

Factoring Market Report

2024



ASSIFACT

Associazione Italiana per il Factoring

CREDITS

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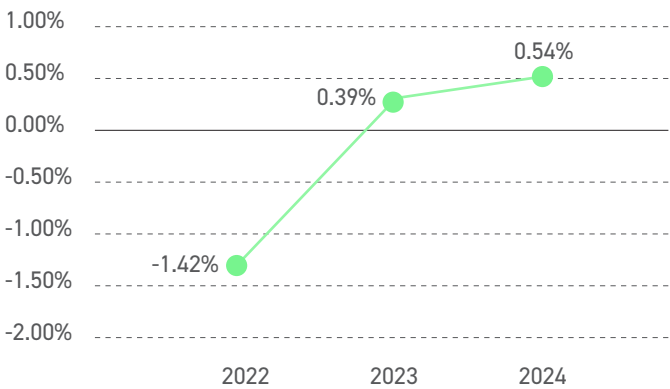
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Executive Summary

Trade receivables

In 2024, in a context of economic slowdown and still tense financial conditions, trade credit continues to play a central role for Italian companies. The increase in payment times and the persistent fragility of some sectors indicate the need to strengthen credit management practices and find efficient solutions for financing working capital, especially for SMEs, which are more exposed to these dynamics.

Average payment times (var.% y/y)



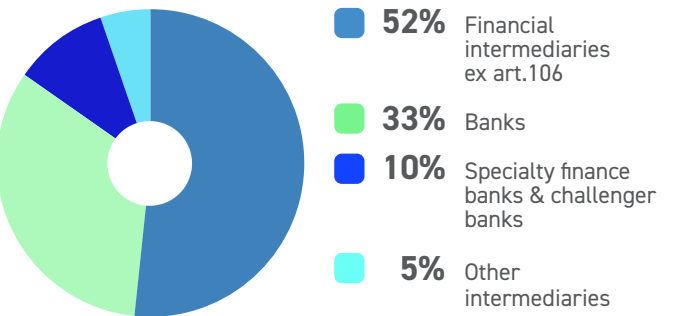
Factoring in the economy

In a year marked by the progressive loosening of monetary policy and the normalisation of rates, Italian factoring has maintained a stable role in supporting businesses, showing a greater capacity to adapt than other credit instruments. Despite the consolidation of volumes recorded in 2024, the stable penetration of the real economy of the product, as evidenced by the ratio to GDP and growth in the international segment,

demonstrates the relevance of factoring as a resilient instrument suited to supporting the competitiveness of businesses in the delicate phase of the economic cycle they are currently going through.

2024	Data in billions of euro	Var.% y/y
Turnover	289	1%
Total Advances	59	2%
Turnover/GDP (nominal)	13%	

Turnover 2024



The factoring supply side

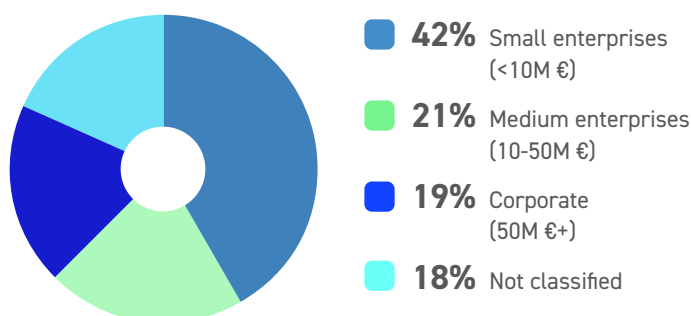
The year 2024 confirmed the solidity of the factoring market, also thanks to a diversified structure of operators and sustained profitability despite the settling of volumes. The stability of the income, driven by the rise in rates in recent years, and price competition highlight a mature sector, capable of offering flexible, efficient and advantageous solutions to businesses.

Executive Summary

Factoring customers

In 2024, factoring confirmed itself as a transversal tool, capable of responding to the needs of both large companies and SMEs, as well as export-oriented companies and innovative firms, thanks also to technological innovation that has facilitated access to services. The growth of factoring among small and medium-sized enterprises and its spread in territories with a greater vocation for production highlight its strategic role in optimising working capital along the supply chain.

Number of active customers: 32,431



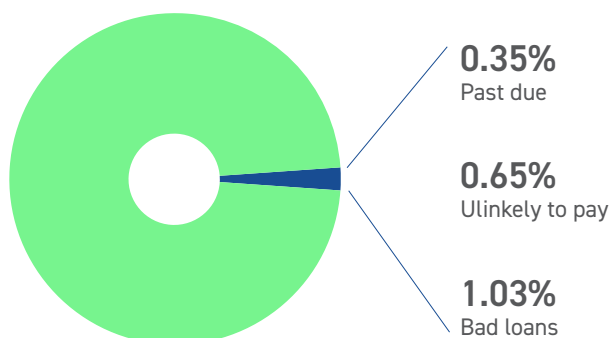
Gross exposures to enterprises at 31.12.2024 (in %)

PERFORMING

97.97%

NON PERFORMING

2.03%



The risk in factoring

Despite the increase in bank default rates in 2024, factoring stands out for its solid credit quality and prudent risk policies. The high level of performing loans, accompanied by prudent provisioning policies, confirms the sector's solidity even in times of worsening macroeconomic environment.

Executive Summary

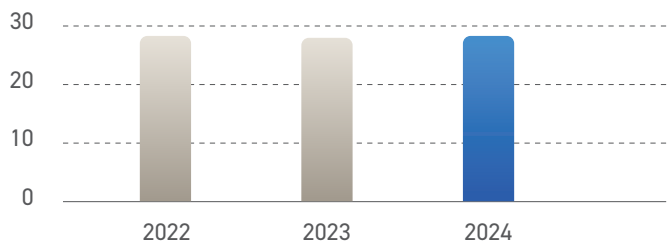
Factoring to the Public Administration

In 2024, factoring continued to play a crucial role for companies supplying the public administration, in a framework still marked by structural payment delays, albeit slightly improving. The liquidity tensions caused by these critical issues, mainly concentrated in the healthcare sector and in specific geographical areas, confirm the need for

reliable financial support such as that offered by factoring.

	Data (billions of euro)	Share % of total	Var.% y/y
Turnover	20,671	7%	-0.4%
Outstanding (at 31 december 2024)	7,782	11%	-3%
of which:			
overdue	2,875		
due by more than 1 year	2,242		

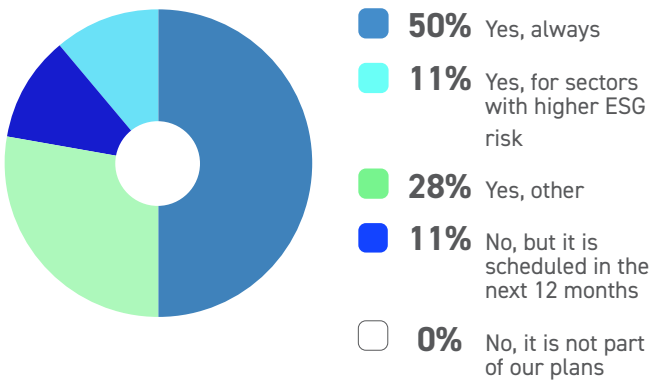
Turnover SCF (billions of euro)



Supply Chain Finance

In 2024, after years of sustained expansion, supply chain finance in Italy showed a slowdown, aligning with trends in traditional factoring. The stabilisation of reverse factoring and the growth of confirming indicate a growing demand for flexible liquidity management instruments, although the size of the market served remains limited compared to the potential.

DOES YOUR COMPANY MONITOR THE IMPACT OF CLIMATE AND ENVIRONMENTAL RISKS ON ITS PORTFOLIO?



Sustainability in factoring

In 2024, factoring consolidated its commitment to the ESG transition in response to rising regulatory and market expectations. Although progress in governance and environmental risk management is significant, the uptake of ESG products is still limited. However, the strengthening of Diversity & Inclusion practices and the integration of ESG factors into the credit process are signs of a cultural transformation that may generate concrete impacts in the coming years.

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1

Report presentation

The Factoring Market Report 2024, published by Assifact, provides an updated, comprehensive and in-depth overview of the sector's performance in the year just ended, analysing demand and supply, products, risks and future prospects.

The report is designed to meet the information needs of members, banks, authorities, institutions, companies and investors, providing data, analyses and keys to understanding the size of the market, grasping trends, challenges and opportunities, and highlighting the role of factoring as a tool to support financial stability, growth and competitiveness within the Italian production system.

The structure of the report is organized into thematic chapters, each addressing specific areas of analysis and offering an integrated, multidimensional look at the sector.

Chapter 2 analyses trade receivables, confirming their central role in business management. In 2024, payment terms between companies lengthened, while payment times in transactions with public administrations decreased. There is also a growing need for trade credit that does not always find a proportional response on the supply side.

Chapter 3 illustrates the role of factoring in the economy, showing how the Italian market reached EUR 289 billion in turnover in 2024, up 1% from the previous year, and representing more than 13% of GDP. At both the European and global level, factoring

continues to show resilience and growth, remaining a key lever for financing working capital even in challenging macroeconomic context.

Chapter 4 examines the market offer, highlighting the presence of a plurality of operators - banks, intermediaries under art. 106 TUB, industrial captive companies - and emphasising the sector's solid profitability, supported by net operating income that, although with slight variations, remain stable.

Chapter 5 focuses on factoring clients, showing that demand is driven by medium-to-large, innovative and export-oriented companies. At the same time, SMEs have recorded growing volumes in recent years, particularly thanks to opportunities created by digitalization and participation in Supply Chain Finance initiatives promoted by their buyers.

Chapter 6 addresses risk management, highlighting that the factoring sector once again recorded excellent credit quality last year, with an NPE ratio of around 2 percent for corporate exposures, thanks to prudent counterparty selection as well as sound management and provisioning policies.

Chapter 7 analyzes factoring in relation to receivables due by the public administration, confirming its crucial role in ensuring liquidity for suppliers and mitigating payment delays. Special attention is given to the critical issues in healthcare sector and local authorities, as well as the significant territorial differences that characterize our Country.

Chapter 8 delves into the development of Supply Chain Finance, with reverse factoring and confirming showing growth rates in 2024 broadly in line with the overall factoring market. However, stronger international dynamics and a large untapped potential market provide positive indications for future development.

Chapter 9 is dedicated to ESG issues, outlining the progress made by industry players in integrating environmental, social and governance factors into business practices and risk management, the prospects for expanding ESG product offerings, and the advancement of Diversity & Inclusion policies in the industry.

Chapter 10 offers a forward-looking look at market trends in early 2025, presenting operators' expectations for continued positive development of the factoring market despite the uncertainties of the global scenario. Optimism is supported by a first quarter that records volumes up about 3 percent.

The Factoring Market Report thus stands out as a unique and authoritative tool that systematically presents Assifact's statistical analysis, enriched with data and information from the leading national and international sources. Its objectives are to deepen knowledge of the sector, promote its strategic role within the entire economic system, and foster dialogue among businesses, operators, institutions and stakeholders, contributing to consolidating factoring's position as an essential driver of the Country's development, competitiveness and sustainability.

2

Trade receivables

Trade credit remains an important component of corporate financing strategies. In fact, according to the latest "Survey on the access to finance of enterprises" promoted by the European Commission, trade credit represents a significant source of finance for more than 30% of enterprises in the Eurozone, a share that has remained substantially stable over the last three years.

The relevance attributed to trade credit as a source of financing for Italian and Spanish companies exceeds the European average, while for French and German companies it is comparatively less relevant, although in both countries the share has increased slightly since 2022.

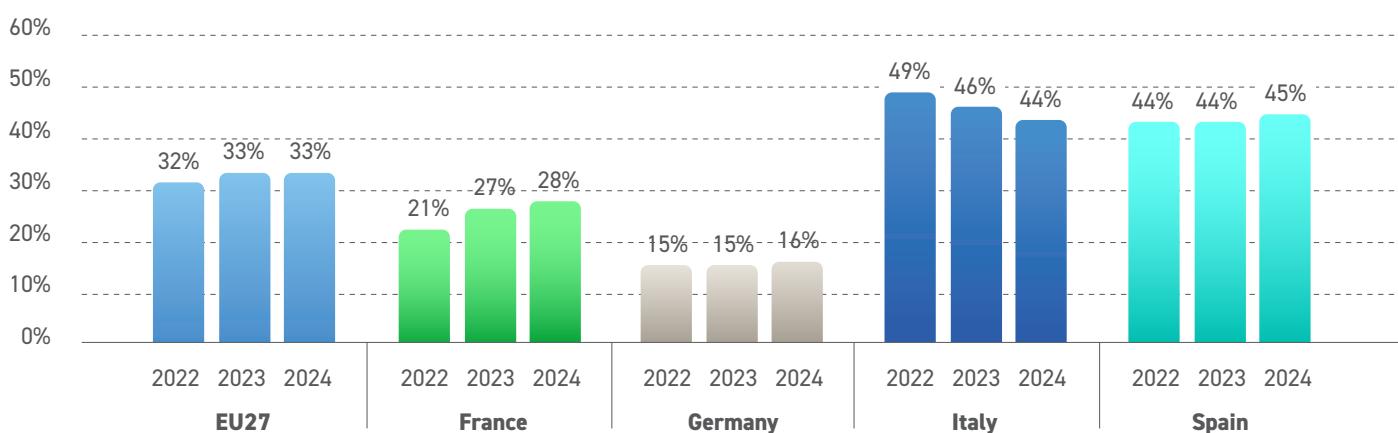
Over the past three years, demand for trade credit in Europe have increased, albeit at progressively lower rates than in the past.

At the same time, the net availability of trade credit - measured by the balance between companies that perceived an increase and those that perceived a decrease in their suppliers' willingness to grant credit - expanded to a share of 3% and reversed the trend of previous years.

Italy and Spain, in this respect, showed a trend in line with the European average for both indicators, while France and Germany, while recording a net increase in positive trade credit requirements, registered a persistent decline in the willingness to grant trade credit over the last three years. In general, an increase in trade credit requirements is not always matched by a directly proportional supply response in terms of an increase in suppliers' willingness to grant trade credit.

Figure 2.1

Do you consider trade credit a relevant source of finance for your business?

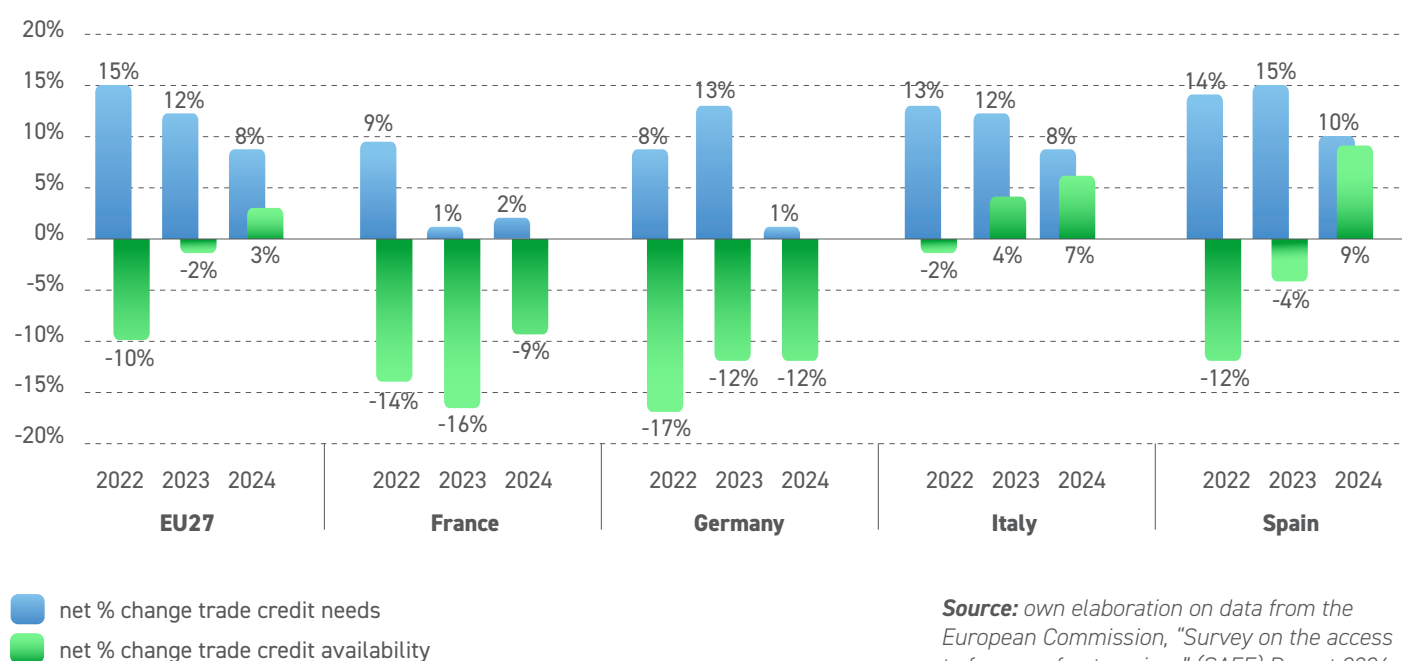


Source: own elaboration on data from the European Commission, "Survey on the access to finance of enterprises" (SAFE) Report 2024

European companies that participated in the European Commission's "Survey on the access to finance of enterprises" also perceived more frequent payment delays by their private counterparts than by their public counterparts; in France, the share of responding enterprises reporting delays in both the private and public sectors exceeds the European average.

The need for businesses to finance themselves through trade credit is growing, but this demand is not always met proportionally by suppliers

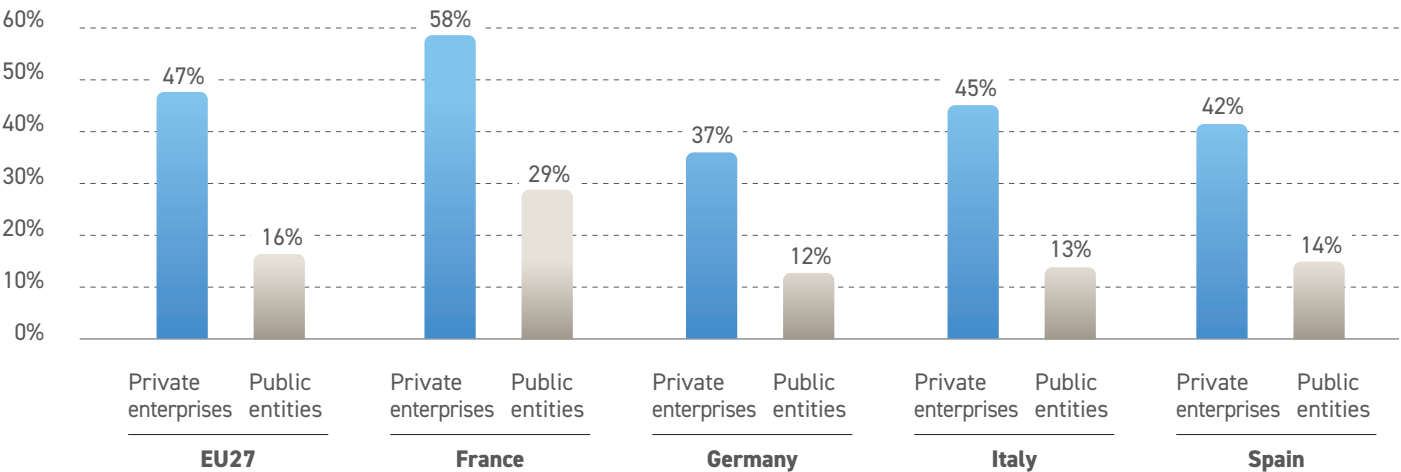
Figure 2.2
Net increase in needs and availability of trade credit



Source: own elaboration on data from the European Commission, "Survey on the access to finance of enterprises" (SAFE) Report 2024

Methodological note: Net percentage changes in trade credit needs and availability were calculated as the percentage difference between respondents who answered "increased" and those who answered "decreased", excluding the answers "not applicable" and "not aware".

Figure 2.3
Are there payment delays in your country?



Source: own elaboration on data from the European Commission, "Survey on the access to finance of enterprises" (SAFE) Report 20242024

Trade credit is a more significant source of financing for companies belonging to the trade and industry sectors; in services, the net change in both the need for and availability of trade credit is higher than the overall average.

About late payments, both in transactions with private and public debtors, the sector that appears to suffer most is the construction sector.

In terms of size, the relevance of trade credit appears to be directly proportional to company size, as does the relative need for it, while the availability of trade credit appears to be substantially aligned in every size category. Finally, the dynamics of payment delays also appear to be directly related to company size.

Figure 2.4**Trade receivables in Europe: an overview**

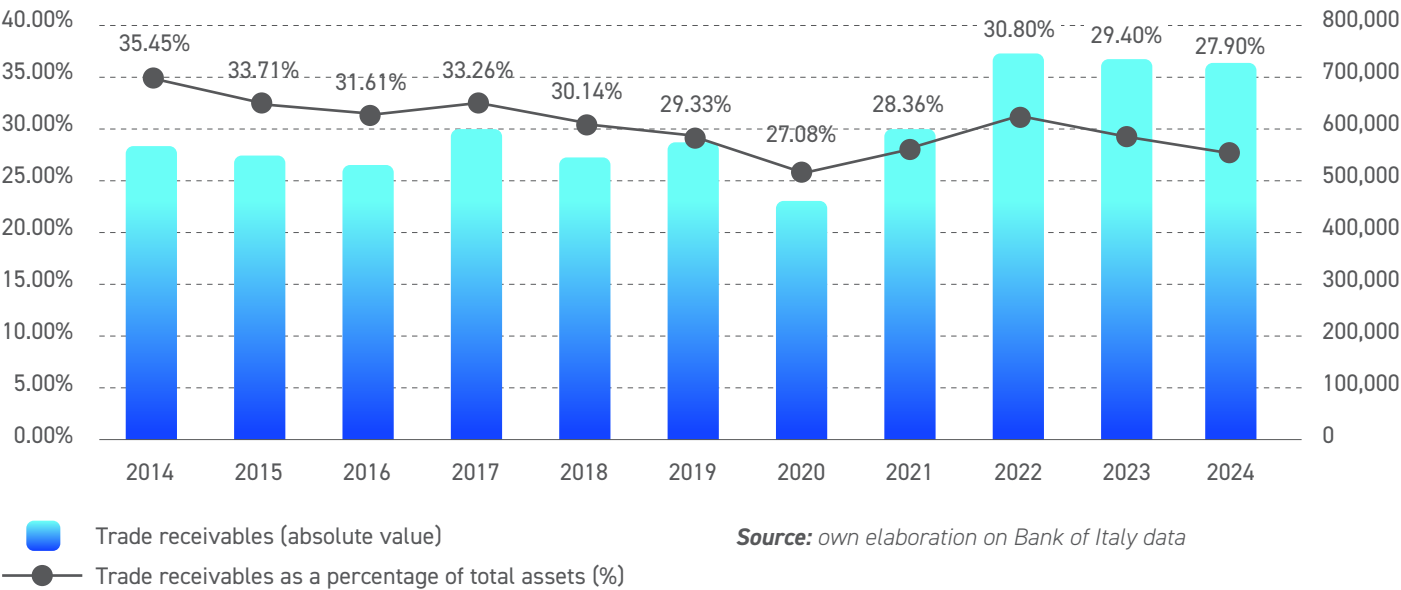
(% 2024 - EU 27)	Trade credit relevant source of financing	Net % change trade credit requirements	Net % change trade credit availability	Payment delays of private enterprises	Public Administration payment delays
Sector	33%	8%	3%	47%	16%
Industry	42%	8%	3%	50%	13%
Construction	35%	8%	2%	53%	26%
Trade	46%	8%	2%	49%	15%
Services	22%	9%	4%	44%	16%
Size	33%	8%	3%	47%	16%
Small enterprises (1-49 employees)	30%	8%	3%	45%	16%
Medium enterprises (50-249 employees)	40%	8%	2%	52%	17%
Corporate (250+ employees)	43%	11%	2%	54%	22%
Innovative enterprises	37%	12%	6%	53%	20%
High growth enterprises	38%	10%	10%	48%	19%
Exporting enterprises	39%	10%	2%	52%	14%

Source: own elaboration on data from the European Commission, "Survey on the access to finance of enterprises" (SAFE) Report 2024

The importance of trade credit in our country is confirmed by the incidence of trade receivables on total assets in Italian companies' balance sheets, which has averaged around 30 per cent over the last ten years: this reflects a significant need for financial sources to support and stabilise working capital, by virtue of payment times granted to customers that are often longer than in other European countries.

In 2024, commercial credit requirements grew more significantly for innovative, high-growth companies and those focused on exports, which are more affected by late payments by their buyers

Figure 2.5
Performance of trade receivables in relation to total business assets
(figures in millions of euro and as a percentage)



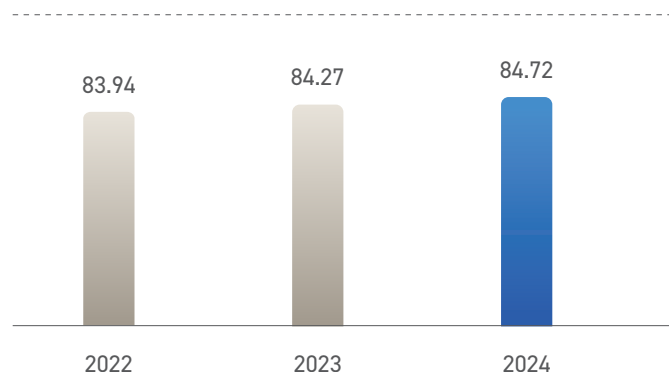
Data from Credifact, the Trade Credit and Factoring Observatory promoted by Assifact, highlights average payment times for trade receivables (based on those assigned to factoring companies in the year 2024), which are progressively lengthening compared to previous years, with significant differences in payment trends for private companies compared to public entities.

Figure 2.6
Average payment times
for trade receivables

	Year 2024	Change compared to 2023	
		In days	In %
Average payment times (DSO)	84.72 gg	+0.45 gg	+0.54%
Average payment times (DSO) - B2B	81.34 gg	+2.08 gg	+2.62%
Average payment times (DSO) - B2PA	130.59 gg	-12.85 gg	-8.96%

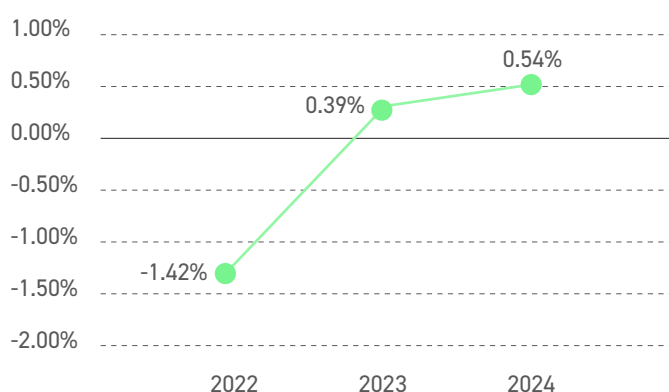
Source: Assifact, "Average payment times for trade receivables", December 2024 (text in Italian)

Figure 2.7
Historical trend in average payment times
(overall figure, in days)



Source: Assifact, "Average payment times for trade receivables", December 2024 (text in Italian)

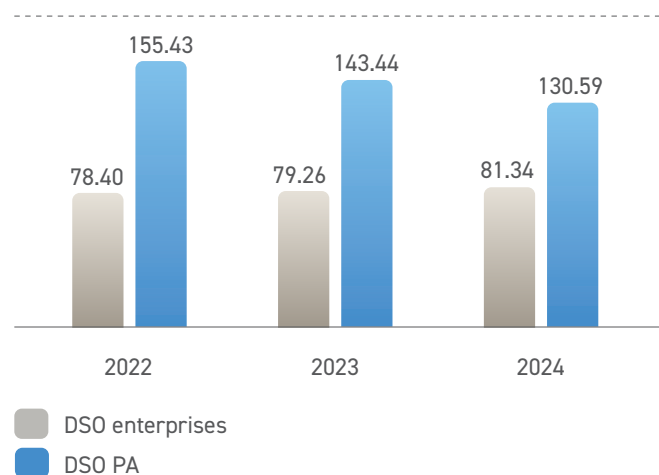
Figure 2.8
Historical trend in average payment times
(overall figure, % change y/y)



Source: Assifact, "Average payment times for trade receivables", December 2024 (text in Italian)

In fact, payment times among private companies continue to increase, amounting to 81.34 days in 2024, which is about 3 days longer than in 2022, and, on the other hand, the average payment time of public entities decreases significantly, standing at 130.59 days in the calendar year 2024 (12 days less than in 2023).

Figure 2.9
Historical trend in average payment times
(B2B and B2PA, in days)

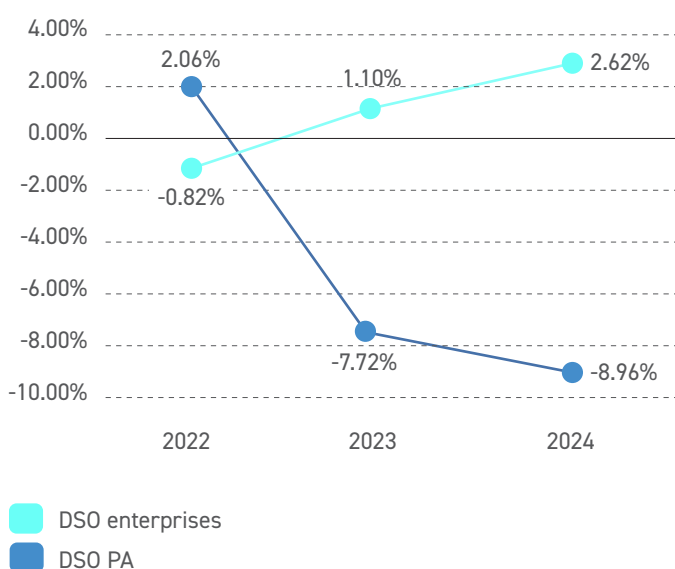


Source: Assifact, "Average payment times for trade receivables", December 2024 (text in Italian)

In 2024, payment times between private companies increased, while payment times by public entities decreased

Figure 2.10

Historical trend in average payment times (B2B and B2PA, % change y/y)

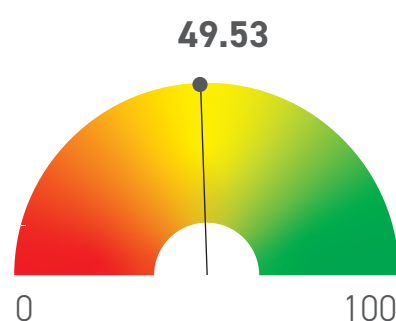


Source: Assifact, "Average payment times for trade receivables", December 2024 (text in Italian)

A survey carried out by Assifact on the quality of behaviour in commercial transactions by private and public debtors shows that, during the second half of 2024, an overall assessment by factoring companies was found to be substantially on the median of the scale from 1 to 100, although significant differences are recorded depending on the private or public nature of the counterparty and with respect to the profile investigated.

Figure 2.11

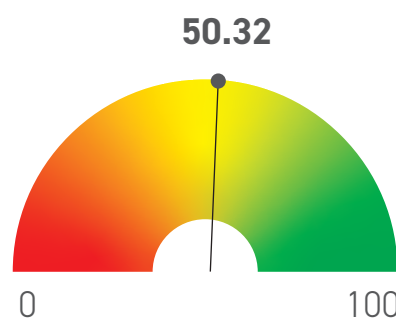
The assessments of the quality of debtor behaviour in commercial transactions - overview - 2nd half of 2024



Source: Assifact, "Quality, transparency and fairness of debtor behaviour in commercial transactions", December 2024 (text in Italian)

Figure 2.12

The assessments of the quality of debtor behaviour in commercial transactions - overview - 2nd half of 2024



Source: Assifact, "Quality, transparency and fairness of debtor behaviour in commercial transactions", December 2024 (text in Italian)

In B2B transactions, most of the indicators of the assigned debtors' behaviour improved compared to the H1 2024 survey. In particular, there is significant progress in the provision in supply contracts of interest rates on arrears that are not lower than the legal interest rate, in the greater attention paid to the consequences of the new EBA definition of default and on one's own position in the

Central Risk Register, as well as in the timeliness of debtors in paying invoices on time.

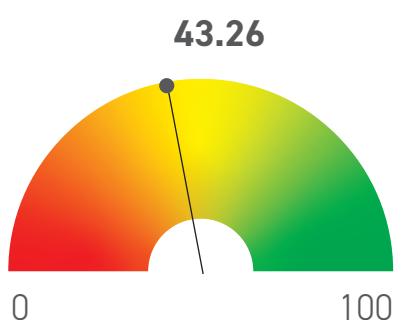
Among the few worsening aspects are less transparency in the communication of any conditions and requirements for the approval and payment of invoices and greater difficulties in obtaining the actual payment of interest on arrears in the agreed amount.

Figure 2.13

The assessments on the behaviour of private debtors in commercial transactions - 2nd half of 2024

PRACTICES	SCORE	SCORE CHANGE vs 1° sem 2024
In supply agreements, the parties do not exclude interest on arrears or compensation for recovery costs and damages	68.33	2
In supply agreements, the parties shall provide for interest rates on arrears not lower than the legal interest rate	62.50	7
Any conditions and requirements for approving and paying an invoice are clear and properly known to suppliers	70.67	-7
Debtors pay invoices, as a rule, within the terms set out in the invoice	56.79	6
Debtors shall clearly indicate to which invoices the payment refers	61.73	0
Debtors shall promptly notify the supplier and/or factor that an invoice will be paid late, stating the reasons therefor	25.33	0
Debtors do not unreasonably differentiate payment times between different suppliers	61.33	-2
Debtors are inclined to recognise credit assignments	56.41	4
Debtors are inclined to recognise assigned invoices	52.56	4
The debtors show openness and willingness in their relations with the creditor and in providing information requested by the latter or required by law	65.38	4
Debtors are aware of the consequences of a late payment on their position in the context of the Central Risks and in view of the new EBA definition of default	48.00	7
Debtors are changing their behaviour in view of the introduction of the new EBA definition of default	40.58	3
Any objections to the supply shall be raised promptly and within the payment deadline	34.57	1
In the event of delay, creditors demand and obtain payment of default interest at the agreed rate	28.33	-3
In the event of delay, creditors claim and obtain reimbursement of the costs incurred in recovering the sums not timely paid and compensation for damages	22.22	4

Source: Assifact, "Quality, transparency and fairness of debtor behaviour in commercial transactions", December 2024 (text in Italian)

Figure 2.14**The assessments on the Quality of Debtor Behaviour in Commercial Transactions - Public Debtors - 2nd half of 2024**

Source: Assifact, "Quality, transparency and fairness of debtor behaviour in commercial transactions", December 2024 (text in Italian)

The behaviour of public entities towards their creditors is improving, but the overall assessment remains negative

In the case of B2PA transactions, the factoring companies surveyed attribute an overall score of 43.26 points, which is 7 points lower than the evaluation of the behaviour of private debtors, indicating a still negative perception of the behaviour of public administrations. However, there are significant improvements in the relationship between public debtors and creditors about:

- the provision in supply contracts of interest rates on arrears not lower than the legal interest rate.
- the greater adequacy in the justification of any refusal to assign credits.
- improved timeliness in the reporting of late payments, including their causes.

On the other hand, ratings worsen in relation to:

- the timeliness and completeness of information on which invoices have been paid.
- the provision in contracts of payment terms not exceeding 30 days, or 60 days where applicable.

Finally, in both B2B and B2PA payments, there is a lack of timeliness on the part of debtors in notifying the creditor of delays and in compensating recovery costs, with limited awareness of the consequences of late payments in terms of the new EBA definition of default.

Figure 2.15

The assessments on the behaviour of public debtors in commercial transactions - 2nd half of 2024

PRACTICES	SCORE	SCORE CHANGES vs 1° sem 2024
In supply contracts with public administrations, the parties provide for payment terms, not exceeding 30 days (or 60 days where applicable)	41.27	-3
In supply contracts with public authorities, the parties do not exclude interest for late payment or compensation for recovery costs and damages	61.40	-1
In supply contracts with public administrations, the parties shall provide for interest rates on arrears that are not lower than the legal interest rate	61.11	11
Public administrations normally pay their invoices within the terms set out in the invoice	30.43	4
Public administrations shall clearly indicate to which invoices the payment refers	49.28	-7
Public administrations shall promptly notify the supplier and/or factor that an invoice will be paid late, stating the reasons for this	20.29	7
Public administrations do not unreasonably differentiate payment times between different suppliers	56.06	-6
Public administrations often do not refuse the assignment of credits	42.03	-7
Any refusal to transfer shall be adequately motivated and not generalised	42.42	8
Procedures aimed at ascertaining the conformity of goods or services to the contract have on average a duration compatible with the payment terms	36.51	7
If requested, public administrations promptly issue the credit certification on the relevant MEF platform	43.75	-1
In the event of delay, creditors demand and obtain payment of default interest at the agreed rate	39.22	4
Public administrations show openness and willingness in their relations with the creditor and in providing the information requested by the creditor or required by law	49.28	2
Public administrations are aware of the consequences of a late payment on their position within the Central Risks Office and in view of the new EBA definition of default	33.33	5
Public administrations are changing their behaviour in view of the introduction of the new EBA definition of default	22.73	6
In the event of delay, creditors claim and obtain reimbursement of the costs incurred in recovering the sums not timely paid and compensation for damages	33.33	4
Payments by public administrations are not prevented or delayed by special laws or measures that facilitate opportunistic behaviour on the part of the debtor (*)	42.59	2
The creditor must not waive part of the principal in order to obtain payment	73.68	1

Source: Assifact, "Quality, transparency and fairness of debtor behaviour in commercial transactions", December 2024 (text in Italian)

* Note: This means any type of law or measure taken by the regulator or individual public bodies that makes it impossible for the debtor to pay spontaneously or impossible or delayed for the creditor to proceed with the enforcement of the claim. By way of example, the following are considered as 'impediments': the shortage of funds, the seizure of funds, the internal stability pact, etc.

Trade receivables – Takeaways

In 2024, in a context of economic slowdown and still tense financial conditions, trade credit continues to play a central role for Italian companies.

The increase in payment times and the persistent fragility of some sectors indicate the need to strengthen credit management practices and find efficient solutions for financing working capital, especially for SMEs, which are more exposed to these dynamics.



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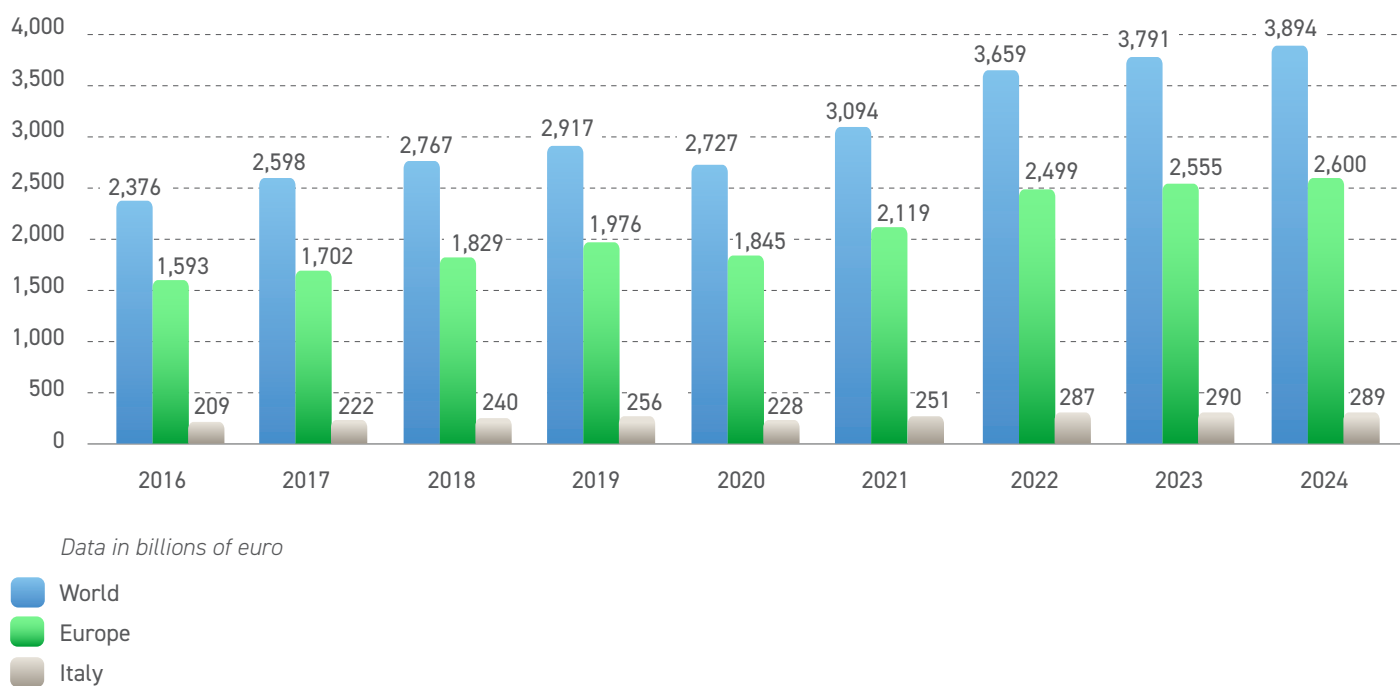
Factoring in the economy

The global factoring market has been expanding steadily for more than a decade, with the only interruption occurring in 2020, the year of the Covid-19 pandemic outbreak, and during 2024 it reached almost EUR 4 trillion in turnover, up 2.7% year-on-year. Approximately two thirds of the world market is generated on the European continent, with Italy firmly in fourth place behind France, Germany and the UK.

Globally, factoring continues its growth trajectory with almost EUR 4 trillion in total volumes

Figure 3.1

Historical trends in global, European and Italian factoring turnover

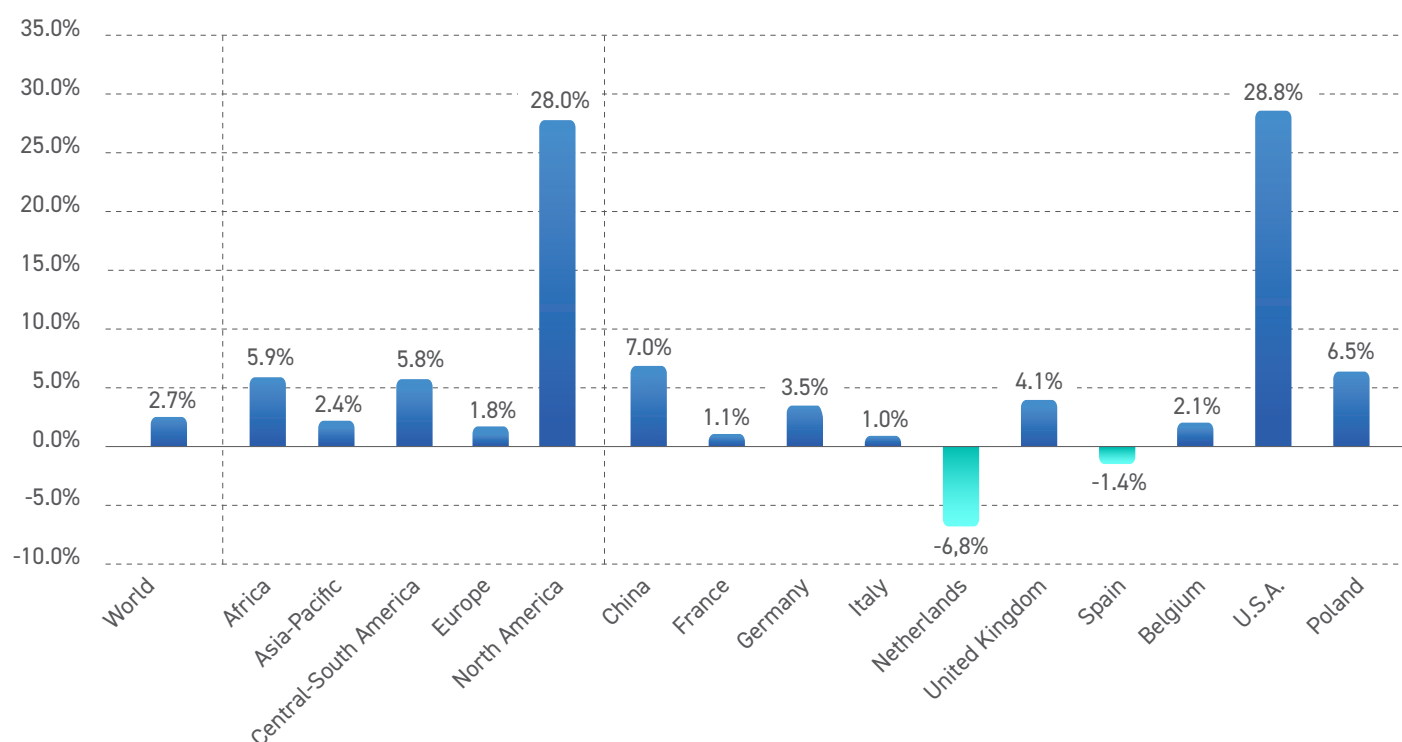


Source: elaboration on FCI and EUF data

The growth of the European market in the last year 2024 was moderate and amounted to +1.8%; France, confirming its position as the European leader in terms of turnover, grew by +1.1% compared to 2023; Germany and the United Kingdom showed larger increases

compared to the European average, amounting to 3.5% and 4.1% respectively. For Spain, the annual change compared to last year is slightly negative at -1.4%. For the U.S.A., the change compared to 2023 is very high, reaching over 28%.

Figure 3.2
Key country turnover trends (% change 2024-2023)



Source: elaboration on FCI and EUF data

In 2024, the Italian factoring market recorded volumes, in terms of turnover, of almost EUR 289 billion, representing a growth of 1%, net of purchases of tax credits from building bonuses.

This type of transaction is in fact being halted following legislative measures introduced in 2024, which effectively blocked the sale of such receivables by companies to banks or financial intermediaries; including these volumes, the change compared to 2023 is -0.4%.

More than 80% of turnover relates to non-recourse transactions. The stock of receivables (Outstanding) stood at EUR 70.65 billion as of 31 December 2024, slightly up from the same period last year. The stock of advances and fees paid, at EUR 59.15 billion, also increased by 1.76% compared to 2023.

The turnover of the Italian factoring market grew moderately (+1%) to EUR 289 billion

Figure 3.3
Highlights of the Italian factoring market in 2024

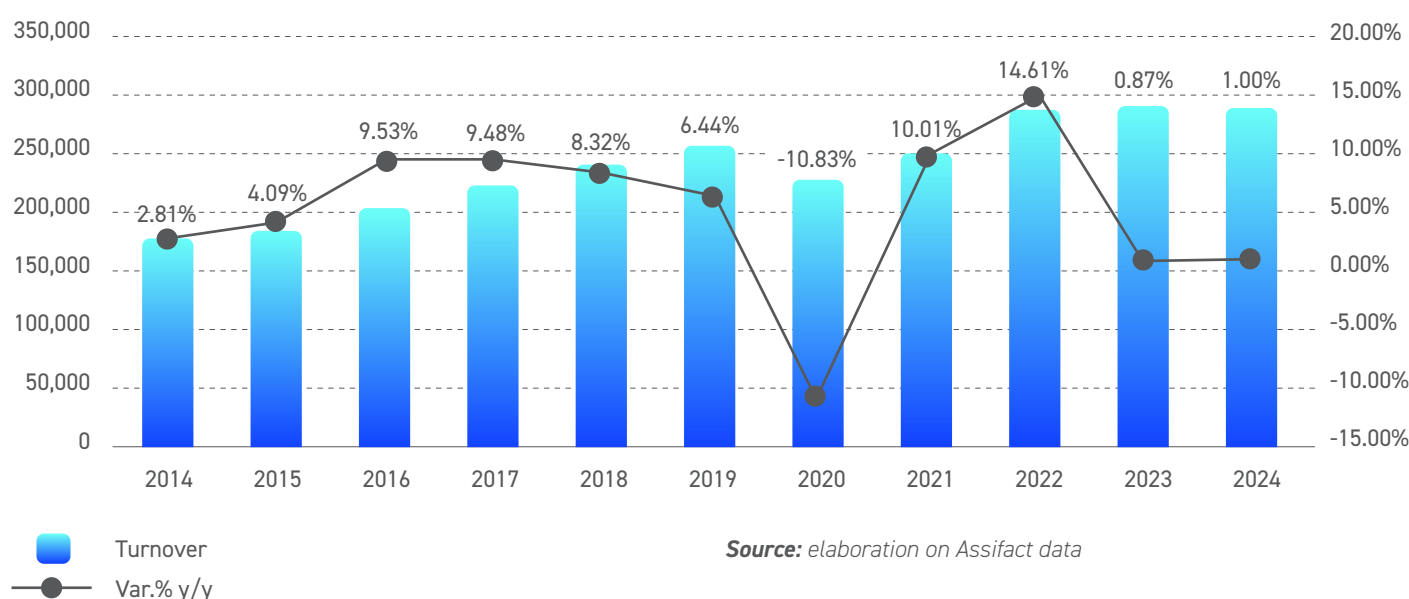
Data in thousands of euro		Share % of total	Change from previous year in % (*)
Turnover¹	288,586,885		1.00%
Recourse	55,840,471	19%	
Non-recourse	232,746,414	81%	
Outstanding	70,646,933		0.51%
Recourse	15,713,851	22%	
Non-recourse	54,933,082	78%	
Anticipi e corrispettivi pagati	59,151,398		1.76%
¹ of which Turnover from operations Supply Chain Finance	28,025,064	10%	0.89%

Source: elaboration on Assifact data

(*) Note: The percentage change from the same month of the previous year in cumulative turnover has been calculated net of tax credit purchases from building bonuses, as the operation is now exhausted. Including these volumes, the percentage change in cumulative turnover compared to 2023 would be -0.40%.

Figure 3.4

**Historical turnover trend of the factoring market in Italy
(data in millions of euro and as a percentage)**



The penetration of factoring turnover in relation to Italy's gross domestic product is significant and exceeding 13% in 2024, confirming the long-term structural role of factoring in the Italian economy.

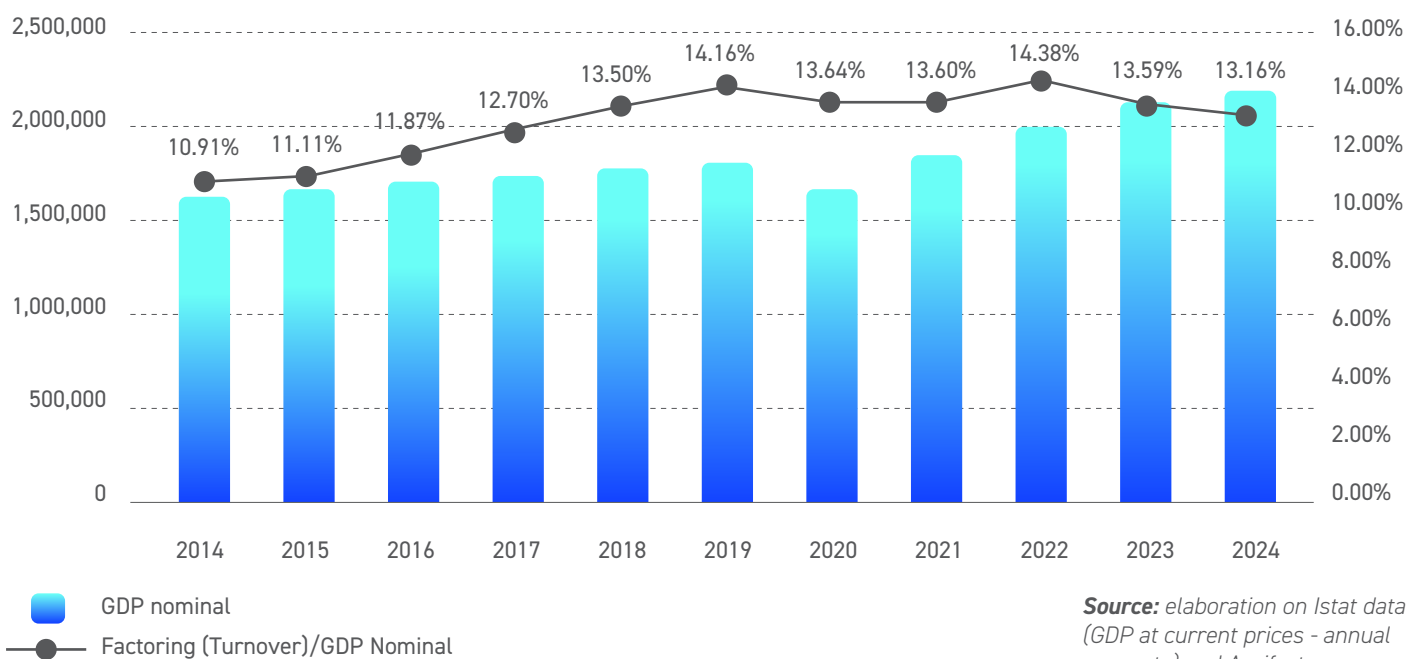
Although this indicator slightly down from the previous two years due to the consolidation of volumes and macroeconomic dynamics affecting nominal GDP, it remains significantly

higher than ten years ago. The importance of factoring in the Italian economy thus continues to show a long-term growth trend.

Another indicator of the growing importance of the product in our Country is the ratio of the stock of advances and fees paid for factoring transactions to short-term bank loans to businesses, which now stands at over 40% and has more than doubled since 2014.

Figure 3.5

Historical trend of factoring (turnover) as a percentage of Italian gross domestic product (figures in millions of euro and as a percentage)

**Figure 3.6**

Historical trend of factoring advances as a percentage of total short-term bank loans to businesses

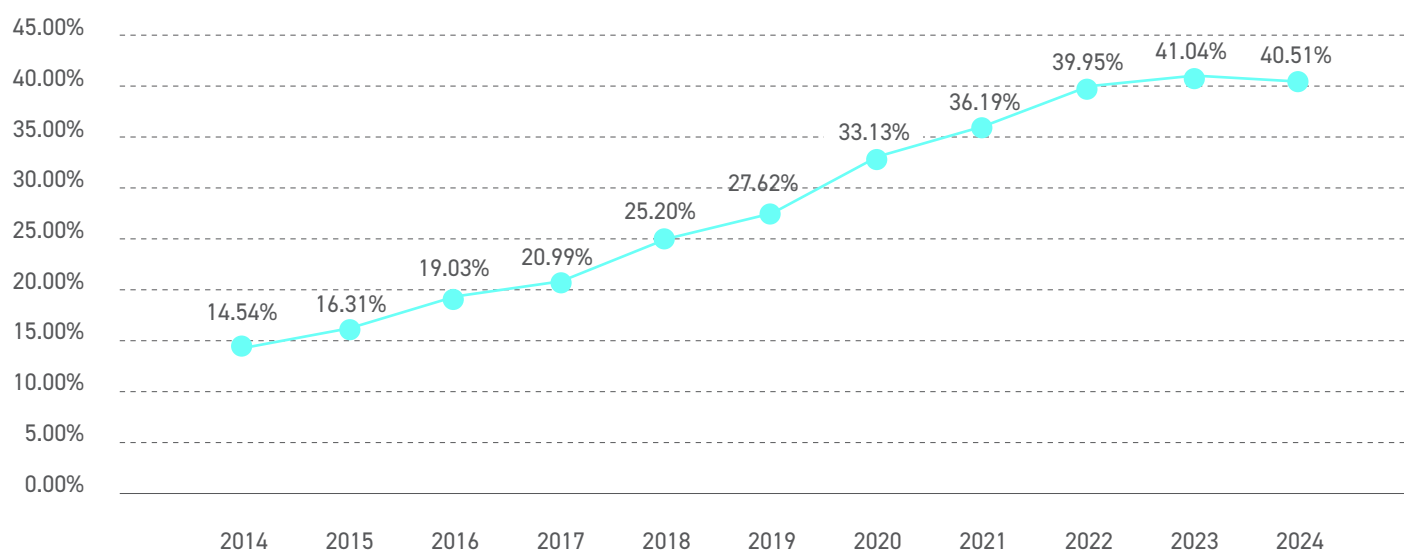
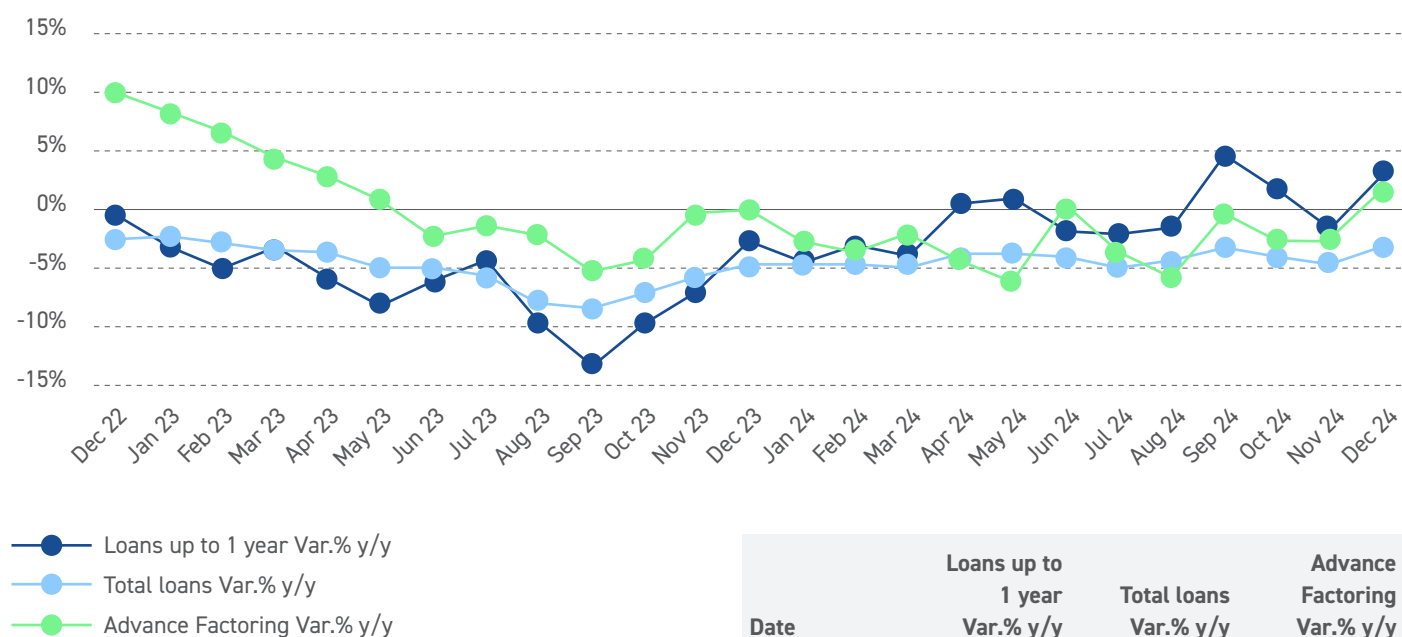


Figure 3.7

Trend comparison of total loans to companies, short-term loans to companies and stock of advances and fees paid for factoring activities



Source: elaboration on Bank of Italy and Assifact data

Date	Loans up to 1 year Var.% y/y	Total loans Var.% y/y	Advance Factoring Var.% y/y
31/12/24	3.14%	-3.07%	1.76%
30/11/24	-1.42%	-4.46%	-2.50%
31/10/24	1.75%	-3.89%	-2.55%
30/09/24	4.69%	-3.24%	-0.28%
31/08/24	-1.44%	-4.41%	-5.65%
31/07/24	-1.90%	-4.83%	-3.74%
30/06/24	-1.62%	-4.03%	0.26%
31/05/24	0.91%	-3.74%	-6.05%
30/04/24	0.58%	-4.02%	-4.25%
31/03/24	-3.72%	-4.63%	-2.15%
29/02/24	-2.97%	-4.55%	-3.53%
31/01/24	-4.23%	-4.77%	-2.79%
31/12/23	-2.68%	-4.51%	0.03%
30/11/23	-7.02%	-5.84%	-0.45%
31/10/23	-9.58%	-7.03%	-4.29%
30/09/23	-13.17%	-8.42%	-5.17%
31/08/23	-9.48%	-7.89%	-2.00%
31/07/23	-4.26%	-5.58%	-1.20%
30/06/23	-6.13%	-4.98%	-2.37%
31/05/23	-8.00%	-4.97%	0.86%
30/04/23	-5.78%	-3.62%	2.94%
31/03/23	-3.33%	-3.44%	4.44%
28/02/23	-5.07%	-2.87%	6.76%
31/01/23	-3.12%	-2.29%	8.31%
31/12/22	-0.40%	-2.43%	9.96%

The restrictive monetary policy adopted by the European Central Bank from 2022 in response to rising inflation eased in the second half of 2024 thanks to the normalisation of consumer prices in the Eurozone.

The reduction in policy rates affected the trend in bank loans, especially short-term loans, which showed signs of recovery with positive changes, especially in the last quarter of 2024.

In this scenario, factoring showed remarkable resilience, showing a more lively dynamic than bank loans - both total and short-term - during the most critical phases of the monetary restriction and, subsequently, a trend in line with the recovery of short-term loans in the more favourable context of the last few months of the year, signalling renewed interest on the part of businesses

in advancing trade receivables to support working capital.

Bank loans at an overall level are still declining, particularly due to the negative trend in the medium- and long-term component, continuing the persistent downward trend in loans granted to businesses.

Data from the Central Risks published by the Bank of Italy confirm the growing use of factoring by companies compared to other similar banking products: during 2024, the development of drawdowns recorded in CR and related to factoring transactions compared to the previous year was positive, while other self-liquidating transactions showed a negative trend for both the credit limits granted and the drawdowns.

Figure 3.8

Credit limit: % change y/y - Advances for factoring vs. other self-liquidating

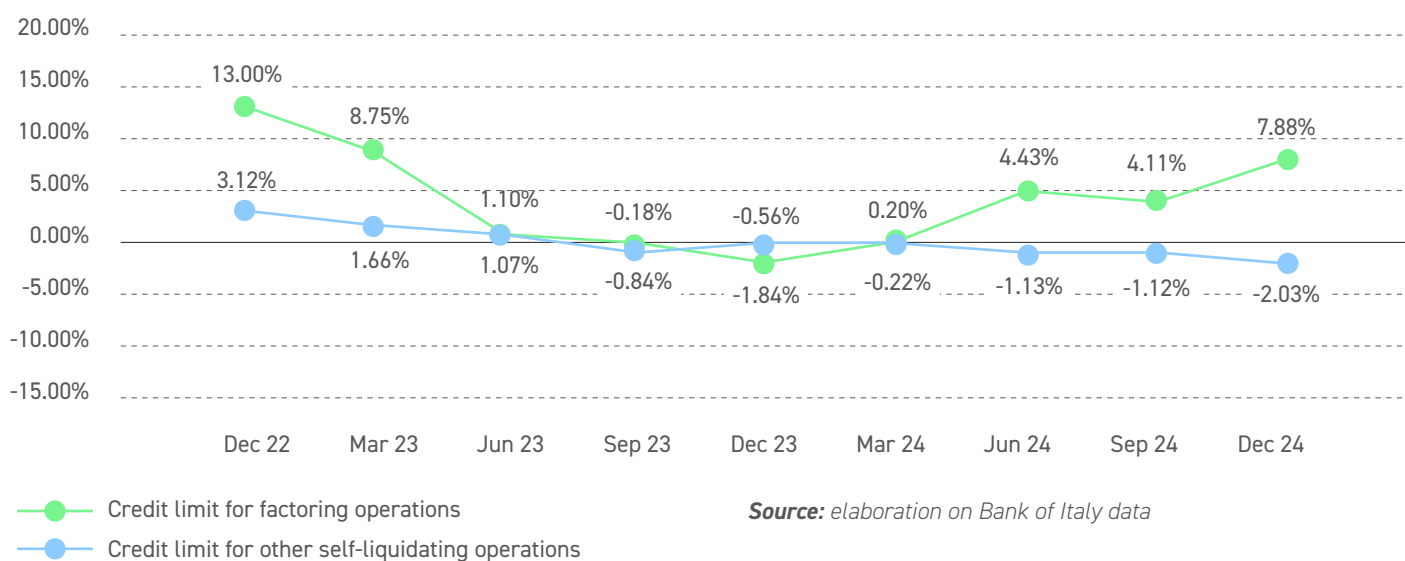
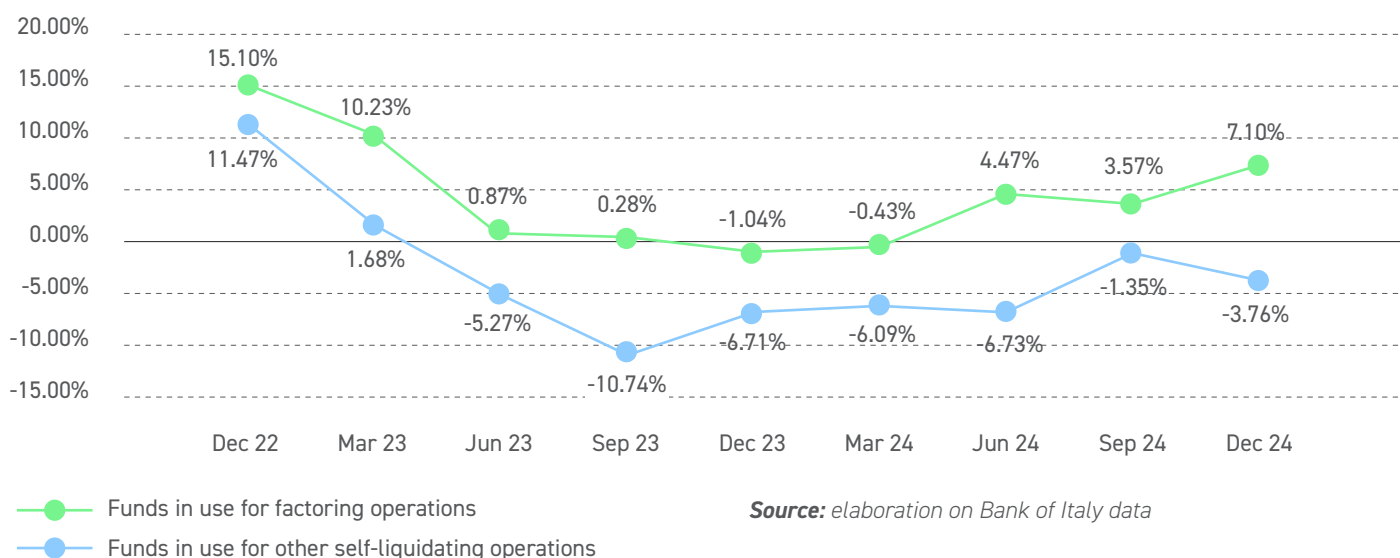


Figure 3.9**Funds in use: % change y/y - Advances for factoring vs. other self-liquidating risks**

In the Italian factoring market, the non-recourse component prevails, both in traditional transactions and through non-recourse purchases of trade receivables.

In particular, the share of non-recourse purchases in total turnover is growing steadily, reflecting growing interest and appreciation by the assigning companies for the benefits on the net financial position deriving from the complete elimination of receivables from the balance sheet, only

possible through assignments that fully transfer risks and benefits to the factor.

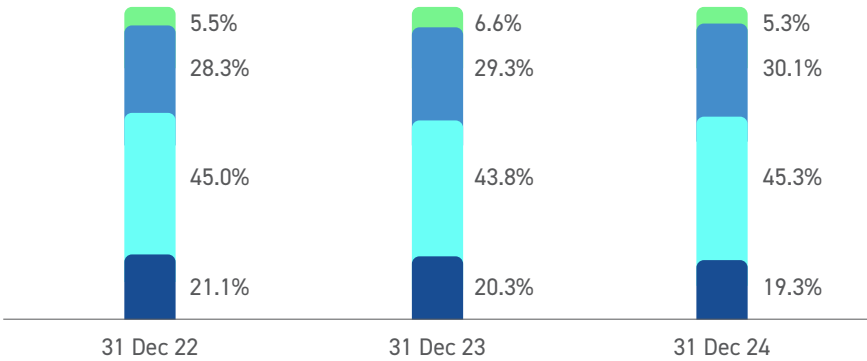
Factoring with recourse, after a strong growth in 2022, has shown a consolidation of volumes in the last two years, maintaining a stable market share around 20%. Purchases of tax credits followed a fluctuating trend, linked to the opening and subsequent closing of the regulatory window for the purchase of credits from building bonuses.

Factoring funds in use in 2024 still show a more favourable trend than other self-liquidating transactions

Figure 3.10
 Turnover: breakdown and % change by product type

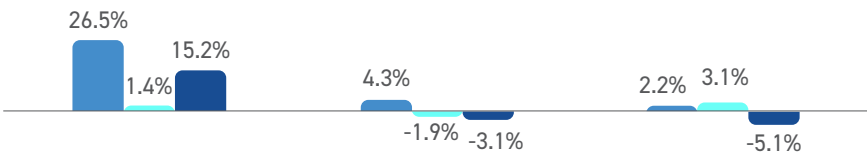
Breakdown of turnover by products

- Purchases of VAT and tax credits
- Definitive purchases
- Non-recourse factoring
- Recourse Factoring

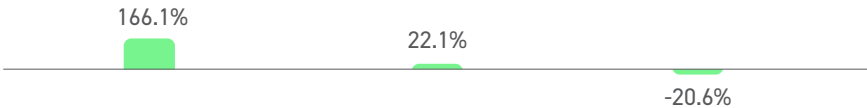


Growth rate y/y

- Definitive purchases
- Non-recourse factoring
- Recourse Factoring



- Purchases of VAT and tax credits



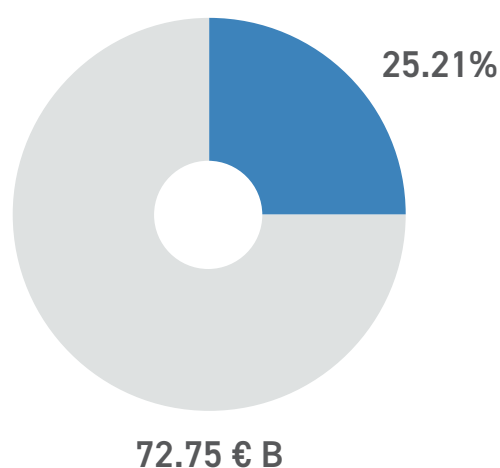
Source: elaboration on Assifact data

Non-recourse factoring, in traditional form or through definitive purchases or tax receivables, dominates the factoring market (81% of the total)

International factoring, which includes transactions in which the assignor and/or debtor reside abroad, recorded a turnover of almost €73 billion in 2024, generated almost entirely by transactions supporting exports of Italian companies.

This segment grew by 13.79% year-on-year, significantly more than the domestic market, bringing international factoring to account for about a quarter of the total factoring market in Italy.

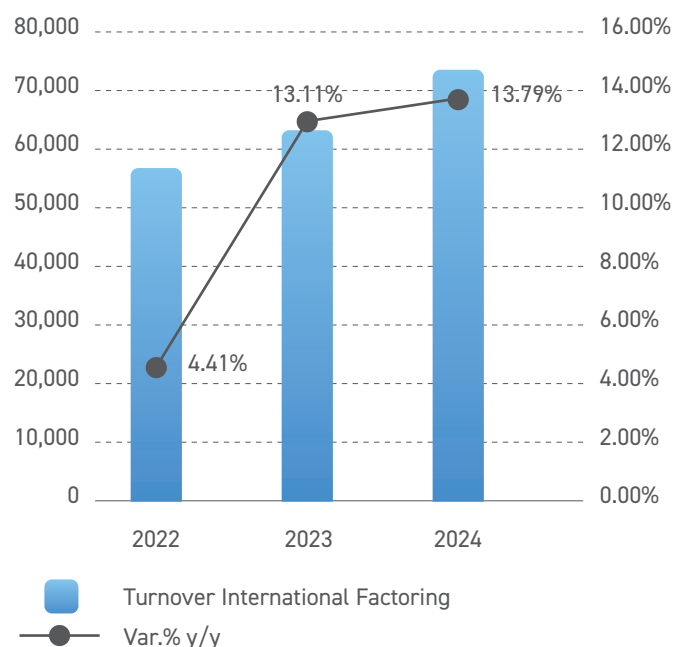
Figure 3.11
Incidence (%) international factoring turnover as of 31 December 2024



Source: elaboration on Assifact data

International factoring grew by 13.79%, much faster than the overall market

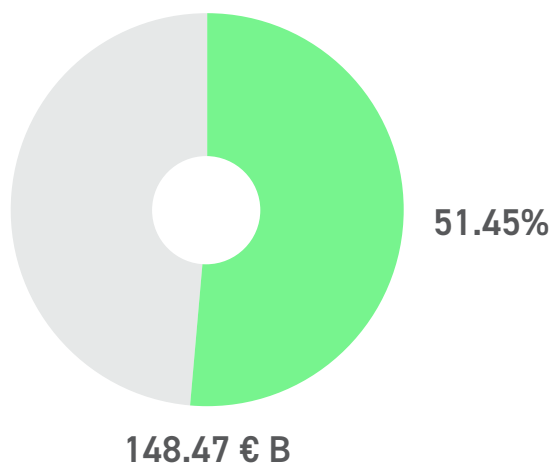
Figure 3.12
Trend in international factoring turnover (figures in millions of euro)



Source: elaboration on Assifact data

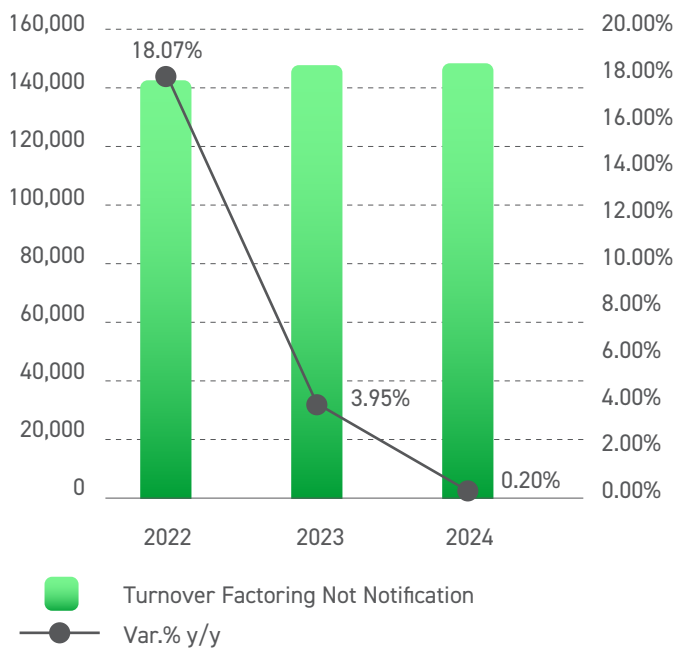
Transactions without notification to the assigned debtor (so-called 'not notification') now cover more than half of the total market volumes, amounting to 51.45% in the year 2024, despite a progressive reduction in the annual growth rate, from +18% shown in 2022 to essentially zero growth in the year just ended.

Figure 3.13
Incidence (%) turnover factoring not notification as of 31 December 2024



Source: elaboration on Assifact data

Figure 3.14
Turnover trend factoring not notification (figures in millions of euro)

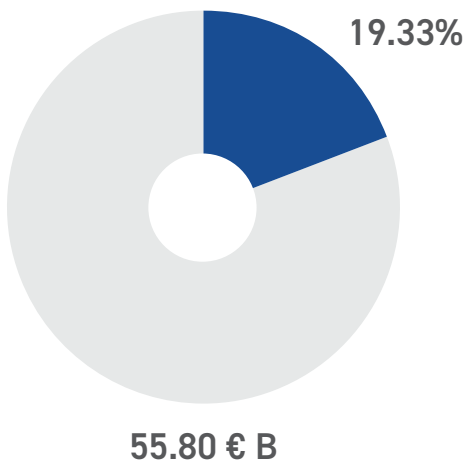


Source: elaboration on Assifact data

Turnover not notification now accounts for 51% of the total market

Maturity factoring, which is used by companies seeking greater certainty in planning their cash inflows, also holds a significant market share (19.33%), and showed a return to growth in 2024, after two negative years, registering an increase of almost 9%, which outperforms the overall market.

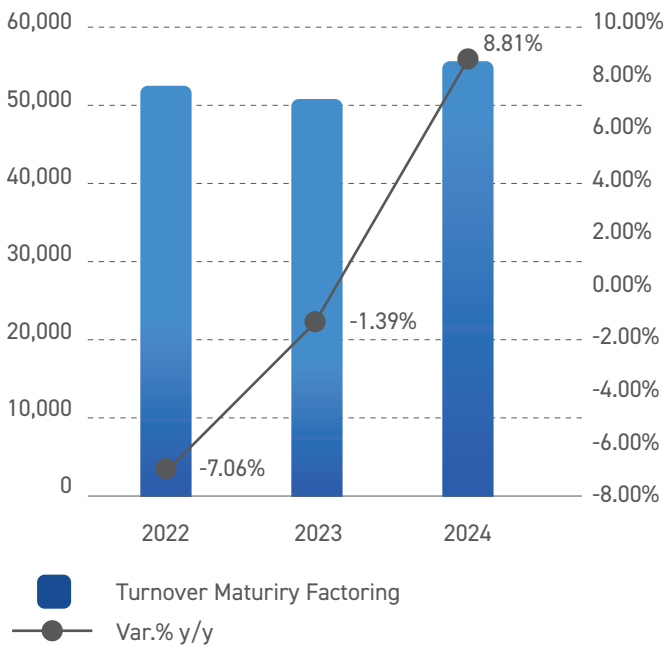
Figure 3.15
Incidence (%) turnover maturity factoring as of 31 December 2024



Source: elaboration on Assifact data

2024 shows a return of interest among businesses in maturity factoring (+8.81%)

Figure 3.16
Trend in factoring maturity turnover (figures in millions of euro)



Source: elaboration on Assifact data

The market segment made up of transactions referable to Supply Chain Finance, i.e. reverse factoring and confirming, seems to have reached a certain degree of maturity, recording a turnover of 28 billion euros, which represents approximately 10% of the total volumes of the factoring market in Italy.

Volumes deriving from assignments under these programmes, after a few years of growth at high rates, today show a dynamic substantially in line with that of traditional factoring (see Chapter no. 8).

Figure 3.17
Incidence (%) turnover Supply Chain Finance factoring as of 31 December 2024



Source: elaboration on Assifact data

Figure 3.18
Turnover trend Supply Chain Finance (data in millions of euro)



Source: elaboration on Assifact data

With over EUR 28 billion in turnover in 2024, Supply Chain Finance remains an important reality for the Italian economy

Factoring in the economy – Takeaways

In a year marked by the progressive loosening of monetary policy and the normalisation of rates, Italian factoring has maintained a stable role in supporting businesses, showing a greater capacity to adapt than other credit instruments.

Despite the consolidation of volumes recorded in 2024, the stable penetration of the real economy of the product, as evidenced by the ratio to GDP and growth in the international segment, demonstrates the relevance of factoring as a resilient instrument suited to supporting the competitiveness of businesses in the delicate economic conditions currently going through.

An abstract graphic consisting of numerous thin, dark blue curved lines that sweep across the upper half of the page, creating a sense of motion and depth. The lines are more densely packed on the left and fan out towards the right.

4

The factoring supply side

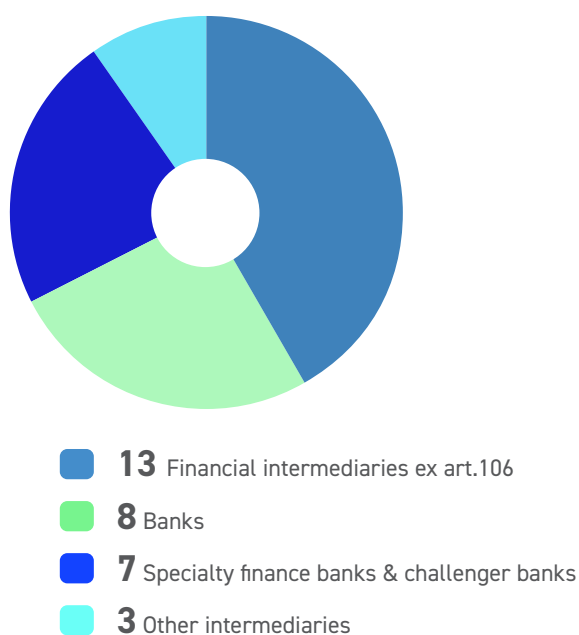
The factoring market in Italy is characterised by a high degree of “biodiversity” on the supply side, recording the presence of several banks (generalist, “challenger” or “specialty finance”), financial intermediaries pursuant to Article 106 of the TUB (mostly belonging to Italian and foreign banking groups) and financial companies of industrial matrix (“captive”), which provide factoring services within their corporate group.

Assifact represents almost the entire factoring market in Italy, with an estimated share of over 95 per cent of the total market.

The majority of volumes in the Italian factoring market are generated by Article 106 financial intermediaries, which account for about 52% of total turnover. About a third of turnover is generated directly by factoring divisions or business units of generalist banks.

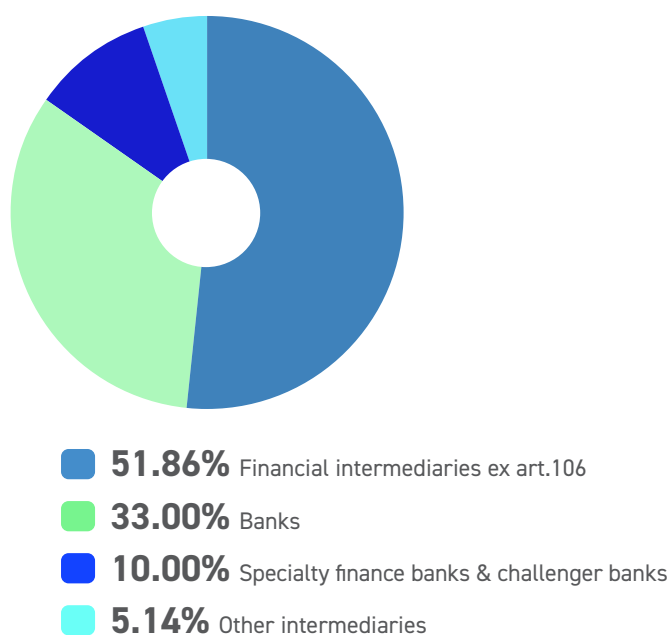
The turnover generated by specialty finance and challenger banks is around 10% of the total, a share that reflects specialisation in specific business segments or, in some cases, a more recent entry into the market (often accompanied by higher growth rates).

Figure 4.1
Number of Assifact members
by type of operator



Source: elaboration on Assifact data

Figure 4.2
Breakdown of Assifact Members' turnover
- data as of 31 December 2024



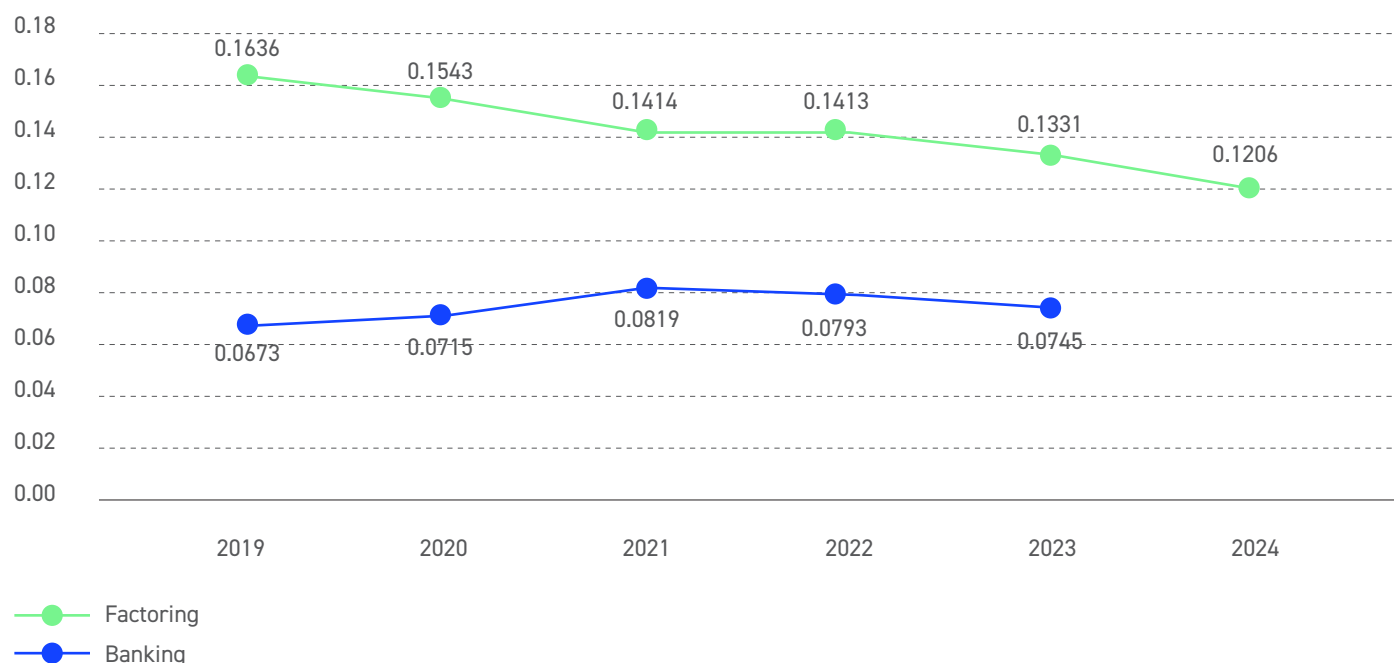
Source: elaboration on Assifact data

The factoring market appears to be moderately concentrated: in Italy, the Herfindhal index of factoring is higher than in the banking sector, even if there is a downward trend in market concentration. Competition remains strong: based on the average global effective rates published by the Bank of Italy as a proxy, the average factoring pricing appears to be lower than that of comparable banking transactions, particularly for smaller ticket sizes.

The factoring market is moderately concentrated but competitive.

Figure 4.3

Comparison of the level of concentration (*Herfindahl index*) of the factoring market compared to the Italian banking market



Note: data for the Herfindahl index of the Italian banking system for the year 2024 are not yet available.

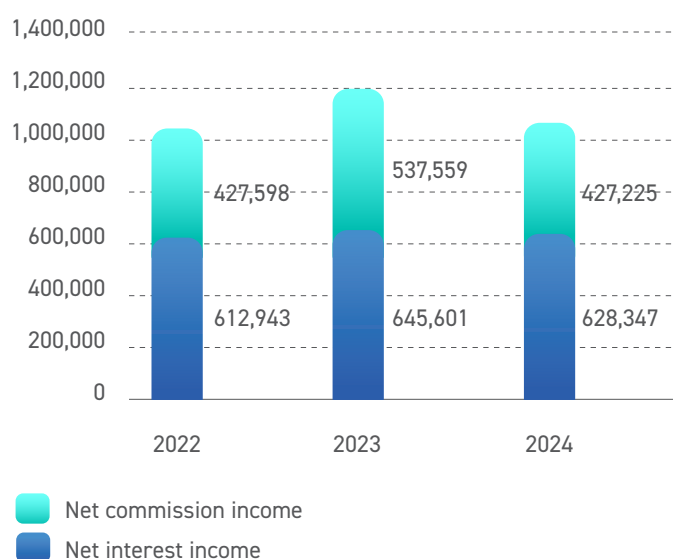
Source: elaboration on Assifact and European Central Bank data

Figure 4.4**Bank of Italy average global effective rates (% , data as of Q4 2024)**

Operations Category	Class amount	AEGR
Advances, trade discounts and import financing	up to 50,000 euro	7.21
Factoring	up to 50,000 euro	5.81
Advances, trade discounts and import financing	from 50,000 up to 200,000 euro	6.95
Advances, trade discounts and import financing	over 200,000 euro	5.39
Factoring	over 50,000 euro	5.00

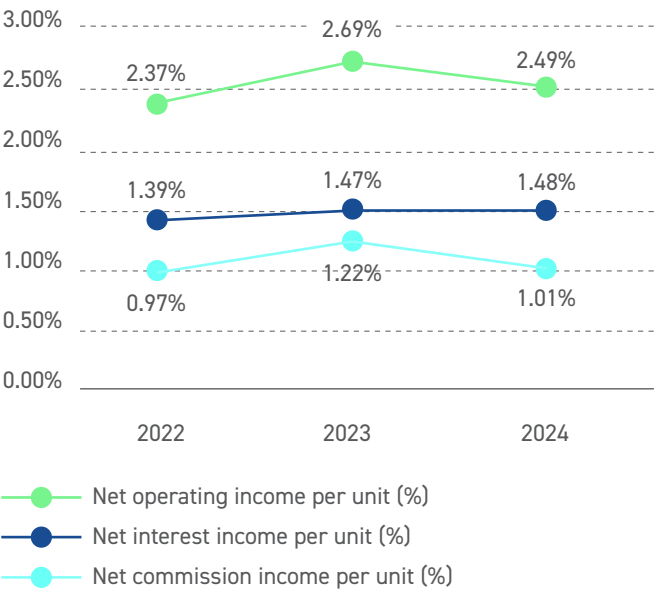
Source: elaboration on Bank of Italy data

The profitability of factoring companies has remained good over the past few years, with a stable operating income of over EUR 1 billion per annum since 2022. This result was mainly driven by the increase in the interest income, which was boosted by the rise in policy rates, especially in 2023, and subsequently consolidated in 2024. The net commission income, on the other hand, showed a more variable trend, returning in 2024 to levels similar to those of 2022, after a marked growth in 2023.

Figure 4.5**Development of the net interest and commission income of factoring companies over the last three years - figures in thousands of euros***Source: elaboration on Assifact data*

The net interest income per unit shows a dynamic of continuous growth while the net commission income shows a slight decrease in 2024, which consequently impacts the development of the net interest margin per unit, which decreased from 2.69% in 2023 to 2.49% last year.

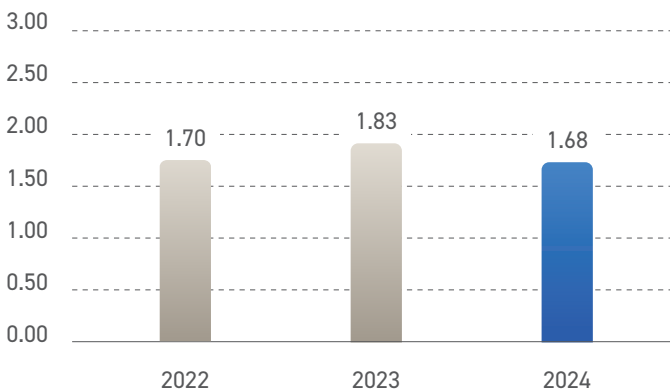
Figure 4.6
Trends in unit net interest, net commission and net operating income of factoring companies over the past three years - annualised % data



Source: elaboration on Assifact data

The lower contribution of the commission component for service activities to the total income of factoring companies also affects the ratio of net operating income to net interest income, which falls to 1.68 in 2024. This ratio remains permanently above 1.5.

Figure 4.7
Trend in the ratio of net operating income and net interest income over the last three years



Source: elaboration on Assifact data

In recent years, the net operating income of factoring companies has been driven in particular by the dynamics of the net interest income

The factoring supply side – Takeaways

The year 2024 confirmed the solidity of the factoring market, also thanks to a diversified structure of operators and sustained profitability despite the settling of volumes.

The stability of the income, driven by the rise in rates in recent years, and price competition highlight a mature sector, capable of offering flexible, efficient and advantageous solutions to businesses.



5

Factoring customers

At the European level, according to the SAFE analysis promoted by the European Commission, the companies most likely to view factoring as a relevant source of financing — and to make greater use of it — are those belonging to the industrial sector, those of medium or large size, those that are innovative and those that export.

By contrast, construction, trade, and service companies consider and use factoring less frequently.

Figure 5.1
Factoring for European enterprises

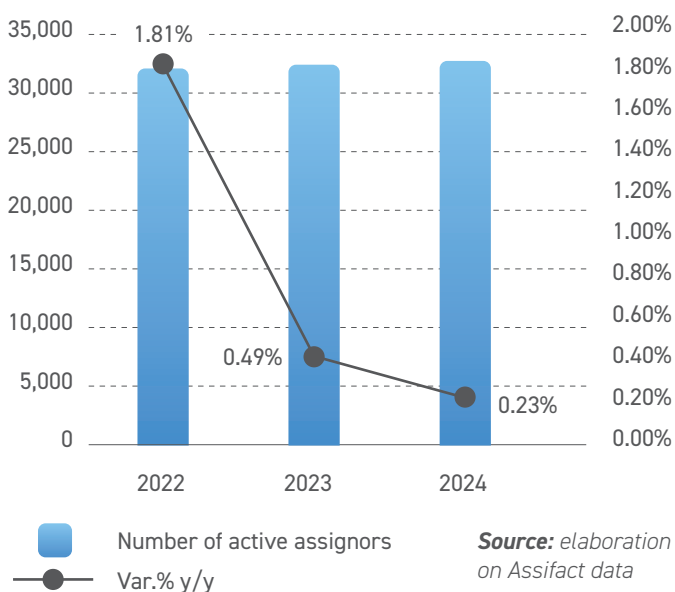
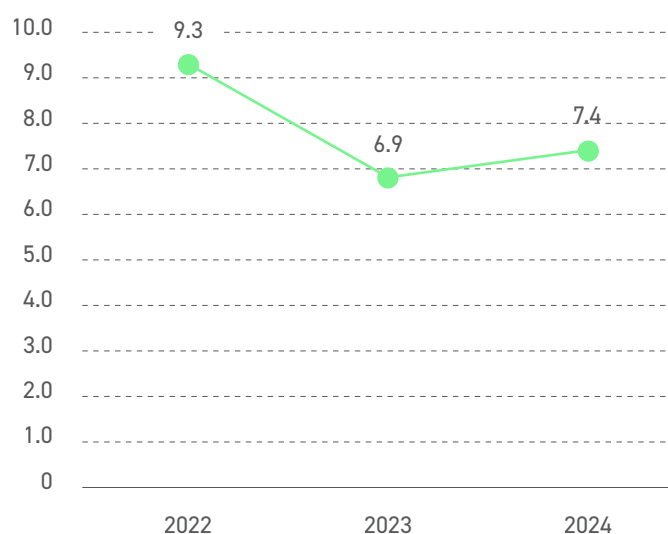
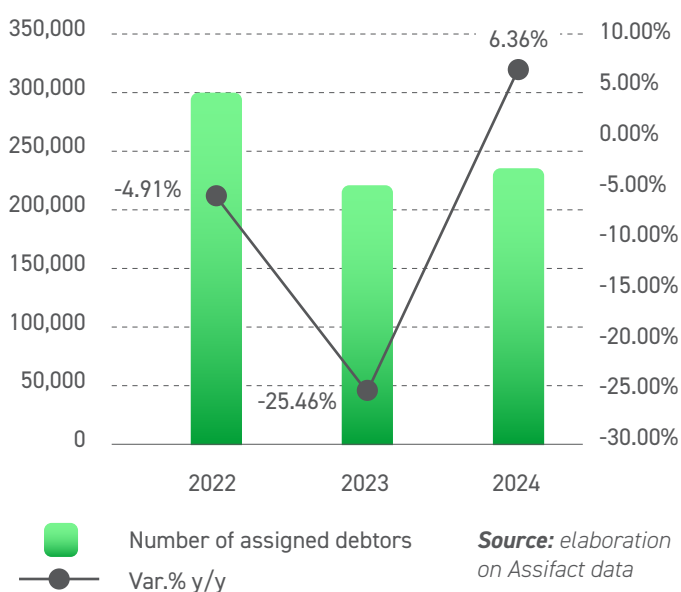
(% 2024 - EU 27)	I consider factoring a relevant source of financing	Use of factoring
Sector	10%	6%
Industry	16%	12%
Construction	12%	5%
Trade	10%	6%
Services	8%	4%
Size	10%	6%
Small enterprises (1-49 employees)	8%	4%
Medium enterprises (50-249 employees)	18%	13%
Corporate (250+ employees)	25%	19%
Innovative enterprises	13%	7%
High growth enterprises	11%	6%
Exporting enterprises	14%	9%

Source: Own elaboration on data from the European Commission, "Survey on the access to finance of enterprises" (SAFE) Report 2024

The relevance and use of factoring is directly proportional to the increase in company size. The significant diffusion of factoring among companies with a greater vocation for exporting confirms the importance of this instrument as a means of supporting internationalisation and accesso to new markets: the frequency of use by exporting companies even exceeds that of innovative and high-growth companies, typically the "ideal" clients of factoring.

At year-end 2024, the number of companies using factoring in the Italian market (measured by considering active companies, i.e., those that generated turnover in the year or had outstanding exposures to factoring companies at the end of the period), was slightly up and amounted to 32,431.

The number of assigned debtors shows a positive annual growth rate of 6.36% in 2024, which follows a significant drop in the previous year linked both to general market dynamics and the cessation of specific operations by certain Associates. The average number of assigned debtors currently stands at over 7 names per assigning company.

Figure 5.2**Trend in the number of active assignors****Figure 5.4****Trend in the average number of assigned debtors per assignor****Figure 5.3****Trend in the number of assigned debtors**

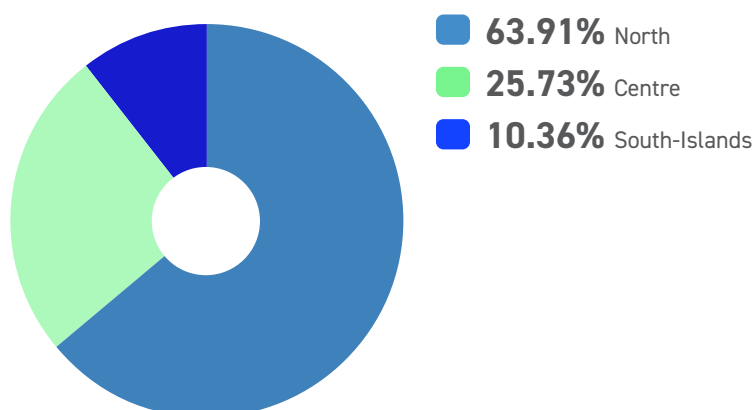
Domestic turnover, broken down by geographical area of the transferor, is concentrated in northern Italy and, in particular, in regions such as Lombardy (first region for turnover), Piedmont, Veneto and Emilia-Romagna. This is followed by central Italy, represented almost exclusively by companies located in Lazio.

At the national level, the regions of Lombardy and Lazio, in which the largest volume of factoring receivables is concentrated with respect to the assignor, together account for over 50%. More than a quarter of turnover volumes concerns international transactions.

Figure 5.5

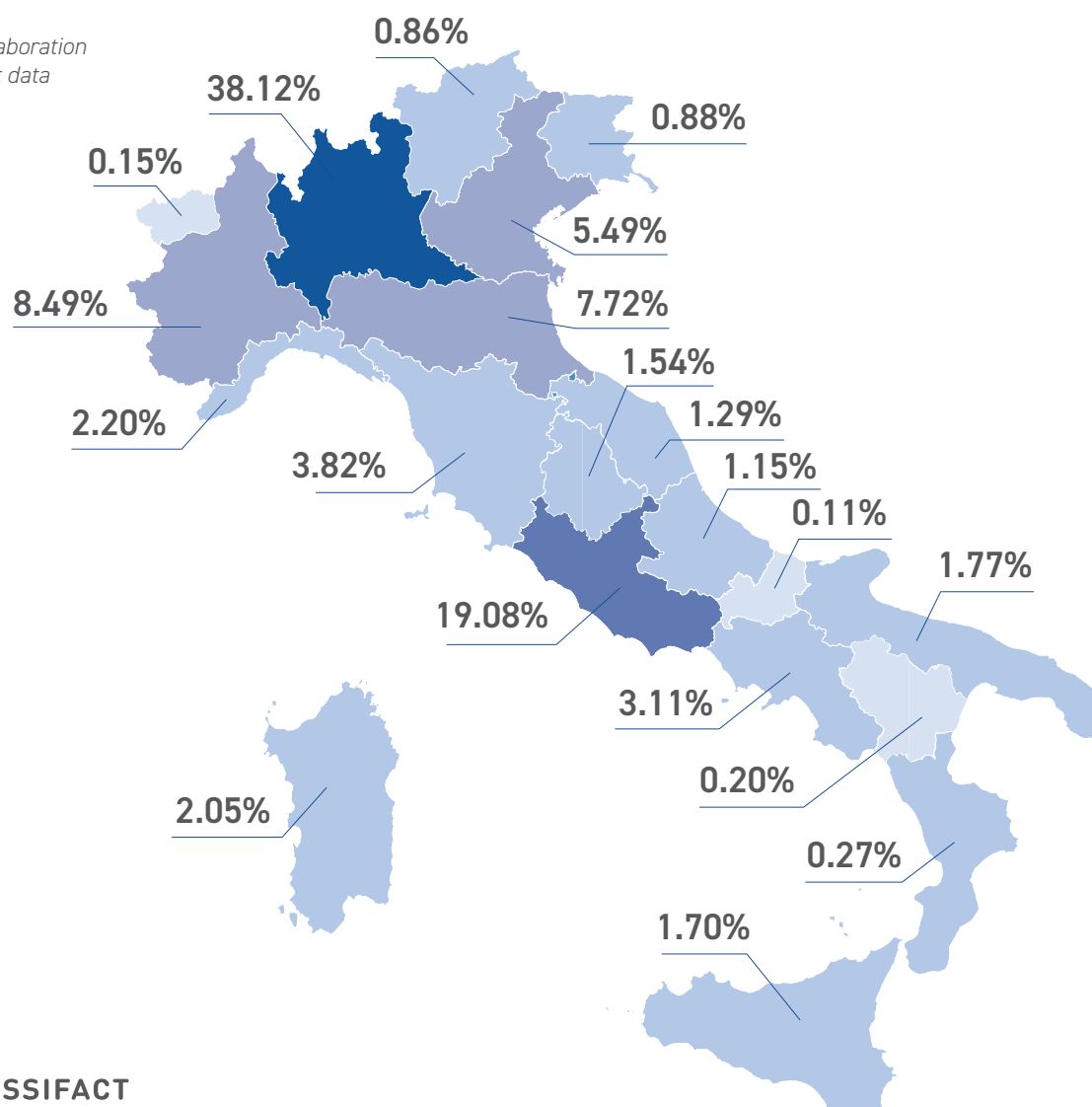
Breakdown of domestic turnover by geographic area versus assignor as of 31 December 2024

Source: elaboration on Assifact data

**Figure 5.6**

Breakdown of domestic turnover at regional level with respect to the assignor as at 31 December 2024

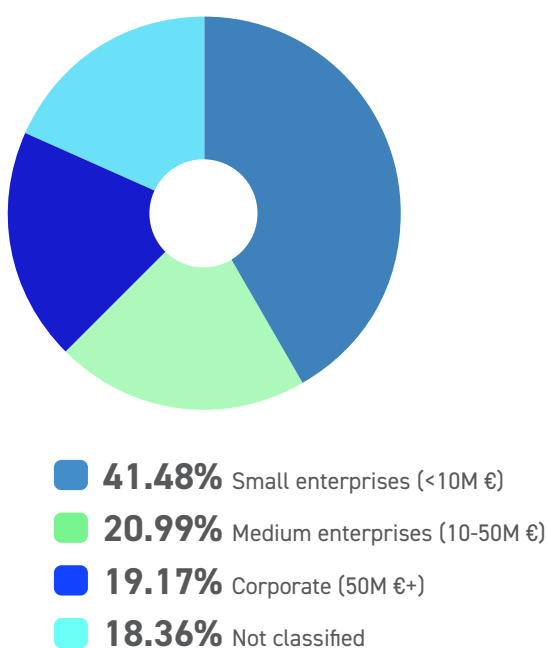
Source: elaboration on Assifact data



The breakdown by company size of the number of assigning companies shows a high incidence of small and medium-sized companies, more than 60% as of 31 December 2024, from which around 20% of the total turnover is generated, while the 20% represented by corporate companies feeds around 80% of the total factoring volumes.

Figure 5.7

Breakdown of the number of active assignors by company size (annual turnover) as of 31 December 2024

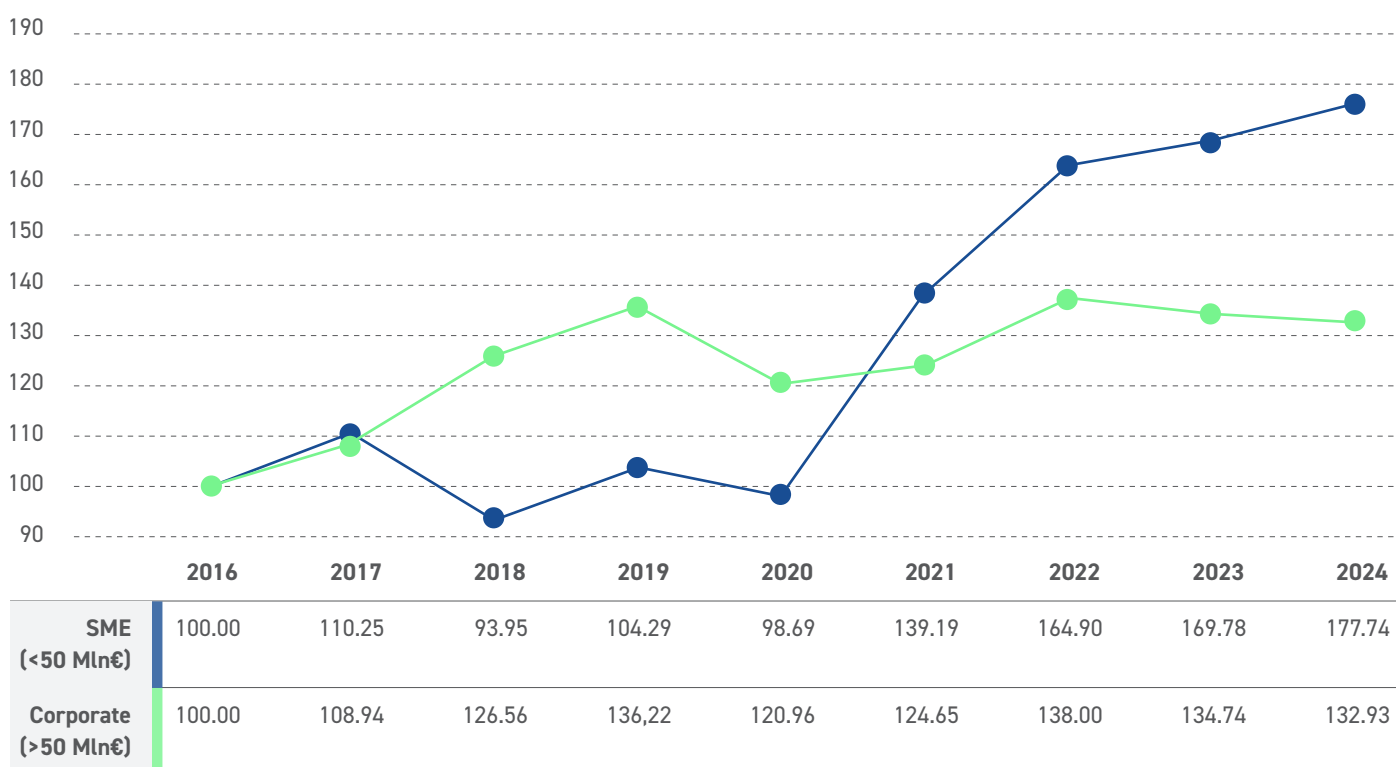


Source: elaboration on Assifact data

A noteworthy development is the strong growth over the last few years of the turnover generated by small and medium-sized companies (under €50 million in annual turnover) compared to that generated by corporate companies (with a turnover exceeding €50 million): turnover from receivables assigned by SMEs showed a substantially flat trend from 2016 to 2020; from 2021 onwards, it shows significant growth rates that are higher than the growth of the volumes assigned by corporate companies, which, conversely, have recorded a slight decrease over the last two years.

This dynamic reflects the effect of two phenomena affecting the factoring sector, specifically:

1. the impact of the significant investments made by factors in terms of digitisation of interfaces, product evolutions and process automation, which have facilitated better and easier access to factoring services by customers, particularly small and medium-sized ones,
2. the increased use of Supply Chain Finance operations, also because of the pandemic crisis, through which many large and supply chain leader companies have chosen to better protect and stabilise their supply chain financially, particularly smaller and more strategic suppliers.

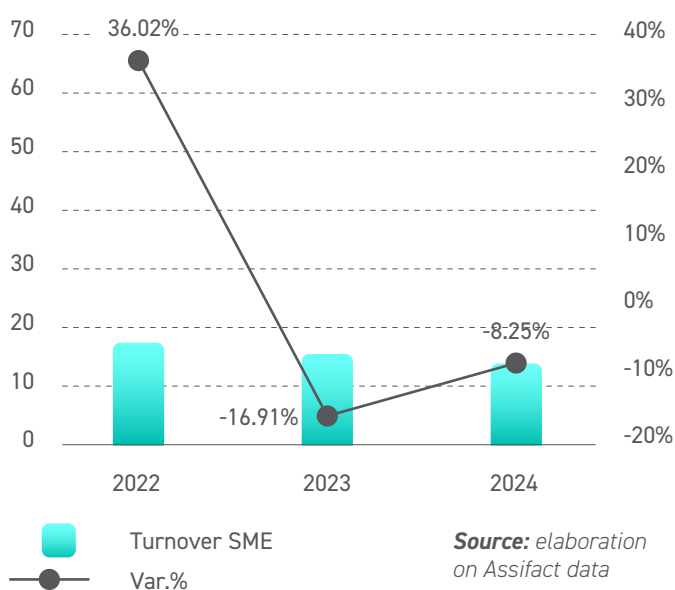
Figure 5.8**Evolution SME turnover vs Corporate (index numbers, 2016=100)***Source: elaboration on Assifact data*

From a sectorial perspective, the demand for factoring shows a decline in factoring turnover volumes among manufacturing companies, linked to the persistent weakness of industrial production, which began in early 2023 and is still ongoing, as indicated by ISTAT surveys.

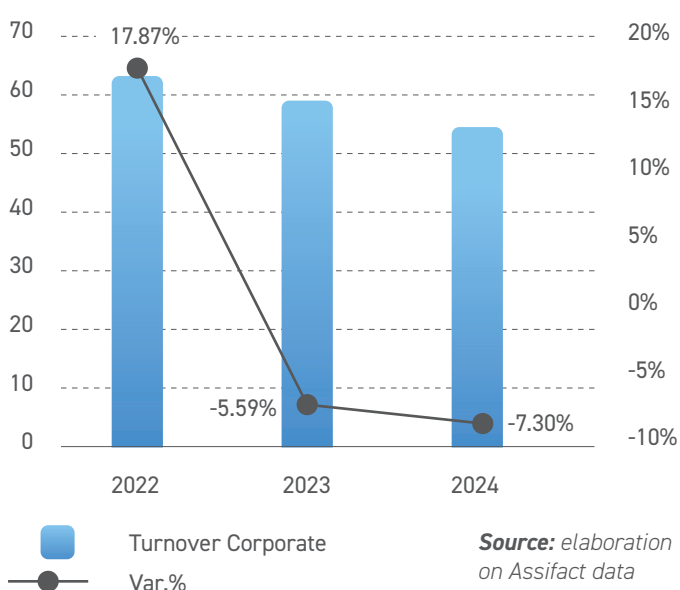
In the services sector, a decline in the flows generated by SMEs is observed, while the turnover from larger companies remains stable. The number of active transferring enterprises continues to grow in a balanced way in both manufacturing and services. With more than 9,000 user companies, manufacturing remains the most important macro-sector in factoring.

Figure 5.9

Trend in turnover from SME - Manufacturing
(in billions of euro and var. % y/y)

**Figure 5.10**

Turnover Trend from Corporate - Manufacturing
(in billions of euro and var. % y/y)



The manufacturing sector is the most significant for the Italian factoring market, with over 9,000 customer companies

Figure 5.11

Trend in the number of active assignors - manufacturing (number and var. % y/y)

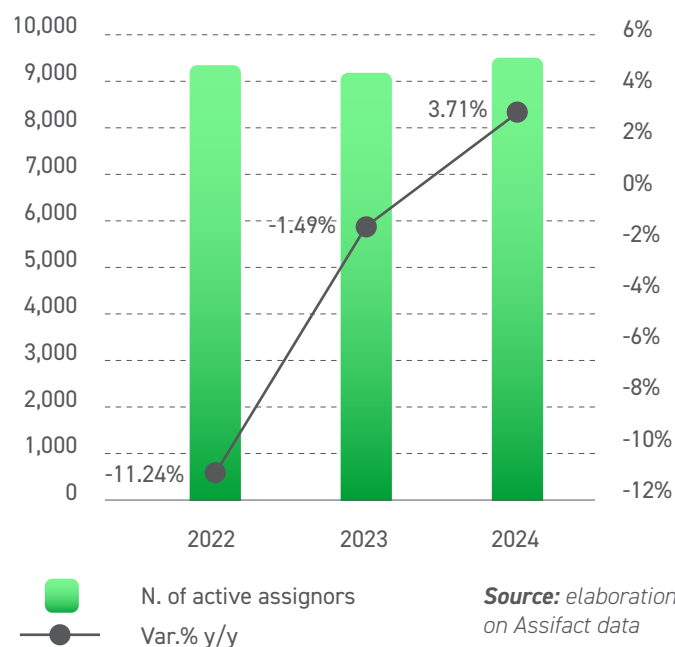
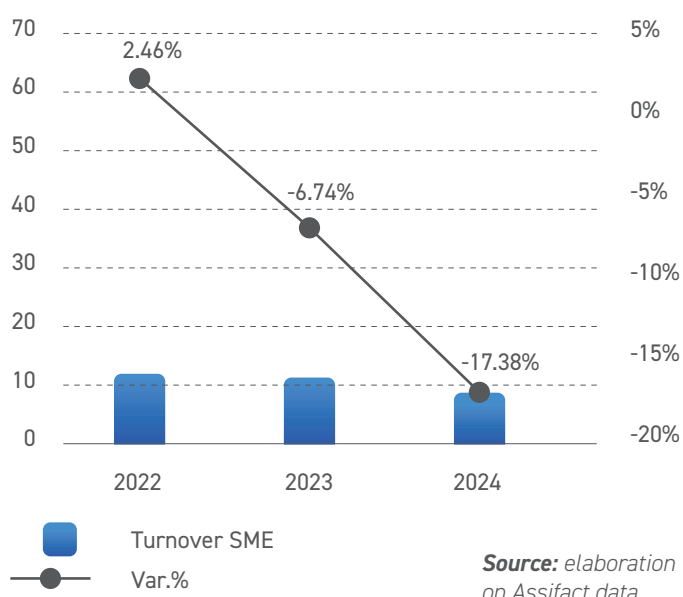
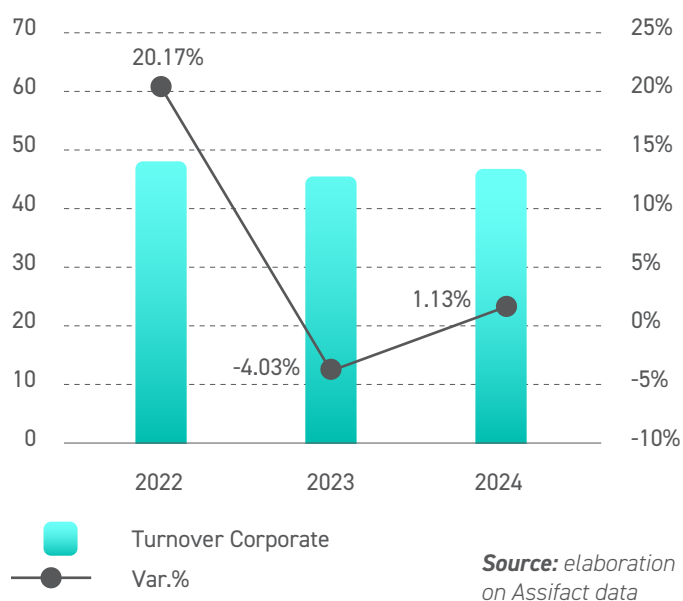


Figure 5.12

Trend in turnover from SME - Services
(in billions of euro and var. % y/y)

**Figure 5.13**

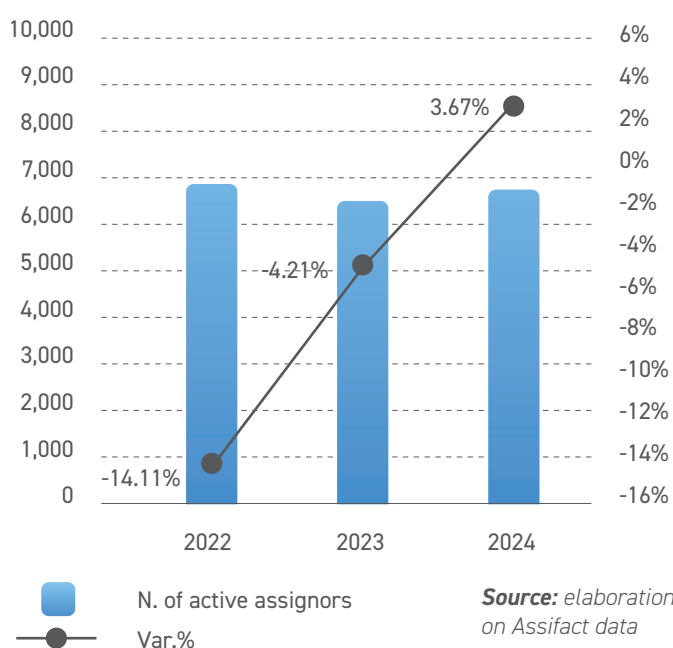
Trend in turnover from Corporate - Services
(in billions of euro and var. % y/y)



The service sector is dominated by
wholesale trade, utilities and transport

Figure 5.14

Trend in the number of active assignors - services
(number and var. % y/y)



By sector, the top 11 industries cover almost 70 per cent of total turnover (excluding those operating in the financial sector, the next 10 cover almost 48 per cent).

Turnover is concentrated in certain sectors such as:

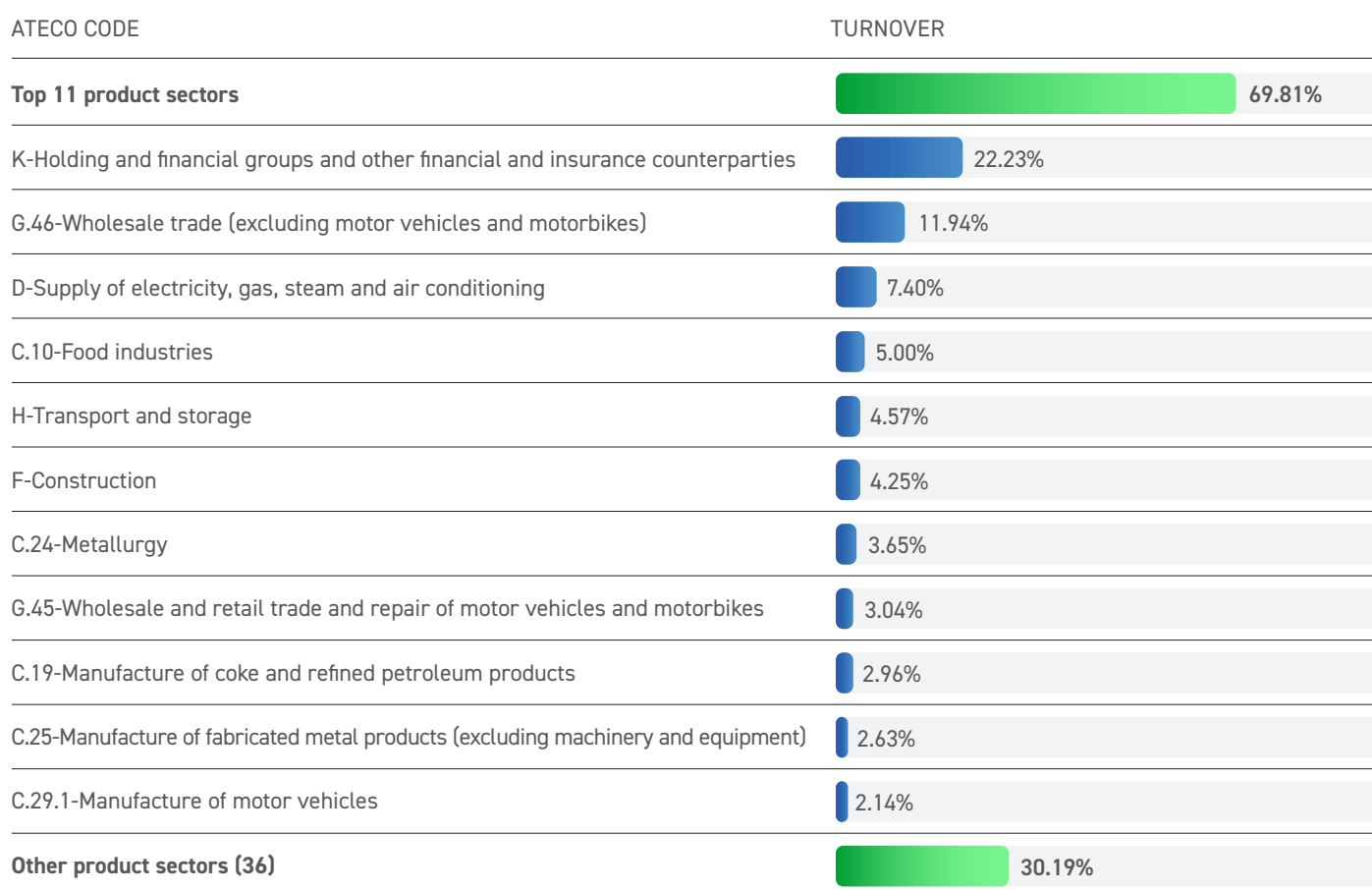
- financial and insurance counterparties, largely holding and financial companies of large industrial groups, with 22.23% of the total (the volumes in this sector also include, to a lesser extent, recessions of trade receivables between intermediaries);

- wholesale trade with 11.94%;
- electricity suppliers with 7.4%;
- followed by the food, transport, construction and metal industries.

In 2024, the sectors with the strongest turnover growth were construction and transport and storage. In contrast, negative performances were recorded mainly in motor vehicle manufacturing and the production of coal and refined petroleum products, in line with the turnover trend in these sectors.

Figure 5.15

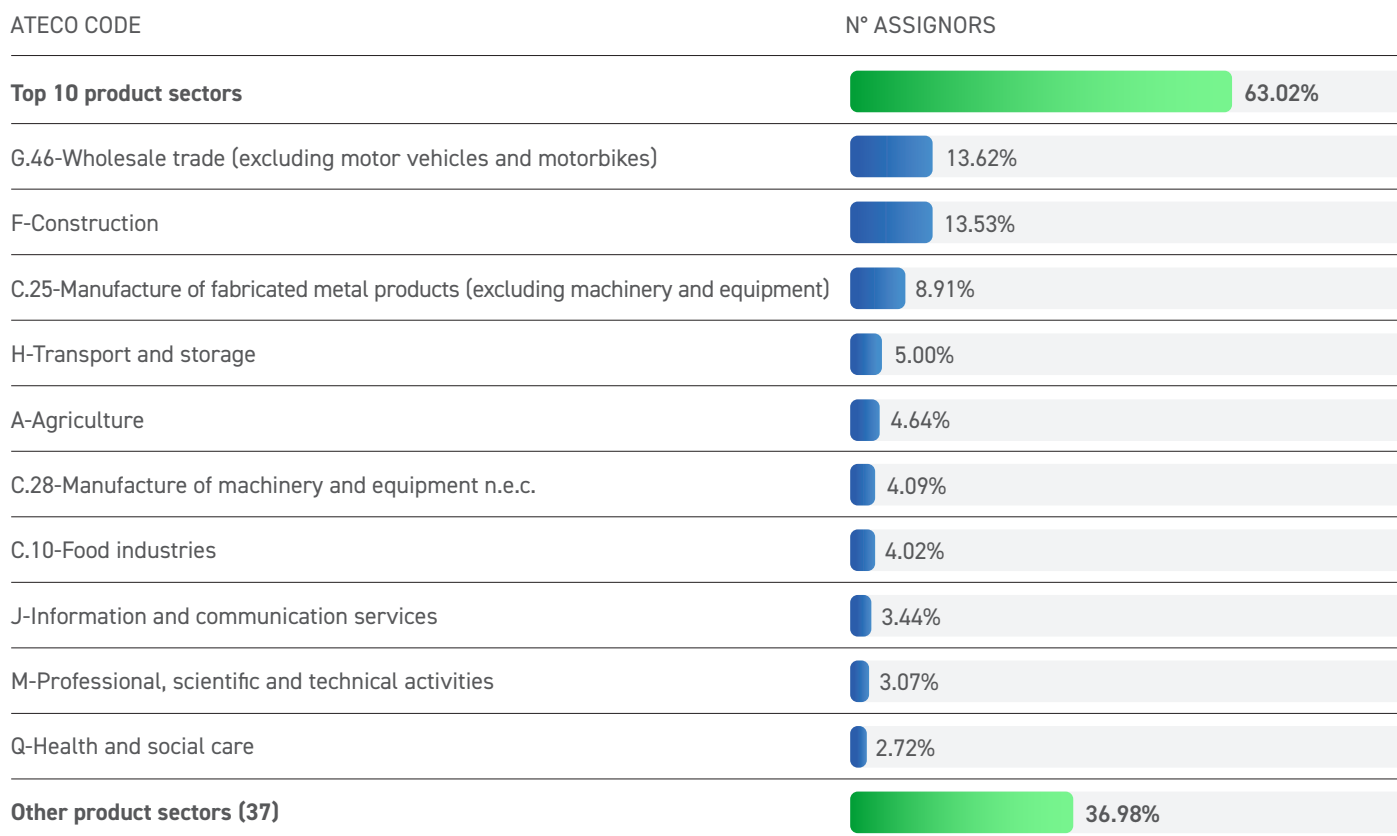
Breakdown of the number of active assignors by main product sectors (ATECO Code 2007, share % of total active assignors as of 31.12.2024)



Source: elaboration on Assifact data

Figure 5.16

**Breakdown of the number of active assignors by main product sectors
(ATECO Code 2007, share % of total active assignors as of 31.12.2024)**



Source: elaboration on Assifact data

In terms of the number of transferring companies, the top 10 sectors account for 63% of the total number of assigning companies as of 31 December 2024.

The sectors with the largest number of customers are wholesale trade and construction, with more than 27% of the total.

This is followed by enterprises manufacturing metal products (excluding machinery and equipment), transport and storage, and agriculture.

Among the sectors that performed better in terms of growth as the number of divesting companies in 2024, compared to 2023, are the wholesale trade and metal manufacturing sectors.

The highest collection times are recorded in the construction and metal fabrication (excluding machinery and equipment) industries, 179 and 138 days respectively, while they are shorter in the automotive and oil refining industries.

Factoring customers – Takeaways

In 2024, factoring confirmed itself as a transversal tool, capable of responding to the needs of both large companies and SMEs, as well as export-oriented companies and innovative firms, thanks also to technological innovation that has facilitated access to services.

The growth of factoring among small and medium-sized enterprises and its spread in territories with a greater vocation for production highlight its strategic role in optimising working capital along the supply chain.

Figure 5.17 Ateco Code K

Holding and financial companies of industrial groups and other financial and insurance counterparties

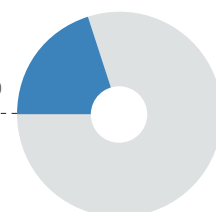
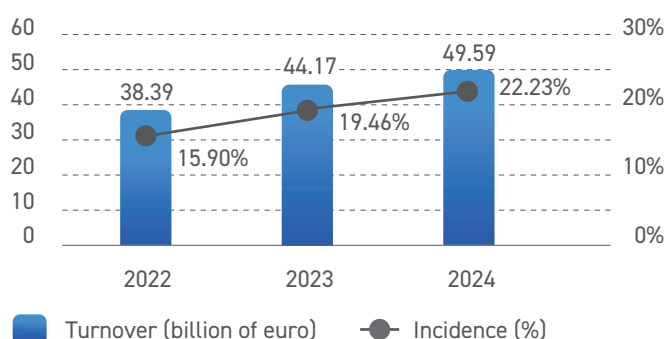
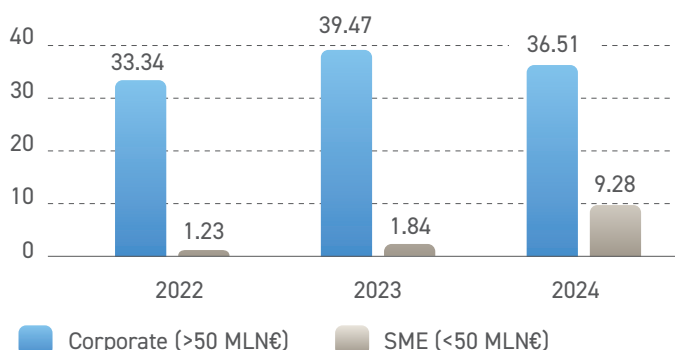
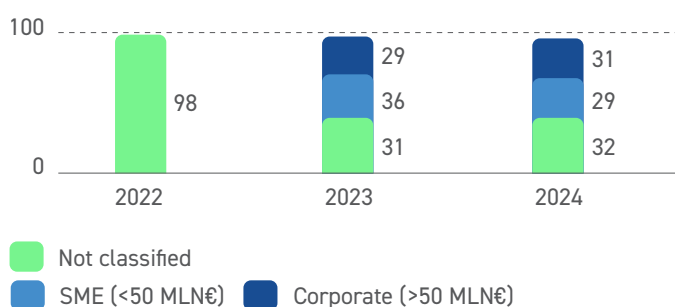
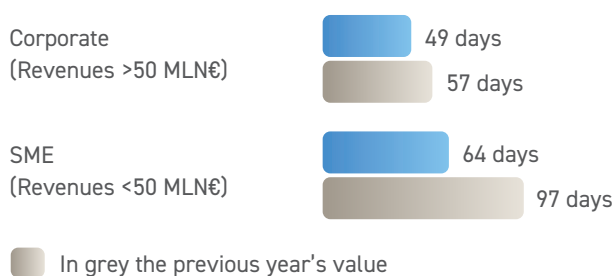
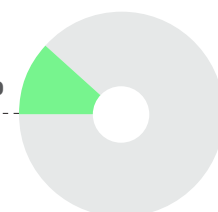
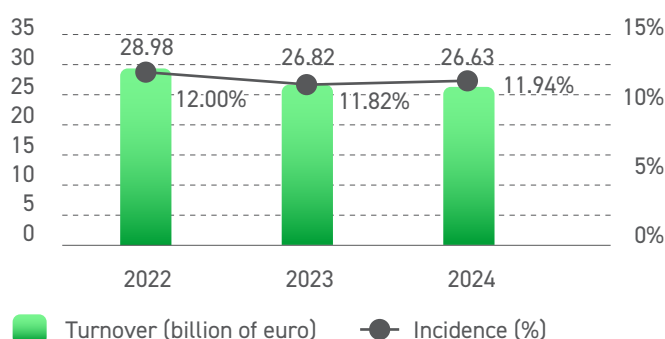
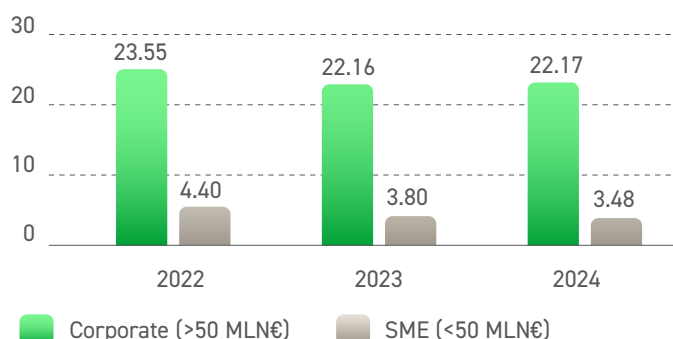
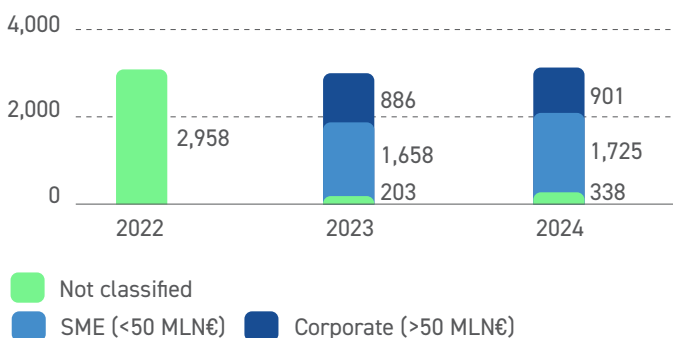
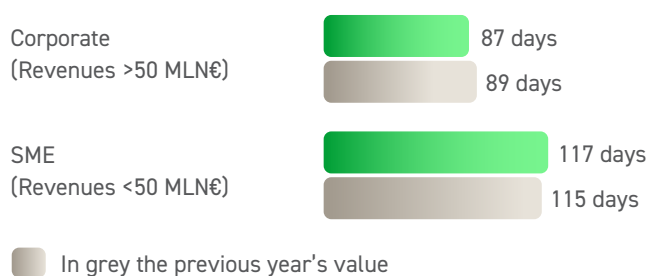
TURNOVER 2024 49.59 € B**VAR.% y/y +12.3%**SHARE OF TOTAL TURNOVER
Year 2024**22.2%****TURNOVER TREND AND INCIDENCE IN THE FACTORING MARKET****TURNOVER TREND SME vs Corporate (data in € B)****ASSIGNORS 2024 92****VAR.% y/y -4.2%****ASSIGNORS TREND (number of active assignors)****AVERAGE COLLECTION TIMES 2024**
53 DAYS**AVERAGE COLLECTION TIMES 2024 Corporate vs SME**

Figure 5.18 Ateco Code G.46**Wholesale trade (excluding motor vehicles and motorbikes)****REVENUES 2024 VAR.% y/y -1.6%***(Source ISTAT - raw data)***TURNOVER 2024 26.63 € B****VAR.% y/y -0.7%****SHARE OF TOTAL TURNOVER**
Year 2024**11.9%****TURNOVER TREND AND INCIDENCE IN THE FACTORING MARKET****TURNOVER TREND SME vs Corporate (data in € B)****ASSIGNORS 2024 2,964****VAR.% y/y +7.9%****ASSIGNORS TREND (number of active assignors)****AVERAGE COLLECTION TIMES 2024****92 DAYS****AVERAGE COLLECTION TIMES 2024 Corporate vs SME**

In grey the previous year's value

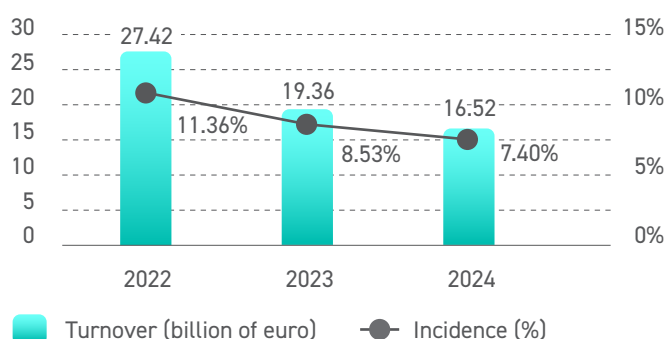
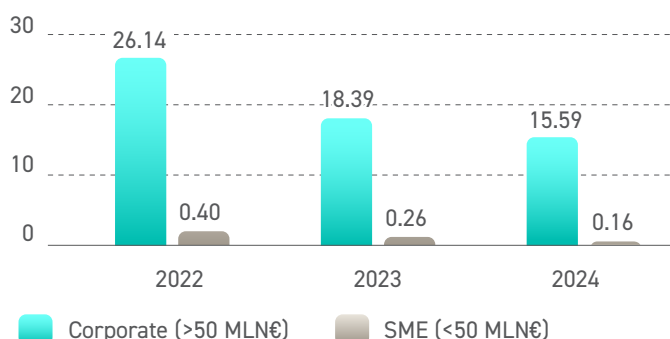
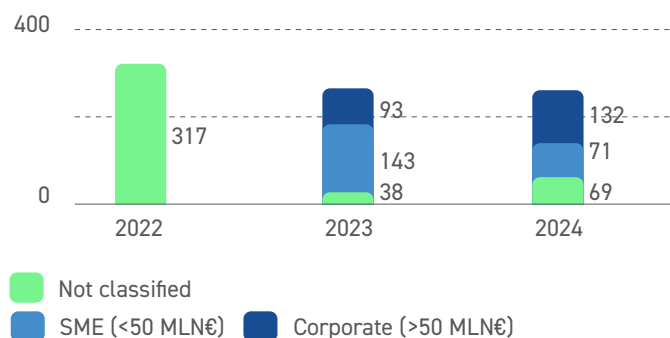
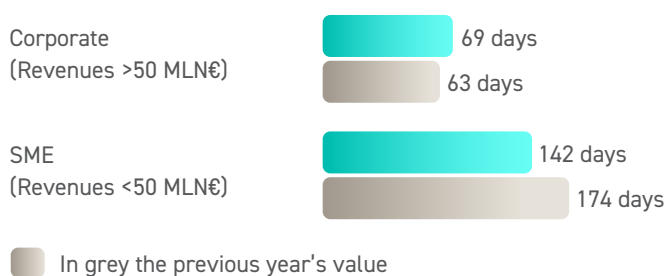
Figure 5.19 Ateco Code D**Supply of electricity, gas, steam and air conditioning****TURNOVER 2024 16.52 € B****VAR.% y/y -14.7%**SHARE OF TOTAL TURNOVER
Year 2024**7.4%****TURNOVER TREND AND INCIDENCE IN THE FACTORING MARKET****TURNOVER TREND SME vs Corporate (data in € B)****ASSIGNORS 2024 272****VAR.% y/y +0.7%****ASSIGNORS TREND (number of active assignors)****AVERAGE COLLECTION TIMES 2024****94 DAYS****AVERAGE COLLECTION TIMES 2024 Corporate vs SME**

Figure 5.20 Ateco Code C.10
Food industries

REVENUES 2024 VAR.% y/y +1.4%

(Source ISTAT - raw data)

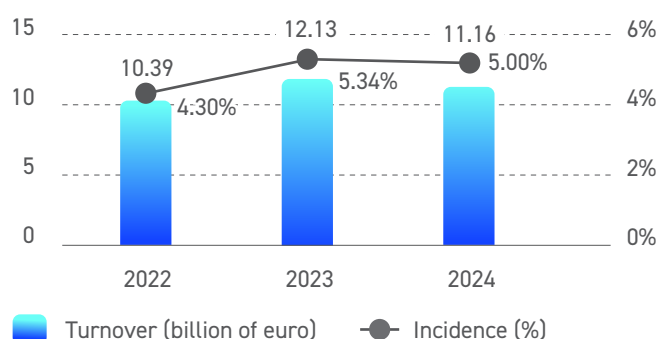
TURNOVER 2024 11.16 € B

VAR.% y/y -8.0%

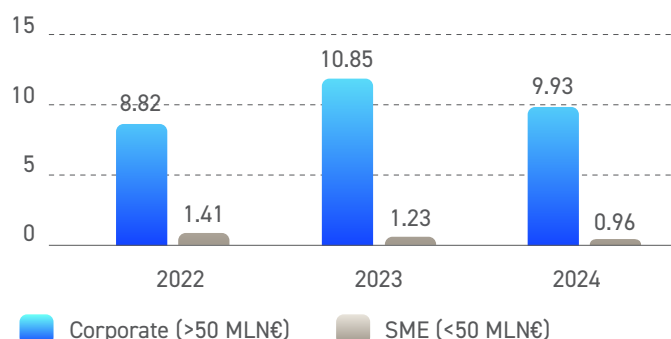
SHARE OF TOTAL TURNOVER
Year 2024

5.0%

TURNOVER TREND AND INCIDENCE IN THE FACTORING MARKET



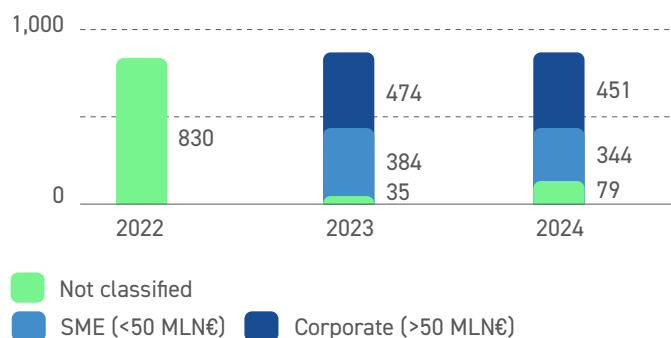
TURNOVER TREND SME vs Corporate (data in € B)



ASSIGNORS 2024 874

VAR.% y/y -2.1%

ASSIGNORS TREND (number of active assignors)



AVERAGE COLLECTION TIMES 2024
82 DAYS

AVERAGE COLLECTION TIMES 2024 Corporate vs SME

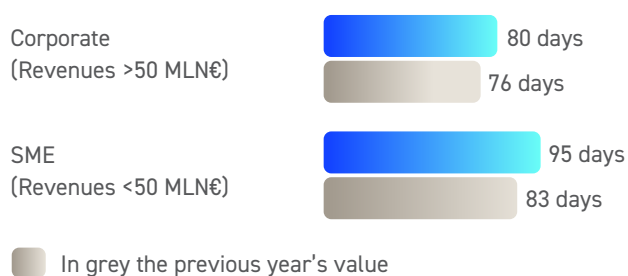


Figure 5.21 Ateco Code H
Transport and storage

REVENUES 2024 VAR.% y/y +2.8%

(Source ISTAT - raw data)

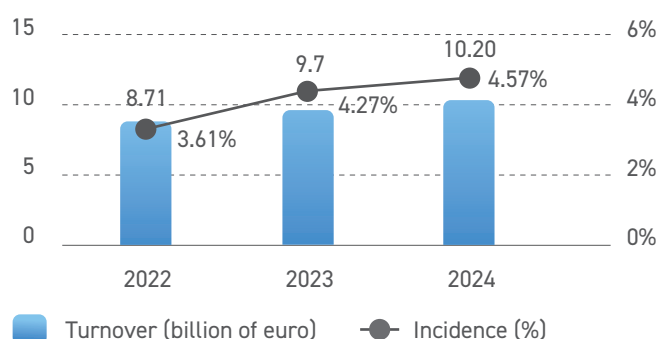
TURNOVER 2024 10.20 € B

VAR.% y/y +5.2%

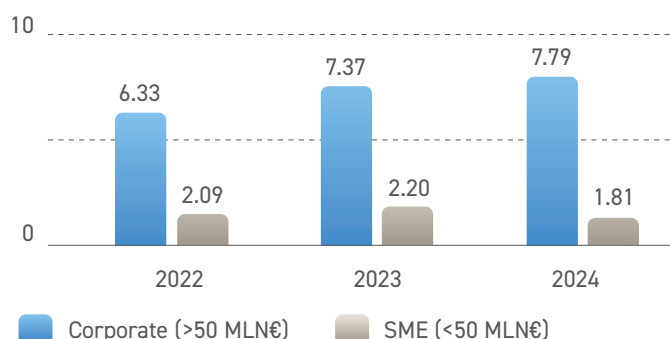
SHARE OF TOTAL TURNOVER
Year 2024

4.6%

TURNOVER TREND AND INCIDENCE IN THE FACTORING MARKET



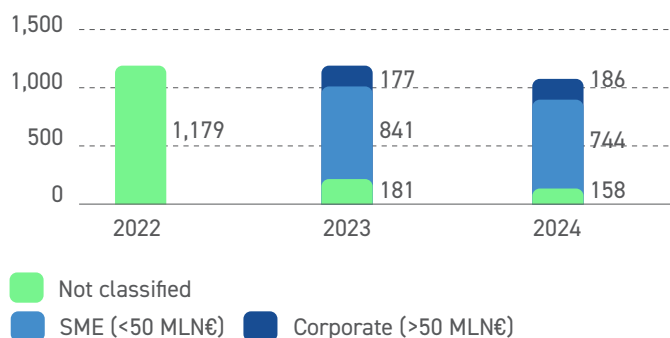
TURNOVER TREND SME vs Corporate (data in € B)



ASSIGNORS 2024 1.088

VAR.% y/y -9.3%

ASSIGNORS TREND (number of active assignors)



AVERAGE COLLECTION TIMES 2024
97 DAYS

AVERAGE COLLECTION TIMES 2024 Corporate vs SME

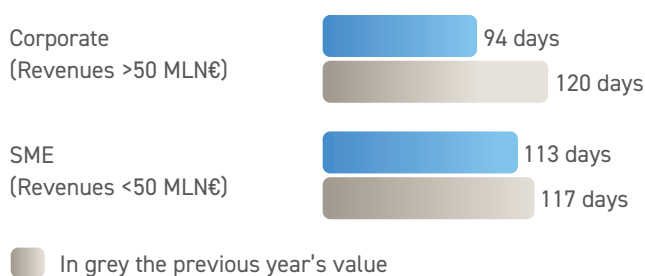


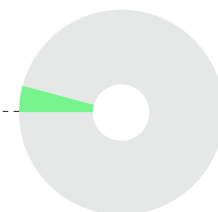
Figure 5.22 Ateco Code F Construction

TURNOVER 2024 **9.47 € B**

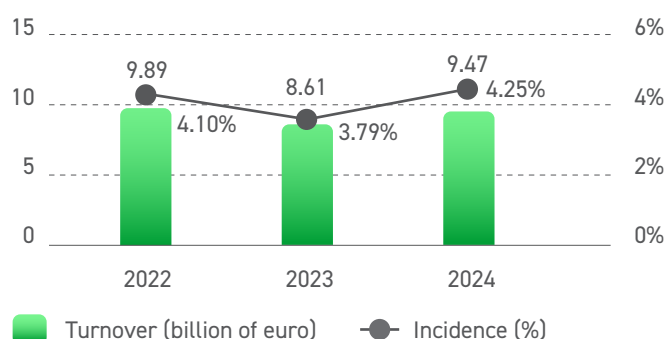
VAR.% y/y **+10.1%**

SHARE OF TOTAL TURNOVER
Year 2024

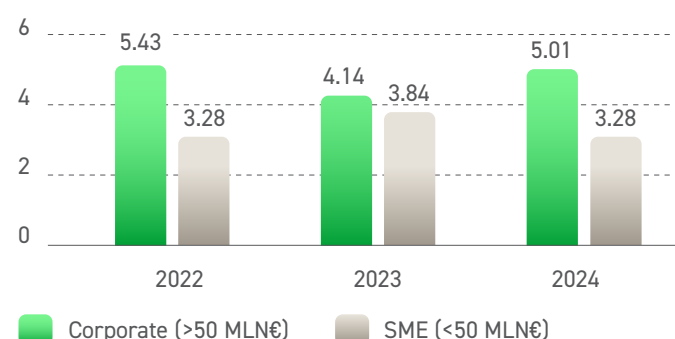
4.3%



TURNOVER TREND AND INCIDENCE IN THE FACTORING MARKET



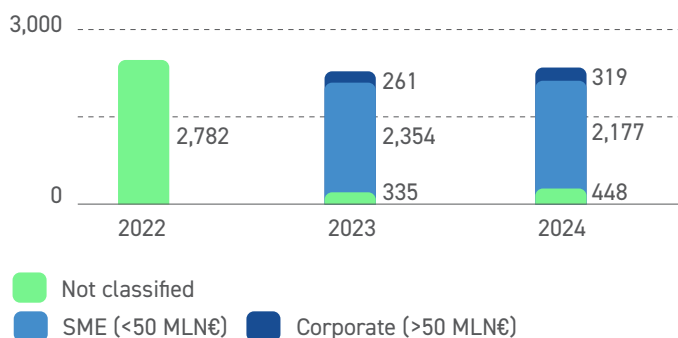
TURNOVER TREND SME vs Corporate (data in € B)



ASSIGNORS 2024 **2,944**

VAR.% y/y **-0.2%**

ASSIGNORS TREND (number of active assignors)



AVERAGE COLLECTION TIMES 2024
179 DAYS

AVERAGE COLLECTION TIMES 2024 Corporate vs SME

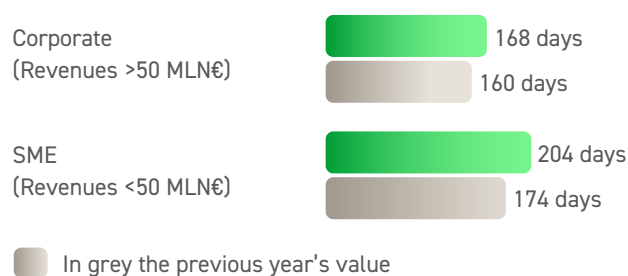


Figure 5.23 Ateco Code C.24 Metallurgy

REVENUES 2024 VAR.% y/y -2.2%

(Source ISTAT - raw data)

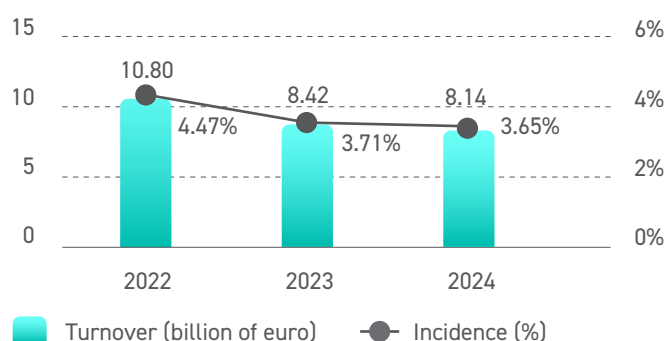
TURNOVER 2024 8.14 € B

VAR.% y/y -3.3%

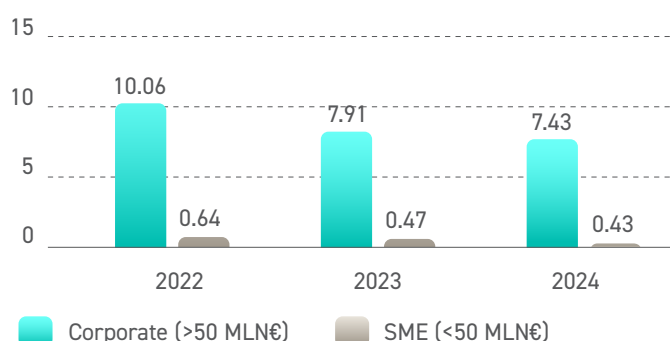
**SHARE OF TOTAL TURNOVER
Year 2024**

3.7%

TURNOVER TREND AND INCIDENCE IN THE FACTORING MARKET



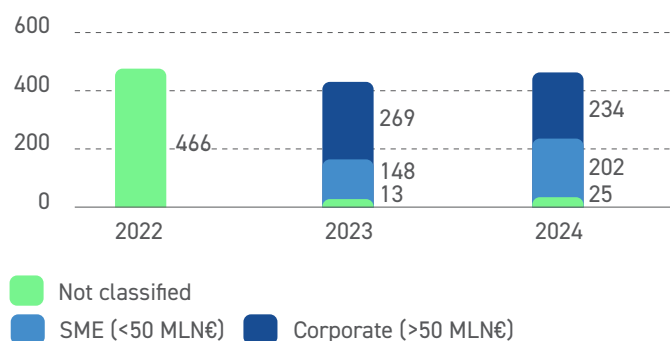
TURNOVER TREND SME vs Corporate (data in € B)



ASSIGNORS 2024 461

VAR.% y/y +7.2%

AVERAGE COLLECTION TIMES 2024 Corporate vs SME



**AVERAGE COLLECTION TIMES 2024
99 DAYS**

AVERAGE COLLECTION TIMES 2024 Corporate vs SME

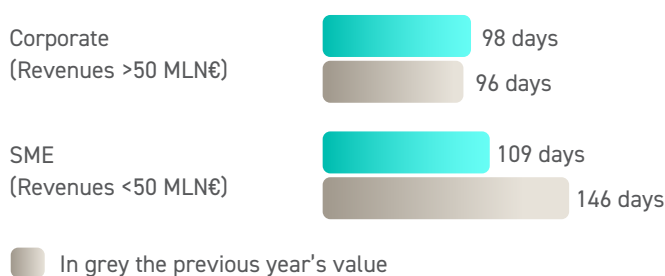


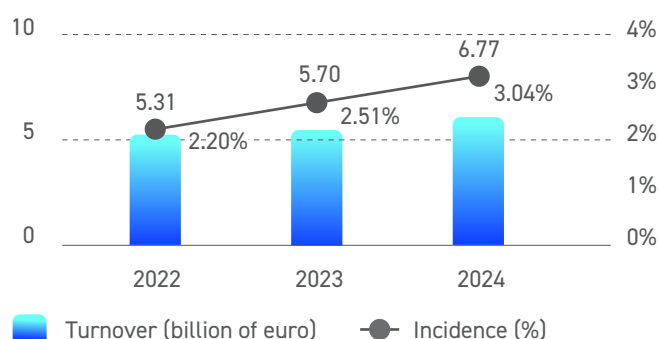
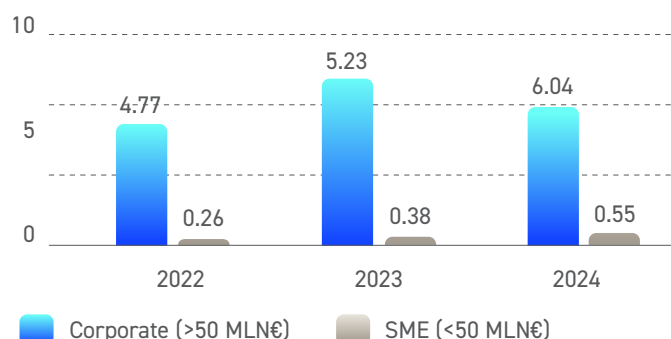
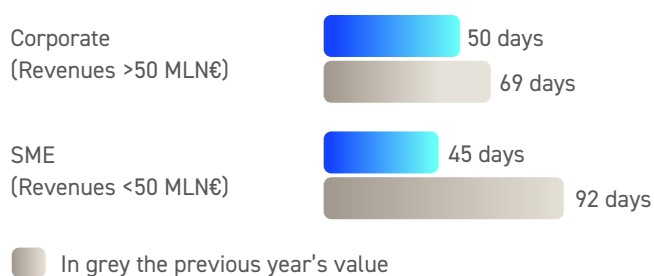
Figure 5.24 Ateco Code G.45**Wholesale and retail trade and repair of motor vehicles and motorbikes****REVENUES 2024 VAR.% y/y +2.6%***(Source ISTAT - raw data)***TURNOVER 2024 6.77 € B****VAR.% y/y +18.9%****SHARE OF TOTAL TURNOVER**
Year 2024**3.0%****TURNOVER TREND AND INCIDENCE IN THE FACTORING MARKET****TURNOVER TREND SME vs Corporate (data in € B)****ASSIGNORS 2024 335****VAR.% y/y +10.6%****ASSIGNORS TREND (number of active assignors)****AVERAGE COLLECTION TIMES 2024****50 DAYS****AVERAGE COLLECTION TIMES 2024 Corporate vs SME**

Figure 5.25 Ateco Code C.19

Manufacture of coke and refined petroleum products

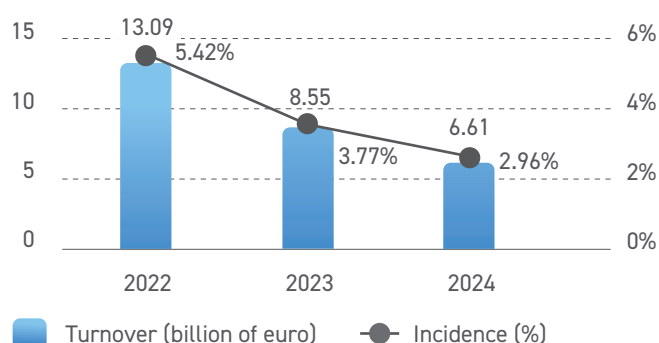
REVENUES 2024 VAR.% y/y **-16.7%**

(Source ISTAT - raw data)

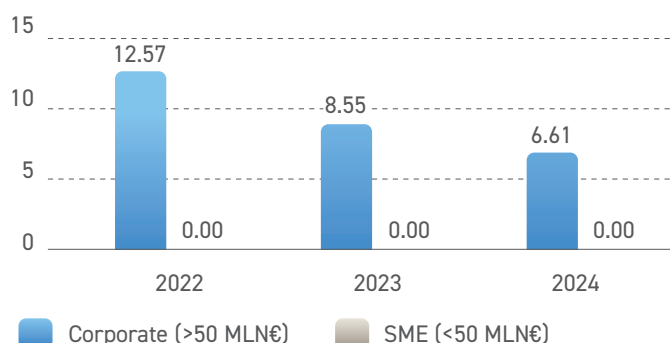
TURNOVER 2024 **6.61 € B**VAR.% y/y **-22.7%**SHARE OF TOTAL TURNOVER
Year 2024

3.0%

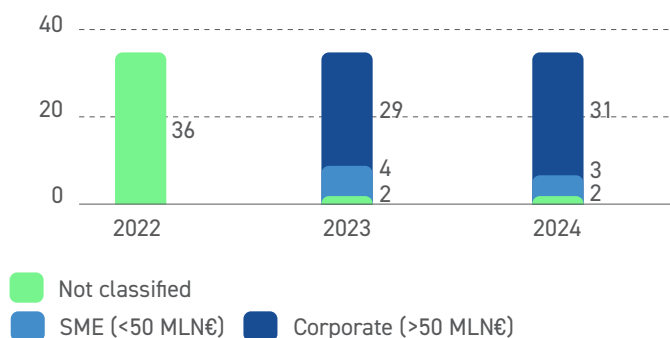
TURNOVER TREND AND INCIDENCE IN THE FACTORING MARKET



TURNOVER TREND SME vs Corporate (data in € B)

ASSIGNORS 2024 **36**VAR.% y/y **+2.9%**

ASSIGNORS TREND (number of active assignors)



AVERAGE COLLECTION TIMES 2024

55 DAYS

AVERAGE COLLECTION TIMES 2024 Corporate vs SME

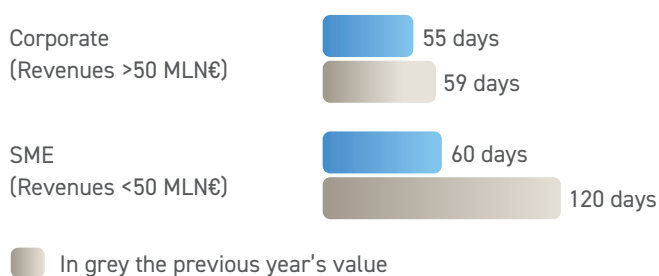


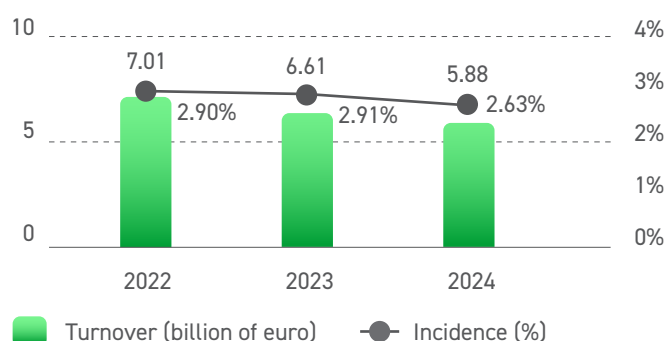
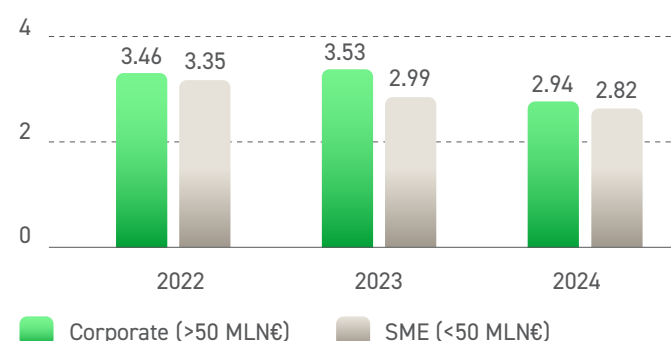
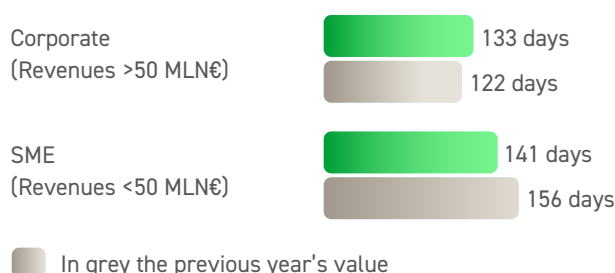
Figure 5.26 Ateco Code C.25**Manufacture of fabricated metal products (excluding machinery and equipment)****REVENUES 2024 VAR.% y/y -5.8%***(Source ISTAT - raw data)***TURNOVER 2024 5.88 € B****VAR.% y/y -11.1%****SHARE OF TOTAL TURNOVER**
Year 2024**2.6%****TURNOVER TREND AND INCIDENCE IN THE FACTORING MARKET****TURNOVER TREND SME vs Corporate (data in € B)****ASSIGNORS 2024 1,938****VAR.% y/y -1.8%****ASSIGNORS TREND (number of active assignors)****AVERAGE COLLECTION TIMES 2024****138 DAYS****AVERAGE COLLECTION TIMES 2024 Corporate vs SME**

Figure 5.27 Ateco Code C.29.1 Manufacture of motor vehicles

REVENUES 2024 VAR.% y/y -15.9%

(Source ISTAT - raw data)

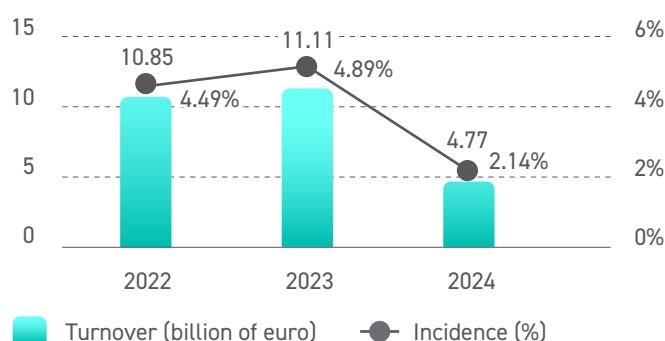
TURNOVER 2024 4.77 € B

VAR.% y/y -57.0%

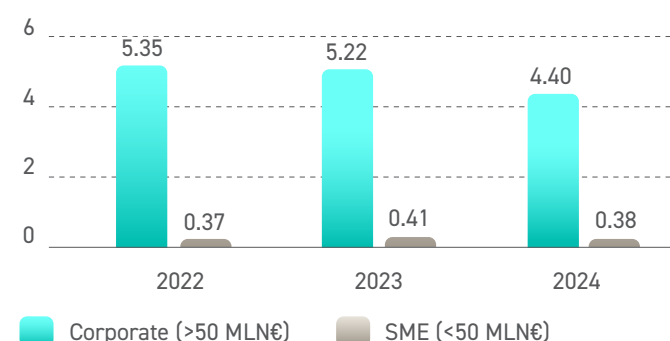
**SHARE OF TOTAL TURNOVER
Year 2024**

2.1%

TURNOVER TREND AND INCIDENCE IN THE FACTORING MARKET



TURNOVER TREND SME vs Corporate (data in € B)



ASSIGNORS 2024 107

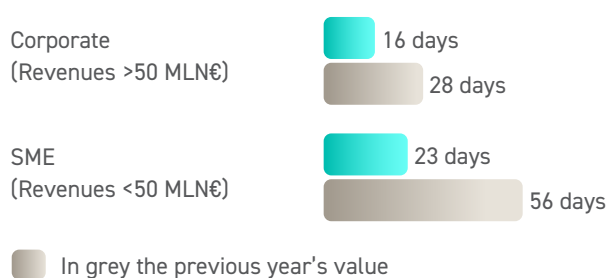
VAR.% y/y -35.2%

ASSIGNORS TREND (number of active assignors)



**AVERAGE COLLECTION TIMES 2024
17 DAYS**

AVERAGE COLLECTION TIMES 2024 Corporate vs SME



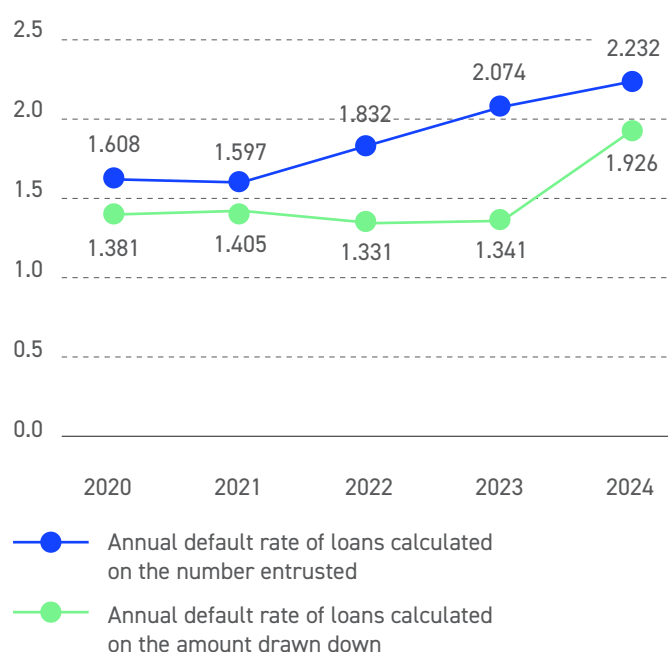
6

The risk in factoring

In the Italian banking system, corporate credit default risk has shown an increasing trend in recent years, with a significant increase in default rates in the years 2023 and 2024. Considering the number of borrowers, the default rate at the end of 2024 rose to 2.23%, the highest since the pre-COVID period.

Although these rates are still significantly lower than the rates recorded in the previous 20 years, a worsening trend in economic conditions and, consequently, an increasing difficulty for debtors to honour their commitments seems evident.

Figure 6.1
Annual default rates of loans to non-financial corporations (percentages)



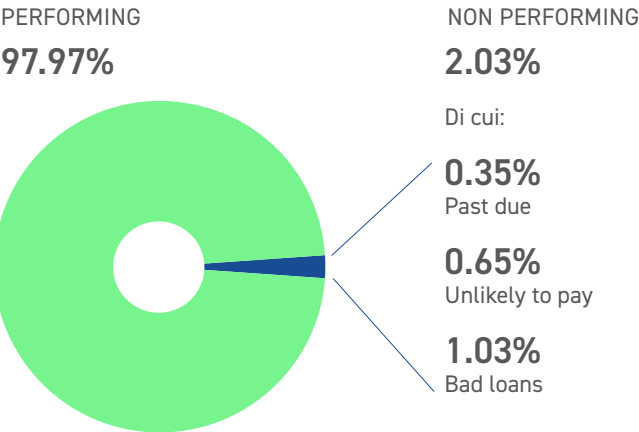
Source: elaboration on Bank of Italy data

Against this backdrop, factoring recorded a significantly high credit quality in 2024, with 98% of outstanding exposures at year-end classified as “performing”. Non performing exposures (representing, conversely, about 2% of the total) are represented to a greater extent by bad loans (1%) and for the remainder by unlikely-to-pay exposures (0.65%) and exposures past due by more than 90 days (0.35%).

The default rate of loans to businesses increased in 2024...

Figure 6.2
Corporate credit quality - data as of 31 December 2024

Gross exposure, data in %



Source: elaboration on Assifact data

With reference to gross exposures, the credit quality of factoring appears particularly solid: if the *'non-performing exposures ratio'* of factoring at the end of the year is close to 2%, this ratio, at the same date, reaches close to 5% in the case of bank credit to companies (which also includes other more risky technical forms).

The composition of default exposures also appears different in the latter context, with many unlikely-to-pay exposures (2.8%) and bad loans (1.8%), while the share of exposures past due by more than 90 days remains marginal.

Figure 6.3
Comparison of credit quality in factoring against the banking system - as of 31 December 2024

to 31 december 2024	Factoring		Banks	
	data in millions of euro	Incidence (%) on total	data in millions of euro	Incidence (%) on total
Amounts owed to non-financial companies				
Performing	49,083		569,318	
Past due	174	0.3%	1,514	0.3%
Unlikely to pay	327	0.7%	17,018	2.8%
Bad loans	514	1.0%	11,027	1.8%
Totale	50,099	2.0%	598,877	4.9%

Source: elaboration on Bank of Italy and Assifact data

... but the factoring sector maintains excellent credit quality with an NPE of 2%

The factoring sector also has a particularly prudent provisioning policy, especially with regard to non-performing loans, with almost 90% coverage in factoring compared to about 63% in the banking system.

Conversely, factoring's coverage appears lower in the case of exposures past due by more than 90 days, reflecting the lesser significance, in terms of risk identification, that this class holds in the case of factoring by virtue of its connection to companies' late commercial payments.

Figure 6.4
Comparison of coverage rates of exposures to non-financial corporations in factoring against the banking system - as of 31 December 2024

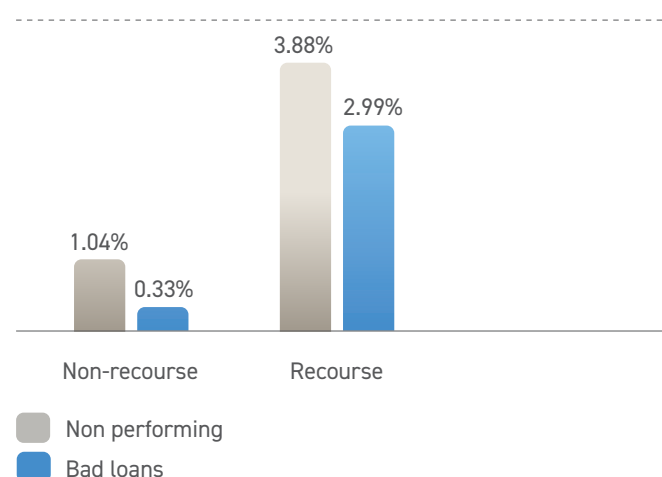
to 31 december 2024	Factoring data in %	Banks data in %
Performing	0.2%	0.6%
Past due	6.1%	22.5%
Unlikely to pay	55.2%	41.9%
Bad loans	89.3%	62.7%
Totale	1.5%	1.9%

Source: elaboration on Bank of Italy and Assifact data

The incidence of default in factoring is higher in the case of recourse than non-recourse, also reflecting the average size of the assignor, which is typically smaller in the former case.

In the case of non-recourse factoring, particularly the credit quality (in this case, determined with reference to the assigned debtors) appears excellent, with only 0.33% non-performing receivables and 1% of total non-performing receivables, testifying to the factor's prudent risk-taking and management policies for non-recourse factoring.

Figure 6.5
Factoring recourse and non-recourse: incidence of default exposures and bad loans (percentage data referring only to financial intermediaries under to Art. 106 TUB) - as of 31 December 2024



Source: elaboration on Assifact data

The risk in factoring – Takeaways

Despite the increase in bank default rates in 2024, factoring stands out for its solid credit quality and prudent risk policies.

The high level of performing loans, accompanied by prudent provisioning policies, confirms the sector's solidity even in times of worsening macroeconomic environment.

7

Factoring to the Public Administration

In 2024, factoring continued to play an important role in sustaining the financial stability of public sector suppliers, even in a context marked by persistent payment delays and structural fragilities in some areas of the public sector.

Total turnover stood at almost EUR 21 billion, consolidating the previous year's volumes (-0.39%) after the fluctuating trend of previous years.

Figure 7.1
The factoring market for Public Administration receivables as of 31 December 2024

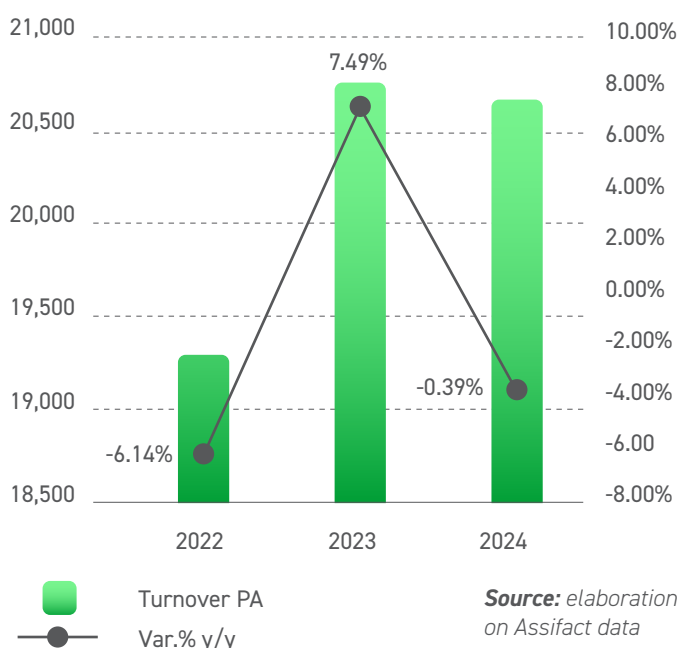
	Data (millions of euro)	Share % of total	Var.% y/y
Turnover	20,671	7.16%	-0.39%
Outstanding (at 31 december 2024)	7,782	11.02%	-3.26%
of which:			
overdue	2,875		
due by more than 1 year	2,242		

Source: elaboration on Assifact data

With over EUR 20 billion in annual turnover, factoring continued to be a crucial support for public sector suppliers in 2024

Outstanding receivables at the year-end progressively declined, confirming the evidence gradually shortening payment times (though still particularly long).

Figure 7.2
Turnover trend in Public Administration receivables (data in millions of euro)



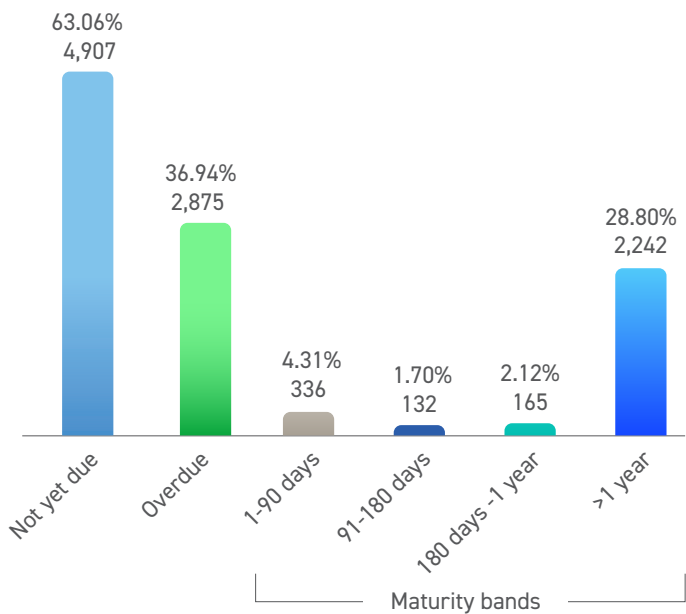
More than one third of the total credits are past due at the end of 2024. Of these, the vast majority are claims that are more than one year past due (more than EUR 2 billion).

This amount reflects, in concrete terms, the accumulation over the years of credits for which the recovery procedure has been initiated, sometimes even at the request of the institution itself (which thus ascertains, before proceeding to payment and through legal action, that the credit is due and the amount of interest and expenses), with procedures that have an average duration of three to four years.

On the other hand, credits classified in the lower past-due bands rotate over shorter periods of time, albeit longer than the rotation of credits to private entities.

In this context, in the absence of factor support, many PA suppliers would risk severe liquidity strains, with possible supply disruptions or exclusions from tenders, compromising the continuity of public services and competition.

Figure 7.3
Factoring Receivables from PA:
Breakdown by Past Due
(in percent and millions of euro) -
data as of 31 December 2024



Source: elaboration on Assifact data

Overdue receivables from the public administration are, for the most part, over a year past due

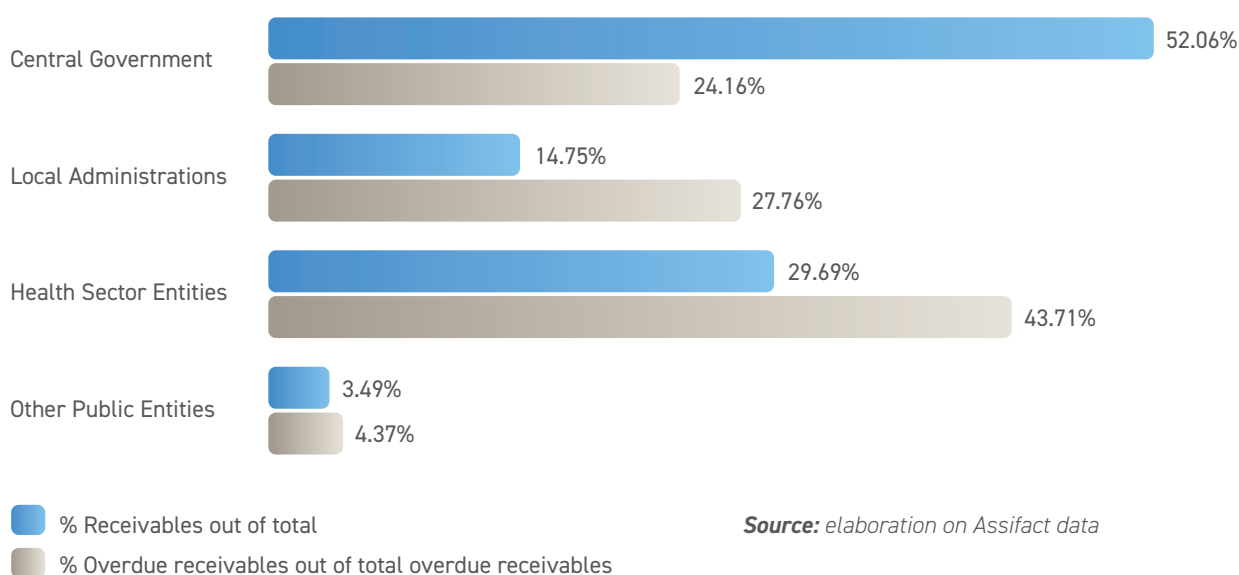
The analysis by type of public entity shows a highly heterogeneous picture:

- central government holds the largest share of total receivables (52%), but has a relatively smaller share of overdue receivables (24%);
- entities in the health sector, while representing 30% of the total, generate more than 43% of overdue receivables, confirming their position as the most critical sector in terms of punctuality of payments;
- local governments also show a higher level of overdue receivables in relation to their share of total receivables.

From a geographical perspective, the data confirm a high concentration of risk: Lazio alone accounts for more than 38% of overdue receivables at a national level, followed at a distance by Sicily, Calabria and Campania. This imbalance accentuates the gap between territories with more reliable public administrations and those where businesses are more exposed to chronic delays.

Figure 7.4

Total receivables and overdue receivables from the Public Administration: breakdown by sector of economic activity - data as of 31 December 2024



Source: elaboration on Assifact data

Figure 7.5

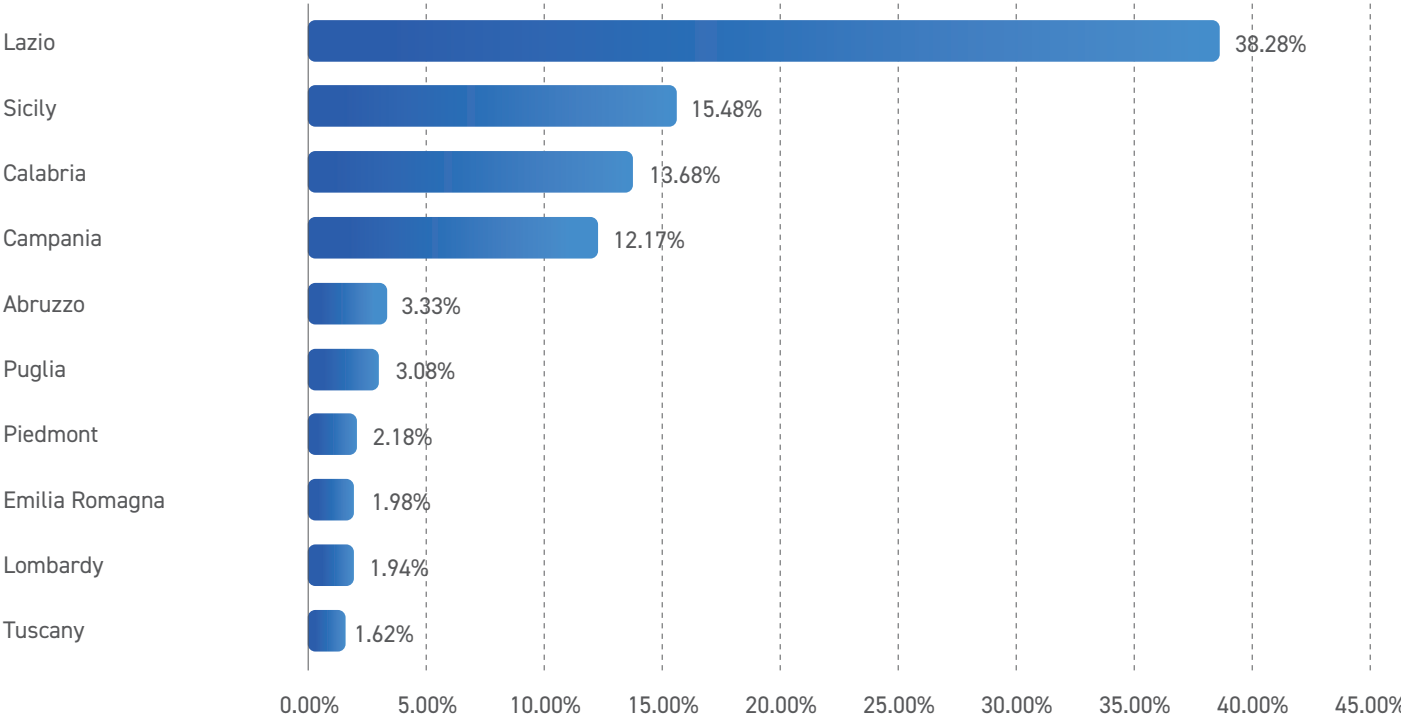
Breakdown of receivables from the Public Administration by type of entity and overdue periods as of 31 December 2024

Data in thousands of euro	Total	Not yet due	Due by 1 to 90 days	Due by 90 days to 180 days	Due more than 180 days to 1 year	Due by more than 1 year
CENTRAL GOVERNMENT	4,051,622	3,357,008 (82.9%)	48,149 (1.2%)	31,362 (0.8%)	58,011 (1.4%)	557,092 (13.7%)
State Administration and Constitutional Organisations	2,770,911	2,173,156 (78.4%)	22,799 (0.8%)	19,196 (0.7%)	18,242 (0.7%)	537,518 (19.4%)
State Treasury	29,921	29,921 (100.0%)	00 (0.0%)	00 (0.0%)	00 (0.0%)	00 (0.0%)
Entities providing economic services and regulating economic activity	1,225,724	1,135,533 (92.6%)	25,120 (2.0%)	12,010 (1.0%)	39,768 (3.2%)	13,293 (1.1%)
Providers of welfare, recreational and cultural services	20,410	16,393 (80.3%)	203 (1.0%)	141 (0.7%)	01 (0.0%)	3,672 (18.0%)
Research institutions	4,656	2,006 (43.1%)	27 (0.6%)	15 (0.3%)	00 (0.0%)	2,608 (56.0%)
LOCAL ADMINISTRATIONS	1,148,230	350,104 (30.5%)	29,016 (2.5%)	13,367 (1.2%)	17,374 (1.5%)	738,368 (64.3%)
Regional Administrations	169,716	141,657 (83.5%)	3,741 (2.2%)	2,677 (1.6%)	2,858 (1.7%)	18,784 (11.1%)
Provincial and Metropolitan Administrations	59,819	28,587 (47.8%)	1,337 (2.2%)	470 (0.8%)	677 (1.1%)	28,748 (48.1%)
Municipal administrations and unions of municipalities	918,695	179,861 (19.6%)	23,938 (2.6%)	10,220 (1.1%)	13,839 (1.5%)	690,836 (75.2%)
HEALTH SECTOR ENTITIES	2,310,322	1,053,875 (45.6%)	215,904 (9.3%)	79,621 (3.4%)	79,391 (3.4%)	881,532 (38.2%)
Health service providers	1,925,581	903,750 (46.9%)	175,546 (9.1%)	58,880 (3.1%)	60,273 (3.1%)	727,132 (37.8%)
Other health service providers	384,741	150,125 (39.0%)	40,358 (10.5%)	20,741 (5.4%)	19,118 (5.0%)	154,400 (40.1%)
OTHER PUBLIC ENTITIES	271,942	146,307 (53.8%)	42,720 (15.7%)	8,107 (3.0%)	10,180 (3.7%)	64,628 (23.8%)
Entities providing economic services and regulating economic activity	35,668	15,234 (42.7%)	7,384 (20.7%)	3,789 (10.6%)	2,956 (8.3%)	6,305 (17.7%)
Providers of welfare, recreational and cultural services	52,827	38,461 (72.8%)	1,522 (2.9%)	819 (1.6%)	905 (1.7%)	11,119 (21.0%)
Other local authorities	140,400	83,372 (59.4%)	27,024 (19.2%)	481 (0.3%)	55 (0.0%)	29,468 (21.0%)
Social security and welfare institutions	43,048	9,239 (21.5%)	6,791 (15.8%)	3,018 (7.0%)	6,264 (14.6%)	17,737 (41.2%)
TOTAL RECEIVABLES TO THE PA	7,782,117	4,907,294 (63.1%)	335,790 (4.3%)	132,458 (1.7%)	164,955 (2.1%)	2,241,620 (28.8%)

Nota: The totals of some values may not add up to the sum of the details due to rounding.

Source: elaboration on Assifact data

Figure 7.6
Overdue receivables from the Public Administration: territorial breakdown -
Top 10 Italian regions - data as of 31 December 2024



Source: elaboration on Assifact data

The largest overdue receivables relate, in particular, to provinces, municipalities and entities in the healthcare sector

Figure 7.7

Breakdown of receivables from the Public Administration by region and maturity bands as of 31 December 2024

Data in thousands of euro	Total	Not yet due	Due by 1 to 90 days	Due by 90 days to 180 days	Due more than 180 days to 1 year	Due by more than 1 year
PIEDMONT	161,434	98,777 (61.2%)	40,314 (25.0%)	4,477 (2.8%)	2,265 (1.4%)	15,601 (9.7%)
VALLE D'AOSTA	5,094	3,112 (61.1%)	287 (5.6%)	81 (1.6%)	1,360 (26.7%)	254 (5.0%)
LIGURIA	69,736	45,402 (65.1%)	8,736 (12.5%)	4,762 (6.8%)	3,050 (4.4%)	7,785 (11.2%)
LOMBARDY	147,379	91,516 (62.1%)	13,698 (9.3%)	3,574 (2.4%)	2,793 (1.9%)	35,798 (24.3%)
TRENTINO ALTO ADIGE	9,482	5,578 (58.8%)	1,583 (16.7%)	239 (2.5%)	307 (3.2%)	1,775 (18.7%)
VENETO	95,882	73,487 (76.6%)	6,176 (6.4%)	816 (0.9%)	515 (0.5%)	14,887 (15.5%)
FRIULI VENEZIA GIULIA	33,986	24,999 (73.6%)	2,289 (6.7%)	3,683 (10.8%)	629 (1.9%)	2,386 (7.0%)
EMILIA ROMAGNA	240,287	183,223 (76.3%)	31,983 (13.3%)	3,546 (1.5%)	4,828 (2.0%)	16,707 (7.0%)
MARCHE	41,194	16,599 (40.3%)	4,137 (10.0%)	656 (1.6%)	1,119 (2.7%)	18,683 (45.4%)
TUSCANY	179,311	132,664 (74.0%)	23,212 (12.9%)	6,068 (3.4%)	3,723 (2.1%)	13,645 (7.6%)
UMBRIA	22,175	8,962 (40.4%)	2,840 (12.8%)	1,735 (7.8%)	243 (1.1%)	8,395 (37.9%)
LAZIO	4,779,318	3,678,928 (77.0%)	75,394 (1.6%)	45,052 (0.9%)	81,718 (1.7%)	898,226 (18.8%)
ABRUZZO	129,086	33,309 (25.8%)	17,366 (13.5%)	3,776 (2.9%)	3,326 (2.6%)	71,309 (55.2%)
MOLISE	59,297	36,847 (62.1%)	9,351 (15.8%)	3,211 (5.4%)	2,122 (3.6%)	7,766 (13.1%)
CAMPANIA	446,350	96,377 (21.6%)	19,978 (4.5%)	8,703 (1.9%)	9,949 (2.2%)	311,344 (69.8%)
PUGLIA	186,389	97,922 (52.5%)	15,313 (8.2%)	9,057 (4.9%)	10,667 (5.7%)	53,430 (28.7%)
BASILICATA	45,548	21,654 (47.5%)	1,304 (2.9%)	131 (0.3%)	182 (0.4%)	22,276 (48.9%)
CALABRIA	461,555	68,154 (14.8%)	27,830 (6.0%)	18,487 (4.0%)	22,412 (4.9%)	324,672 (70.3%)
SICILY	597,555	152,603 (25.5%)	28,995 (4.9%)	12,525 (2.1%)	12,420 (2.1%)	391,012 (65.4%)
SARDINIA	71,057	37,180 (52.3%)	5,005 (7.0%)	1,876 (2.6%)	1,328 (1.9%)	25,668 (36.1%)
TOTAL RECEIVABLES TO THE PA	7,782,117	4,907,294 (63.1%)	335,790 (4.3%)	132,458 (1.7%)	164,955 (2.1%)	2,241,620 (28.8%)

Nota: The totals of some values may not add up to the sum of the details due to rounding

Source: elaboration on Assifact data

Exposures to the PA represent only 12.5% of the total receivables managed by the factoring sector, and of these 78.61% are classified as "performing". The remaining 21.39% is non-performing, with the following breakdown:

- 17.10% of exposures are overdue by more than 90 days,
- 0.52% is considered unlikely to pay,
- 3.77% is classified as bad loans (mainly, distressed municipalities classified as such in accordance with the Bank of Italy's reporting rules).

This evidence reflects the trend of late commercial payments by Italian public

administrations and the rigidity of the European prudential rules on default classification, which are ill-suited to capture the complexity of the Italian public administration's payment processes.

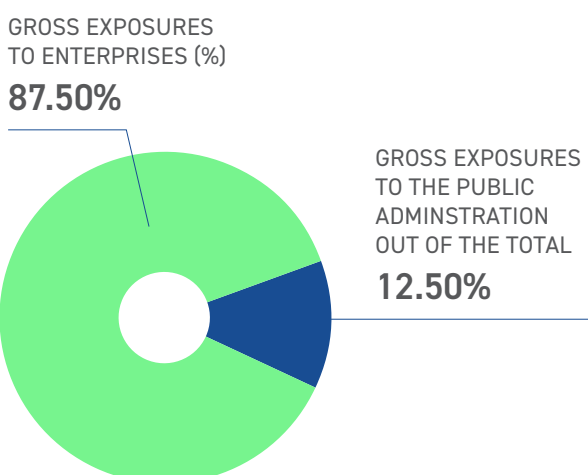
The rigidity of the framework clashes with the characteristics of commercial credit and with the procedural slowness typical of public bodies, especially in the case of local and health authorities.

This leads to a distorted portrayal of the phenomenon, in which many public entities are formally classified as in default, even though they do not entail an actual risk of loss for the factors.

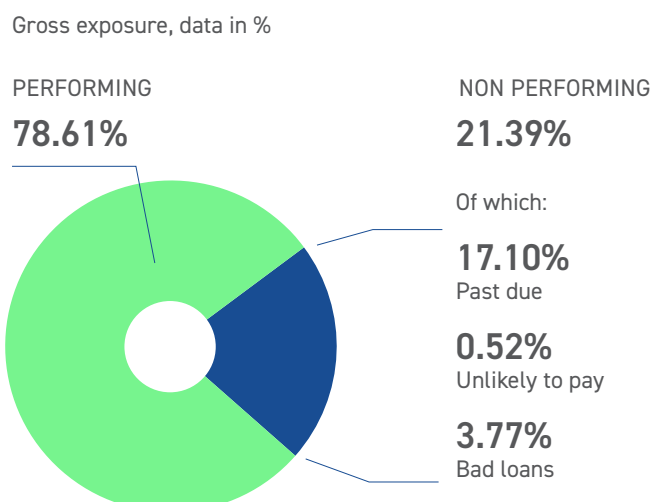
Figure 7.8

Credit Quality of Public Administration receivables - Data as of 31 December 2024

Gross exposures to the Public Administration out of the total (%)



Credit quality of exposures to the Public Administration as at 31.12.2024



Source: elaboration on Assifact data

For a more in-depth analysis of this issue, please refer to the specific document prepared by Assifact (*The definition of default in factoring and the Public Administration - Insight note by the Assifact Research Department, February 2025 - Text in Italian*).

Factoring, in the year just ended, has therefore consolidated its role as an essential financial lever in supply relations between companies and the public administration, although important critical issues remain in this segment due to the persistence of significant payment delays and the rigidity of prudential regulations and the behaviour of public entities.

Factoring to the Public Administration – Takeaways

In 2024, factoring continued to play a crucial role for companies supplying the public administration, in a framework still marked by structural payment delays, albeit slightly improving.

The liquidity tensions caused by the delays concentrated in the healthcare sector and other areas, confirm the need for reliable financing offered by factoring.

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8

Supply Chain Finance

Global supply chain finance operations have shown significant growth in recent years, reaching a total turnover of almost EUR 2.5 trillion in 2024, an increase of about 8% compared to the previous year.

Most volumes were generated in the Americas, followed by Europe and Asia, and finally the African continent, which generated marginal volumes, although it showed the highest growth among the different geographic areas in 2024, with a positive change of 14% year-on-year.

Europe also outperformed the global market with a growth rate of 12% year-on-year. In the Italian context, in 2024, the total turnover in Supply Chain Finance (understood as all reverse factoring and confirming transactions), at EUR 28 billion, grew at a more moderate rate of 0.9%.

Figure 8.1
Trend of international Supply Chain Finance volumes (data in billion dollars)

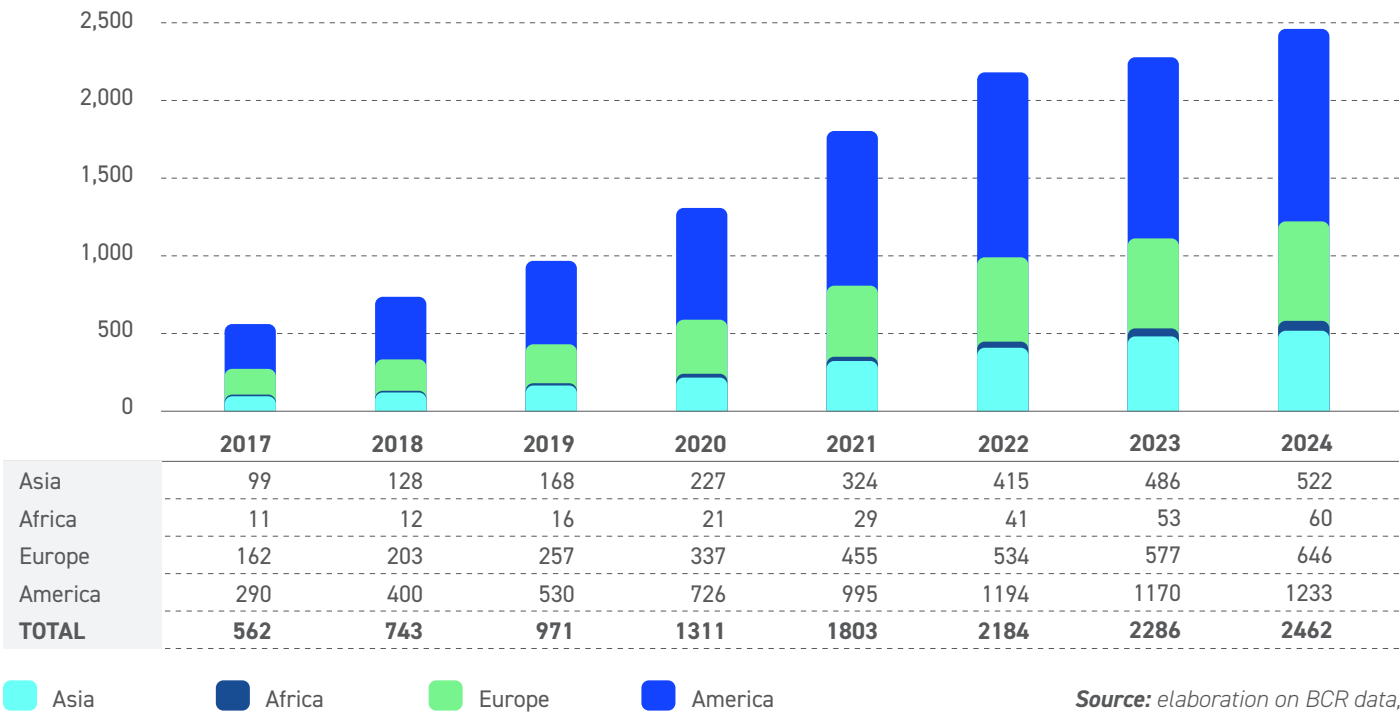


Figure 8.2
Global, European and Italian Supply Chain Finance Volumes

TURNOVER 2024		
WORLD	EUROPE	ITALY
2,462	646	28
B \$	B \$	B €
VAR. % 2024/2023		
WORLD	EUROPE	ITALY
+8%	+12%	+0.9%

Source: elaboration on BCR data, "World Supply Chain Finance 2025"

The Italian Supply Chain Finance market grew at a slower rate than the global market in 2024, but the potential remains high

The Supply Chain Finance Observatory of the Politecnico di Milano estimates the potential market for SCF in the range of EUR 594 to 599 billion and shows a substantially stable market in 2024 for the more traditional instruments, such as factoring, reverse factoring and confirming, while for bank invoice discounting there is a 12% decrease. Factoring appears to be the solution that covers the largest share of the market served (10%).

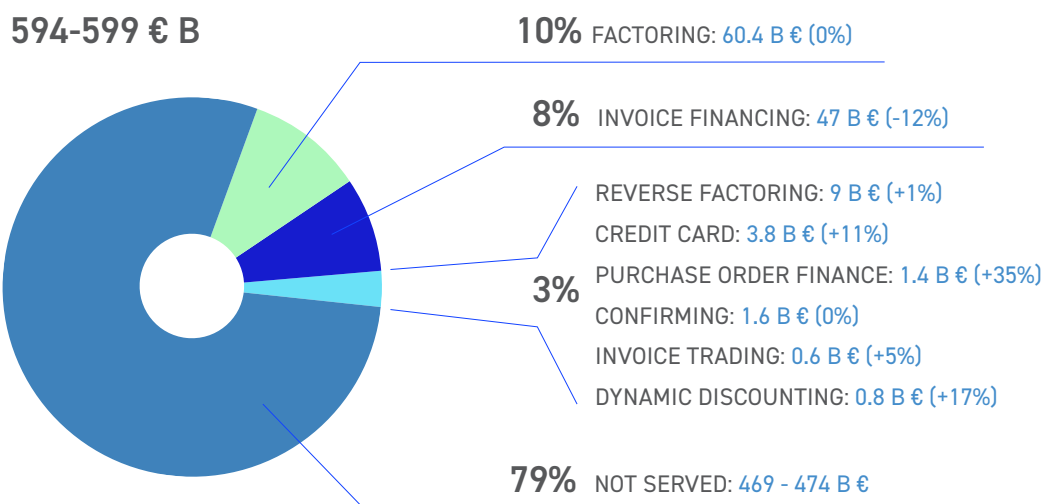
The most innovative solutions, including *purchase order finance* ("sale of future receivables"), B2B credit cards, *dynamic discounting* and *invoice trading*, show a livelier growth: in detail, purchase order finance shows an increase of 35% (to EUR 1.4 billion), marking its all-time high.

Dynamic discounting was estimated to grow by 17% (to EUR 0.8 billion), B2B credit card shows an increase of 11% (to EUR 3.8 billion) and, lastly, invoice trading by 5% (to EUR 0.6 billion).

The underserved market is estimated by the Observatory to be between EUR 469 and 474 billion, accounting for approximately 79% of the total market, confirming a large potential for the further development of Supply Chain Finance.

Figure 8.3

The market served by Supply Chain Finance in 2024



Source: Values represent the outstanding financed as at 31.12.24

Source: Milan Polytechnic Observatory Supply Chain Finance 2025

According to data from Assifact's Trade Credit and Factoring Observatory, the turnover of the Italian Supply Chain Finance market in 2024 is substantially unchanged compared to the previous year, after years of growth at significant double-digit rates, showing a trend now aligned with the traditional factoring market.

Reverse factoring solutions cover more than 85% of the market, while the remainder is

served by confirming programmes, which show a livelier development with a growth of more than 6% compared to 2023.

In the context of confirming programmes, payment mandates issued by buyers to factoring companies to pay their trade debts when they fall due also outperform the overall market, growing by almost 10% year-on-year in 2024.

Figure 8.4
Supply Chain Finance in Italy in 2024

	Data in thousands of euro	Percentage composition	Var. % compared to 2023
Turnover from SCF operations	28,025,064		0.89%
Reverse factoring	23,868,142	85.17%	0.03%
Confirming	4,156,922	14.83%	6.16%
Outstanding from SCF operations			
Reverse factoring	8,981,892		0.34%
Payment Mandates from Confirming	6,894,659		9.90%
Turnover rate of Mandates (%)	60,29%		

Source: elaboration on Assifact data

Figure 8.5
Trend of turnover from Supply Chain Finance operations in Italy (data in billion euro)

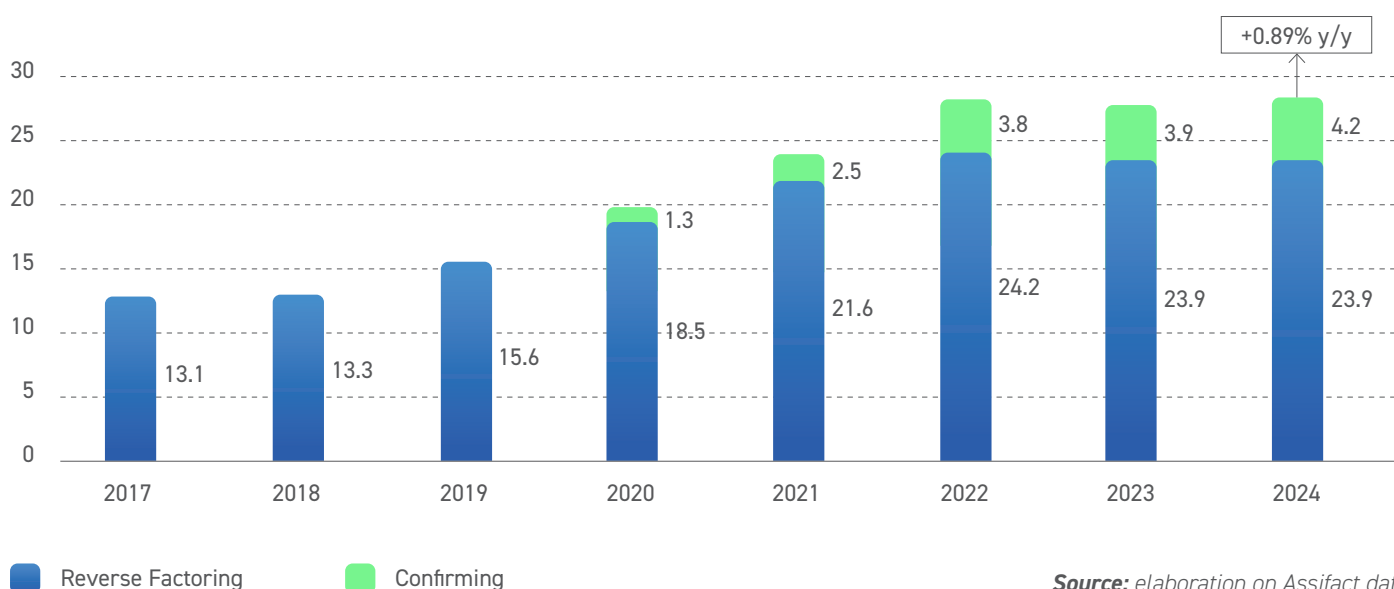
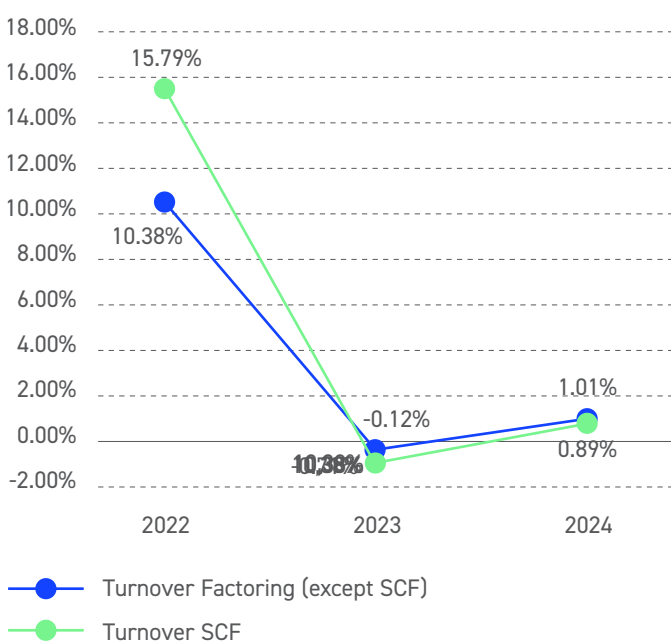


Figure 8.6

Turnover trend for traditional factoring and Supply Chain Finance (% change y/y)

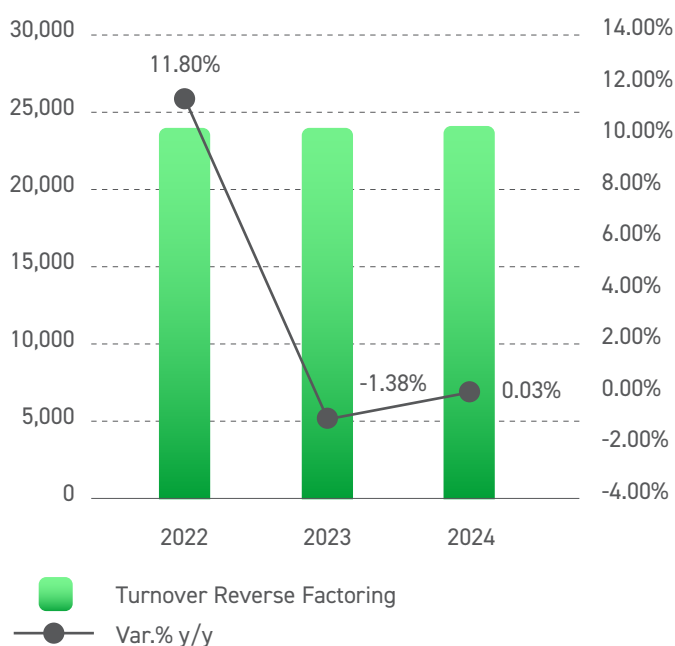


Source: elaboration on Assifact data

Reverse factoring has shown a consolidation of volumes in the last two years, after years of significant growth, partly due to higher interest rates and application uncertainties resulting from certain regulatory changes at international level.

Figure 8.7

Turnover trend for reverse factoring transactions (figures in millions of euro, % change y/y)

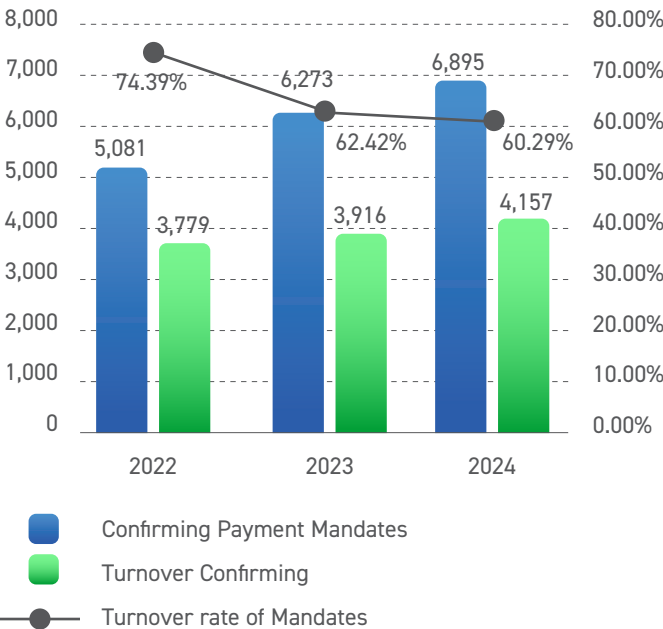


Source: elaboration on Assifact data

Confirming is still a younger product than reverse factoring and for this reason it still shows high growth rates, thanks to the introduction of the product in its commercial offering by an increasingly large number of factoring companies.

In confirming, participating suppliers, against the issuance of the payment mandate by the buyer, have the option of requesting or not the payment in advance of the receivable by assigning it to the factor; against this, the trends of mandates and assigned receivables may diverge and, in this case, the former show greater growth than the turnover generated by assignments. In fact, the transformation rate of payment mandates into actual turnover has decreased slightly since 2022, standing at just over 60%.

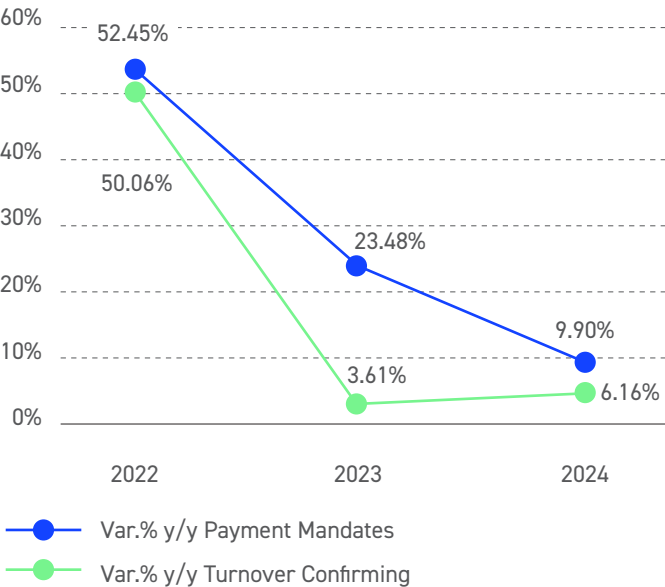
Figure 8.8
Trend in payment mandates and turnover from confirming transactions (data in millions of euro, % change y/y)



Source: elaboration on Assifact data

In 2024, confirming grew more than reverse factoring, which still remains dominant in Italy

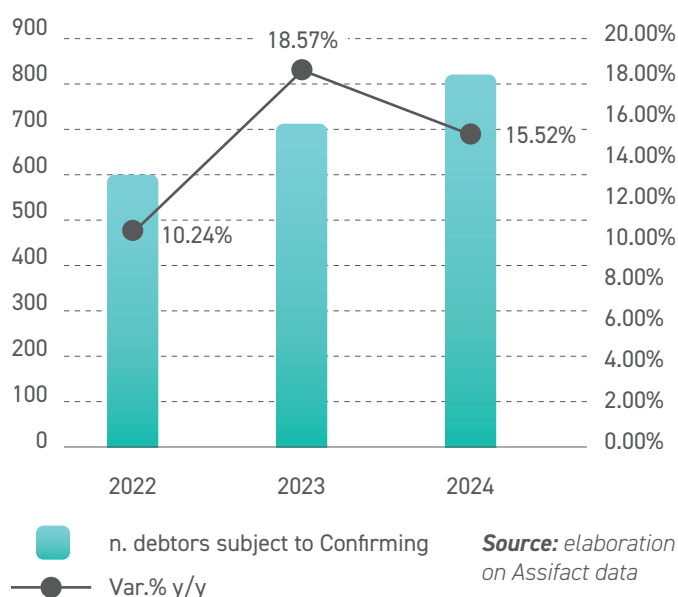
Figure 8.9
Trend in payment mandates and turnover from confirming (% y/y)



Source: elaboration on Assifact data

At the end of 2024, there were more than 800 active confirming agreements, typically signed with medium-sized or large purchasing companies, continuing the development path undertaken in recent years with double-digit growth rates.

Figure 8.10
Trend in the number of confirming agreements (number of buyer companies, % change y/y)



Supply Chain Finance – Takeaways

In 2024, after years of sustained expansion, supply chain finance in Italy showed a slowdown, aligning with trends in traditional factoring. The stabilisation of reverse factoring and the growth of confirming indicate a growing demand for flexible liquidity management instruments, although the size of the market served remains limited compared to the potential.

9

Sustainability in factoring

In recent years, sustainability issues have assumed a central role in the strategic development of the financial system and have found increasing prominence in regulations and intermediary internal policies.

The factoring sector, too, has become progressively more engaged in this area: confirming its members' commitment to these issues, Assifact has launched a survey on sustainability in the factoring sector aimed at analysing various aspects linked to the ESG transition of credit and financial intermediaries, including organisation and compliance, environmental and social aspects, personnel management and business risk management, now in its third edition in 2024 (*Sustainability in factoring sector, 3rd edition 2025 - Text in Italian*).

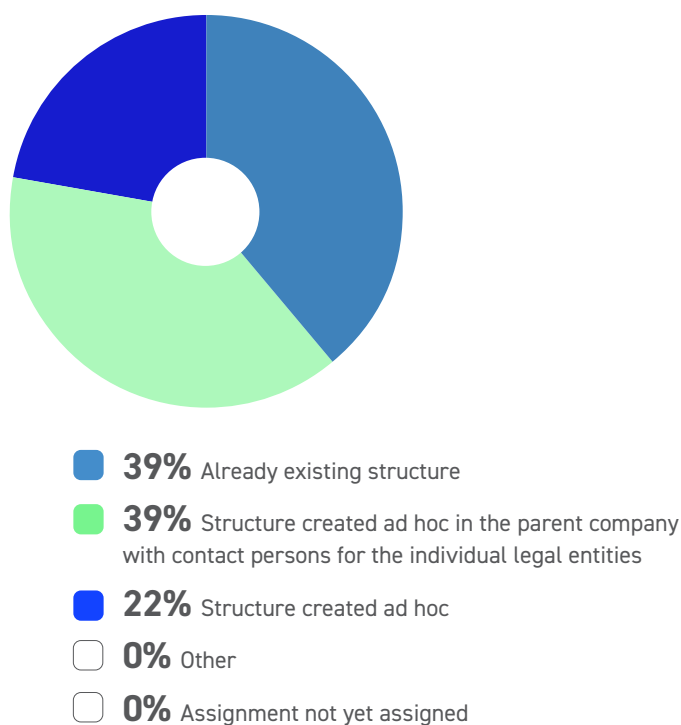
The survey clearly shows progress in the level of compliance with the Bank of Italy's supervisory expectations on climate and environmental risks. Governance, organisational and environmental profiles, as well as social and personnel management aspects, present the highest percentages of ESG factors integration. The ESG development of business profiles, on the other hand, still appears low.

Substantially all of the companies state that they have made the necessary changes in their organisational structure in order to oversee ESG issues, defining the structures responsible for dealing with ESG issues

and assigning the task in 61% of cases to a structure created ad hoc at the individual legal entity (22%) or at the parent company (39%), and that they have undertaken robust training as a key to change and a tool for implementing the transition. Important steps forward have also been made in risk governance and in the assessment of climate and environmental risks on the loan portfolio. The range of products offering with specific ESG business lines is still limited.

Figure 9.1
ESG organizational structure

HAS YOUR COMPANY ASSIGNED THE TASK ON ESG ISSUES TO A DEDICATED STRUCTURE OR TO EXISTING STRUCTURES?



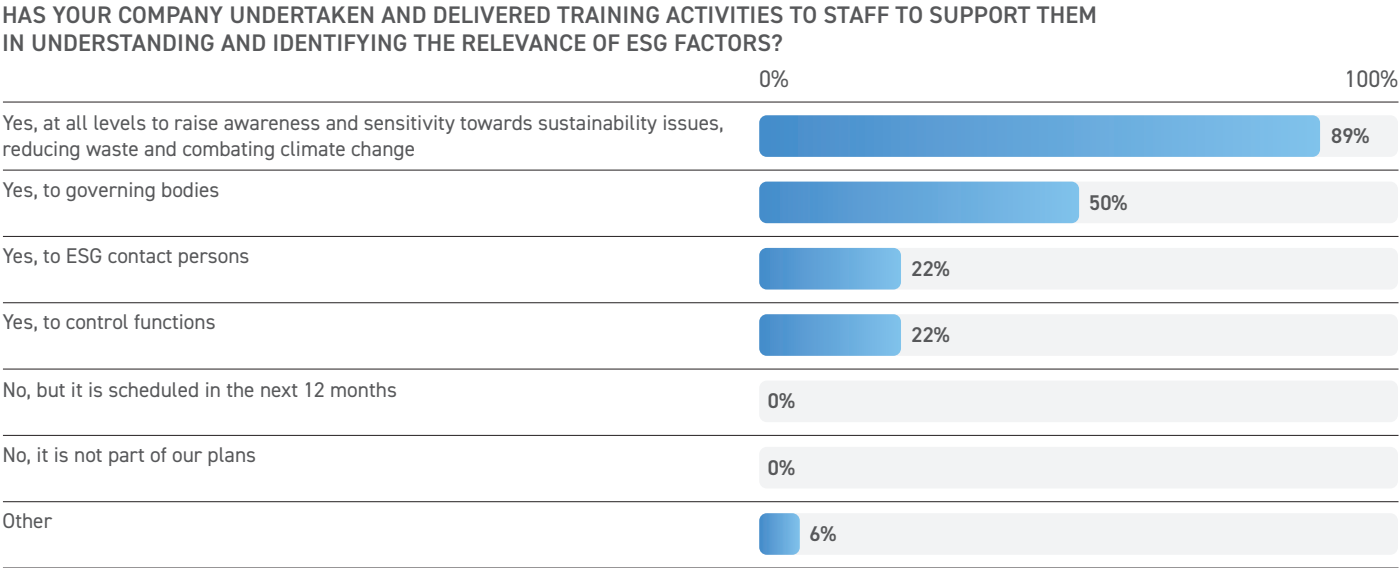
Source: Assifact, "Sustainability in the Factoring Sector", 3rd edition 2025 (text in Italian)

The most widespread organisational approach (56%) remains the hybrid or mixed approach, which envisages a dedicated structure coordinating ESG issues, with the involvement of other specific functions for activities requiring ad hoc technical expertise.

The decentralised approach, which assigns ESG roles and responsibilities to the various corporate functions, follows with 33% of the replies; there are also some cases of adoption of the centralised approach, which entrusts ESG management to a single dedicated structure.

The factoring sector has shown a growing commitment to sustainability, with significant progress in integrating ESG factors into governance, risk management and employee training

Figure 9.2
 Training activities on ESG issues



Source: Assifact, "Sustainability in the Factoring Sector", 3rd edition 2025 (text in Italian)

The survey highlights an overall adaptation, even formal, of governance profiles to ESG issues. In fact, all the companies participating in the survey state that they have incorporated sustainability principles and objectives into their governance systems, either at a general and structured level or for specific areas.

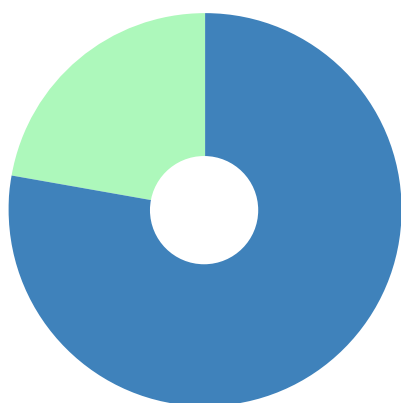
In addition, 78% of companies have introduced a sustainability section in their Code of Ethics.

Almost 90% of the companies have started monitoring the impact of climate and environmental risks on their credit portfolio, with different degrees of extension and clients segments, a sharp increase from 74% in the previous survey and 35% in the first survey.

In 78% of cases, these risks have been integrated into the company's risk management model (RAF, ICAAP, ILAAP).

Figure 9.3
Sustainability in corporate governance

DOES YOUR COMPANY HAVE A GOVERNANCE SYSTEM THAT INCORPORATES SUSTAINABILITY PRINCIPLES AND OBJECTIVES?

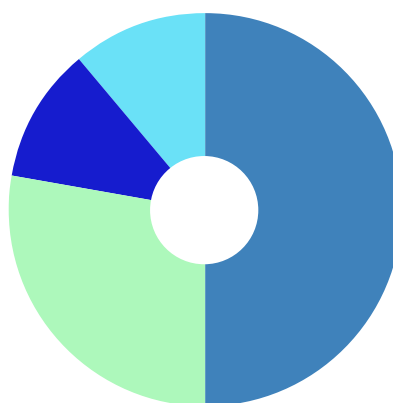


- ☒ **78%** Yes, with ad hoc committees and structures responsible for sustainability strategy, target setting and monitoring
- ☒ **22%** Yes, for specific areas and topics
- ☐ **0%** No, but it is scheduled in the next 12 months
- ☐ **0%** No, it is not part of our plans

Source: Assifact, "Sustainability in the Factoring Sector", 3rd edition 2025 (text in Italian)

Figure 9.4
Monitoring climate and environmental risks

DOES YOUR COMPANY MONITOR THE IMPACT OF CLIMATE AND ENVIRONMENTAL RISKS ON ITS PORTFOLIO?

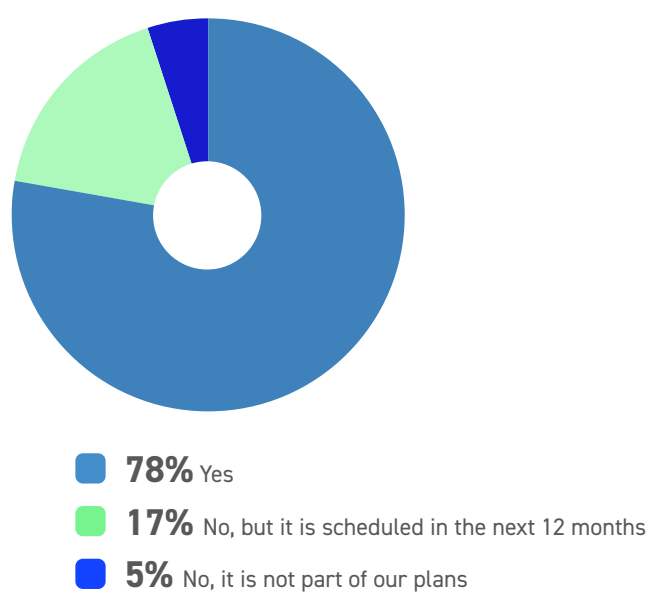


- ☒ **50%** Yes, always
- ☒ **11%** Yes, for sectors with higher ESG risk
- ☒ **28%** Yes, other
- ☒ **11%** No, but it is scheduled in the next 12 months
- ☐ **0%** No, it is not part of our plans

Source: Assifact, "Sustainability in the Factoring Sector", 3rd edition 2025 (text in Italian)

Figure 9.5
Climate and environmental risk management

ARE THESE RISKS INTEGRATED INTO THE COMPANY’S RISK MANAGEMENT MODEL (RAF, ICAAP, ILAAP)?



Source: Assifact, "Sustainability in the Factoring Sector", 3rd edition 2025 (text in Italian)

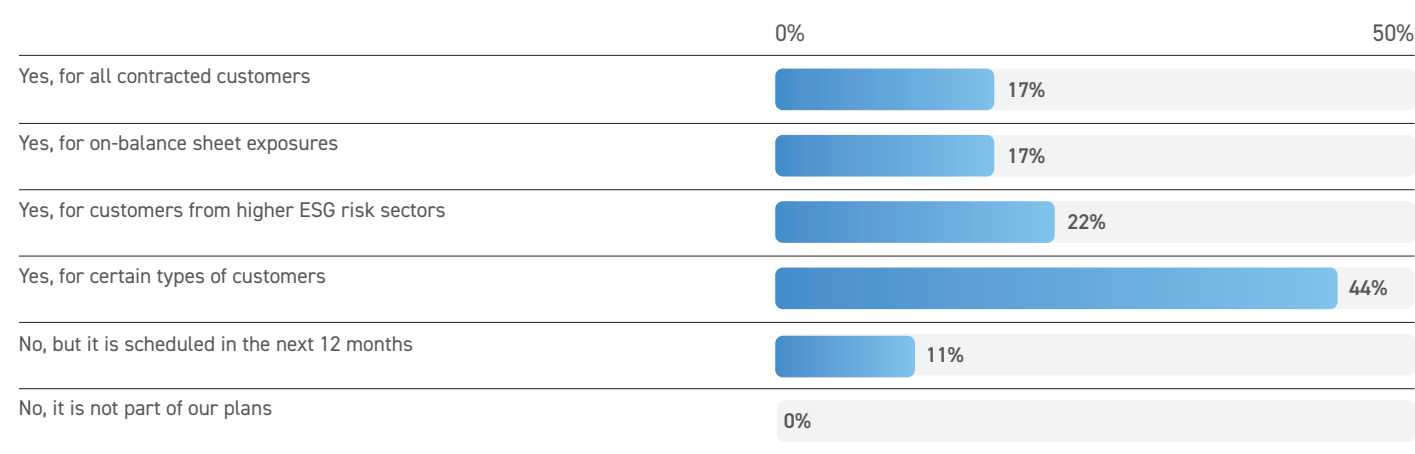
In addition to the analysis of the impact of climate risks on the loan portfolio, the companies have started to analyse and assess the ESG profiles of their customers.

89% of companies take this into account, albeit in a differentiated manner: ESG profiles may be considered as relevant according to different criteria, e.g. for contracted clients only, for on-balance sheet exposures only, for clients with higher ESG risk, for SCF operations, for new clients to whom an ESG questionnaire is administered, and more.

The offer specifically ESG-focused products remains limited, despite the increase in activities to assess and monitor environmental and climate risks

Figure 9.6
The ESG assessment of customers

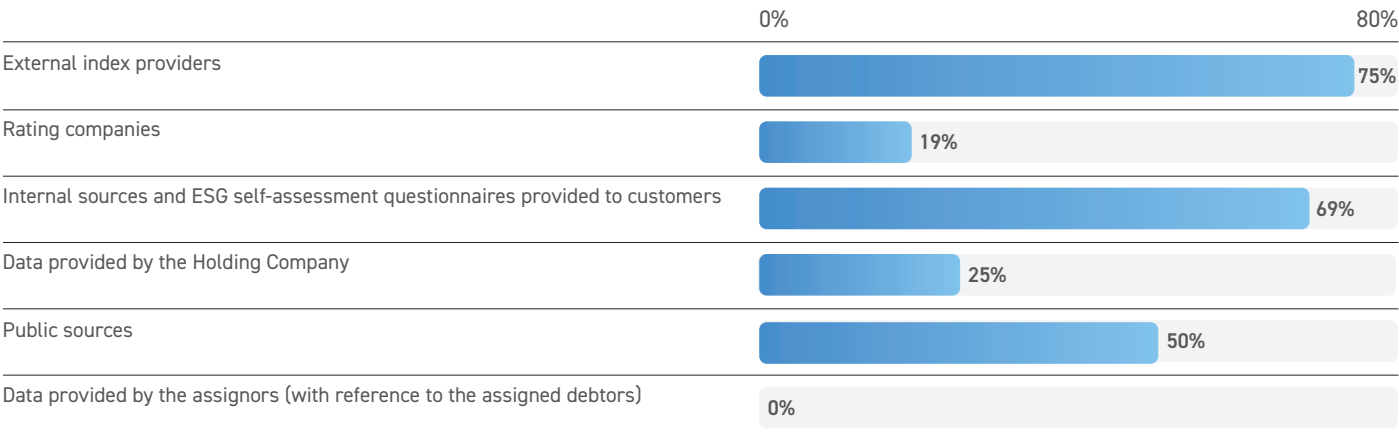
DOES YOUR COMPANY TAKE INTO ACCOUNT THE ESG PROFILES OF CLIENT COMPANIES?



Source: Assifact, "Sustainability in the Factoring Sector", 3rd edition 2025 (text in Italian)

Figure 9.7
Sources of ESG information

WHAT IS THE SOURCE OF ESG INFORMATION ON CUSTOMERS?



Source: Assifact, "Sustainability in the Factoring Sector", 3rd edition 2025 (text in Italian)

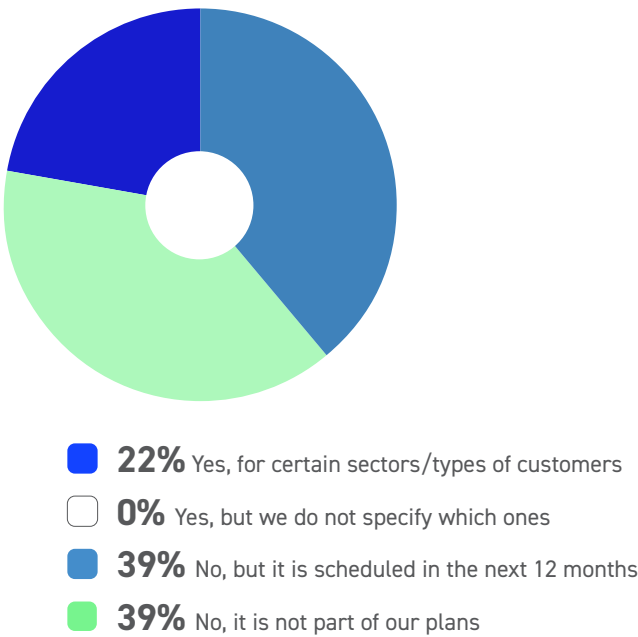
Within the industry, the integration of the product catalogue with an ESG-specific factoring product remains limited, with 22% of the responding companies.

Typically, these are SCF, reverse factoring or confirming operations to which more advantageous pricing conditions are applied for those with better ESG profiles.

Diversity & Inclusion issues are gaining importance, with improvements in company policies and greater attention to gender balance and the corporate climate

Figure 9.8
The ESG factoring product offering

HAS YOUR COMPANY ALREADY INCLUDED A SPECIFIC ESG FACTORING PRODUCT IN ITS COMMERCIAL OFFER? IF YES, FOR WHICH TYPE OF SECTOR/CUSTOMER?

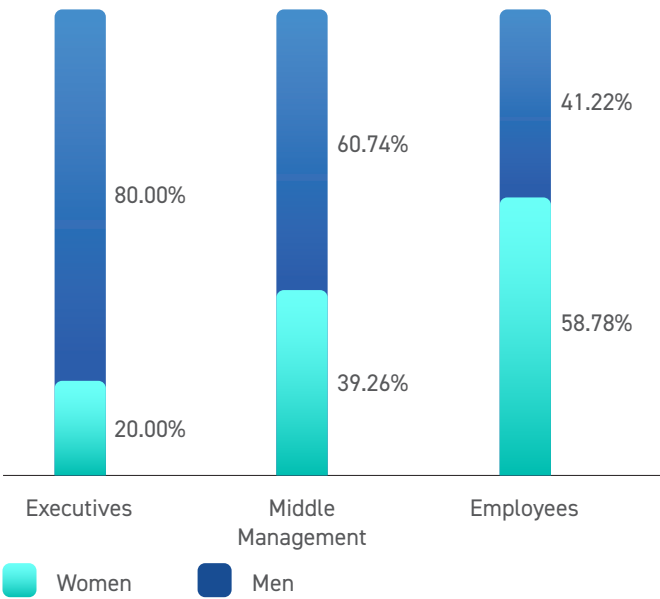


Source: Assifact, "Sustainability in the Factoring Sector", 3rd edition 2025 (text in Italian)

Among the various profiles of sustainability, Assifact has particularly developed a dedicated focus on Diversity & Inclusion, also by means of a separate survey, now in its third edition (referring to the year 2023), from which some encouraging signs of improvement emerge, particularly in terms of corporate D&I policies, testifying to the growing attention of Associates in this area.

The employees are equally distributed between women and men, but the distribution appears unbalanced about classification: the percentage of female managers is about 20% of the total.

Figure 9.9
Breakdown of the number of employees by gender and classification in the factoring sector (data in percent)



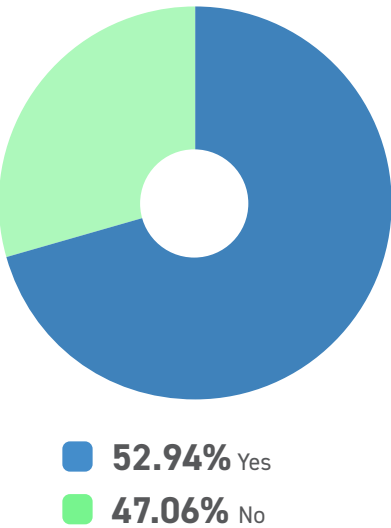
Source: Assifact, "Diversity & Inclusion in the Factoring Sector", Survey 2024 (text in Italian)

More than half of the Associates periodically carry out a D&I climate survey within their company, showing a clear improvement compared to the previous survey, when this share stood at just under a third (31%) of the companies involved in the survey.

The most widespread issues on which the survey focuses are gender, generational and disability.

Figure 9.10
The climate survey in the factoring sector

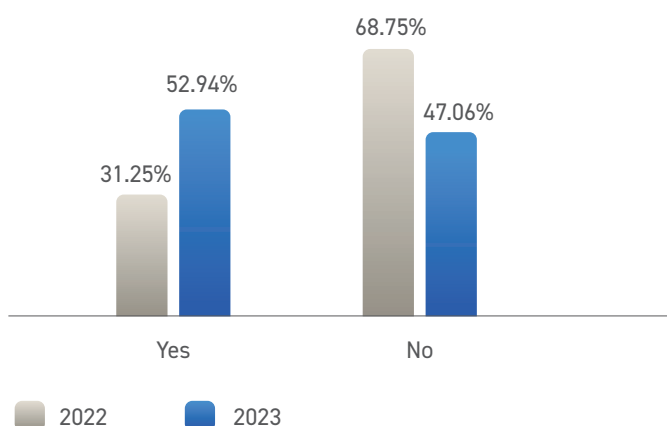
A D&I CLIMATE SURVEY IS CONDUCTED WITHIN THE COMPANY?



Source: Assifact, "Diversity & Inclusion in the Factoring Sector", Survey 2024 (text in Italian)

Figure 9.11**The climate survey in the factoring sector - time comparison**

IS A D&I CLIMATE SURVEY CONDUCTED WITHIN THE COMPANY? - TIME COMPARISON



Source: Assifact, "Diversity & Inclusion in the Factoring Sector", Survey 2024 (text in Italian)

Sustainability in factoring – Takeaways

In 2024, factoring consolidated its commitment to the ESG transition in response to rising regulatory and market expectations. Although progress in governance and environmental risk management is significant, the uptake of ESG products is still limited.

However, the strengthening of Diversity & Inclusion practices and the integration of ESG factors into the credit process are signs of a cultural transformation that may generate concrete impacts in the coming years.

10

Factoring
in 2025

The Factoring Market Report 2024 confirms that the Italian factoring sector has reached a stage of maturity and consolidation, while continuing to demonstrate resilience and adaptability even in a challenging macroeconomic context, marked by a contraction in industrial production, persistent geopolitical tensions and uncertain inflation and monetary policy dynamics.

In 2024, Italian factoring consolidated the volumes achieved after two years of rapid growth, with a turnover of around EUR 289 billion, highlighting an increasingly articulated demand, coming from large companies but also from SMEs and represented by innovative companies, companies with a vocation for internationalisation, companies supplying the Public Administration and supply-chain leaders.

The sector's solidity is also confirmed by the quality of credit, which remains high even in a context of increasing defaults in the system, and by the progressive developments in the integration of sustainability within risk policies, the product development and human resources management policies.

Looking at the outlook for 2025, the macroeconomic scenario outlined by the Bank of Italy¹ forecasts GDP growth of 0.8% for Italy, driven by investments linked to the National Recovery and Resilience Plan (PNRR), but conditioned by the uncertainty generated by trade tensions and the gradual disappearance of residential building incentives. Inflation rates are expected to remain around 1.5% in 2025-2026, rising to 2.0% in 2027.

Against this backdrop, factoring operators anticipate a recovery in volumes, with an estimated average growth rate of 2.44% for 2025, confirmed by the first quarter figures, which indicate +3.07%. This optimism is supported by the gradual normalisation of interest rates and the renewed vitality of corporate production, even if potential risks remain linked to the impact of the duties announced by the United States in April 2025 and possible retaliatory measures by international counterparts.

Italian factoring, therefore, is entering the new year on the strength of a solid structure, competitive operators and a wide and increasingly articulated range of services, digitised and attentive to sustainability profiles.

¹ Economic Bulletin No. 2 - 2025

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