BFF BANKING GROUP

2017 Full Year Results

9th February 2018

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2017 Results: Key Highlights

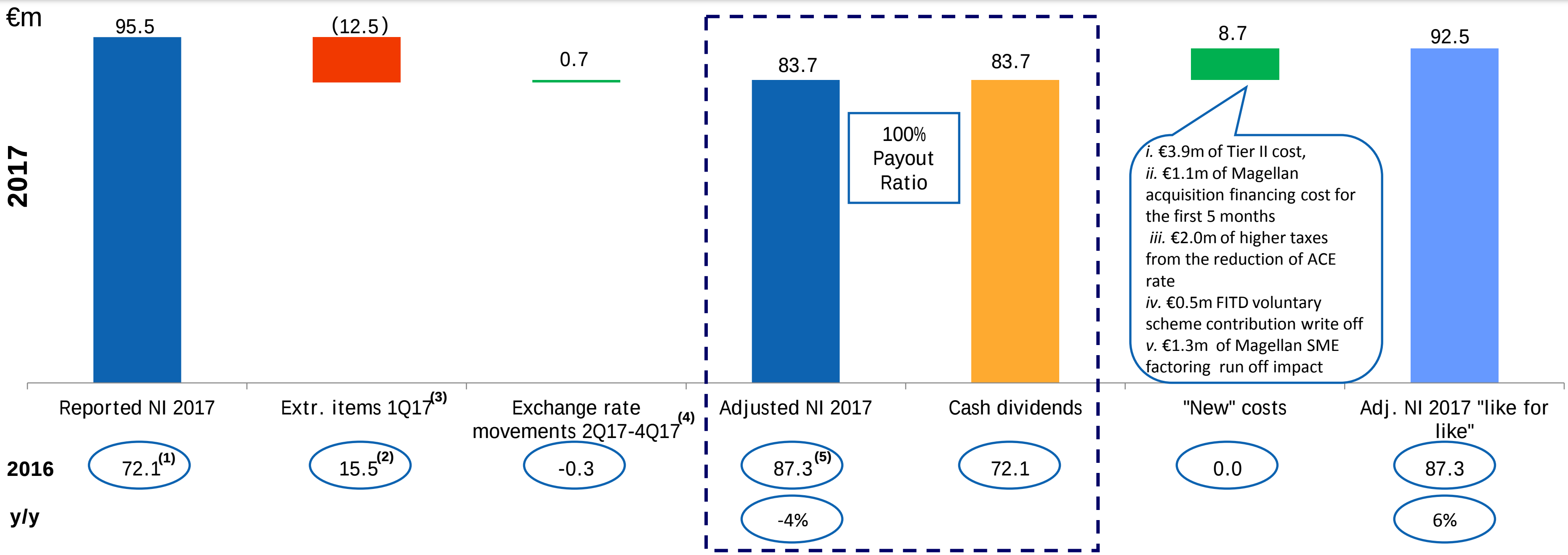
Solid financial performance and strong growth in dividends	• €96m 2017 reported earnings, €72m in 2016 (+ 32% y/y)
	• **€84m of Adjusted Net Income** (€87m in 2016), after expensing -€9m of "new" costs (post tax) not present in 2016. Excluding these costs, this number would be €92m, +6% y/y on a like for like basis
	  • +4% adjusted net interest income y/y. Stock of unrecognised LPI at €350m (+4% y/y)
	  • Efficient operations with 34% Adj. C/I ratio
	  • 33% of Adjusted ROTE
	• **€84m cash dividends**: 100% payout ratio of adjusted earnings, €0.492 per share, **8.6% dividend yield**(1)

Double digit growth in loans and volumes	• Total customer loans up 21% y/y, 32% outside Italy • **New volumes up 17% y/y, with strong growth across all geographies** (including Spain with +17% y/y) • Authorized to enter the Croatian market • Opening of the Portuguese branch expected in 2Q18
Solid capital position and low risk profile	• **TC and CET1 ratios equal to 17.5% and 12.6% post dividend distribution, well above SREP requirements** • **Low Net NPLs (0.6% of loans)** • CoR of 20bps (14bps excluding Magellan's SME factoring business, placed in run-off at the end of 2017) • Smaller bond portfolio (-39% y/y)

Source: Company data;
Notes: 2017 Exchange rate for Poland and Czech respectively PLN/€ 4,2570 and PLN/CZK 0,162 for P&L data (2017 average), PLN/€ 4,1770 and PLN/CZK 0,164 for Balance Sheet data (29th December 2017); 2016 Exchange rate for Poland and Czech respectively PLN/€ 4,3645 and PLN/CZK 0,161 for P&L data (2016 average), PLN/€ 4,4103 and PLN/CZK 0,163 for Balance Sheet data (30th December 2016); (1) Based on shares price as of 08.02.2018

Strong Growth in Reported Net Income and Cash Dividends

- **Strong growth** in reported earnings: €96m in 2017 versus €72m in 2016 (+32% y/y)
- **Adjusted Net Income at €84m,** including €7.5m "new" costs not present in 2016 and €1.3m of negative impact on P&L related to Magellan SME factoring business placed in run-off at the end of 2017
  - Excluding these costs, **2017 Adjusted Net Income would be €92m, +6% y/y on a like for like basis**
- **Cash dividend**: €84m (+16% y/y), € 0.492/share

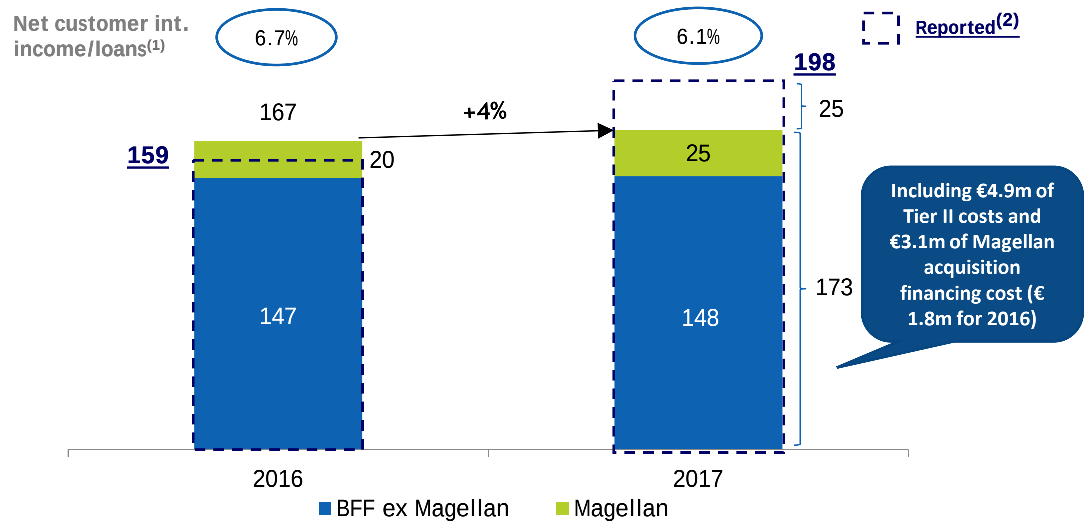


Notes: All values above are post tax. (1) 2016 reported Net Income with 7 month NI of Magellan. (2) 2016 extraordinary items net of taxes of €11.5m (€2.4m extr. costs related to IPO costs; €1.5m of extraordinary contribution to Resolution Fund; €7.6m extr. costs related to Magellan acquisition). Includes also €4.0m of 5 months Magellan NI. (3) Include: +€17.8m income related to the change in LPI accounting (from 40% to 45%), -€1.7m IPO costs (fully expensed), -€1.1m stock option and -€2.6m negative P&L effect from exchange rate movements on the acquisition debt for Magellan (4) Negative P&L effect from exchange rate movements on the acquisition debt for Magellan, offset at the comprehensive income and equity level given the natural hedging put in place at the time of the acquisition (delta between €2.6m at March 2017 and €3.3m at December 2017). (5) 2016 adjusted NI of €87.6m reported in FY2016 results included the positive impact of the exchange rate movement for €0.3m

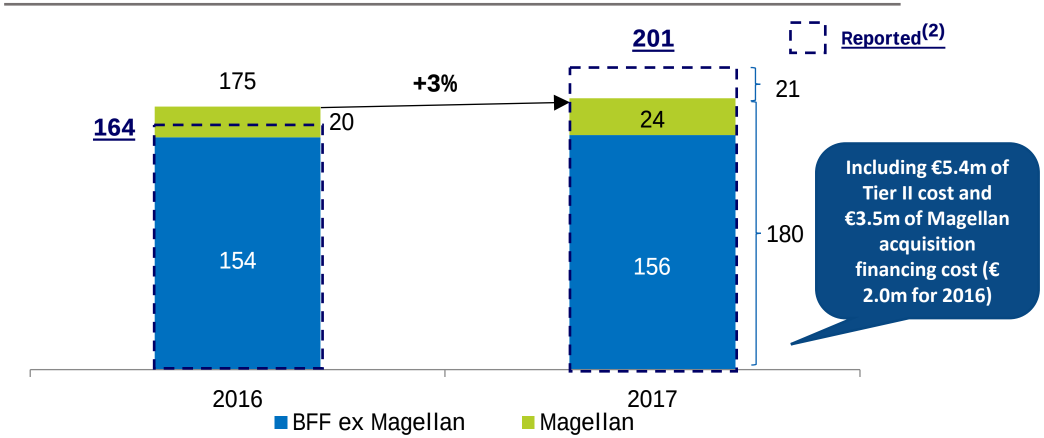
4% Growth in Adjusted Net Interest Income…

- **Adjusted net interest income increased by 4%** versus 2016 (including Magellan for 12 months) thanks to higher average stock of loans
- **2017 net margin on loan book** decreased mainly due to lower recovery rate of LPI and the costs of funding affected by Tier II issuance and full year impact of the Magellan acquisition financing cost for additional €6.2m of interest costs
- **Adjusted Net Banking income increased by 3 % y/y**

Adjusted Net Interest Income (€m)



Adjusted Net Banking Income (€m)



Adjusted Net interest income (1) does not include €25.2m one-off impact of change in LPI accounting from 40% to 45% on 1/1/2017; (2) includes €4.9m of Tier II costs for 2017, which in 2016 were not present and €3.1m of Magellan acquisition financing cost for 2017 (€1.8m for 2016).
Adjusted Net Banking income (1) does not include €25.2m one-off impact of change in LPI accounting from 40% to 45% on 1/1/2017 and €4.7m of negative change in exchange rates impact for 2017 (-€0.4 m in 2016), €0.3m positive commissions related to Magellan acquisition and €3.8m negative commissions related to waiver for 2016 (2) includes €5.4m of interest expenses and commissions related to Tier II for 2017, which in 2016 were not present and €3.5m of Magellan acquisition financing cost for 2017 (€2.0m for 2016).

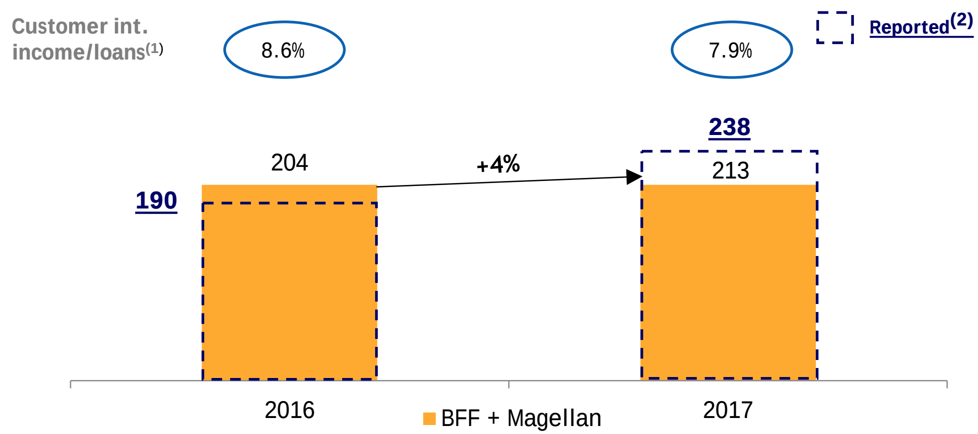
Note: (1) calculated as Adjusted Net interest income on customer loans (excluding income on securities and on credit due from banks and REPO activity impact) / average loans in the period. (2) 2016 reported Net Interest Income and Net Banking Income with 7M Magellan; 2017 Reported Net Interest Income and Net Banking Income with 12 months Magellan

...Driven by growth in Interest Income...

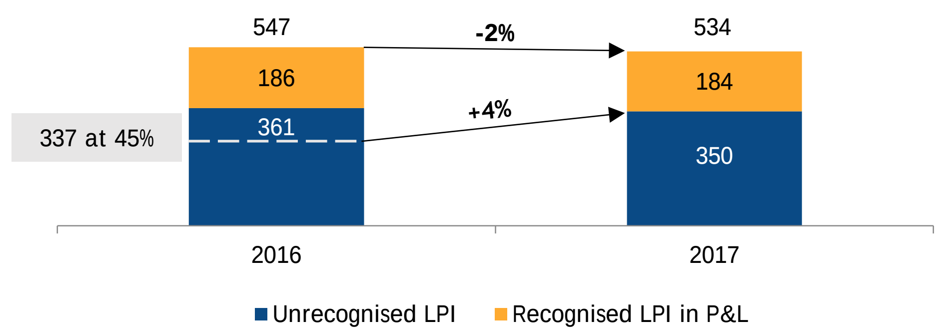
- **Interest income up by +4%** driven by higher stock of loans (+21% y/y)
- **Interest income increased** despite decrease in DSO in Italy from 197 day in 2016 to 173 and lower LPI recovery rate
- Lower **gross yield on loan book** in 2017 mainly as a result of the **growth in customer loans** and the deferral effect related to the over recovery on LPI
- 2017 LPIs cashed-in of €114m, versus €92m in 2016 with lower collection in 4Q17 vs. 4Q16
- **2017 unrecognized LPI +4%** vs 2016, at 45% recovery rate

2017 Adjusted Interest income does not include € 25.2m one-off impact of change in LPI accounting from 40% to 45%

Adjusted Interest Income (€m)



LPI Stock evolution (Excl. Magellan) (€m)



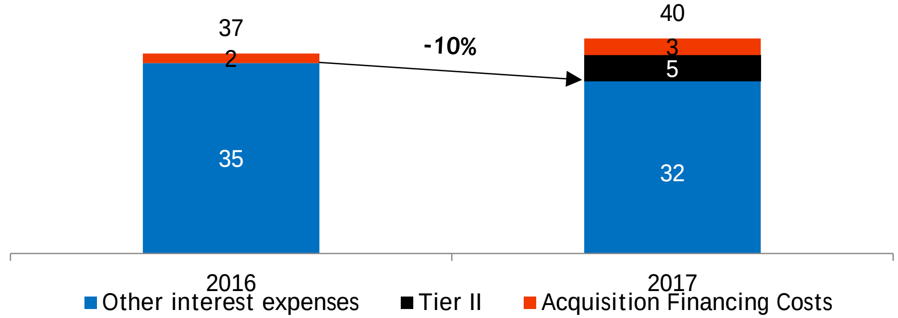
Note: (1) Adjusted Interest income on customer loans (excluding income on securities and on credit due from banks) / average loans in the period. (2) 2016 reported Interest Income with 7M Magellan; 2017 reported Interest Income with 12 months Magellan

...And declining Cost of Funding despite Tier II issuance

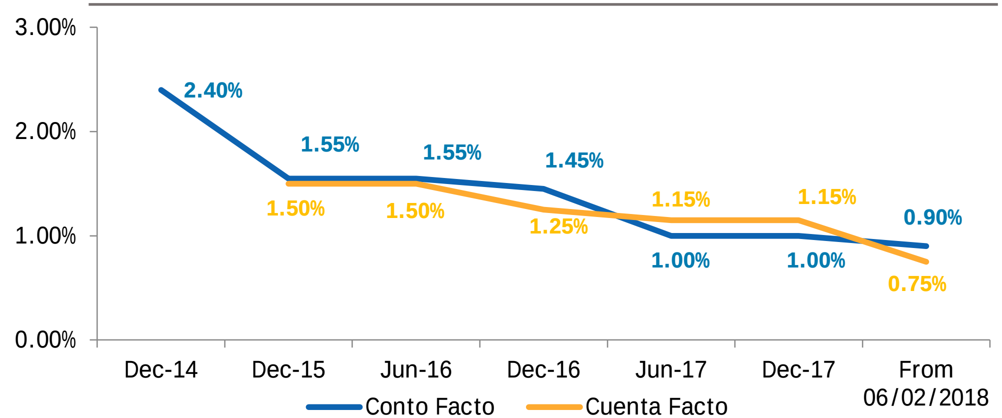
- **Reduction in cost of funding continued:**
  - 1.96% 2017 cost of funding versus 2.09% in 2016
  - Increasing interest expenses from €37.1m to €39.9m in 2017, mainly due to *i.* the impact of Tier II (€4.9m in 2017, not present in 2016), *ii.* the cost of the acquisition financing for Magellan (€3.1m in 2017 vs €1.8m in 2016), *iii.* the increase of funding (in particular the Zloty funding for Magellan which are financed at an higher base rate)
- **Good visibility on further cost of funding reduction**:
  - €200m Euribor 3M + 1.45% coupon 2.5Y bond issued on 5th December 2017
  - Rates offered on 12-month online deposits decreased in February 2018 to 0.90% and 0.75% respectively in Italy and Spain with the benefit to unfold once the deposits are reinvested at lower rates

Adj. Interest expenses (BFF + Magellan €m)

	2016		2017
Average funding lines used (excl. REPO, €m)	2,033	+18%	2,397
Cost of funding (excl. REPO, %)	2.09%	-13bps	1.96%



12-months Online Deposits Interest Offered to New Moneys



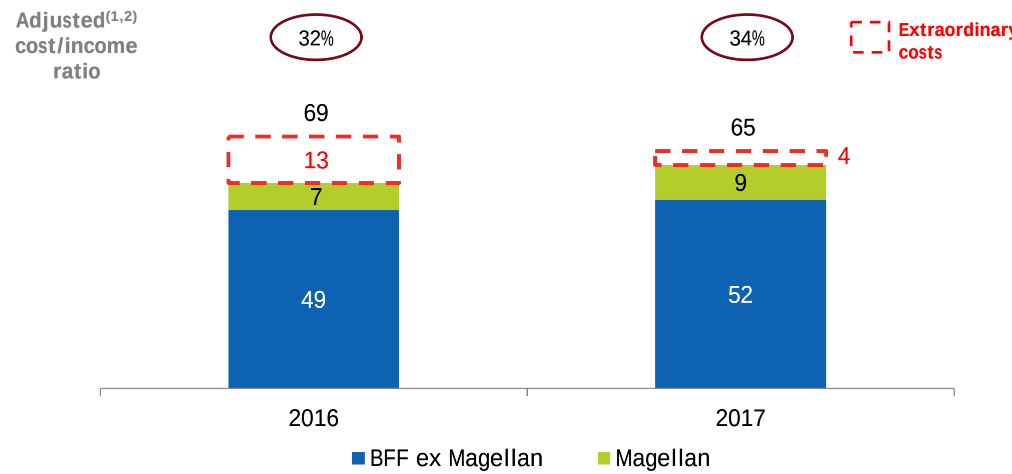
Good Operating Efficiency

- **Highly efficient structure with adjusted Cost/Income ratio of 34%**
- **Employee base** in line versus YE2016
- Resolution Fund and FITD entirely expensed

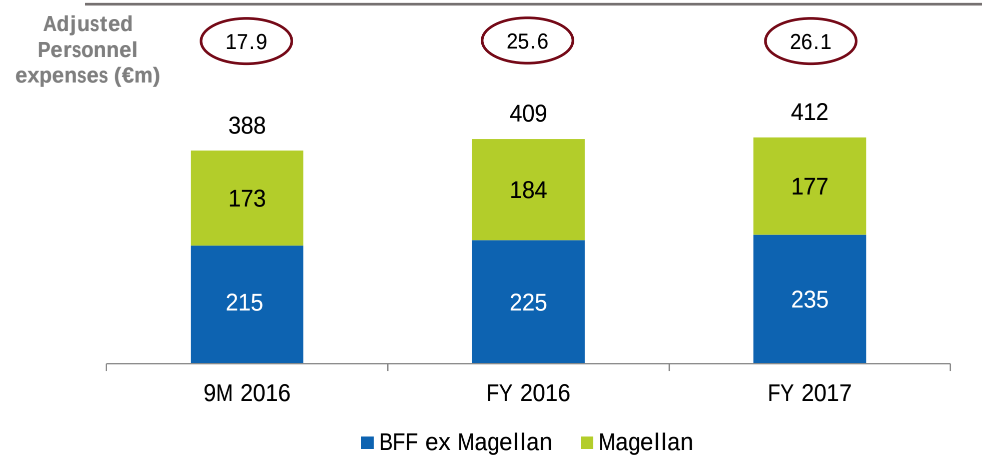
2017 gross extraordinary costs €3.9m: €1.5m related to stock option plan (pro-rata) related to IPO; €2.4m non-recurring costs related to the IPO process

2016 gross extraordinary costs €12.6m: €3.5m extr. costs related to IPO; €2.2m of extraordinary contribution to Resolution Fund; €7.0m extr. costs related to Magellan acquisition

Operating Costs[1] (€m)



Number of Employees[3]

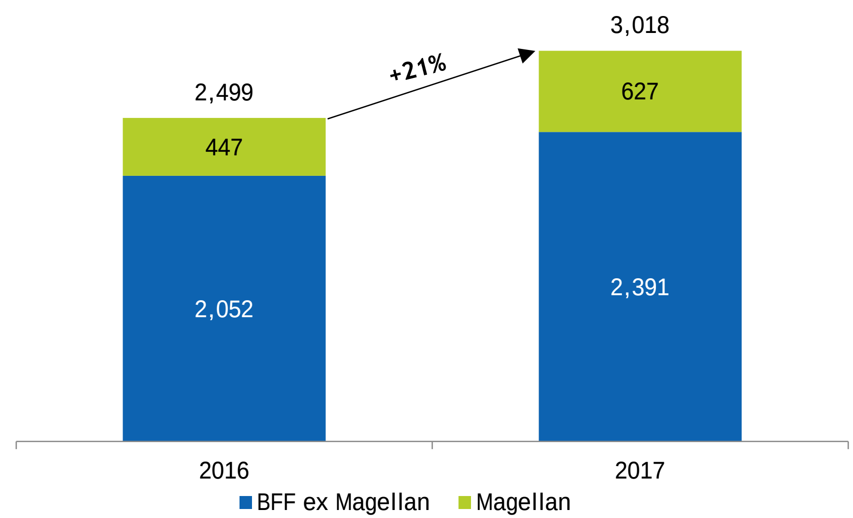


Note: (1) Adjusted to exclude extraordinary costs; (2) C/I computed as operating expenses excluding extr. Costs (administrative expenses + staff expenses + amortization on tangible and intangible assets) divided by Adjusted net banking income; (3) BFF includes employees in Italy and Iberia; Magellan includes employees of Magellan SA, MedFinance, Magellan CEE and Magellan Ceska Republic

Growing Customer Loans

- **Strong growth in customer loans (+21% y/y)** throughout the Group, with Magellan up by 40%
  - Double digit growth in Italy and Poland
  - Assets in Portugal more than double y/y
- €6m customer loans related to Magellan's SME factoring business placed in in run-off at the end of 2017

Customer Loans Evolution (€m)



Customer Loans Breakdown by Geography (€m)

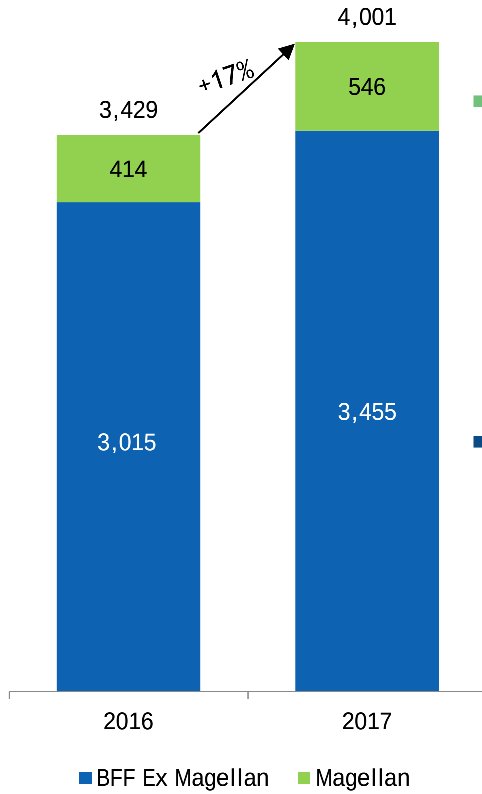
BANCA FARMAFACTORING	2016	2017
Italy	1.863	2.056
Spain	154	213
Portugal	35	114
Greece	-	9
Total	**2.052**	**2.391**

magellan	2016	2017
Poland	359	494
Slovakia	84	131
Czech Rep.	4	2
Total	**447**	**627**

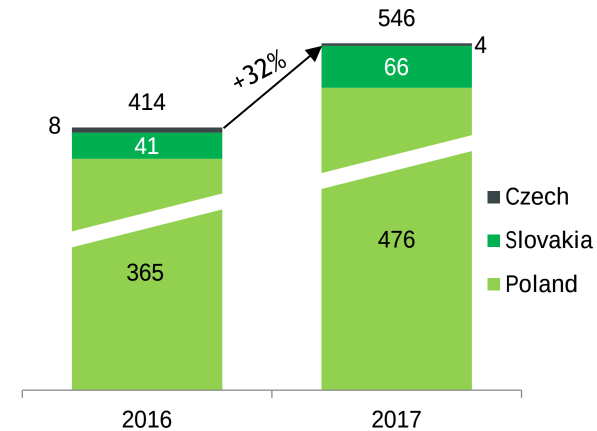
Solid New Business Production across Countries

- **Sustained y/y growth (+17%) in total new business volumes**
  - Strong growth across geographies:
    - Italy +10% y/y
    - Spain +17% y/y
    - Portugal +193% y/y
    - Poland +31% y/y
    - Slovakia +61 y/y
- Given strong performance in Portugal, Portuguese branch to open in 2Q2018
- Authorized to enter the Croatian market in freedom of service

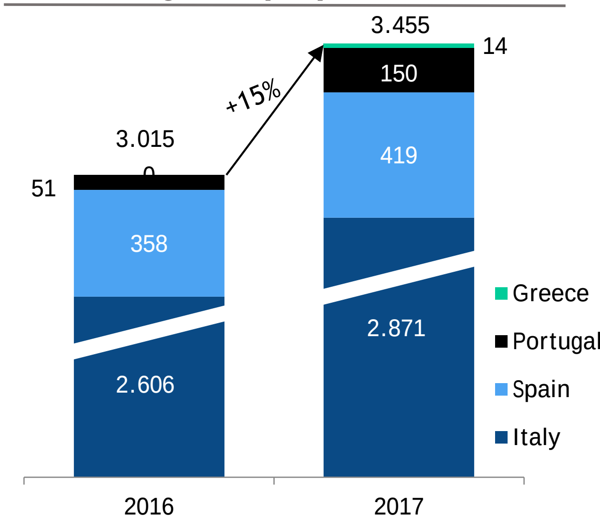
Total New Business Volumes (€m)



Magellan (€m)



BFF ex Magellan (€m)



Note: For 2016, Magelllan Spanish business (€12m) is included in Farmafactoring España

Croatian market opportunity

- Authorized to operate in Croatia in Freedom of services regime – as in Greece and currently in Portugal
- Croatia is the 8th country covered by the Group in Europe, with a **market size in term of public expenditure in goods and services of €4bn**:
  - o Large Government indebtedness with a Debt/GDP of 83%
  - o Long payment time, 269[2] days
- **Low investment upfront leveraging the existing IT system**
- **Larger-scale cross border services** increasing the **value proposition of BFF Banking Group**
- Launch date expected for 2Q18 with initial focus on healthcare

Comparison between macroeconomic indicators

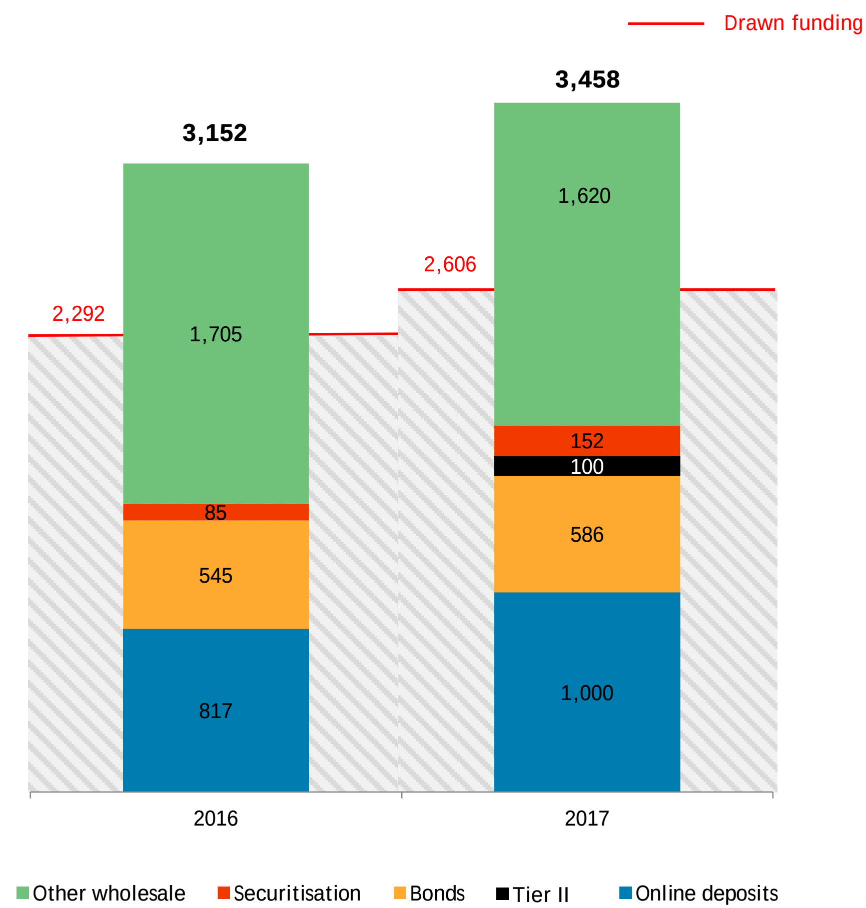
	GDP (€bn)	Nominal GDP Growth (%)	Debt / GDP (%)	Total Current Public Expenditure in Goods and Service		BFF 2017 loans (€m)
				(€bn)	as % of GDP	
Italy	1,681	1.7%	132%	136	8.1%	2.056
Spain	1,119	3.6%	99%	56	5.0%	213
Poland	426	-0.9%	54%	25[1]	5.8%[1]	494
Portugal	185	3.0%	130%	10	5.6%	114
Czech Republic	177	4.8%	37%	10[1]	6.2%[1]	2
Greece	174	-1.2%	181%	8	4.8%	9
Slovak Republic	81	2.9%	52%	5[1]	5.9%[1]	131
Croatia	46	4.0%	83%	4[1]	7.9%[1]	n.a.

Source: Eurostat for GDP and public debt data as of 2016. Source for Total Public Expenditure in Goods and Service : PwC, IMF, DEF 2017, Ministero de Sanidad, Servicios Sociales e Igualdad, Ministerio de Hacienda y Administraciones Públicas, and Actualizacion del Programa de Estabilidad 2016-2019 (2016) – Reino de Espana, Instituto Nacional de Estatistica – Portugal (2016), Hellenic Statistical Authority (2016), Eurostat 2015. (1) Due to data availability the figures refer to 2015. (2) Deloitte analysis on available financial statements of hospitals

Diversified Funding Base with ample liquidity

- **A diversified and flexible funding base to support business growth:**
  - Deposits accounting for 38% of drawn funds, €1,000m as of December 2017, +22% versus FY2016
- **Ample excess liquidity with group undrawn funding at € 0.9bn**[1]
- **Access to institutional capital markets:**
  - First unrated institutional issuance by an unlisted Italian bank: €100m Tier 2 5.875% coupon bond issued on 2nd March 2017.
  - €200m 5Y senior unsecured 2.0% coupon bond issued on 29th June 2017
  - First ever unrated floater Euro bond issued by a bank on the European market: €200m 2.5Y senior unsecured Euribor 3M + 1.45% coupon bond issued on 5th December 2017.

Available Funding[2;3] (€m)

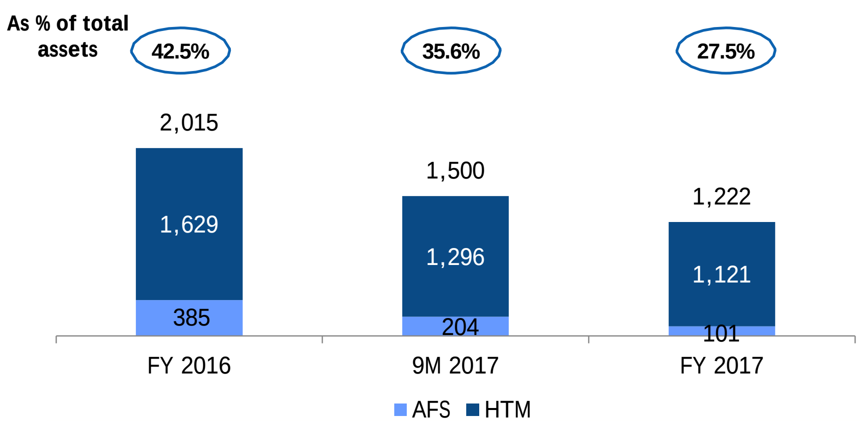


Notes: (1) Based on utilized credit lines; (2) Excluding ECB funds and REPOs; (3) Not considering financing for Magellan acquisition 355 m PLN.

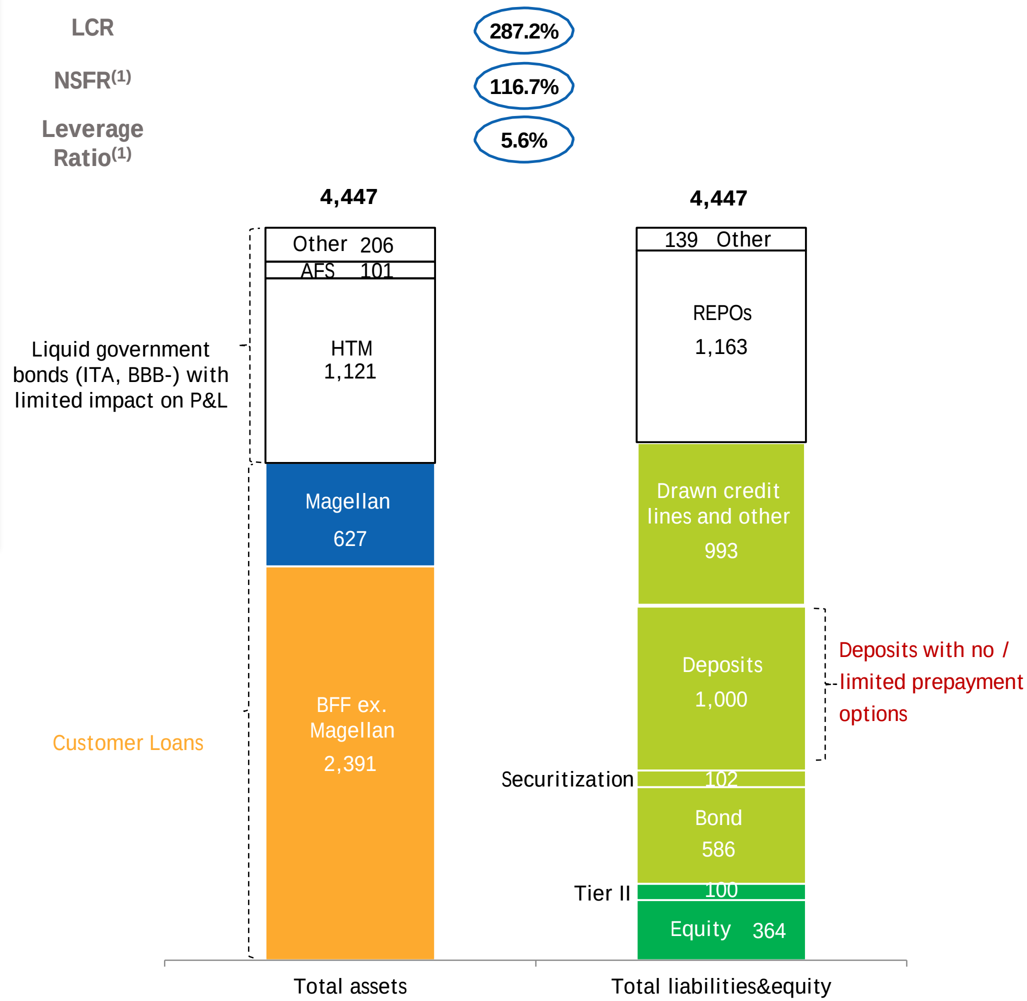
Fortress Balance Sheet

- **Conservative asset / liability management approach**: funding duration higher than that of receivables
- Customer loans funded through a well **diversified funding base** with shorter maturity of the asset side vs. liabilities, allowing for fast repricing
- **Positively geared to higher interest rate**
- **Strong liquidity position** with a LCR of 287% as of December 2017
- No open foreign exchange position
- **Decreasing Government bond portfolio,** now 27.5% of total assets (-39% y/y)

Bond Portfolio (€m)



Breakdown of Balance Sheet YE2017 (€m)

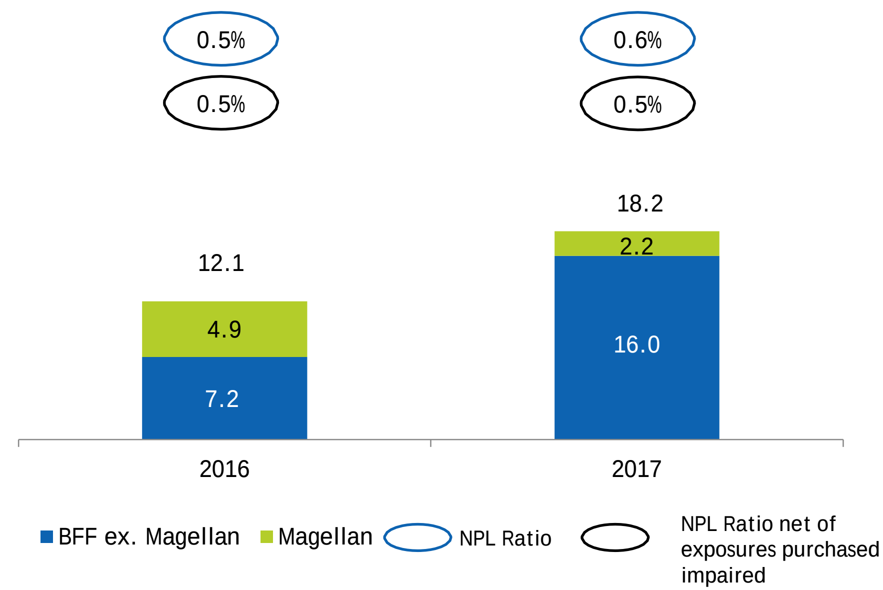


Source: Company data (1) 2017 CRR NSFR and Leverage Ratio: 114.5% and 5.0%

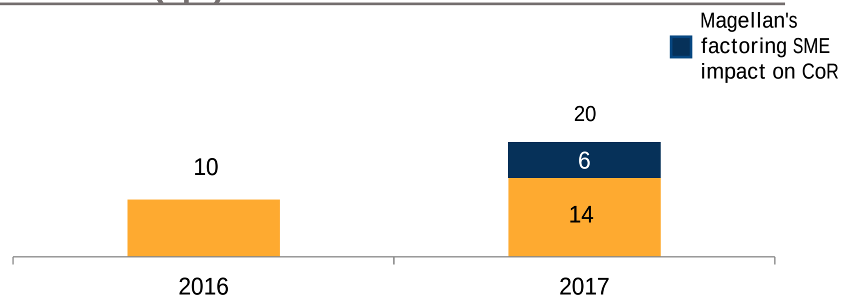
Negligible Credit Risk

- **Net NPLs/Net loans ratio at 0.6%, in line with YE2016** level
- Total net impaired assets lower than September 2017
- Net past due are for 83% towards the Italian public administration and public sector
- **Negligible cost of risk** of 20bps in 2017, of which:
  - 6bps related to the SME factoring business (in run-off)
  - 10bps related to Magellan (excl. SME factoring business)
  - 4bps related to “comuni in dissesto”
- **Limited impact expected from** the adoption of the **IFRS 9** accounting principle

Net Non Performing Loans Evolution (€m)



Cost of risk (bps)

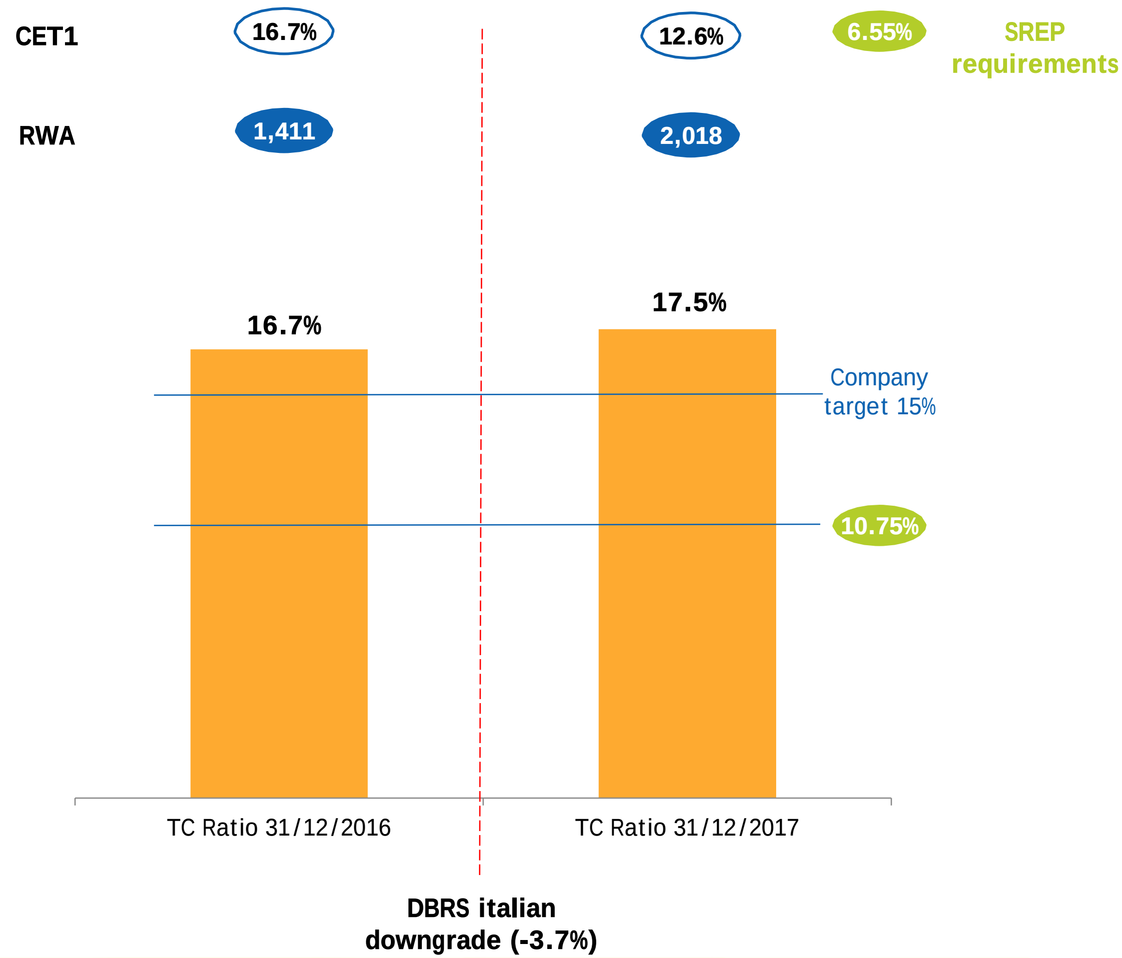


Asset quality - €/000	FY2016	9M 2017	FY2017
Net Non performing - total	12.065	14.816	18.175
Net impaired exposures purchased performing	*11.573*	*12.564*	*15.351*
Net impaired exposures purchased impaired	*492*	*2.252*	*2.824*
Net unlikely to pay	3.614	9.082	6.760
Net past due	46.167	72.706	69.794
Total net impaired assets	**61.847**	**96.604**	**94.730**

Robust excess capital allows for high dividend payout

- **Total Capital ratio equal to 17.5%**
  - €84m dividend not included in capital ratios (equal to 397 bps of additional CET1 and 391 bps of additional total capital)
  - 250bps Total Capital in excess of 15% target available to sustain RWA growth
- **CET1 ratio of 12.6%, c.** 2x the CET1 SREP requirement of 6.55%: 16% adjusted for the DBRS downgrade, in line with 2016 despite the strong growth in loans
- **Conservative RWA calculation** based on standard model and with Italian exposure to NHS and other PA risk weighted at 100%(2). One Italian rating upgrade would move the risk weighting to 50% with a 4.8% positive impact on Total Capital Ratio a 3.4% impact on CET1 Ratio
- **Lower RWA density thanks to a better loan mix**, 67% as of December 2017 vs. 70% as of September 2017

Total Capital Ratio - Banking Group ex TUB Capital Ratio(1)



(1) 2017 CRR Total Capital Ratio and CET1 Ratio: 15,0% and 10,4%. These ratios are subject to approval by BFF Luxembourg S.àr.l. 2) Following the DBRS downgrade, starting from March 2017, capital ratios are calculated based on a higher risk weighting factor (from 50% to 100%) for the Italian exposure to NHS and other PA different from local and central government

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- **€84m cash dividends**: 100% payout ratio of adjusted earnings, €0.492 per share, **8.6% dividend yield**(1)

Double digit growth in loans and volumes

- Total customer loans up 21% y/y, 32% outside Italy
- **New volumes up 17% y/y, with strong growth across all geographies** (including Spain with +17% y/y)
- Authorized to enter the Croatian market
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Solid capital position and low risk profile

- **TC and CET1 ratios equal to 17.5% and 12.6% post dividend distribution, well above SREP requirements**
- **Low Net NPLs (0.6% of loans)**
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- Smaller bond portfolio (-39% y/y)

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Consistent delivery on plan
Roadshow presentation - BFF 2020 "Strategic Targets"

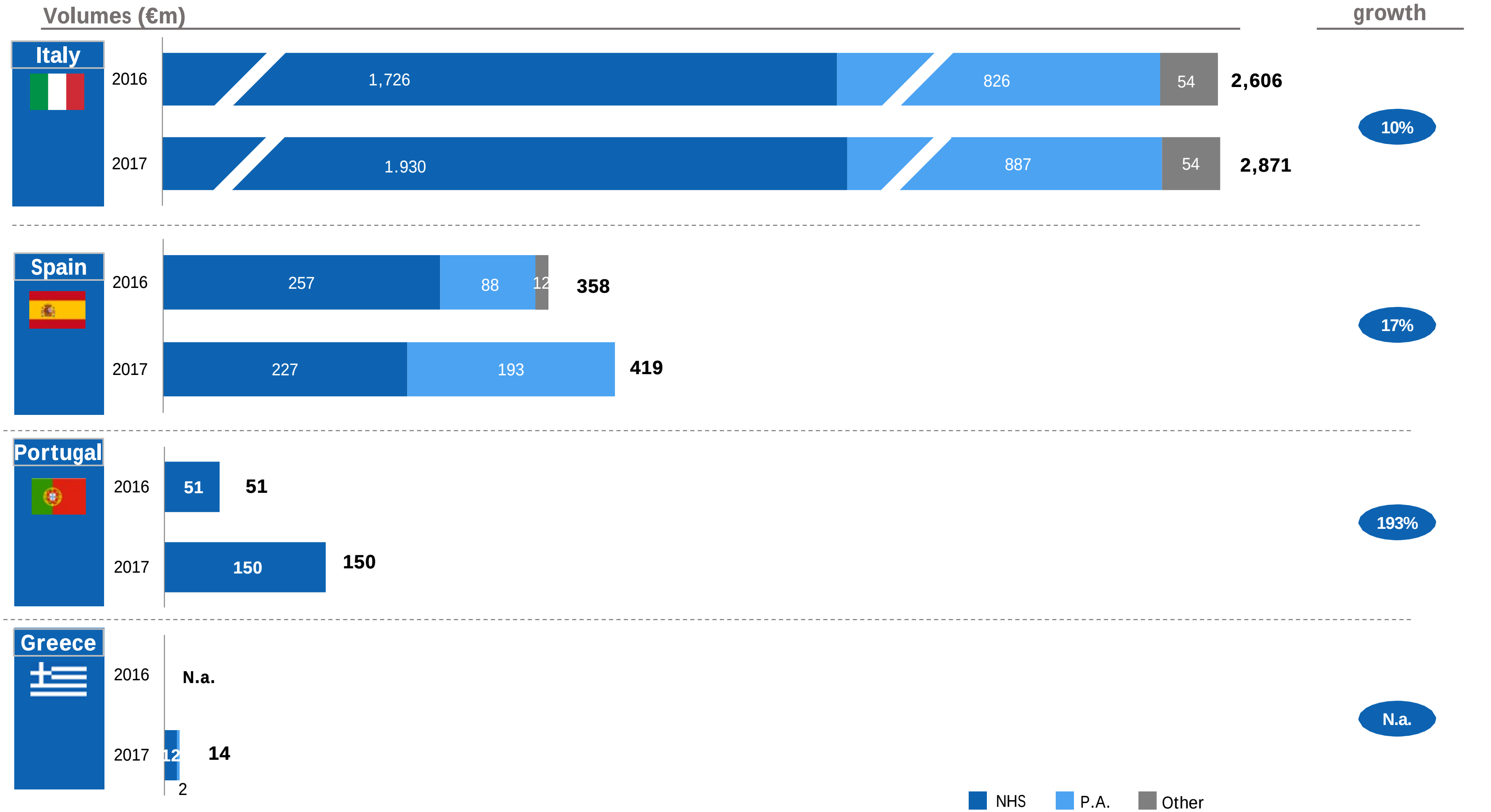
BFF BANKING GROUP

The leading provider of credit management and receivables factoring for the NHS and Public Administrations Suppliers in the EU

	Achievements
Further consolidate leadership in Italy ▪ Continue to develop tailor-made offering to serve specific customer needs ▪ High quality services for large clients covering the full healthcare value chain ▪ Increase penetration into adjacent segments of non-healthcare suppliers to the NHS and PA ▪ Invest in IT platform	✓ Italian volumes 2017 +10 y/y (+12% NHS and +7% other PA) ✓ Stock of loans + 10%
Further expand business outside Italy both in the NHS and PA, increasing geographical diversification	✓ 32% of the costumer loans outside Italy ✓ Portuguese branch ✓ Operation in Greece and Croatia
Maintain a high quality portfolio thanks to a continuous focus on large clients and stringent underwriting standards ▪ Maintain disciplined underwriting approach ▪ Continue serving blue-chip customer base	✓ Low NPL ratio (0.6%) ✓ Magellan SME factoring placed in run-off ✓ Cross border deals with large suppliers
Maintain a solid balance sheet with best-in-class capital position and attractive leverage profile	✓ TC ratio of 17.5% ✓ LCR of 287.2% ✓ Leverage ratio 5.6%

Appendix

Non-recourse Volumes



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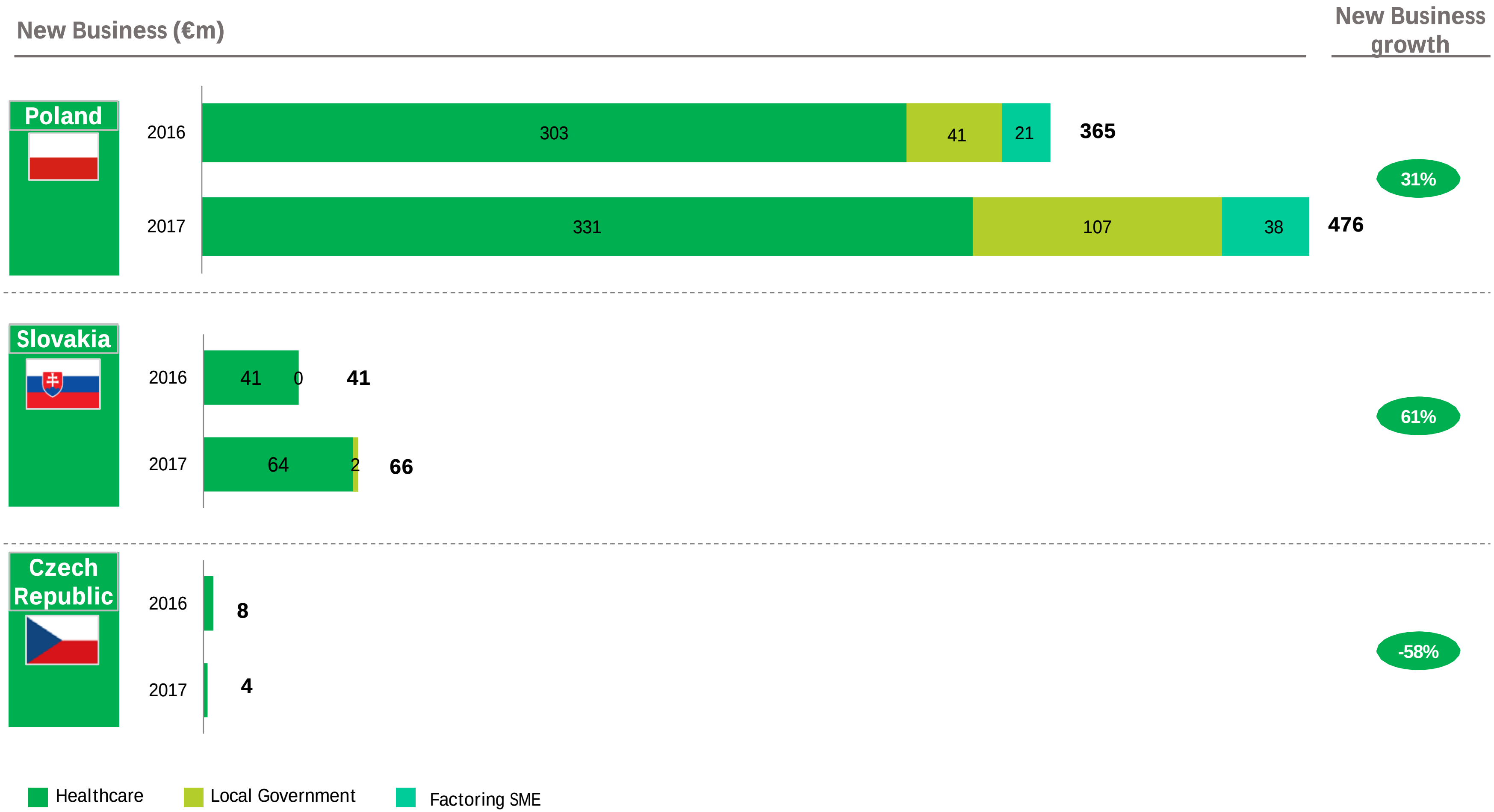
New Business



Note: For 2016, Magellan Spanish business (€12m) is included in Farmafactoring España

Adjusted Net Income Reconciliation

€m	FY16	FY17
Group BFF Reported Net income	**72,1**	**95,5**
Change in LPI accounting from 40% to 45%		(17,8)
One-off IPO costs	2,4	1,7
Magellan acquisition costs	7,6	-
Extraordinary contribution to Resolution fund	1,5	-
Exchange rates movement (offset at the comprehensive income and equity level)	(0,3)	3,3
Stock options	-	1,1
Magellan 5M net income pre-acquisition	4,0	-
Adjusted Net Income	**87,3**	**83,7**
Tier II costs	-	3,9
5 months Magellan acquisition financing costs	-	1,1
Higher tax from reduction of ACE rate	-	2,0
FITD voluntary scheme contribution *write-off*	-	0,5
Magellan SME factoring contribution	-	1,3
Adjusted Net Income "like for like"	**87,3**	**92,5**

Summary Profit & Loss

€m	FY16 Reported BFF	FY16 Reported Magellan 5M	FY16 Combined	FY16 Adjustments	FY16 Adjusted	FY17 Reported	FY17 Adjustments	FY17 Adjusted
Interest Income	190,2	13,8	204,0	0,0	204,0	237,9	-25,2	212,8
Interest Expenses	-31,0	-6,1	-37,1	0,0	-37,1	-39,9	0,0	-39,9
Net Interest Income	**159,2**	**7,7**	**166,9**	**0,0**	**166,9**	**198,0**	**-25,2**	**172,8**
Net Fee and Commission Income	3,4	0,0	3,4	3,5	6,8	6,5	0,0	6,5
Dividends	0,1	0,1	0,1	0,0	0,1	0,1	0,0	0,1
Gains/Losses on Trading	0,7	0,0	0,7	-0,4	0,3	-5,5	4,7	-0,8
Gains/Losses on Hedging	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Gains/losses on Purchase/Disposal of Available-for-Sale Financial Assets	0,7	0,0	0,7	0,0	0,7	1,8	0,0	1,8
Net Banking Income	**164,0**	**7,7**	**171,7**	**3,1**	**174,8**	**200,8**	**-20,5**	**180,3**
Impairment Losses/Reversal on Financial Assets	-2,2	-0,4	-2,6	0,0	-2,6	-6,0	0,0	-6,0
Administrative Expenses	-63,6	-2,6	-66,2	12,6	-53,6	-62,0	3,9	-58,1
Net Adjustments to/ Writebacks on Property, Plan and Equipment and Intangible Assets	-2,6	-0,1	-2,7	0,0	-2,7	-3,1	0,0	-3,1
Provisions for risks and charges	-2,1	0,0	-2,1	0,0	-2,1	-0,8	0,0	-0,8
Other Operating Income (Expenses)	5,7	0,3	6,0	0,0	6,0	3,8	0,0	3,8
Profit Before Income Taxes from Continuing Operations	**99,1**	**4,9**	**104,1**	**15,7**	**119,8**	**132,0**	**-16,6**	**115,3**
Income Taxes	-27,0	-1,0	-28,0	-4,5	-32,5	-36,4	4,8	-31,6
Net Income	**72,1**	**4,0**	**76,1**	**11,2**	**87,3**	**95,5**	**-11,8**	**83,7**

Source: Company data

Summary Balance Sheet

€/m Assets	1Q16 Combined	1H16 Reported	9M16 Reported	FY16 Reported	1Q17 Reported	1H17 Reported	9M17 Reported	FY17 Reported
Cash and ash Balances	0,1	0,9	0,0	0,1	0,0	3,7	20,6	80,9
Financial Assets Held for Trading	0,0	0,0	0,3	0,2	0,0	0,0	0,0	0,0
Financial Assets at Fair Value	3,4	3,4	3,5	3,4	3,5	1,2	1,0	0,5
Available-for-Sale Financial Assets	458,4	331,8	366,0	385,3	515,1	464,1	204,2	101,4
Financial Assets Held to Maturity	981,4	1.347,1	1.572,8	1.629,3	1.716,5	1.275,8	1.295,9	1.120,6
Due from Banks	35,4	80,6	113,3	144,9	81,9	228,0	32,8	44,8
Receivables and Loans	2.270,2	2.319,3	2.211,0	2.499,1	2.531,2	2.556,7	2.595,8	3.018,5
Hedging derivatives	0,0	0,0	0,1	0,5	0,4	0,4	0,3	0,3
Equity Investments	0,1	0,2	0,3	0,3	1,3	0,2	0,4	0,3
Property, Plant and Equipment	13,0	13,0	12,8	13,0	12,8	12,9	12,6	12,8
Intangible Assets	2,7	24,4	24,5	25,8	25,5	25,2	24,9	26,0
Tax Assets	29,6	13,8	14,3	25,9	26,8	16,2	16,7	30,9
Other Assets	7,3	9,2	10,4	7,1	8,8	9,7	11,1	9,8
Total Assets	**3.801,5**	**4.143,8**	**4.329,3**	**4.735,0**	**4.923,8**	**4.594,0**	**4.216,3**	**4.446,9**
Liabilities and Equity								
Due to Banks	461,8	449,8	385,9	634,8	484,8	665,4	541,1	658,0
Due to Customers	2.123,4	2.469,1	2.817,7	2.996,1	3.219,2	2.853,1	2.587,6	2.496,0
Securities Issued	588,2	739,1	646,2	634,3	728,3	591,8	574,2	790,1
Financial Liabilities Held for Trading	0,2	0,2	0,4	0,0	1,1	1,2	0,7	0,5
Hedging Derivatives	0,0	0,0	0,0	0,2	1,1	0,0	0,0	0,0
Tax Liabilities	79,3	64,9	63,5	73,7	85,5	69,4	75,0	82,5
Other Liabilities	183,1	125,0	104,1	54,3	97,9	89,5	96,7	49,7
Employess Severance Indemnities	0,9	1,0	0,9	0,9	0,9	0,9	0,9	0,8
Provision for Risks and Charges	5,3	5,6	5,9	7,0	6,4	6,3	5,6	5,4
Equity	341,6	260,8	263,8	261,6	264,5	265,7	266,3	268,3
Profits for the Year	17,7	28,3	41,0	72,1	34,2	50,7	68,3	95,5
Total Liabilities and Equity	**3.801,5**	**4.143,8**	**4.329,3**	**4.735,0**	**4.923,8**	**4.594,0**	**4.216,3**	**4.446,9**

Source: Company data

Breakdown by quarter - BFF Group

Adjusted Values	2016 (including Magellan for full period)					2017				
Data in €/m	**1Q**	**2Q**	**3Q**	**4Q**	**FY**	**1Q**	**2Q**	**3Q**	**4Q**	**FY**
Interest income	45,6	46,0	44,3	68,1	**204,0**	54,8	46,8	44,4	66,8	**212,8**
Interest expenses	(9,4)	(8,9)	(9,6)	(9,3)	**(37,1)**	(9,8)	(10,3)	(9,7)	(10,1)	**(39,9)**
Net interest income	36,3	37,2	34,7	58,8	**166,9**	45,0	36,4	34,8	56,7	**172,8**
Net banking income	38,2	38,7	37,3	60,6	**174,8**	45,9	38,4	36,8	59,1	**180,3**
Operating costs and D&A	(12,7)	(13,8)	(13,9)	(16,0)	**(56,4)**	(15,6)	(15,5)	(13,6)	(16,6)	**(61,2)**
LLPs	(0,2)	0,6	(0,5)	(2,5)	**(2,6)**	(0,7)	(1,2)	(0,4)	(3,7)	**(6,0)**
Profit Before Taxes	25,5	26,1	23,7	44,5	**119,8**	30,3	22,6	22,8	39,7	**115,3**
Income Taxes	(7,2)	(8,0)	(5,2)	(12,1)	**(32,5)**	(8,5)	(6,2)	(6,2)	(10,6)	**(31,6)**
Net income	18,3	18,1	18,5	32,5	**87,3**	21,8	16,3	16,5	29,1	**83,7**

Reported Values	2016					2017				
Data in €/m	**1Q**	**2Q**	**3Q**	**4Q**	**FY**	**1Q**	**2Q**	**3Q**	**4Q**	**FY**
Interest income	37,5	40,5	44,1	68,1	**190,2**	79,9	46,8	44,4	66,8	**237,9**
Interest expenses	(5,7)	(6,5)	(10,0)	(8,9)	**(31,0)**	(9,8)	(10,3)	(9,7)	(10,1)	**(39,9)**
Net interest income	31,8	34,0	34,2	59,2	**159,2**	70,1	36,4	34,8	56,7	**198,0**
Net banking income	33,7	36,9	31,1	62,3	**164,0**	67,4	38,6	38,5	56,5	**200,8**
Operating costs and D&A	(12,0)	(18,4)	(16,2)	(19,7)	**(66,3)**	(19,5)	(15,5)	(13,6)	(16,6)	**(65,1)**
LLPs	(0,1)	0,7	(0,4)	(2,5)	**(2,2)**	(0,7)	(1,2)	(0,4)	(3,7)	**(6,0)**
Profit Before Taxes	21,7	19,7	15,2	42,5	**99,1**	47,8	22,7	24,4	37,0	**132,0**
Income Taxes	(6,4)	(6,6)	(2,6)	(11,4)	**(27,0)**	(13,6)	(6,3)	(6,8)	(9,8)	**(36,4)**
Net income	15,3	13,1	12,6	31,1	**72,1**	34,2	16,4	17,7	27,2	**95,5**

Asset quality

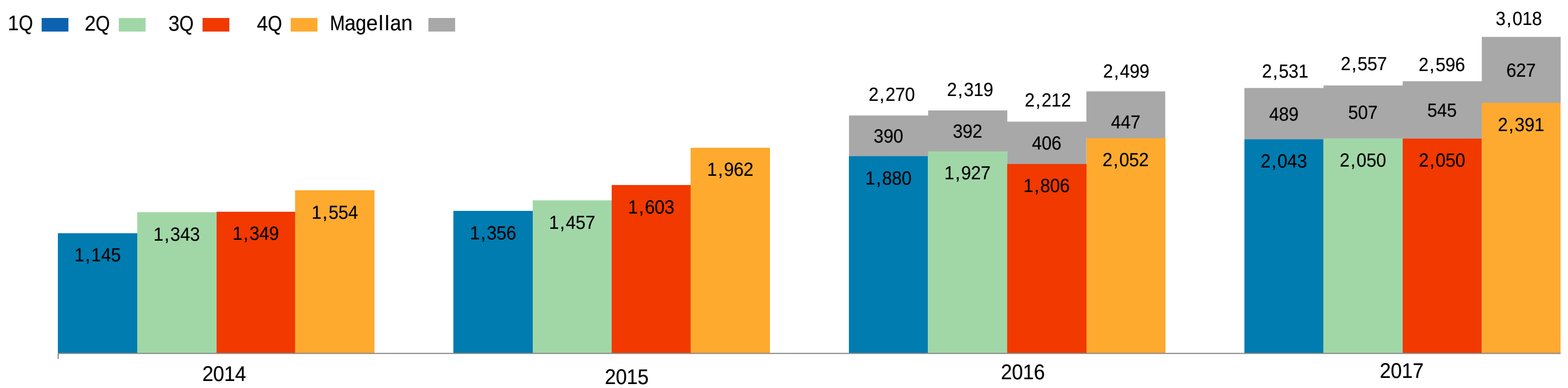
€/000	31/12/2017 Gross	Provision	Net
Net non performing - total	39.587	(21.412)	18.175
Net impaired exposures purchased performing	*35.390*	*(20.039)*	*15.351*
Net impaired exposures purchased impaired	*4.196*	*(1.373)*	*2.824*
Net unlikely to pay	10.370	(3.610)	6.760
Net past due	69.935	(140)	69.794
Total net impaired assets	**119.892**	**(25.162)**	**94.730**

€/000	30/09/2017 Gross	Provision	Net
Net non performing - total	35.319	(20.503)	14.816
Net impaired exposures purchased performing	*32.085*	*(19.521)*	*12.564*
Net impaired exposures purchased impaired	*3.234*	*(982)*	*2.252*
Net unlikely to pay	9.711	(629)	9.082
Net past due	72.790	(83)	72.706
Total net impaired assets	**117.820**	**(21.215)**	**96.604**

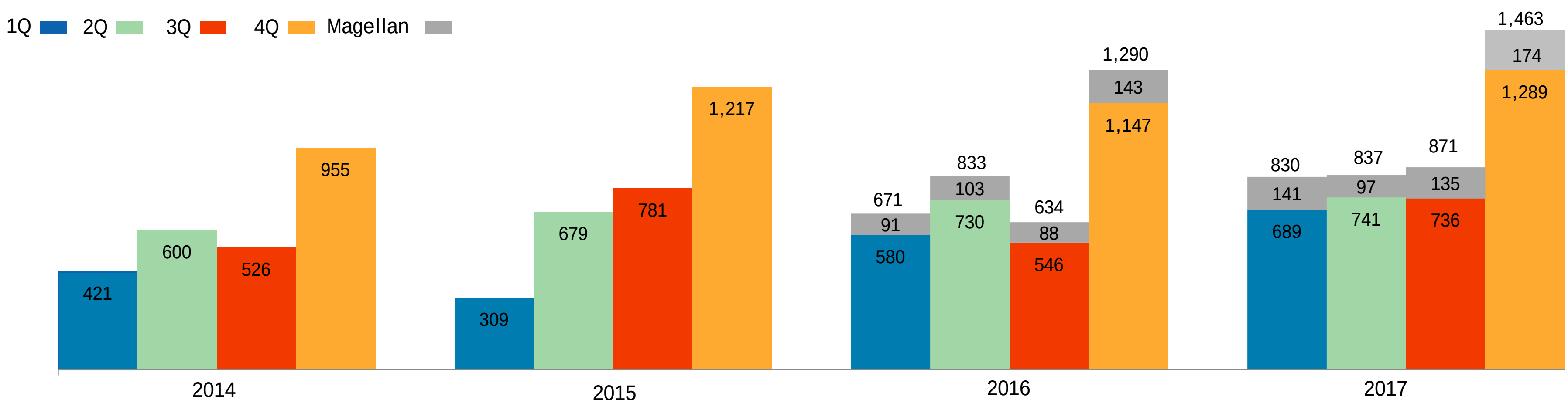
€/000	31/12/2016 Gross	Provision	Net
Net non performing - total	30.003	(17.938)	12.065
Net impaired exposures purchased performing	*29.032*	*(17.459)*	*11.573*
Net impaired exposures purchased impaired	*971*	*(479)*	*492*
Net unlikely to pay	3.715	(101)	3.614
Net past due	46.250	(82)	46.167
Total net impaired assets	**79.968**	**(18.121)**	**61.847**

Traditional Business Subject to Seasonality, with Peak in Q4

Loans Evolution by Quarter (BFF Ex Magellan) (€m)



Breakdown of Volumes by Quarter[1] (€bn)

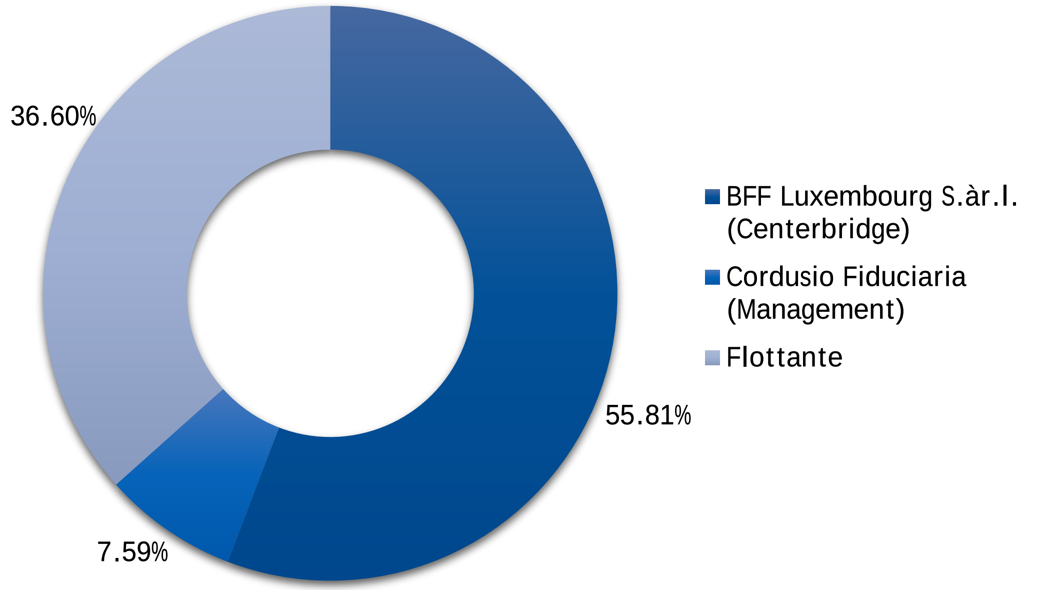


(1) 2016 Magellan New Business includes Spanish Branch New Business (€12m) and is converted to the 2016 average exchange rate PLN/€ 4,3632; 2017 Magellan New Business is converted to the relevant period average FX rate; 2016 and 2017 Magellan Loans are converted to the relevant end of period day FX rate.

Shareholders' structure

- Centerbridge owns 55.81% of BFF
- Management team (31 shareholders) among them owns 7.59% of BFF capital

Shareholders (%)



Source: shareholders' official communications to BFF