143.5%.**

Leverage ratio as of 30th June 2025 at **6.1%** is stable vs. the end of June 2024.

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Asset quality

The Group continues to benefit from a very low exposure towards the private sector. **1H 2025 Net Non-Performing Loans ("NPLs"), excluding Italian Municipalities in conservatorship** ("*in dissesto*"), stand at **€9.7m**, or **0.2%** of net loans, with a **68% Coverage ratio**, vs. 70% at YE 2024 and 80% at the end of June 2024.

Italian Municipalities in conservatorship are classified as NPLs, despite BFF entitlement to receive 100% of the principal and late payment interests at the end of the conservatorship process. Moreover, recent sentences by the European Court of Human Rights ("ECHR")[3], require the Italian State to ensure the execution of sentences towards those entities even before the end of

[3] For further details on the recent ruling published in Jan-25 by the European Court of Human Rights, please see the dedicated paragraph in the section "*Significant events after the end FY24 reporting period*" in *FY24 Press release on consolidated financial results*.

the conservatorship process. In May 2025 the Bank received positive outcome from ECHR on three municipalities in conservatorship – in addition to the one already received in January 2025. Furthermore, BFF has appealed to the ECHR for c. €65m invoices, out of which c. €40m towards municipalities in conservatorship, representing c. 40% of NPL portfolio, and c. €25m in past due.

1H 2025 **Cost of Risk** is **4.6 basis points**.

Total 1H 2025 **Net Impaired Assets** (non-performing, unlikely to pay and past due) stand at **€1,731.4m** as of 30th June 2025, vs. €1,904.1m at YE 2024 and €1,814.2m as of end of June 2024, following the credit reclassification for prudential purposes requested by Bank of Italy[4]. As of the end of June 2025, **96%** of NPE exposure is towards Public Administration.

Past Due

At the end of June 2025, **net Past Due** amounts to **€1,557.1m**, vs. €1,734.5m at YE 2024 and €1,692.4m post-credit reclassification (please refer to footnote 4) as of the end of June 2024, notwithstanding **€419m** new net volumes bought from debtors in past due.

40% of the loans classified past due as of December 2024 has either been collected or exited from past due.

Contaging invoices are down by **€41m** (**-12%**) in 1H 2025 – by **€122m** (**-29%**) since June 2024 credit reclassification.

Capital ratios

The Bank **Common Equity Tier 1 ("CET1") ratio** stands at **14.3%,** vs. a SREP[5] of 9.7% and above BFF 12% CET1 dividend target. The excess capital vs. CET1 SREP amounts to **€226m**. The **Total Capital ratio ("TCR")** stands at **17.4%** vs. a SREP[6] of 13.2%. Both ratios include 1H 2025 Net Profit.

BFF has generated 245bps capital since June 2024, and 207bps in 1H 2025 alone.

Distribution of dividends remains subject to the Bank's dividend capital threshold of 12% of CET1[7] and to the removal of the temporary suspension requested by Bank of Italy to profits distribution following the Inspection Report (see for further details paragraph in the section "*Significant events after the end 1Q24 reporting period*" in the press release published on 9th May 2024).

[4] Please see paragraph "*Loan portfolio reclassification for prudential purposes*" in *1H24 Press release on consolidated financial results*.
[5] The SREP requirement includes Capital Conservation Buffer, Countercyclical Capital Buffer and Systemic Risk Buffer.
[6] Please refer to footnote 5.
[7] In addition to TCR >15%, as long as requested by the ECB.

MREL requirements, effective from 1st January 2025, are fully covered thanks to bonds issuance completed during 2024 and the Bank's capital generation.

As of the end of June 2025, **Risk Weighted Assets ("RWAs")** – based on Basel Standard model – stand at **€4.9bn**, vs. €5.2bn at YE 2024, with a reduction driven also by lower operational risk under CRR 3. 30th June 2024 RWAs were €5.0bn, following the abovementioned reclassification (please refer to footnote 4). RWAs **density**[8] stands at **62%** vs. 70% at YE 2024 and 71% at end of June 2024.

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Events after the end 1H 2025 reporting period

Launch of online term deposits in Greece

From 1st July 2025 deposit gathering in Greece is fully operational. BFF's deposits are collected since 2014 under the brand "*Facto*" in Italy, Germany, Ireland, the Netherlands, Poland, Spain and – now – Greece. BFF deposits are investment grade rated by Moody's and DBRS.

Late Payment Interest rate

From 1st July 2025, the Eurozone LPI statutory rate decreased from 11.15% to 10.15%, following ECB interest rates reduction.

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Statement of the Financial Reporting Officer

The Financial Reporting Officer, Giuseppe Manno, declares, pursuant to paragraph 2 of article 154-*bis* of the Legislative Decree n° 58/1998 ("*Testo Unico della Finanza*"), that the accounting information contained in this press release corresponds to the document results, accounting books, and records of the Bank.

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[8] Calculated as RWAs/Total assets excluding HTC bond portfolio and Cash and Cash Balances.

Earnings call

1H 2025 consolidated results will be presented today, 5th August, at 18:30 CET (17:30 WET) during a conference call, that can be followed after registering at this *link*. The invitation is published in the *Investors > Results > Financial results* section of BFF Group's website.

This press release is available on-line on BFF Group's website www.bff.com within the *Investors > PR & Presentations > Press Releases* section.

BFF Banking Group
BFF Banking Group is the largest independent specialty finance in Italy and a leading player in Europe, specialized in 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 2024 it reported a consolidated Adjusted Net Profit of €143.0 million, with a 14.3% Group CET1 ratio at the end of June 2025.
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Consolidated Balance Sheet *(Values in € thousands)*

Assets items	30-Jun-24	31-Dec-24	30-Jun-25
Cash and cash equivalents	146,376	153,689	748,063
Financial assets measured at fair value through profit or loss	167,424	179,319	178,776
a) financial assets held for trading	*831*	*1,504*	*122*
b) financial assets designated at fair value	-	-	-
c) other financial assets mandatorily measured at fair value	*166,593*	*177,815*	*178,655*
Financial assets measured at fair value through Other Comprehensive Income	140,510	141,442	143,738
Financial assets measured at amortized cost	10,856,466	10,667,127	11,196,234
a) due from banks	*582,648*	*602,651*	*1,097,573*
b) due from customers	*10,273,818*	*10,064,476*	*10,098,661*
Hedging instruments	-	303	-
Equity investments	14,411	13,690	13,846
Property, plant, and equipment	68,750	104,750	105,393
Intangible assets	71,347	77,519	74,270
of which: goodwill	*30,957*	*30,957*	*30,957*
Tax assets	98,173	101,071	99,196
a) current	*42,581*	*40,250*	*39,498*
b) deferred	*55,592*	*60,821*	*59,698*
Discontinued operations and non-current assets held for sale	8,046	-	-
Other assets	587,735	712,511	662,060
Total consolidated assets	**12,159,238**	**12,151,421**	**13,221,575**

Liabilities and Equity items	30-Jun-24	31-Dec-24	30-Jun-25
Financial liabilities measured at amortized cost	10,648,523	10,661,212	11,332,246
a) deposits from banks	*2,234,248*	*1,342,119*	*1,321,116*
b) deposits from customers	*8,112,594*	*8,709,179*	*9,406,108*
c) securities issued	*301,681*	*609,914*	*605,022*
Financial Liabilities Held for Trading	1,390	139	4,748
Hedging derivatives	308	-	788
Tax liabilities	165,470	166,690	174,992
a) current	*4,881*	*2,794*	*4,746*
b) deferred	*160,589*	*163,896*	*170,246*
Other liabilities	488,059	388,397	714,055
Employee severance indemnities	3,261	3,372	3,544
Provisions for risks and charges:	37,759	54,804	47,578
a) guarantees provided and commitments	*197*	*258*	*75*
b) pension funds and similar obligations	*6,356*	*6,937*	*6,189*
c) other provisions	*31,206*	*47,609*	*41,314*
Valuation reserves	9,238	21,085	23,974
Additional Tier1	150,000	150,000	150,000
Reserves	286,390	282,329	487,854
Interim dividend	-	-	-
Share premium	66,277	66,277	66,277
Share capital	144,434	145,006	145,104
Treasury shares	(3,652)	(3,570)	-
Equity attributable to third parties	-	-	-
Profit (Loss) for the period	161,781	215,680	70,414
Total consolidated liabilities and equity	**12,159,238**	**12,151,421**	**13,221,575**

Consolidated Income Statement *(Values in € thousands)*

Profit & Loss items	30-Jun-24	30-Jun-25
Interest and similar income	431,032	270,260
Interest and similar expenses	(198,122)	(145,726)
Net interest income	**232,910**	**124,534**
Fee and commission income	54,257	53,529
Fee and commission expenses	(14,591)	(11,481)
Net fees and commissions	**39,666**	**42,048**
Dividend income and similar revenue	13,334	11,792
Gains/(Losses) on trading	1,470	7,783
Fair value adjustments in hedge accounting	-	-
Gains/(Losses) on disposals/repurchases of:	233	-
a) financial assets measured at amortized cost	*233*	-
b) financial assets measured at fair value through Other Comprehensive Income	-	-
c) financial liabilities	-	-
Net income from other financial assets & liabilities at FV	(3,988)	(3,977)
a) financial assets and liabilities designated at fair value	-	-
b) other financial assets compulsorily valued at fair value	*(3,988)*	*(3,977)*
Net banking income	**283,625**	**182,179**
Impairment (losses)/reversals on:	(3,315)	(1,274)
a) financial assets measured at amortised cost	*(3,315)*	*(1,274)*
b) financial assets measured at fair value through Other Comprehensive Income	-	-
Net profit from financial and insurance activities	**280,310**	**180,905**
Administrative expenses:	(89,024)	(92,530)
a) personnel costs	*(41,538)*	*(39,541)*
b) other administrative expenses	*(47,486)*	*(52,989)*
Net provisions for risks and charges:	(3,019)	392
a) commitments and guarantees provided	*333*	*183*
b) other net provisions	*(3,352)*	*209*
Net (adjustments to)/writebacks on property, plant, and equipment	(2,324)	(2,594)
Net (adjustments to)/writebacks on intangible assets	(4,989)	(5,379)
Other operating (expenses)/income	44,690	15,560
Total operating expenses	**(54,666)**	**(84,551)**
Gains (Losses) on equity investments	1,550	406
Gains (Losses) on disposal on investments	-	-
Profit (Loss) before taxes from continuing operations	**227,194**	**96,760**
Income taxes on profit from continuing operations	(65,413)	(26,346)
Profit (Loss) after taxes from continuing operations	161,781	70,414
Profit (Loss) after taxes from discontinued operations	-	-
Profit (Loss) for the period	**161,781**	**70,414**

Consolidated capital adequacy *(Values in € million)*

	30-Jun-24	31-Dec-24	30-Jun-25
Credit and Counterparty Risk	338.9	342.8	332.9
Market Risk	0.6	0.4	0.2
Operational Risk	62.8	74.0	59.7
Total capital requirements	**402.3**	**417.2**	**392.9**
Risk Weighted Assets (RWAs)	**5,029.0**	**5,214.7**	**4,910.7**

CET 1	**596.4**	**638.5**	**702.9**
Tier I	**150.0**	**150.0**	**150.0**
Tier II	**0.0**	**0.0**	**0.0**
Own Funds	**746.4**	**788.5**	**852.9**

CET 1 Capital ratio	***11.9%***	***12.2%***	***14.3%***
Tier I Capital ratio	***14.8%***	***15.1%***	***17.4%***
Total Capital ratio	***14.8%***	***15.1%***	***17.4%***

Asset quality *(Values in € thousands)*

	30-Jun-25		
	Gross	Provisions	Net
Non-performing loans (NPLs)	128,844	(21,490)	107,353
Unlikely to pay	76,224	(9,309)	66,915
Past due	1,560,469	(3,365)	1,557,105
Total impaired assets	**1,765,537**	**(34,164)**	**1,731,373**

	31-Dec-24		
	Gross	Provisions	Net
Non-performing loans (NPLs)	115,861	(14,973)	100,888
Unlikely to pay	78,142	(9,364)	68,778
Past due	1,736,967	(2,483)	1,734,483
Total impaired assets	**1,930,969**	**(26,820)**	**1,904,150**

	30-Jun-24		
	Gross	Provisions	Net
Non-performing loans (NPLs)	119,328	(22,790)	96,538
Unlikely to pay	33,119	(7,868)	25,251
Past due	1,694,361	(1,987)	1,692,374
Total impaired assets	**1,846,808**	**(32,646)**	**1,814,162**