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PRESS RELEASE

BFF Banking Group announces consolidated financial results for the first quarter 2025: highest 1Q volumes ever and CET1 Ratio above pre-reclassification level

- **1Q 2025 Adjusted Net Profit at €35.0m in line with Company's expectations.**
- **F&L PBT +9% YoY, despite higher rescheduling.**
- **Highest 1Q volumes ever for F&L and Loan Book at €5.8bn (+5% YoY), with Italy back to double-digit growth at +10% YoY.**
- **Ample liquidity with deposits at €8.5bn, with Loan/Deposit ratio at 68%.**
- **Ongoing reduction in HTC Bond, with positive mark-to-market swing (+€70m YoY).**
- **Total past due at €1.6bn down by €87m (-5%) vs. Dec-24, and past due in cure period at €190m, more than double vs. Dec-24.**
- **Net NPLs/Loans ratio at 0.1% excluding Italian municipalities in conservatorship.**
- **CET1 ratio at 13.7% – above 12% Bank capital target and above pre-credit reclassification 1Q24 level despite 50%+ YoY increase in RWAs.**

Milan, 8th May 2025 – Today the Board of Directors of BFF Bank S.p.A. ("**BFF**", the "**Bank**", the "**Company**" or the "**Group**") approved BFF's first quarter 2025 consolidated financial accounts.

CONSOLIDATED PROFIT AND LOSS

1Q 2025 **Adjusted Total Revenues** stand at **€175.4m** (**-13%** YoY), of which **€99.2m** coming from *Factoring, Lending & Credit Management* **("F&L")** business unit, **€15.9m** from *Payments*, **€6.6m** from *Securities Services* and **€53.7m** from *Corporate Center Revenues*.

1Q 2025 **Cost of Funding** is **€80.6m** (**-21%** YoY), including €7m of interest expenses on MREL eligible bonds issued in 2024.

Adjusted Total Net Revenues at **€94.8m are down 5%** YoY.

1Q 2025 Total Adjusted operating expenses, including D&A, are **€46.1m** vs €44.2m in 1Q24, whilst Adjusted LLPs and provisions for risks and charges stand at **€0.5m** vs €0.4m in 1Q24.

This results in an **Adjusted Profit before taxes** of **€48.1m**, and an **Adjusted Net Profit** of **€35.0m**, **-16%** YoY. 1Q 2025 **Reported Net Profit**[1] is **€35.4m down 10%** YoY.

Late Payment Interest rate

From 1-Jan-25, the Eurozone Late Payment Interest statutory rate decreased from 12.25% to 11.15%.

With regard to the business units' KPIs and adjusted Profit & Loss data, please refer to the "1Q 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 31st March 2025, the **consolidated Total Assets** stand at **€12.4bn** up by **€0.2bn** (**+1%** vs. the end of March 2024), with an increase in the **Loan Book** and a smaller **Government bond portfolio**.

The Loan Book of **€5,765m**[2] is up by **€290m** YoY (**+5%**), with Italy back to double-digit growth at **+10%**. Volumes are up **4%** YoY at **€1,962m**, **the highest 1Q ever**.

At the end of March 2025, the **Government bond portfolio** is entirely classified as *Held to Collect* or "HTC". As of 1Q 2025, the bond portfolio is down to **€4.6bn** vs. €5.0bn at the end of March 2024. As of 31st March 2025, mark to market amounts to **€12.5m**, increasing **+€70m** YoY. The fixed bond portfolio (**21%** of total) has a residual average life of **31** months, with a yield of **0.60%**; the floater bond portfolio has residual average life of **59** months, with a spread **+0.93%** vs. 6-month Euribor and a yield of **4.07%** as of 31st March 2025.

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

[1] Reported Net Profit includes:
- the negative impact of adjustments accounted on the following items:
  - -€0.04m post tax, -€0.1m pre tax, of other non-recurring activities;
  - -€0.5m post tax, -€0.7m pre tax, related to Customer contract amortizations;
- the positive impact of adjustments accounted on the following items:
  - +€0.9m post tax, +€1.4m pre tax, related to Stock Options & Stock Grant plans.

[2] Loan Book portfolio includes fiscal receivables "Ecobonus" for €426m, which are accounted in "Other Asset" in the 1Q 2025 Consolidated Financial Accounts and the stock of on-balance sheet LPIs and "recovery cost" rights at €750m.

- **Deposits from *Transaction Services*** are up **€0.4bn** YoY, closing 1Q 2025 at **€6.5bn**;
- **On-line retail deposits** are down by **30%** YoY (**€1.9bn** vs. €2.8bn at the end of March 2024), raised primarily through the Spanish and Polish branches, thanks to higher liquidity from MREL bond, issued in 2024, and deposits from *Transaction Services*;
- **Passive Repos** are down **16%** YoY at **€1.5bn** at the end of March 2025 vs. €1.8bn at end of March 2024;
- **Social unsecured senior preferred bonds increased thanks to €600m** issuance in the course of 2024 (€300m issued in April 2024 with duration of 5 years and a fixed rate of 4.750% per annum and €300m issued in October 2024, with duration of 3.5 years and a fixed rate of 4.875% per annum).

1Q 2025 cost of funding stands at **3.04%**, lower than the average market reference rates. BFF does not have European Central Bank "ECB" funding to be refinanced (PELTRO, TLTRO, etc.).

The Group keeps a strong liquidity position, with 1Q 2025 **Liquidity Coverage Ratio (LCR)** at **260.5%** and **Net Stable Funding Ratio (NSFR) at 140.0%.**

Leverage ratio as of 31st March 2025 at **6.4%** is significantly up vs. 4.8% at the end of March 2024 reflecting retained earnings and higher capital level.

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Asset quality

The Group continues to benefit from a very low exposure towards the private sector. **1Q 2025 Net Non-Performing Loans ("NPLs"), excluding Italian Municipalities in conservatorship** ("*in dissesto*"), stand at **€6.6m**, or **0.1%** of net loans, with a **69% Coverage ratio**, vs. 70% at YE24 and 77% at the end of March 2024.

Italian Municipalities in conservatorship are classified as NPLs in compliance with Bank of Italy regulation, 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[3], require the Italian State to ensure the execution of sentences towards those entities even before the end of the conservatorship process. BFF is in the process of filing further appeals to the European Court of Human Rights with reference to remaining Italian Municipalities in conservatorship.

1Q 2025 **Cost of Risk** is **4.2 basis points**.

[3] For further details on the recent ruling published 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*.

Total 1Q 2025 **net impaired assets** (non-performing, unlikely to pay and past due) stand at **€1,823.6m** as of 31st March 2025, vs. €1,904.1m at YE24 and €324.6m as of end of March 2024, primarily due to the credit reclassification for prudential purposes requested by Bank of Italy[4]. **95%** of NPE exposure is towards Public Administration as of the end of March 2025.

Past Due

At the end of March 2025, **net Past Due** amounts to **€1,647.1m**, vs. €1,734.5m at YE24 and €211.9m pre-credit reclassification (please refer to footnote 4) as of the end of March 2024.

Total past due amounts to **€1.6bn,** down by **€87m** vs. YE24, also reflecting progress in contaging invoices collection (**-7%** vs. YE24). Past due in cure period[5] stands at **€190m** as at the end of March 2025, more than doubled vs. YE24.

Capital ratios

The Bank **Common Equity Tier 1 ("CET1") ratio** is **13.7%,** vs. a SREP[6] of 9.4%, with 143bps core capital generated since December 2024, above BFF capital target of 12% of CET1 and **above 1Q24 pre-credit reclassification level,** despite 50%+ increase in RWAs. The **Total Capital ratio ("TCR")** stands at **16.7%** vs. a SREP[7] of 12.9%. Both ratios include 1Q 2025 Net Profit in light of Bank of Italy dividend ban.

Distribution of dividends remains subject to the Bank's dividend capital threshold of 12% of CET1[8], to all the regulatory capital requirements and to 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 9-May-24).

MREL requirements, effective from 1-Jan-25, are fully covered thanks to bonds issuance completed in the course of 2024.

As of the end of March 2025, **Risk Weighted Assets ("RWAs")** – based on Basel Standard model – stand at **€5.0bn**, vs. €5.2bn at YE24, with a reduction driven also by lower operational risk under CRR 3. RWAs stood at €3.2bn at 31st March 2024 before the abovementioned reclassification

[4] Please see paragraph "*Loan portfolio reclassification for prudential purposes*" in *1H24 Press release on consolidated financial results*.
[5] There is a 3-month probation period to reclassify an exposure from past due to performing, in case the conditions for past due classification are no longer applicable, i.e. through collection or a settlement with the debtor.
[6] The SREP requirement includes Capital Conservation Buffer, Countercyclical Capital Buffer and Systemic Risk Buffer.
[7] Please refer to footnote 6.
[8] In addition to TCR >15%, as long as requested by the ECB.

(please refer to footnote 4). RWAs **density**[9] stands at **65%** vs. 70% at YE24 and 45% at end of March 2024.

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Events after the end 1Q 2025 reporting period

On 17th April 2025, BFF Bank General Shareholders' Meeting approved all the resolutions, including the 2024 Financial Statements, the Remuneration Policy and the new Incentive Plans. As regard to the Remuneration Framework, the Shareholders' Meeting approved with 61.0% of the share capital present and entitled to vote the **Annual Remuneration Policy** (vs. 56.4% of the previous year), with 60.2% of the share capital present and entitled to vote the Policies for determining the compensation in the event of early termination of office (vs. 50.5% of the previous year) and with 97.6% of the share capital present and entitled to vote the **Report on Compensation** (vs. 51.3% of the previous year).

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The Bank of Italy (the "Regulator") notified today the Bank and the Chief Executive Officer administrative pecuniary sanctions[10] issued at the conclusion of the proceedings following the inspection conducted by the Regulator between 11th September 2023 and 12th January 2024.

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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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[9] Calculated as RWAs/Total assets excluding HTC bond portfolio and Cash and Cash Balances.
[10] Cfr. BFF Annual Report 2024, pag. 329 printed.

Earnings call

1Q 2025 consolidated results will be presented today, 8th May, 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 13.7% Group CET1 ratio at the end of March 2025.

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Consolidated Balance Sheet *(Values in € thousands)*

Assets items	31-Mar-24	31-Dec-24	31-Mar-25
Cash and cash equivalents	116,065	153,689	119,578
Financial assets measured at fair value through profit or loss	171,028	179,319	181,129
a) financial assets held for trading	*1,880*	*1,504*	*754*
b) financial assets designated at fair value	-	-	-
c) other financial assets mandatorily measured at fair value	*169,149*	*177,815*	*180,375*
Financial assets measured at fair value through Other Comprehensive Income	138,743	141,442	144,920
Financial assets measured at amortized cost	10,760,858	10,667,127	11,015,427
a) due from banks	*586,373*	*602,651*	*966,184*
b) due from customers	*10,174,485*	*10,064,476*	*10,049,244*
Hedging instruments	-	303	-
Equity investments	14,411	13,690	13,847
Property, plant, and equipment	55,777	104,750	103,895
Intangible assets	72,380	77,519	74,990
of which: goodwill	*30,957*	*30,957*	*30,957*
Tax assets	110,490	101,071	94,482
a) current	*55,248*	*40,250*	*34,212*
b) deferred	*55,242*	*60,821*	*60,269*
Discontinued operations and non-current assets held for sale	8,046	-	-
Other assets	776,812	712,511	653,689
Total consolidated assets	**12,224,610**	**12,151,421**	**12,401,958**

Liabilities and Equity items	31-Mar-24	31-Dec-24	31-Mar-25
Financial liabilities measured at amortized cost	10,529,355	10,661,212	10,558,064
a) deposits from banks	*2,335,818*	*1,342,119*	*1,229,786*
b) deposits from customers	*8,193,537*	*8,709,179*	*8,730,510*
c) securities issued	*-*	*609,914*	*597,769*
Financial Liabilities Held for Trading	222	139	1,064
Hedging derivatives	210	-	268
Tax liabilities	129,967	166,690	172,079
a) current	*3,866*	*2,794*	*4,606*
b) deferred	*126,101*	*163,896*	*167,474*
Other liabilities	731,735	388,397	698,358
Employee severance indemnities	3,156	3,372	3,462
Provisions for risks and charges:	35,014	54,804	54,775
a) guarantees provided and commitments	*237*	*258*	*294*
b) pension funds and similar obligations	*6,826*	*6,937*	*6,950*
c) other provisions	*27,951*	*47,609*	*47,530*
Valuation reserves	8,849	21,085	26,321
Additional Tier1	150,000	150,000	150,000
Reserves	445,167	282,329	494,421
Interim dividend	(54,451)	-	-
Share premium	66,277	66,277	66,277
Share capital	144,158	145,006	145,044
Treasury shares	(4,358)	(3,570)	(3,570)
Equity attributable to third parties	-	-	-
Profit (Loss) for the period	39,308	215,680	35,395
Total consolidated liabilities and equity	**12,224,610**	**12,151,421**	**12,401,958**

Consolidated Income Statement *(Values in € thousands)*

Profit & Loss items	31-Mar-24	31-Mar-25
Interest and similar income	162,072	135,003
Interest and similar expenses	(100,948)	(78,528)
Net interest income	**61,124**	**56,474**
Fee and commission income	28,204	26,010
Fee and commission expenses	(8,198)	(5,647)
Net fees and commissions	**20,007**	**20,363**
Dividend income and similar revenue	6,806	5,831
Gains/(Losses) on trading	1,287	4,075
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	397	(127)
a) financial assets and liabilities designated at fair value	-	-
b) other financial assets compulsorily valued at fair value	*397*	*(127)*
Net banking income	**89,854**	**86,616**
Impairment (losses)/reversals on:	(704)	(569)
a) financial assets measured at amortised cost	*(704)*	*(569)*
b) financial assets measured at fair value through Other Comprehensive Income	-	-
Net profit from financial and insurance activities	**89,151**	**86,048**
Administrative expenses:	(43,609)	(41,571)
a) personnel costs	*(21,044)*	*(16,844)*
b) other administrative expenses	*(22,565)*	*(24,727)*
Net provisions for risks and charges:	329	29
a) commitments and guarantees provided	*293*	*(36)*
b) other net provisions	*36*	*65*
Net (adjustments to)/writebacks on property, plant, and equipment	(1,123)	(1,334)
Net (adjustments to)/writebacks on intangible assets	(2,538)	(2,542)
Other operating (expenses)/income	8,897	7,897
Total operating expenses	**(38,045)**	**(37,521)**
Gains (Losses) on equity investments	1,412	273
Gains (Losses) on disposal on investments	-	-
Profit (Loss) before taxes from continuing operations	**52,518**	**48,800**
Income taxes on profit from continuing operations	(13,209)	(13,405)
Profit (Loss) after taxes from continuing operations	39,308	35,395
Profit (Loss) after taxes from discontinued operations	-	-
Profit (Loss) for the period	**39,308**	**35,395**

Consolidated capital adequacy

Values in €m	31-Mar-24	31-Dec-24	31-Mar-25
Credit and Counterparty Risk	193.2	342.8	336.8
Market Risk	0.6	0.4	0.2
Operational Risk	62.8	74.0	59.3
Total capital requirements	**256.6**	**417.2**	**396.3**
Risk Weighted Assets (RWAs)	**3,207.7**	**5,214.7**	**4,953.2**

CET 1	**434.0**	**638.5**	**677.1**
Tier I	**150.0**	**150.0**	**150.0**
Tier II	**0.0**	**0.0**	**0.0**
Own Funds	**584.0**	**788.5**	**827.1**

CET 1 Capital ratio	***13.5%***	***12.2%***	***13.7%***
Tier I Capital ratio	***18.2%***	***15.1%***	***16.7%***
Total Capital ratio	***18.2%***	***15.1%***	***16.7%***

Asset quality

€ 000	31-Mar-2025 Gross	Provisions	Net
Non-performing loans (NPLs)	122,566	(15,612)	106,954
Unlikely to pay	78,759	(9,255)	69,504
Past due	1,649,651	(2,538)	1,647,113
Total impaired assets	**1,850,976**	**(27,405)**	**1,823,571**

€ 000	31-Dec-2024 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**

€ 000	31-Mar-2024 Gross	Provisions	Net
Non-performing loans (NPLs)	117,970	(22,202)	95,768
Unlikely to pay	22,811	(5,836)	16,975
Past due	213,412	(1,513)	211,899
Total impaired assets	**354,193**	**(29,551)**	**324,642**