a bank like no other®

PRESS RELEASE

BFF Banking Group announces first consolidated nine months financial results after the merger with DEPObank

Today the Board approved the 9M 2021 consolidated financial results.

- **Accounting and fiscal consolidation of DEPObank effective on 1st March 2021**
- **€79.4m of Adjusted Net Income[1], +5.7% YoY despite €(20.5)m of DEPObank HTC bond portfolio M2M impact**
- **€240m Reported Net Income, including badwill and the extraordinary impacts deriving from DEPObank acquisition. Purchase price allocation still pending[2]**
- ***Factoring & Lending*: positive performance of loan book in Portugal, Greece and CEE countries (but Italy and Spain still impacted by liquidity), and of LPIs collections. Stable stock of unrecognized LPIs at €424m as a source of future profitability**
- **Positive performance of *Securities Services* and *Payments* business units**
- **Already locked-in, on a run-rate basis from 31/12/2021, 2023 target synergies**
- **Continued focus on ALM to extract funding synergies, reduce excess liquidity, lower deposits, restore size and increase yield and duration of HTC bond portfolio**
- **Strong capital position (CET1 ratio 18.5% and Total Capital ratio 22.9%), with €176m of capital above 15% TC ratio target. CET1 ratio of 22.1% including 9M21 Adjusted Net Profit**
- **€165m of residual 2019 & 2020 accrued dividends distributed in Oct-21**
- **Zero Cost of Risk, and 0.2% Net NPLs/Loans ratio excluding Italian municipalities in conservatorship**

Milan, 11th November 2021 – Today the Board of Directors of BFF Bank S.p.A. ("**BFF**" or the "**Bank**") approved the first nine months consolidated financial accounts, following the acquisition and merger by incorporation of DEPObank – Banca Depositaria Italiana S.p.A. ("**DEPObank**") into BFF, with accounting and fiscal consolidation effective on 1st March 2021.

Therefore, the 9M21 reported consolidated Profit and Loss includes DEPObank for the whole month of March 2021 and the whole 2nd and 3rd quarter 2021[2].

[1] Including DEPObank from 1st January 2021.

[2] Purchase Price Allocation (the "PPA") has not been completed yet, and the badwill resulting from DEPObank acquisition could change at completion.

The 9M21 Adjusted consolidated Profit and Loss includes DEPObank from 1st January 2021, and is consequently adjusted for one-offs, discontinued operations, other not recurring items, and the badwill (for details, see footnote n° 3).

CONSOLIDATED PROFIT AND LOSS DATA[3]

9M21 **Adjusted Net Revenues** were €233.5m in 9M21, of which €106.0m coming from *Factoring & Lending*, €41.0m from *Securities Services* and €46.8m from *Payments*. Interest expenses adjusted were equal to €(28.6)m, total Adjusted operating expenditures, including D&A, were €(132.4)m, and Adjusted LLPs and provisions for risks and charges were €2.8m.

This resulted in an **Adjusted Profit before taxes** of €103.8m, and an **Adjusted Net Profit**[1] at €79.4m, +5.7% YoY despite €(20.5)m of mark-to-market (M2M) impact. 9M21 **Reported Net Profit** was €240.0m including "gross" badwill[2] and the extraordinary impacts deriving from DEPObank acquisition.

Employees at Group level were 862 at the end 9M21 (890 at the end of 9M20 for BFF & DEPObank combined), of which 369 in the *Factoring, Lending & Credit Management* business unit (376 in 9M20), 180 in *Securities Services* (177 in 9M20), 49 in *Payments* (49 in 9M20), and 264 in the *Corporate Center* (staff, control functions, finance & administration, technology and processes improvement. 288 in 9M20).

[3] Adjusted P&L numbers exclude €160.6m after taxes in 9M21 vs. €(19.3)m after taxes in 9M20.
Positive impacts:
- €159.5m after taxes (€159.9m before taxes) in 9M21 related to badwill and transaction & restructuring costs;
- €23.7m in 9M21 of goodwill tax step-up.

Negative impacts:
- €9.5m after taxes (€13.4m before taxes) in 9M21 of Liability Management one-off costs;
- €5.1m of two months of ex-DEPObank's non-consolidated adjusted result in 9M21 vs. €15.2m in 9M20;
- €2.9m after taxes (€2.3m before taxes) in 9M21 for ex-DEPObank's customer contract amortisation;
- €2.9m after taxes (€3.1m before taxes) costs in 9M21 (€1.1m after taxes and €1.5m before taxes in 9M20) related to the *Stock Option Plan 2016* and the *Stock Option Plan 2020*. This item generates a positive equity reserve, with therefore no impact on Group's equity;
- €2.0m after taxes (€2.8m before taxes) in 9M21 (€0.5m after taxes and €0.7m before taxes in 9M20) of contribution to the Extraordinary Resolution Fund;
- €0.03m after taxes (€0.04m before taxes) in 9M21 (positive impact of €3.9m after taxes and €5.5m before taxes in 9M20), due to the change in PLN/€ exchange rate on the acquisition loan for the purchase of BFF Polska Group, which is offset by a positive change in equity reserve (included in the capital ratios), reflecting the natural hedging between these two balance sheet items;
- €5.3m after taxes (€3.5m before taxes) in 9M20 of M&A costs;
- €1.2m in 9M20 of current taxation charges arising from the one-off 2019 dividends distribution by the subsidiaries to the Parent Company BFF.

3 BUSINESS UNITS KPIs AND FINANCIALS

1) *Factoring, Lending & Credit Management*

The *Factoring* and the *International Markets* units have been merged, integrating all *Factoring & Lending* activities into 1 department, with the aim to (i) strengthen the focus on traditional business, (ii) increase business development opportunities, and (iii) align credit management practices, improving recovery capacity.

Despite high liquidity in Italy and Spain accelerated the collection of newest invoices as in 1H21, at the end of Sep-21 **Net Customer Loans** were €3,467m, -6% YoY (+17% YoY excluding Italy and Spain) vs. -11% YoY in 1H21 and -11% YoY in 1Q21, thus recovering from previous quarters negative trend.

The loans' book strongly increased in Portugal (+61% YoY) and Greece (+39% YoY), supported by higher volumes. Italy loan portfolio decreased by 12% YoY, still suffering from the acceleration of payment of current invoices. In 9M21 in Spain the Government allocated €27.7bn to the Autonomous Communities[4] to accelerate payments, and customer loans decreased by 32% YoY.

International markets (Spain, Portugal, Poland, Slovakia, Czech Republic, Greece, Croatia, and France) represented 43% of total loans at the end of Sep-21 (vs. 46% at the end of Jun-21 and 39% at the end of Sep-20), partially offsetting Italy's lower portfolio.

In 9M21 BFF recorded **New Business Volumes** of €3.8bn, in line with 9M20, with Italy -2% YoY at €2.0bn, and Spain's volumes roughly stable YoY above €1.0bn. Portugal and Greece were up by 83% and 43% YoY respectively; Poland recorded -18% YoY, but loans (mainly direct lending to public hospitals and local Governments units) have a longer duration.

The gross yield on average loans declined at 5.0% vs. 5.4% in 9M20, and Interest expenses of the business unit decreased to €36.8m in 9M21 vs. €52.8m in 9M20, mainly driven by a smaller loan portfolio. **Net Interest Income** decreased to €134.2m in 9M21, reducing YoY gap vs. 1H21, mainly thanks to positive contribution on revenues coming from BFF Polska Group in the 3rd quarter; Net Interest Income/RWAs was 8.2% vs. 6.3% in 9M20[5].

Collections of late payment interests (LPIs) increased by 12% at €35m, and net LPIs over-recoveries improved to €(3.0)m in 9M21 from €(5.8)m, with positive contribution of Spain. LPIs stock continued to grow (+3% YoY at €721m before taxes), with an unrecognized off-balance sheet LPIs[6] at €424m, stable YoY.

Net fee and commission income grew by 44% YoY, thanks to the good performance of the credit management services.

---

[4] Source: Ministerio De Hacienda, Sistemas de Financiación y Deuda Pública.

[5] End of the period RWAs. 9M21 ratio benefits from the reduction of the RWAs in 4Q 2020, due to the application of the 20% risk-weighting factor to *in bonis* receivables towards Public Administration with less than 3 months duration (ex art. 116 CRR) from 31/12/2020.

[6] The stock of LPIs accrued, but that has not been collected and, therefore, not gone through the P&L yet.

Direct OPEX & D&A increased by 6% YoY at €(28.1)m, mainly due to higher investments in BFF Polska, with an Annualised Operating Costs/Average Loans ratio of the business unit at 1.1%, despite the reduction of loans' portfolio. Negligible Cost of Risk (LLPs <€0.5m), declining YoY and maintained close to zero.

Profit Before Taxes decreased by 6% YoY at €78m, but improving the YoY gap (-9% YoY in 1H21).

2) Securities Services

At the end of Sep-21 **Depositary Bank**'s Assets under Depositary (AuD) increased at €83bn (+16% YoY), vs. €76bn at YE20 and €72bn at the end of Sep-20, thanks to new business development initiatives, especially in the AIF segment, and better market performance. Deposits from customers amounted to €5.5bn, normalising at 6.7% on total AuD (vs. 8.0% at the end of Jun-21 and 9.5% at the end of Mar-21), thanks to liquidity management performed in 1H21 through deposits repricing.

Global Custody's Assets under Custody (AuC) increased by 22% YoY to €172bn continuing to benefit, as in 1H21, from higher assets (mainly deriving from M&A activity of an existing client), and market performance[7].

In 9M21 **Net Fee and Commission Income** grew by 9% YoY at €34.0m, driven by higher AuD and AuC. Operating costs slightly decreased by 2% (with -8% YoY in G&A), and Profit Before Taxes significantly increased by 18% YoY.

Besides, new ESG products for Asset Management companies in the *Securities Services* area has recently been launched.

3) Payments

At the end of Sep-21 deposits amounted to €2.25bn vs. €2.1bn as of 30/09/2020. **Transactions of transfer and collections** increased by 11% YoY at #228m, thanks to positive performance of bank transfers.

Card settlement transactions were roughly stable at #139m compared to 9M20, but still 18% lower than 9M19, due to exposure to COVID-19 pandemic effects.

Checks and receivables transactions declined at market trends (#19m vs. #26m in 9M20).

Corporate payments transactions were up by 7% YoY at #43m, mainly due to positive performance of pension payments service and new clients.

In 9M21 **Net Fee and Commission Income** increased by €3.5m (+12% YoY at €33.1m), thanks to rebound of transfer and collections services, with card settlement not back yet to pre COVID-19

[7] AuC is impacted by market performance only on the equity component vs. AuD, which is impacted in all its components due to the periodic NAV calculation.

volumes. Besides, BFF won the extension for the 9y tender for the management of the Guarantee Fund for SMEs up to 2030, and total Net Revenues were up by 28% YoY. Profit Before Taxes significantly raised by 66% vs. 9M20, driven by economy recovery after the slowdown due to COVID-19 pandemic.

Corporate Center and synergies

The *Corporate Center* comprises all the revenues and costs not directly allocated to the three business units, as well as the treasury margin. 9M21 lower Net Interest Income YoY was primarily due to M2M accounting effect on ex-DEPObank HTC bond portfolio deflated yield at maturity[8] (2021: €(27.3)m, of which €(20.5)m in 9M21; 2022: €(21.2)m; 2023: ≥€(4.7)m), that generated also a positive impact on capital (€53.2m before taxes).

There has been no cost of excess liquidity in European Central Bank (ECB) from late Jun-21 (vs. €6.2m of additional costs YoY above tiering in 1H21).

Some initiatives were executed to drive performance:

i. refinanced Balance Sheet to optimize liquidity;
ii. OPEX and D&A down 12% YoY;
iii. executed new investment strategy of Government bonds.

Target synergies was already locked-in from 31st December 2021:

- **funding synergies** reached 2023 target on a run-rate basis starting from 1st July 2021;
- with regards to **OPEX synergies**, initiatives for €20m were already locked-in from 31/12/2021 on a run-rate basis;
- as of 30/09/2021 around 66% of **transactions & integration costs** (€23m out of c. €35m) was already expensed or committed.

Finally, on 8th November 2021 the DEPObank core banking IT system was migrated onto the BFF core banking provider.

CONSOLIDATED BALANCE SHEET DATA

As of 30/09/2021 the consolidated Balance Sheet was roughly stable at €11.1bn compared to 30/06/2021 (+0.2% QoQ), following the reduction of liquidity in ECB (cash down by €0.4bn, -54% QoQ), by maintaining excess cash below ECB tiering (with no costs), and repricing of deposits from *Transaction Services* (down by €0.7bn, -8% QoQ).

After the merger of DEPObank, the following BFF's funding was partially or totally paid down:

- wholesale funding was almost closed (vs. €1.4m as of 30/06/2021, €615m as of 31/03/2021 and €1.1bn at YE20);

[8] In compliance with IFRS3 and with a corresponding net positive impact on capital of €33.8m (see slide n° 5 of *1Q 2021 Results* presentation).

- on-line retail deposits in Euro and Zloty was reduced at €368m, -49% QoQ;
- in Jun-21 the buy-back of 2022 & 2023 Senior Bonds was completed for €416m, accelerating synergies expected next years;
- passive repurchase agreements were resumed for €1.3bn (vs. zero as of 30/06/2021), with optimization of leverage ratio.

The Group maintained a strong liquidity position, with a 276.4% **Liquidity Coverage Ratio (LCR)** as of 30/09/2021. The **Net Stable Funding Ratio (NSFR)** and the **leverage ratio**, at the same date, were equal to 189.4% and 3.8% respectively. From 2Q21 the NSFR is positively impacted by the new regulation, which establishes more favourable weighting factors for the assets and liabilities related to factoring activities.

At the end of Sep-21 the **Government HTC bond portfolio** was equal to €5,615m (+9% QoQ, with purchases for c. €0.5bn in 3Q21) vs. €5,503m for BFF & DEPObank combined HTC and HTC&S portfolio at the end of Sep-20. As of 30/09/2021 the HTC portfolio had a duration of 32.6 months, and a positive M2M equal to €46m after taxes (not recognised neither in the P&L nor in the balance sheet).

Asset quality

The Group continues to benefit from a very low exposures towards the private sector, with prudent provisioning and negligible credit risk. **Net NPLs excluding Italian Municipalities in conservatorship** were €8.5m, at 0.2% of net loans (2.2% including Italian Municipalities in conservatorship), with a 66% **Coverage ratio**. CET1 was not negatively impacted by calendar provisioning.

The excellent asset quality is confirmed, with an annualised **Cost of Risk** of zero basis points in 9M21 (vs. 7.7bps at YE20 and 10.3bps in 9M20 of BFF stand-alone), due to portfolio contraction and IFRS 9 release.

The increase in total **net NPLs** from €66.8m at YE20 (BFF stand-alone) to €79.4m as of 30/09/2021 was driven by the growing exposure towards the Italian Municipalities in conservatorship ("*Comuni in dissesto*"), from €64.0m (YE20) to €70.9m (9M21), and by other NPLs, which increased at €8.5m (vs. €2.8m at YE20 of BFF stand-alone) due to a classification change from UTP to NPL (made in 1Q21) of a fully-guaranteed exposure in Poland. The Italian Municipalities in conservatorship are exposures classified as NPLs by regulation, despite BFF is legally entitled to receive 100% of the principal and LPIs at the end of the process.

At the end of Sep-21 **net Past Due** amounted to €1.3m, compared to €42.1m and €45.0m at the end of Dec-20 and Sep-20 respectively of BFF stand-alone.

Total **Net impaired assets** (non-performing, unlikely to pay and past due) were €93.1m as of 30/09/2021 (€124.6m at YE20 and €127.5m as of 30/09/2020 of BFF stand-alone), 79% of which were towards public sector.

Capital ratios[9]

The Group maintains a strong capital position with a **CET1 ratio** of 18.5% (vs. 7.85% SREP), and a **Total Capital ratio (TCR)** of 22.9% (well above both the Bank's TCR target of 15%, and the 12.05% SREP), with **€176m of capital in excess of 15% TCR target**.

Both ratios exclude c. €244.6m of accrued dividends (€165.3m of residual 2019 & 2020 accrued dividends, paid in October 2021, and €79.4 of 9M21 Adjusted Net Income). Including net profit of the period, CET1 ratio and TCR would be 22.1% and 26.5% respectively.

BFF did not to apply any of the ECB/EBA emergency measure or the European Commission's banking package for COVID-19.

Risk-Weighted Assets (RWAs) calculation is based on the Basel Standard Model, and on 31st December 2020 BFF has aligned its approach to the one already used by its competitors, applying a 20% risk-weight for public exposures lower than 90 days, towards other public administration different from local and central government[10]. This allowed BFF to decouple the portfolio's risk-weightings from sovereign ratings. As of 30/09/2021 RWAs were €2.2bn (vs. €1.6bn at YE20 of BFF stand-alone), with a **density**[11] of 44%, vs. 39% at YE20 and 57% as of 30/09/2020.

***

Significant events after the end of the 9 months 2021 reporting period

- *Payment of €165m dividends and amendments to Articles of Association approved*. On 07/10/2021 BFF's ordinary and extraordinary Shareholders' Meeting approved the cash distribution to shareholders of dividends in the amount of €165,275,418 (the residual 2019 & 2020 Total Cash Dividend, i.e. the difference between €168,506,806 – the amount allocated to Shareholders – and €3,231,388 already distributed in March 2021). The *dividend per share was €0.8946*, gross of withholding taxes. Payment took place from 13-Oct, with ex-dividend date on 11-Oct and record date on 12-Oct.
- *Execution and completion of the shares' buy-back programme*. The shares' buy-back programme, whose launch was resolved by BFF's Board of Directors on 28/09/2021 (the "Programme"), was completed on 22-Oct, since 750,000 BFF ordinary shares were purchased (the maximum n° of shares to be purchased under the Programme). Following the completion of the Programme, and considering the treasury shares already in the portfolio, as of 22/10/2021 the Bank held 873,755 treasury shares. The value of the shares has already been deducted from regulatory capital as of 30/09/2021.

[9] 9M21 capital ratios benefits from the reduction of the RWAs in 4Q 2020, due to the application of a 20% risk-weight to *in bonis* receivables towards Public Administration with less than 3 months duration (ex art. 116 CRR) from 31/12/2020.
[10] Under the new rules of "New DoD", as of 31/12/2020 BFF's *in bonis* receivables portfolio with less than 3 months duration is risk-weighted at 20%, vs., for instance, the previous 100% in Italy, 100% in Portugal and 50% in Slovakia for NHS.
[11] Calculated as RWAs/Total assets excluding HTC and Cash and Cash Balances.

- *Notice of change in share capital*. As a result of a share capital increase free of charge over the period between 27-Sep and 25-Oct 2021, BFF's share capital increased by €109,032.77, through the issuance of 41,611 new BFF ordinary shares; total n° of shares is, therefore, #185,308,684. New shares were assigned to BFF Group's employees in relation to the "Management by Objective" incentive system and the Stock Option Plan 2016 ("SOP 2016"). With reference to the SOP 2016, which provided for the assignment of a total number of 8,960,000 options by 31/12/2019, the number of options assigned and not exercised as of 25/10/2021 amounts to 2,546,684, of which 1,597,684 were vested and exercisable.
- On 4th November 2021 BFF Bank S.p.A. received the inspection report with the results of the investigations conducted by the Supervisory Body. The Bank will inform the Supervisory Body of its considerations regarding this report, and the measures it has already taken, or will take, in this regard.

***

Statement of the Financial Reporting Officer

The Financial Reporting Officer, Claudio Rosi, declares, pursuant to paragraph 2 of article 154-*bis* of the Consolidated Law on Finance ("*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.

***

Earnings call

9M 2021 results will be presented tomorrow, 12th November, at 10:00 CET (09:00 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 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.
www.bff.com

Contacts

Investor Relations
Caterina Della Mora, Claudia Zolin
investor.relations@bff.com
+39 02 49905 631 | +39 02 49905 620 | +39 335 1295 008

Media Relations
Alessia Barrera
newsroom@bff.com
+39 02 49905 616

Iberia
Mariana Sousa
+351 210 164 760

Poland and Central Eastern Europe
Ewelina Kolad
+48 42 272 82 90

Consolidated Balance Sheet *(Values in €)*

Assets	31/12/2020	30/09/2021 (BFF & DEPObank)
Cash and cash equivalents	173,280,377	363,008,057
Financial assets measured at fair value through profit or loss	-	42,528,688
a) financial assets held for trading	*-*	*8,794,206*
b) financial assets designated at fair value	*-*	*-*
c) other financial assets mandatorily measured at fair value	*-*	*33,734,482*
Financial assets measured at fair value through OCI	163,924	83,516,397
Financial assets measured at amortized cost	5,780,579,449	10,092,600,957
a) due from banks	*31,078,082*	*815,828,927*
b) due from customers	*5,749,501,367*	*9,276,772,030*
Hedging instruments	-	5,765,000
Equity investments	87,944	13,076,631
Property, plant, and equipment	18,014,021	37,430,668
Intangible assets	36,675,140	134,238,643
of which: goodwill	*30,874,236*	*111,891,261*
Tax assets	15,333,003	113,527,029
a) current	*4,090,128*	*45,972,940*
b) deferred	*11,242,874*	*67,554,090*
Other assets	27,179,709	177,646,427
Total consolidated assets	**6,051,313,567**	**11,063,338,497**

Liabilities and Equity	31/12/2020	30/09/2021 (BFF & DEPObank)
Financial liabilities measured at amortized cost	5,415,184,174	9,695,682,563
a) deposits from banks	*1,034,654,607*	*773,510,337*
b) deposits from customers	*3,571,621,161*	*8,737,924,718*
c) securities issued	*808,908,406*	*184,247,508*
Financial Liabilities Held for Trading	-	660,917
Hedging derivatives	-	225,760
Tax liabilities	83,697,710	103,785,111
a) current	*5,824,367*	*4,423,896*
b) deferred	*77,873,344*	*99,361,215*
Other liabilities	82,804,576	454,501,501
Employee severance indemnities	666,641	3,732,919
Provisions for risks and charges:	*6,381,691*	21,587,764
a) guarantees provided and commitments	*527,436*	*202,818*
b) pension funds and similar obligations	*4,776,556*	*5,779,316*
c) other provisions	*1,077,699*	*15,605,631*
Valuation reserves	1,456,095	4,604,222
Reserves	241,473,311	331,660,728
Share premium	693,106	66,492,997
Share capital	131,400,994	142,665,054
Treasury shares	(3,517,312)	(2,261,007)
Minority interests	-	-
Profit for the year	91,072,581	239,999,967
Total consolidated liabilities and equity	**6,051,313,567**	**11,063,338,497**

Consolidated Income Statement *(Values in €)*

Profit & Loss items	9M 2020	9M 2021 (BFF & DEPObank)
Interest and similar income	170,689,553	157,095,866
Interest and similar expenses	(36,559,413)	(29,631,217)
Net interest income	**134,130,140**	**127,464,649**
Fee and commission income	4,620,696	76,939,933
Fee and commission expenses	(1,265,647)	(19,953,383)
Net fees and commissions	**3,355,049**	**56,986,550**
Dividend income and similar revenue	(0.1)	3,671,407
Gains/(Losses) on trading	5,808,462	(5,630,270)
Fair value adjustments in hedge accounting	-	8,822,017
Gains/(Losses) on disposals/repurchases of:	90,449	(12,649,892)
a) financial assets measured at amortized cost	-	*(15)*
b) financial assets measured at fair value through OCI	*34,447*	-
c) financial liabilities	*56,001*	*(12,649,877)*
Net income from other financial assets and liabilities at fair value	-	2,754,536
a) financial assets and liabilities designated at fair value	-	-
b) other financial assets compulsorily valued at fair value	-	*2,754,536*
Net banking income	**143,384,100**	**181,418,997**
Impairment (losses)/reversals on:	(2,843,151)	179,307
a) receivables and loans	*(2,847,146)*	*325,896*
b) available-for-sale financial assets	*3,995*	*(146,589)*
Net profit from banking activities	**140,540,949**	**181,598,303**
Net profit from financial and insurance activities	**140,540,949**	**181,598,303**
Administrative expenses	(64,417,364)	(122,674,763)
a) personnel costs	*(30,705,837)*	*(52,432,444)*
b) other administrative expenses	*(33,711,527)*	*(70,242,319)*
Net provisions for risks and charges	(557,913)	1,189,774
a) commitments and guarantees provided	*(63,733)*	*324,373*
b) other net provisions	*(494,180)*	*865,401*
Net (adjustments to)/writebacks on property, plant, and equipment	(2,671,856)	(3,753,206)
Net (adjustments to)/writebacks on intangible assets	(1,554,559)	(7,164,462)
Other operating (expenses)/income	4,834,351	181,344,375
Total operating expenses	(64,367,341)	48,941,717
Gains (Losses) on equity investments	-	164,713
Profit before tax from continuing operations	**76,173,607**	**230,704,733**
Income taxes on profit from continuing operations	(20,393,140)	9,295,234
Profit after taxes from continuing operations	55,780,467	239,999,967
Profit for the year	**55,780,467**	**239,999,967**
Profit for the year attributable to owners of the Parent Company	**55,780,467**	**239,999,967**

Consolidated capital adequacy

Values in €m	30/09/2019 (pre "New DoD")	30/09/2020 (pre "New DoD")	31/12/2020 (post "New DoD")	30/09/2021 (BFF & DEPObank and post "New DoD")
Credit and Counterparty Risk	143.4	143.8	96.6	125.5
Market Risk	-	-	-	0.8
Operational Risk	29.6	32.5	32.6	51.9
Total capital requirements	**173.0**	**176.3**	**129.3**	**178.2**
Risk Weighted Assets (RWAs)	**2,162.6**	**2,203.3**	**1,615.7**	**2,227.8**

CET 1	**242.5**	**265.1**	**251.1**	**411.9**
Tier I	**-**	**-**	**-**	**-**
Tier II	**98.2**	**98.2**	**98.2**	**98.2**
Own Funds	**340.7**	**363.3**	**349.4**	**510.2**

CET 1 Capital ratio	***11.2%***	***12.0%***	***15.5%***	***18.5%***
Tier I Capital ratio	***11.2%***	***12.0%***	***15.5%***	***18.5%***
Total Capital ratio	***15.8%***	***16.5%***	***21.6%***	***22.9%***

Asset quality

€ 000	30/09/2021 (BFF & DEPObank and after 20% RW application)		
	Gross	Provisions	Net
Non-performing loans (NPLs)	96,068	(16,651)	79,416
Unlikely to pay	17,355	(4,898)	12,457
Past due	1,307	(25)	1,282
Total impaired assets	**114,729**	**(21,574)**	**93,156**

€ 000	31/12/2020 (after 20% RW application)		
	Gross	Provisions	Net
Non-performing loans (NPLs)	81,582	(14,761)	66,821
Unlikely to pay	18,743	(3,040)	15,703
Past due	42,232	(127)	42,105
Total impaired assets	**142,557**	**(17,928)**	**124,629**

€ 000	30/09/2020 (before 20% RW application)		
	Gross	Provisions	Net
Non-performing loans (NPLs)	80,916	(14,106)	66,811
Unlikely to pay	17,984	(2,269)	15,715
Past due	46,531	(1,528)	45,003
Total impaired assets	**145,432**	**(17,903)**	**127,529**

€ 000	30/09/2019 (before 20% RW application)		
	Gross	Provisions	Net
Non-performing loans (NPLs)	66,936	(12,060)	54,876
Unlikely to pay	12,962	(2,108)	10,854
Past due	34,384	(91)	34,293
Total impaired assets	**114,282**	**(14,259)**	**100,023**