BFF BANKING GROUP

1H 2019 RESULTS

8th August 2019

A Bank Like No Other®

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1H 2019 Results: Key Highlights

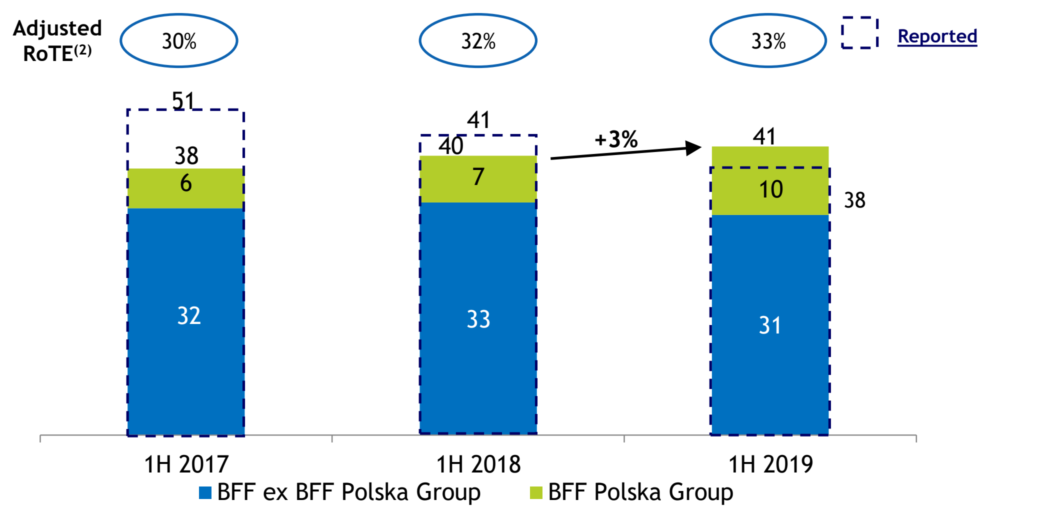
Strong financial performance	• €41.2m of Adjusted Net Income (+3% y/y) with 33% of Adjusted RoTE (32% in 1H18), despite €7.4m of lower net LPI over-recovery vs. 1H18 • Stock of unrecognized off balance sheet LPI (back book income reserve) increased by €33m YoY to €391m • Improving operating leverage with Operating Cost / Loans ratio of 2.01% vs. 2.29% in 1H18
Double digit growth in loans	• Total customer loans up by 15% y/y • Growing internationalisation: 34% of loans outside Italy vs. 32% at the end of Jun-18
Solid funding base and liquidity position	• Lower funding cost y/y with opportunities of further reductions from new initiatives • Excess liquidity with €0.4bn of committed undrawn funding and no recourse to ECB • Sound liquidity ratios with LCR at 499.1% at the end of Jun-19
Very low risk profile with improved credit quality	• Strong reduction in net impaired loans (-44% y/y and -21% vs. YE18), with the Net NPLs/loans ratio down to 0.1% (excluding Italian municipalities in conservatorship). 75% of total impaired assets are towards the public sector • Net Impaired assets towards private sector down -41% vs YE18. Annualised Cost of Risk at 3bps • TC and CET1 ratios equal to 16.1% and 11.6% (17.8% and 13.3% including the reported net income for the period), well above SREP requirements
Business plan initiatives	• Received the authorisation to open a branch in Poland • Authorised to operate in France, the 9th country covered by the Group. First test deal done in August • Filing with the authorities for the FOS authorization for the collection of online deposits in Ireland and the Netherlands • First purchase of receivables towards other PA in Greece

Notes: 1H19 exchange rate for Poland and Czech respectively PLN/€ 4,2920 and PLN/CZK 0,167 for P&L data (1H19 average), PLN/€ 4,2496 and PLN/CZK 0,167 for Balance Sheet data (30th June 2019); 1H18 exchange rate for Poland and Czech respectively PLN/€ 4,2207 and PLN/CZK 0,166 for P&L data (1H18 average), PLN/€ 4,3732 and PLN/CZK 0,168 for Balance Sheet data (30th June 2018); 1H17 exchange rate for Poland and Czech respectively PLN/€ 4,2685 and PLN/CZK 0,159 for P&L data (1H17 average), PLN/€ 4,2259 and PLN/CZK 0,161 for Balance Sheet data (30th June 2017).

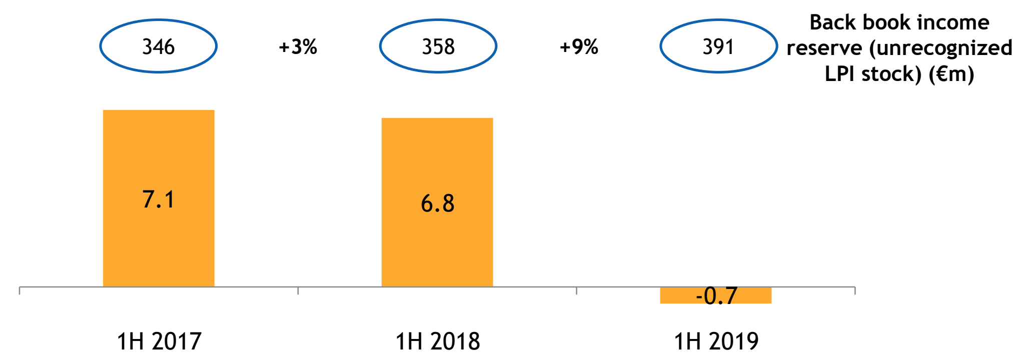
+3% Growth in Adjusted Net Income

- **€41.2m of 1H19 Adjusted Net Income, +3% vs. 1H18**
- **Growing profitability**: Adjusted RoTE of 33% vs. 32% in 1H18
- However, **the net LPI over-recovery was €7.4m lower than 1H18**
- **The back book income reserve** (i.e. the stock of LPI accrued, but that has not been collected and has not gone through the P&L) **increased by +9% y/y to €391m**

Adjusted Net income[1] (€m)



Net Over-Recovery of LPI collection pre-taxes (€m)



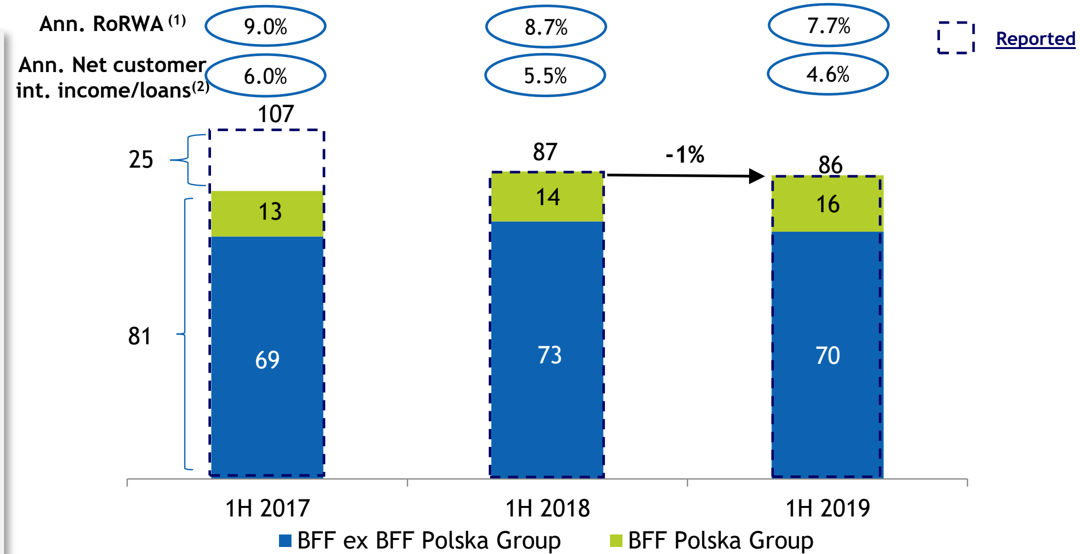
Notes: (1) Adjusted to exclude extraordinary items. 1H19 adjusted net income exclude the following items: €1.3m costs related to the Stock Option and Stock Grant plans, €0.8m negative impact from the exchange rate movement, €0.6m cost related to the acquisition of IOS Finance and €0.5m of Extraordinary Resolution Fund contribution. See appendix for adjustments.
(2) 2017 Tangible equity includes extraordinary earnings set aside for capital; 2018 and 2019 Tangible equity excludes net income of the period.

Adjusted Net Interest Income and Net Banking Income

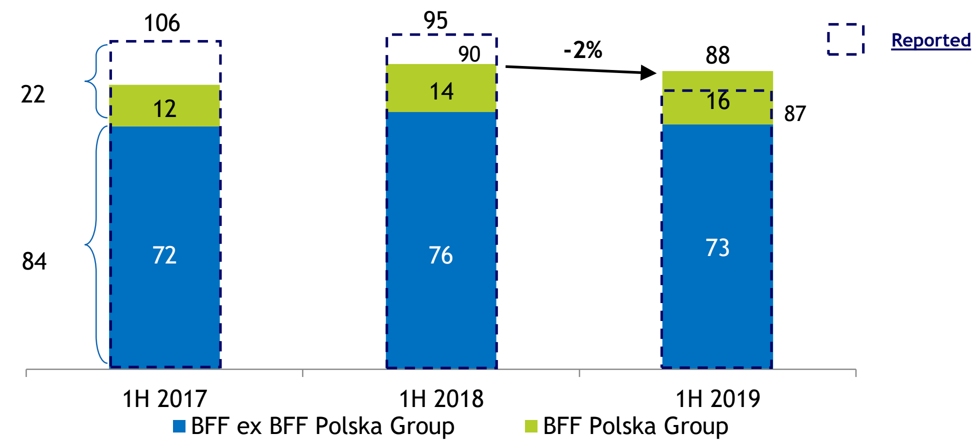
- **Adjusted Net Interest Income and Adjusted Net Banking Income almost flat vs. 1H18 (-1% and -2% respectively),** despite €7.4m of lower net LPI over-recovery in 1H19 vs. 1H18
- **Annualized RoRWA at 7.7% in 1H19 vs. 8.7% in 1H18**, mainly driven by the lower net LPI over-recovery
  - Excluding the net LPI over-recovery, annualized RoRWA is equal to 7.8% in 1H19 vs. 8.0% in 1H18 and 8.2% 1H17
- **Credit collection costs that BFF is entitled to recover are accounted in other operating income** (P&L item 230), which increased from €1.6m in 1H18 to €2.6m in 1H19

Net Interest Income and Net Banking income are adjusted to exclude extraordinary items: the €25.2m one-off positive impact for 2017 and related to the change in LPI accounting from 40% to 45%, the change in exchange rates impact (€3.6m negative impact for 2017, €4.1m positive impact for 2018 and €1.1m negative impact for 2019). 2017 include Tier II costs only for €2.1m.

Adjusted Net Interest Income (€m)



Adjusted Net Banking Income (€m)



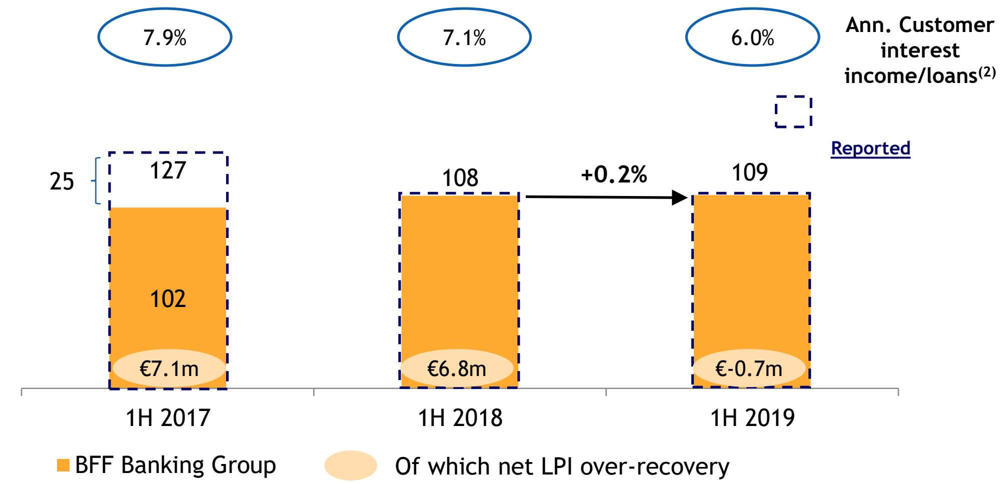
Notes: (1) Calculated as Adjusted Net Interest Income / Average RWAs (beginning and end of the period). (2) Calculated as Adjusted Net Interest Income on customer loans (excluding income on securities and on credit due from banks and REPO activity impact) / Average loans in the period.

Flat Interest Income Despite Lower LPI Over-Recovery

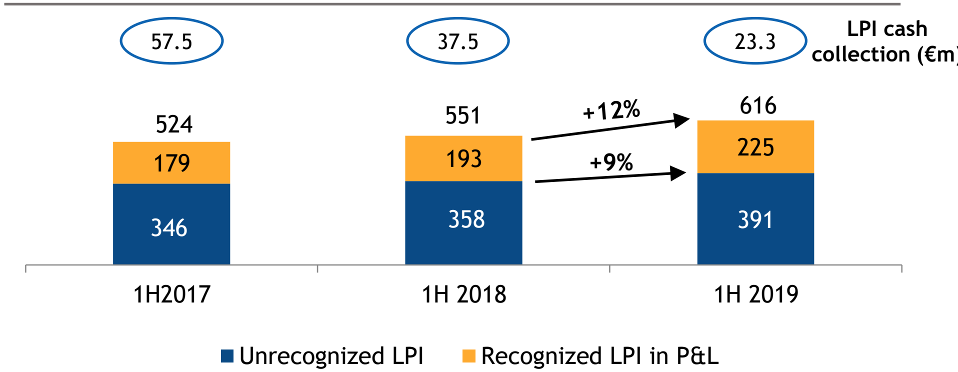
- **1H19 interest income at €109m (+0.2% vs. 1H18),** despite €7.4m of lower net LPI over-recovery[1] accounted in P&L vs. previous year
- **€14.2m of lower LPI cashed-in in 1H19 vs. 1H18:**
  - LPI cashed-in in 1H19 amount to €23.3m vs. €37.5m in 1H18 and €57.5m in 1H17, with **higher LPI recovery rate** in 1H19 vs. 1H18 and 1H17
- **The stock of unrecognized off-balance sheet LPI (back book income reserve)** that has not gone through the P&L **increase by €33m**, +9% y/y and equal to €391m at the end of Jun-19

1H2017 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. BFF Polska Group) (€m)

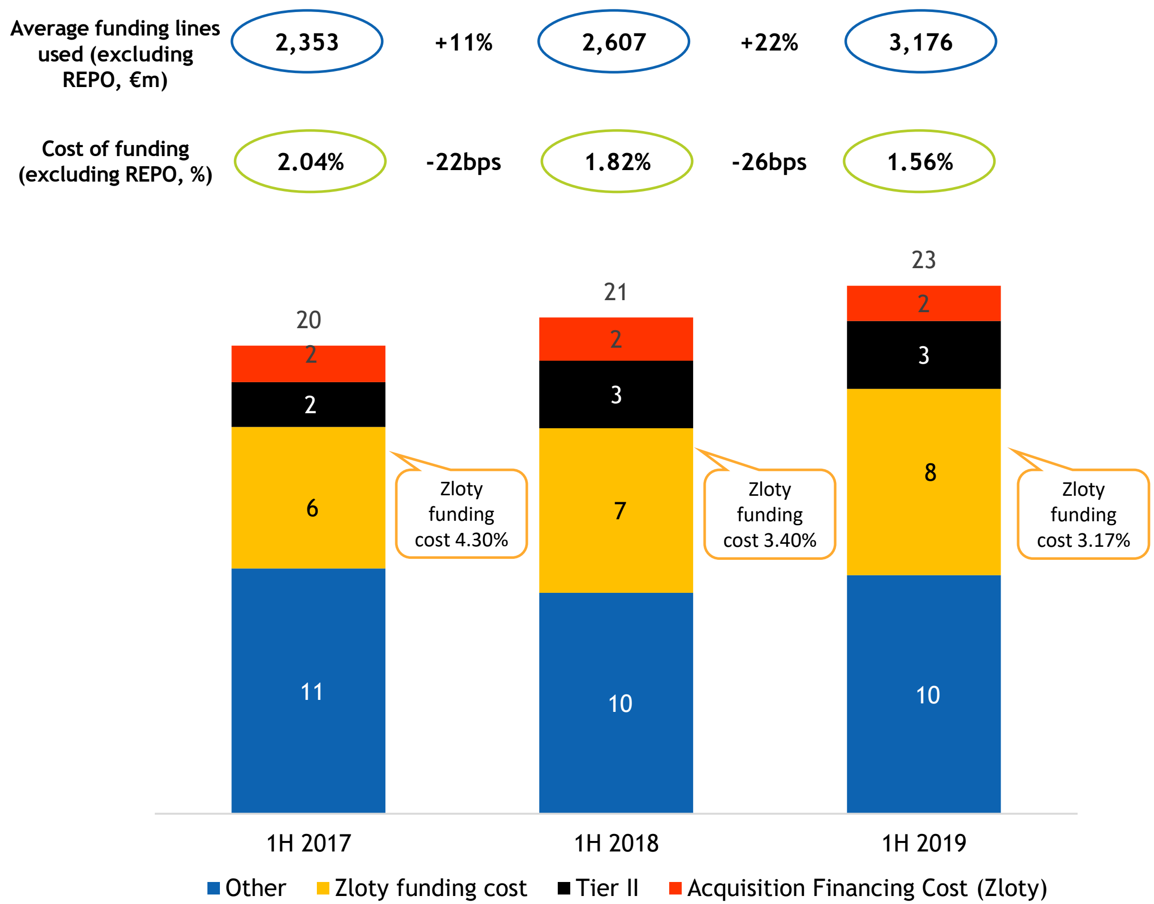


Notes: (1) LPI over-recovery vs. 45% minimum recovery rate assumed for accounting purpose, net of the rescheduling impact. Rescheduling impact: in case a credit is not collected at the expected collection date, the value of the credit on the balance sheet is re-calculated using the new expected cash-flow schedule. The negative delta in value of the loan is booked in the P&L line interest income ("rescheduling impact") (2) Adjusted Interest income on customer loans (excluding income on securities and on credit due from banks) / average loans in the period.

Improving Funding Costs

- **Reduction in cost of funding continued:**
  - 1.56% in 1H19 vs. 1.82% in 1H18 and 1.73% in FY18
  - Increase in interest expenses at €23m (+6% y/y), driven by *i.* the increase of drawn funding due to the growth of the business (from €2.6bn to €3.1bn) and *ii.* the increase in Zloty funding which has a higher base rate (Wibor 6M 1.79% vs. Euribor 6M -0.31% as of June 28th, 2019)
- No funding costs linked to government bond yields
- No ECB refinancing risk
- Further opportunity to decrease funding costs through the collection of online deposits in Poland, Ireland and the Netherlands (*see slide #11*)

Adjusted Interest expenses (€m)

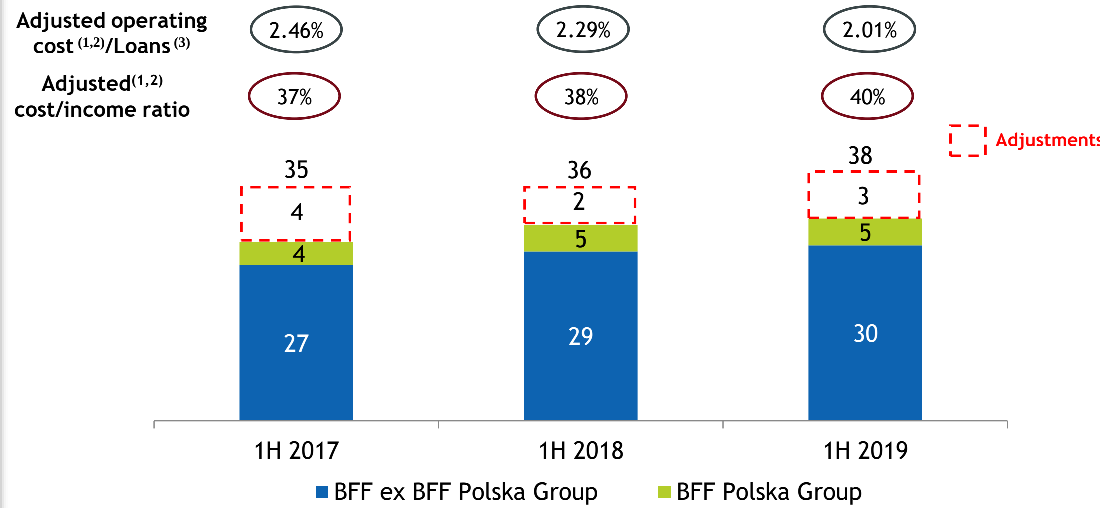


Good Operating Efficiency Despite Investment in Growth

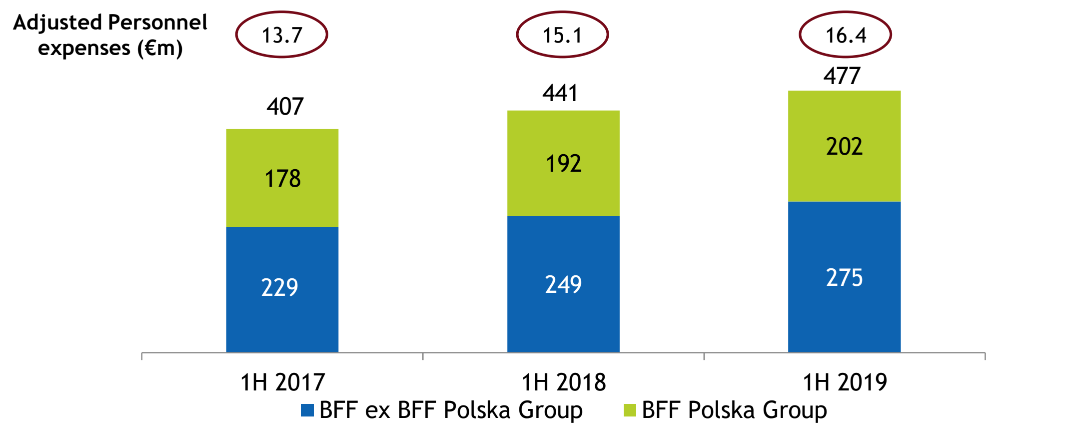
- **Highly efficient structure and improved operating leverage with Adjusted operating costs[(1)]/ Loans ratio of 2.01% in 1H19 vs. 2.29% in 1H18 and 2.46% in 1H17**
- **Operating Cost up by 3% y/y:**
  - Personnel costs increased by 8% y/y due to **higher employee base** (from 441 to 477 employees)
  - Ordinary Resolution Fund fully expensed and FITD contribution accrued on an expected pro-rata basis: in 2019 equal to €2.1m in total vs. €2.2m in 2018
  - Decreasing other operating expenses (-1% y/y), despite the growth initiatives
- **Adjusted Cost / Income ratio increased to 40%, entirely due to a lower income from the net LPI over-recovery**

Operating costs adjusted to exclude costs related to the Stock Option plan and the Stock Grant plan (pro-rata) which generates an equivalent increase in equity (€1.7m, €1.3m and €1.5m for 1H2019, 1H2018 and 1H2017 respectively), €2.4m non-recurring costs related to the IPO process only for 1H2017 and €0.7m of extraordinary contribution to Resolution Fund for 1H2018; €0.9m of one-off costs related to IOS Finance acquisition and €0.6m of extraordinary contribution to Resolution Fund for 1H2019.

Operating Costs[(1)] (€m)



Number of Employees[(4)]

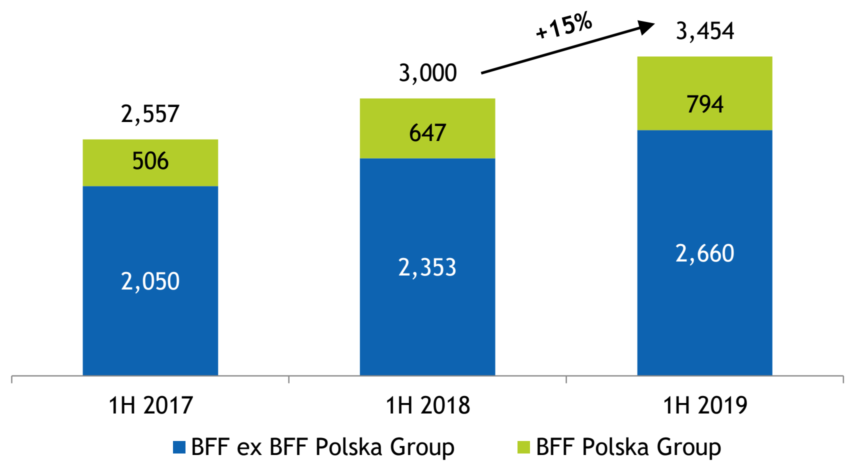


Notes: (1) Adjusted to exclude extraordinary costs. (2) Cost/Income ratio is computed as operating expenses excluding extraordinary costs (administrative expenses + staff expenses + amortization on tangible and intangible assets) divided by adjusted net banking income. (3) Annualised adjusted costs on average loans. (4) BFF includes employees in Italy, Spain and Portugal; BFF Polska Group includes employees of BFF Polska SA, BFF MedFinance SA, BFF Central Europe s.r.o. and BFF Czech Republic s.r.o.

Double Digit Growth in Customer Loans

- **Strong growth in customer loans (+15% y/y)** throughout the Group:
  - Italy growth y/y +11%
  - International business 34% of total loans, up from 32% at June 2018
- Residual €2.5m (-12% vs. Dec-18) net customer loans related to BFF Polska's SME factoring business placed in run-off at the end of 2017, down from €6m at December 2017

Customer Loans Evolution (€m)



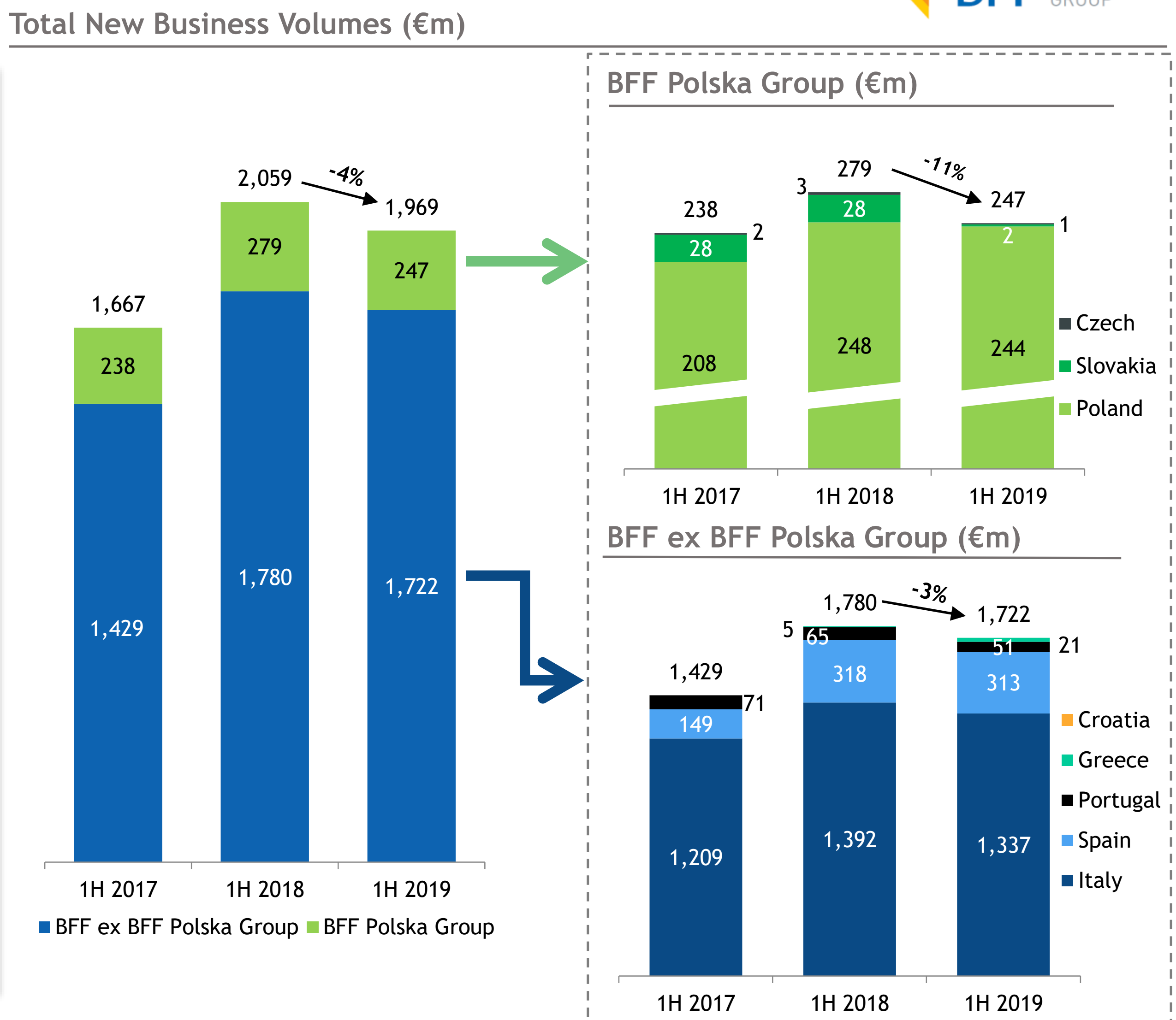
Customer Loans Breakdown by Geography (€m)

BFF Group excl. BFF Polska Group	1H2017	1H2018	1H2019
Italy	1,864	2,045	2,271
Spain	105	205	204
Portugal	82	95	157
Greece	-	8	27
Croatia	-		1
Total	**2,050**	**2,353**	**2,660**

BFF Polska Group	1H2017	1H2018	1H2019
Poland	397	505	626
Slovakia	107	140	165
Czech Rep.	3	2	4
Total	**506**	**647**	**794**

New Business Production across Countries

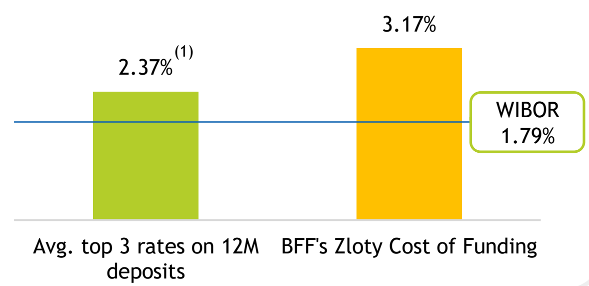
- **New business volumes at €2.0bn in 1H19, -4% y/y** mainly driven by:
  - Italy -4% y/y
  - Spain -2% y/y and Poland -2% y/y
  - Portugal -21% y/y, due to a strong 1H18
  - Slovakia -92% y/y, due to Government extraordinary liquidity injection
  - Greece contributed for €21m vs. €5m in 1H18



Business Plan Initiatives

Authorisation to open a branch in Poland

- Received the authorisation from the authorities to open a branch in Poland
- **The new branch will allow to** collect online deposit and **further reduce funding cost**
  - Average top 3 offered rates on 12-month deposits in Poland is 2.37%[1] vs. BFF's Zloty funding cost of 3.17%
- Product launch expected in 3Q 2019



Authorised to operate in France

- **France, the 9th market** covered by the Group and the 3rd under freedom of services regime, contributes to increase our geographical diversification and the **cross-selling opportunities with our multinational clients**
- First test of non-recourse purchase of NHS receivables in France completed in Aug-19

Filing to collect deposits in Ireland and the Netherlands

- Filed with authorities for the FOS authorization for the collection of online deposits in Ireland and the Netherlands. Authorisation expected in 3Q 2019
- Same model used in Germany
- **Opportunity to further decrease the funding cost** since average top 3 offered rates on 12-month deposits in Ireland and the Netherlands are lower than Italy, Spain and Germany

Country	Currency	Avg. top 3 Term Deposits 12M offered rate[1]
Netherlands	Euro	0.65%
Ireland	Euro	0.37%
Italy	Euro	1.70%
Spain	Euro	1.09%
Germany	Euro	1.01%
Poland	Zloty	2.37%

First PA receivables purchase in Greece

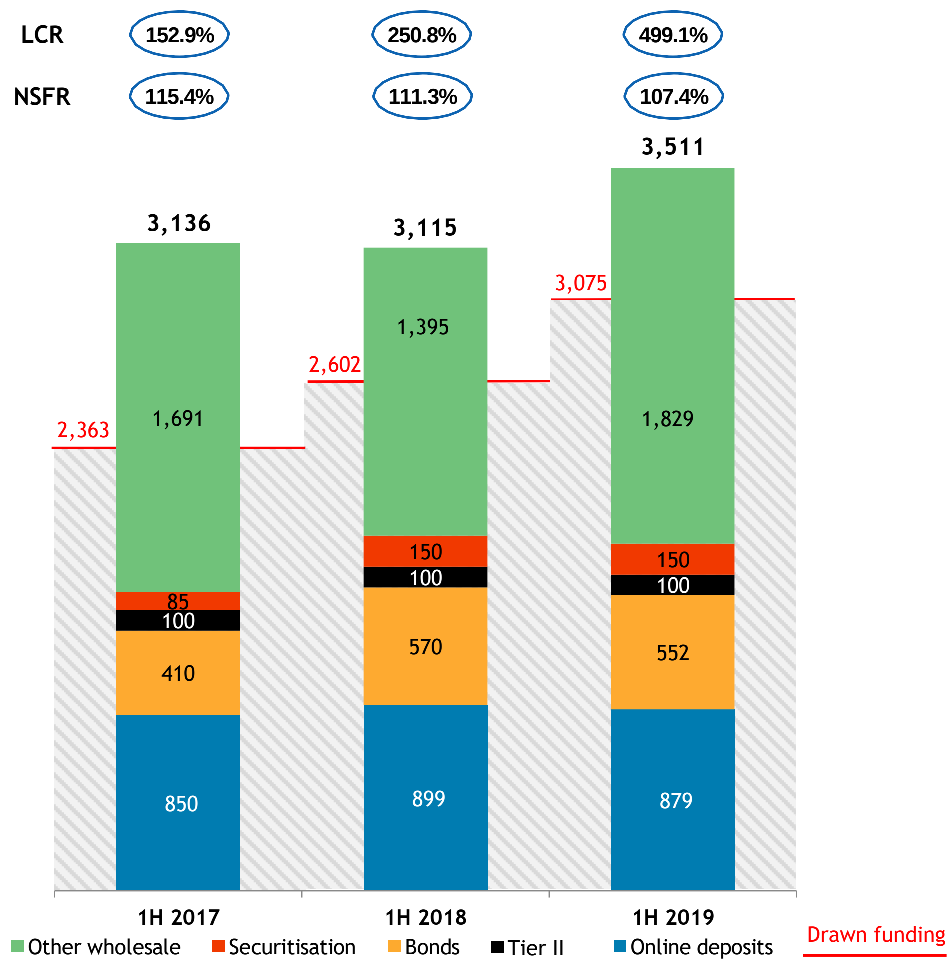
- First non-recourse purchase of receivables towards non-NHS debtors in Greece completed in Jul-19
- The transaction increases our addressable market in Greece, from €3bn to €9bn[2]. **We are the only specialized player in this sector operating in Greece**

Notes: (1) Raisin website, average of the top 3 term deposit offers for retail customers based on local comparison sites as of 06/21/2019. (2) Eurostat 2017.

Excess liquidity and no ECB financing

- **A diversified and flexible funding base to support business growth:**
  - Deposits account for 29% of drawn funds and are equal to €879m as of 1H19
  - Deposits with no or limited prepayment options
- **Strong liquidity position** with a LCR of 499.1% as of Jun-19
- **Excess liquidity with group undrawn funding at €0.4bn**[1]
- **No funding cost linked to Italian government funding cost or rating**
- Refinancing risk: **no expiring BFF bonds until June 2020**[4] **and no recourse to ECB TLTRO or other emergency liquidity measure**
- **EMTN program established in November 2018** to promptly benefit of the potential funding opportunities in the markets
- **Positive impact expected on the NSFR ratio from the new regulation** (in force from 2Q 2021), which establishes more favorable weighting factors for the assets and liabilities related to factoring activities

Available Funding[2;3] (€m)

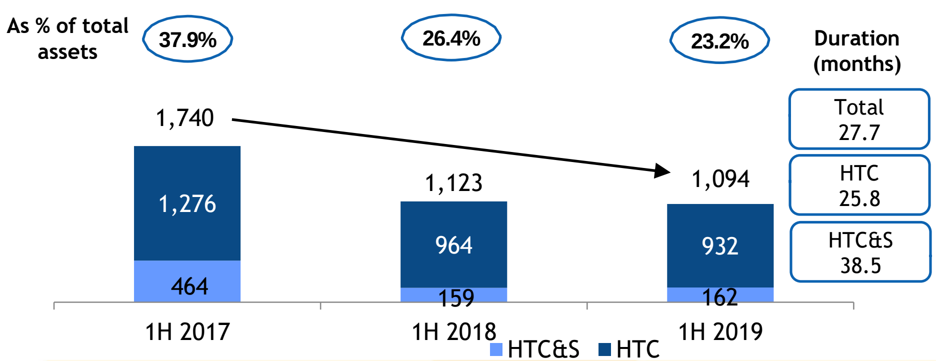


Notes: (1) Based on utilized credit lines. (2) Excluding ECB funds REPOs. (3) Not considering financing for BFF Polska Group acquisition 378m PLN. (4) Except for the residual €2m of BFF Polska Group's bond issued before the acquisition and expiring by the end of September 2019.

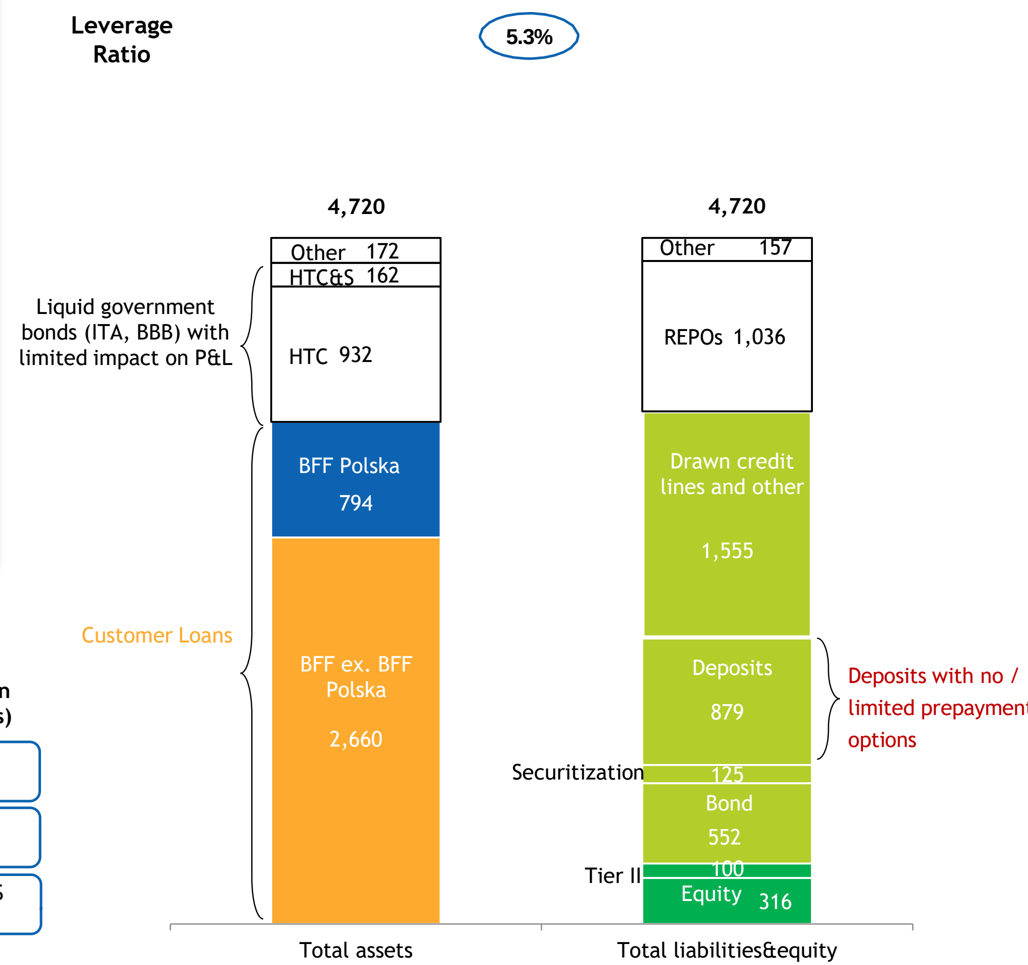
Fortress Balance Sheet

- Customer loans funded through a well diversified funding base
- **Conservative asset / liability management**
- **Flat Government bond portfolio at €1.1bn** (23.2% of total assets down from 26.4% at 1H2018): negative mark-to-market of HTC&S for €3.1m after taxes (booked in equity) and positive for €2.6m after taxes on HTC (not recognized)
- **Natural currency hedge**: forex assets and BFF Polska Group tangible equity funded with forex liabilities
- **Positively geared to higher interest rates:** most of BFF Polska Group asset at variable rate and non recourse factoring portfolio with LPI at variable rate

Bond Portfolio(1) (€m)



Breakdown of Balance Sheet 1H19 (€m)

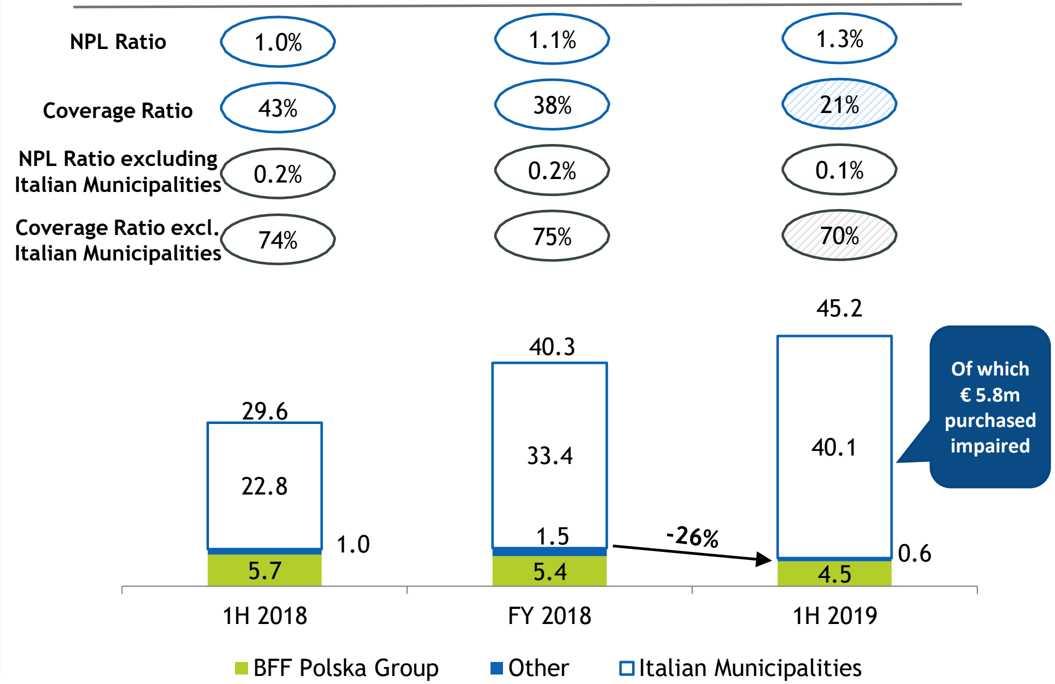


Source: Company data (1) 2017 values of AFS and HTM

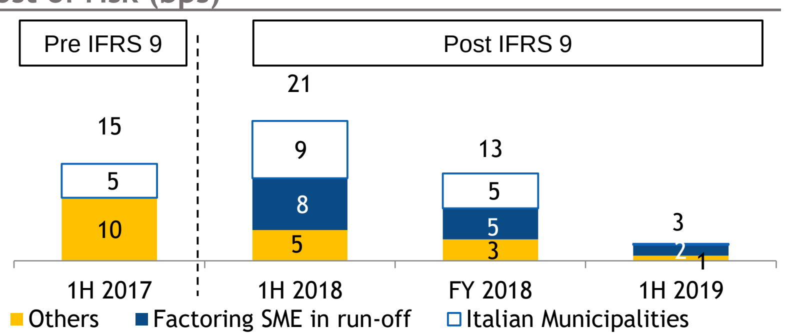
Negligible Credit Risk

- **Net NPLs excluding Italian municipalities in conservatorship down to €5.1m** (-24% y/y and -26% vs. YE18) and **0.1% of net loans**
  - **Reduction in net NPLs thanks to collections**
- **Increase in total Net NPLs entirely driven by the growing activities towards the Italian Municipalities in conservatorship** (€5.8m already in conservatorship at purchase):
  - Classified as NPLs by regulation despite BFF being legally entitled to receive 100% of the capital and LPI at the end of the process
- **Net past due are down by -70% vs. the peak of Jun-18**, following the reorganization of the team responsible for past due oversight
  - -47% vs. YE18 driven mainly by a decrease of past due towards private. **79% of the total at Jun-19 are towards the public sector**
- **3bps annualized Cost of Risk in 1H19,** 1bps excluding the SME factoring business in run-off (€2.5m of residual SME net exposure classified as NPLs with 62% coverage ratio)

Net Non Performing Loans Evolution (€m)



Cost of risk (bps)

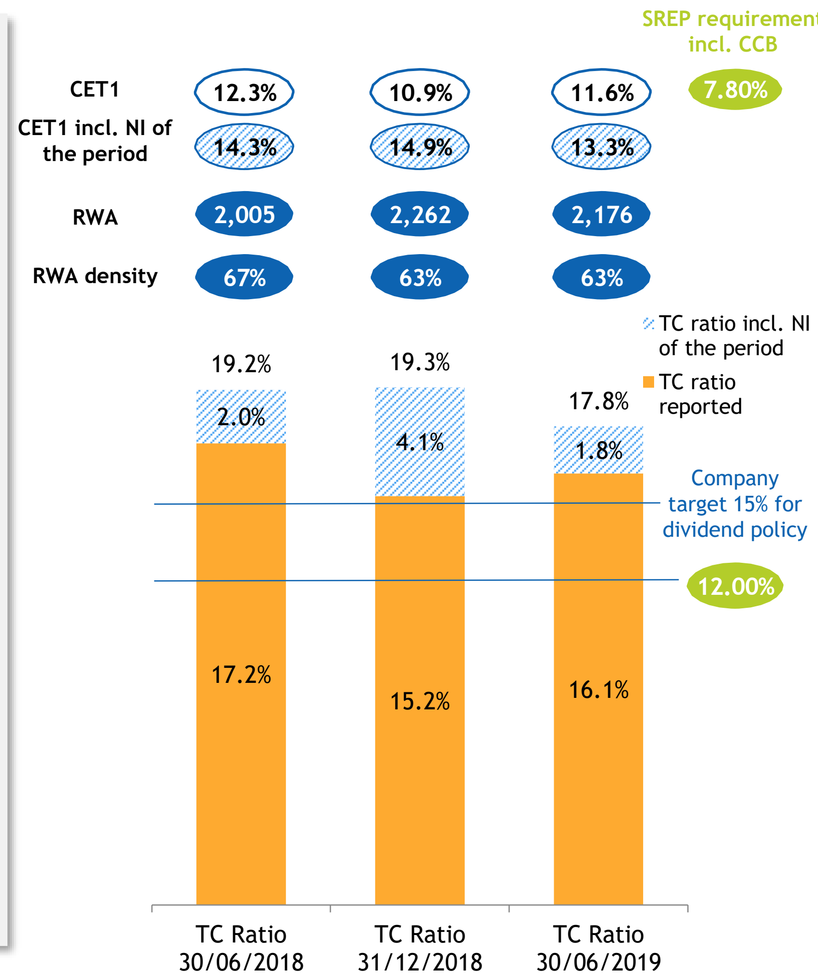


Asset quality - €/000	1H 2017	1H 2018	FY 2018	1H 2019
Total net non performing	15,329	29,554	40,344	45,211
Total net unlikely to pay	3,722	9,210	6,774	10,315
Total net past due	54,672	128,328	72,573	38,695
Total net impaired assets	**73,724**	**167,093**	**119,690**	**94,221**
o/w net past due public sector	84%	81%	64%	79%
o/w net impaired assets public sector	79%	77%	67%	75%
Total net impaired assets/net loans	2.9%	5.6%	3.3%	2.7%
Total net imp. assets (excl. Ital. Munic.)/net loans	2.6%	4.8%	2.4%	1.6%

Strong capital position

- **Total Capital ratio of 16.1% and CET1 ratio of 11.6%:**
  - €38.1m of reported net income not included in capital ratios (equal to 175bps of additional CET1 and TC), which more than covers the expected capital absorption of IOS Finance acquisition
  - Both ratios are net of the negative HTC&S mark-to-market impact (14bps)
- **Conservative RWA calculation** based on standard model and with the Italian exposure to NHS and other PA risk weighted at 100%(2):
  - One notch Italian rating upgrade by DBRS (BFF's EACAI) would move the risk weighting to 50% with a 3.5% positive impact on Total Capital Ratio and a 2.5% impact on CET1 Ratio
  - **Italian rating would have to be downgraded by 9 notches (i.e. 3 notches below Greece) in order to have a negative impact on BFF's RWA**
- **Lower RWA density,** at 63% as of June 2019 vs. 67% as of June 2018, **thanks to a better loan mix and decreasing net impaired assets**

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



Under the Standard Model, the risk weighting factors for exposures to NHS and other PA different from local and central government depend on the Sovereign Rating of each country

	DBRS Rating	Country	RWA
Investment Grade	AAA		20%
	AA (High)		
	AA		
	AA (Low)		
	A (High)		50%
	A		
	A (Low)		
	BBB (High)		100%
	BBB		
	BBB (Low)		
Non-Investment Grade	BB (High)	Not rated by DBRS	
	BB		
	BB (Low)		
	B (High)		
	B		
	B (Low)		
	CCC (High)		150%
	CCC		
	CCC (Low)		
	CC		
	C		
	D		

Notes: (1) 1H19 CRR Total Capital Ratio and CET1 Ratio: 17.6% and 13.4%. 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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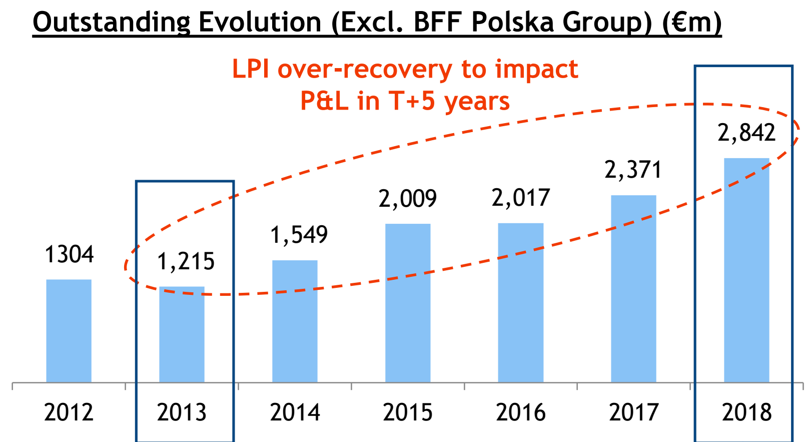
Appendix

Focus on Deferral Income and Net Over-Recovery of LPI Collection

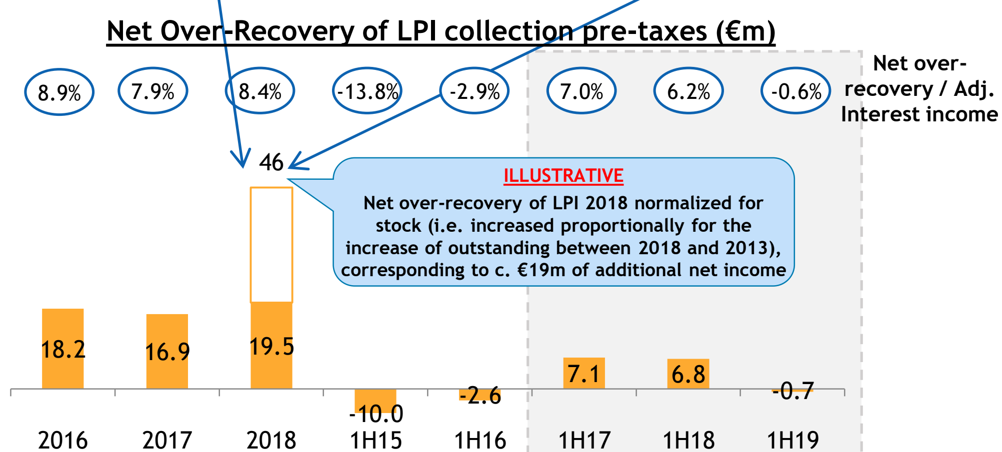
Deferral Income of LPI collection

- BFF prudently recognizes in P&L on an accrual basis only 45% of LPI legally due (**discounted** over 1800 days, i.e. 5 years horizon). 45% is the minimum at which BFF settles its LPI recovery. **Over-collection** vs. 45% minimum is recognized on a cash basis at collection (5 years on average)
- Therefore, the full impacts on P&L of the LPI generated by the growing outstanding over the last years will be visible only in the coming years:
  - **Discounting effect of the 45%**: the amount of LPI accrued in P&L will increase for the next 5 years also in case of stable outstanding
  - **Deferral effect of the over-recovery:** over-recovery generated by the larger 2018 outstanding vs. previous years will be visible only in c. 5 years



Over-recovery of LPI net of re-scheduling impact (€m)

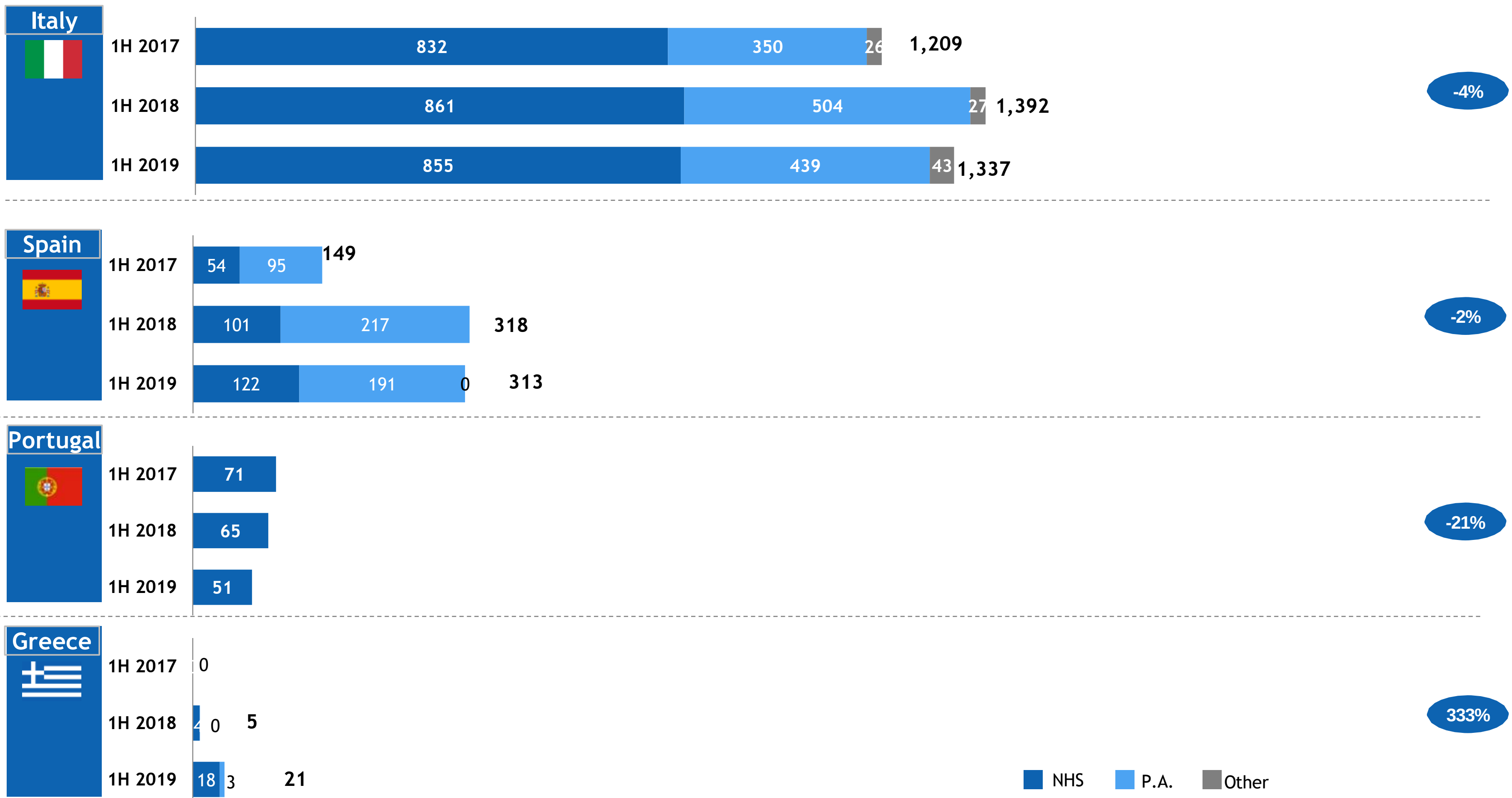
- The loans on balance sheet are accounted based on the amortized cost:
  - In case the credit is not collected at the expected collection date, the value of the credit is re-calculated using the new expected cash-flow schedule
  - The delta in the value of the loan is booked in the P&L line "interest income" with a negative impact (**rescheduling impact**)
- The **net over-recovery, i.e.** over-recovery of LPI less the rescheduling impact, has been on average less than 10% of the interest income over the last 3 years



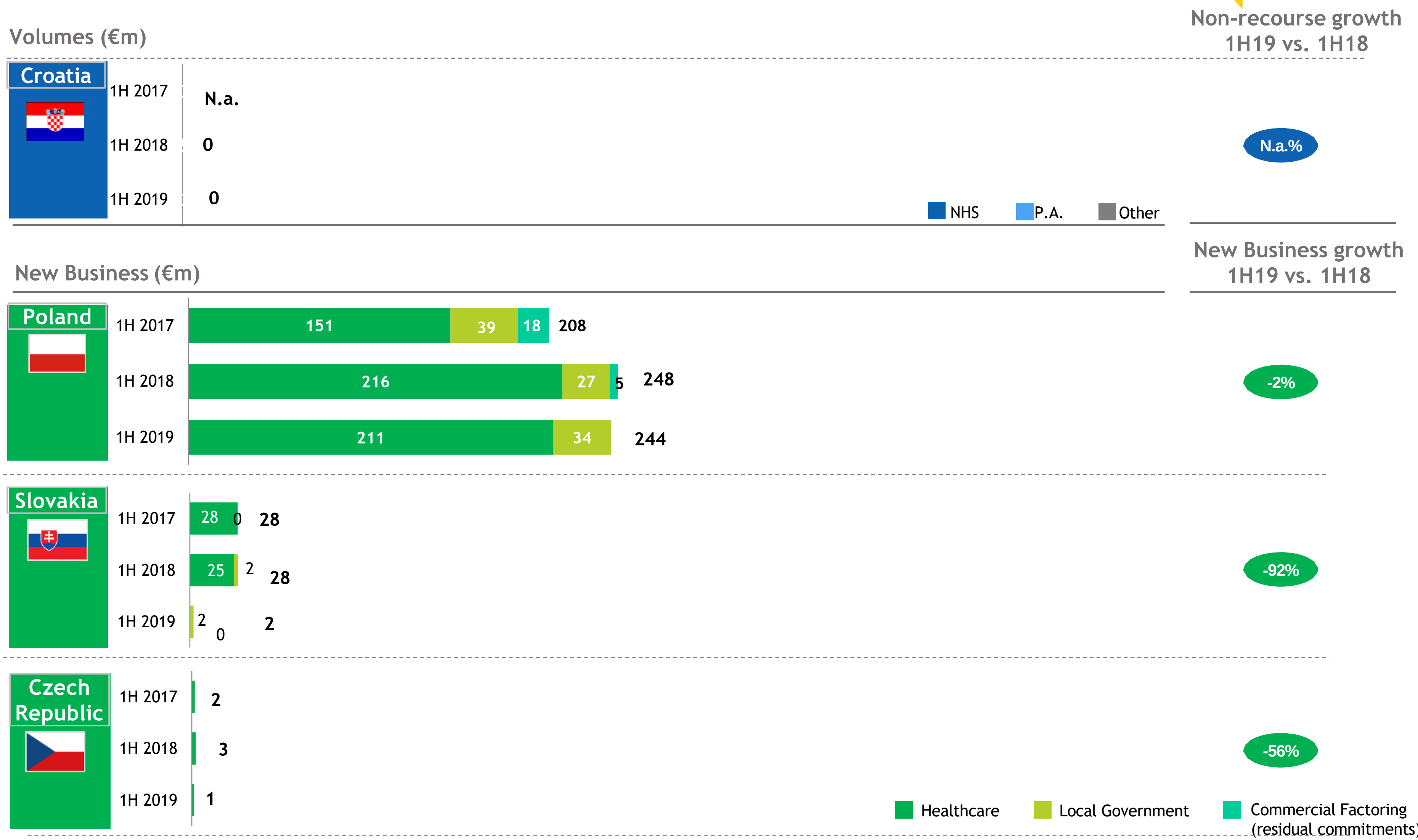
Non-recourse Volumes

Volumes (€m)

Non-recourse growth 1H19 vs 1H18



New Business



Adjusted Net Income Reconciliation

€m	1H17	1H18	1H19
Group BFF Reported Net income	**50.7**	**41.3**	**38.1**
Change in LPI accounting from 40% to 45%	(17.8)		
One-off IPO costs	1.7		
Exchange rates movement (offset at the comprehensive income and equity level)	2.5	(2.8)	0.8
Stock Options & Stock Grant	1.1	0.9	1.3
Extraordinary Resolution Fund contribution		0.5	0.5
IOS Acquisition			0.6
Adjusted Net Income	**38.1**	**39.9**	**41.2**

Summary Profit & Loss

	1H17 Reported	1H17 Adjustments	1H17 Adjusted	1H18 Reported	1H18 Adjustments	1H18 Adjusted	1H19 Reported	1H19 Adjustments	1H19 Adjusted
Interest Income	126.7	-25.2	101.5	108.3		108.3	108.6		108.6
of which interest income calculated using the effective interest rate method	106.8	-25.2	81.6	93.7		93.7	100.1		100.1
Interest Expenses	-20.1		-20.1	-21.4		-21.4	-22.7		-22.7
Net Interest Income	**106.6**	**-25.2**	**81.4**	**87.0**		**87.0**	**85.9**	**0.0**	**85.9**
Net Fee and Commission Income	3.5		3.5	3.0		3.0	2.4		2.4
Dividends	0.0		0.0	0.0		0.0	0.0		0.0
Gains/Losses on Trading	-4.2	3.6	-0.6	4.1	-4.1	0.0	-1.2	1.1	-0.1
Fair value adjustments in hedge accounting	0.0			0.1		0.1	0.0		0.0
Gains/losses on disposal/repurchase of			0.0						
a) financial assets measured at amortized cost	0.0		0.0	0.0		0.0	0.0		0.0
b) financial assets measured at fair value through OCI	0.0		0.0	0.4		0.4	0.2		0.2
c) financial liabilities									
Gains (losses) on other financial assets and liabilities measured at fair value through profit or loss									
a) financial assets and liabilities designated at fair value						0.0	0.0		
b) other financial assets mandatorily measured at fair value						0.0	0.0		
Net Banking Income	**105.9**	**-21.6**	**84.3**	**94.5**	**-4.1**	**90.5**	**87.3**	**1.1**	**88.4**
Net adjustments/reversals of impairment for credit risk concerning:			0.0						
a) financial assets measured at amortized cost	-1.9		-1.9	-3.2		-3.2	-0.4		-0.4
b) financial assets measured at fair value through OCI	0.0		0.0	0.0		0.0	0.0		0.0
Administrative Expenses	-33.4	3.9	-29.5	-34.3	2.0	-32.4	-36.0	3.3	-32.8
Net provisions for risks and charges			0.0						
a) commitments and guarantees provided	0.0		0.0	0.0		0.0	0.1		0.1
b) other net allocations	-0.4		-0.4	-0.5		-0.5	-0.4		-0.4
Net Adjustments to/ Writebacks on Property, Plan and Equipment and Intangible Assets	-1.6		-1.6	-1.7		-1.7	-2.4		-2.4
Other Operating Income (Expenses)	1.9		1.9	1.6		1.6	2.6		2.6
Profit Before Income Taxes from Continuing Operations	**70.5**	**-17.7**	**52.9**	**56.4**	**-2.1**	**54.3**	**50.7**	**4.4**	**55.1**
Income Taxes	-19.9	5.1	-14.8	-15.1	0.7	-14.4	-12.6	-1.2	-13.8
Net Income	**50.7**	**-12.6**	**38.1**	**41.3**	**-1.4**	**39.9**	**38.1**	**3.2**	**41.2**

Summary Balance Sheet

	1H17 Reported	FY17 Reported	1H18 Reported	FY 2018 Reported	1H19 Reported
Cash and cash Balances	3.7	80.9	38.6	99.5	36.1
Financial assets measured at *fair value* through profit or loss	0.0	0.5	0.0	0.0	0.0
a) financial assets held for trading	0.0	0.0	0.0	0.0	0.0
b) financial assets designated at *fair value*	0.0	0.0	0.0	0.0	0.0
c) other financial assets mandatorily measured at *fair value*	0.0	0.5	0.0	0.0	0.0
Financial assets measured at fair value through OCI	464.1	101.4	159.2	160.8	162.3
Financial assets measured at amortized cost	4,061.5	4,183.9	3,983.3	4,593.8	4,444.1
a) Loans and receivables with banks	228.0	44.8	19.2	62.8	58.7
b) Loans and receivables with customers	3,833.5	4,139.1	3,964.1	4,531.0	4,385.3
Hedging derivatives	0.4	0.3	0.0	0.0	0.0
Equity Investments	0.2	0.3	0.2	0.2	0.2
Property, Plant and Equipment	12.9	12.8	12.5	12.0	14.7
Intangible Assets	25.2	26.0	25.3	26.4	25.6
Tax Assets	16.2	30.9	19.3	34.2	20.9
Other Assets	9.7	9.8	12.5	14.7	16.1
Total Assets	**4,594.0**	**4,446.9**	**4,250.8**	**4,941.5**	**4,720.0**
Liabilities and Equity					
Financial liabilities measured at amortized cost	4,110.3	3,944.1	3,791.3	4,403.0	4,247.0
a) deposits from banks	665.4	658.0	687.3	1,238.0	1,168.5
b) deposits from customers	2,853.1	2,496.0	2,386.3	2,349.9	2,298.8
c) securities issued	591.8	790.1	717.6	815.2	779.7
Financial Liabilities Held for Trading	1.2	0.5	0.0	0.0	0.0
Hedging Derivatives	0.0	0.0	0.0	0.0	0.0
Tax Liabilities	69.4	82.5	72.6	88.3	79.7
Other Liabilities	89.5	49.7	68.9	78.1	72.5
Employess Severance Indemnities	0.9	0.8	0.9	0.8	0.9
Provision for Risks and Charges	6.3	5.4	4.2	5.0	4.4
Equity	265.7	268.3	271.5	274.1	277.4
Profits for the Year	50.7	95.5	41.3	92.2	38.1
Total Liabilities and Equity	**4,594.0**	**4,446.9**	**4,250.8**	**4,941.5**	**4,720.0**

Breakdown by quarter - BFF Group

Adjusted Values			2017					2018				2019	
Data in €/m	**1Q**	**2Q**	**3Q**	**4Q**	**FY**	**1Q**	**2Q**	**3Q**	**4Q**	**FY**	**1Q**	**2Q**	**HY**
Interest income	54.8	46.8	44.4	66.8	**212.8**	53.4	54.9	49.3	74.0	**231.6**	55.9	52.7	**108.6**
Interest expenses	(9.8)	(10.3)	(9.7)	(10.1)	**(39.9)**	(11.3)	(10.1)	(10.3)	(11.2)	**(42.9)**	(11.5)	(11.3)	**(22.7)**
Net interest income	45.0	36.4	34.8	56.7	**172.8**	42.2	44.8	39.0	62.8	**188.7**	44.4	41.4	**85.9**
Net banking income	45.9	38.4	36.8	59.1	**180.3**	44.0	46.5	40.7	63.6	**194.9**	45.7	42.7	**88.4**
Operating costs and D&A	(15.6)	(15.5)	(13.6)	(16.6)	**(61.2)**	(15.3)	(18.7)	(16.0)	(19.3)	**(69.3)**	(16.5)	(18.7)	**(35.2)**
LLPs	(0.7)	(1.2)	(0.4)	(3.7)	**(6.0)**	(1.0)	(2.3)	(0.6)	(1.0)	**(4.8)**	0.0	(0.5)	**(0.4)**
Other*	0.6	0.9	(0.1)	0.9	**2.3**	0.2	0.9	0.2	1.7	**3.0**	0.6	1.7	**2.3**
Profit Before Taxes	30.3	22.6	22.8	39.7	**115.3**	27.9	26.4	24.5	44.9	**123.7**	29.9	25.2	**55.1**
Income Taxes	(8.5)	(6.2)	(6.2)	(10.6)	**(31.6)**	(7.6)	(6.7)	(6.4)	(11.2)	**(31.9)**	(7.6)	(6.2)	**(13.8)**
Net income	21.8	16.3	16.5	29.1	**83.7**	20.3	19.7	18.1	33.8	**91.8**	22.2	19.0	**41.2**

Reported Values			2017					2018				2019	
Data in €/m	**1Q**	**2Q**	**3Q**	**4Q**	**FY**	**1Q**	**2Q**	**3Q**	**4Q**	**FY**	**1Q**	**2Q**	**HY**
Interest income	79.9	46.8	44.4	66.8	**237.9**	53.4	54.9	49.3	74.0	**231.6**	55.9	52.7	**108.6**
Interest expenses	(9.8)	(10.3)	(9.7)	(10.1)	**(39.9)**	(11.3)	(10.1)	(10.3)	(11.2)	**(42.9)**	(11.5)	(11.3)	**(22.7)**
Net interest income	70.1	36.4	34.8	56.7	**198.0**	42.2	44.8	39.0	62.8	**188.7**	44.4	41.4	**85.9**
Net banking income	67.4	38.6	38.5	56.5	**200.8**	44.7	49.8	38.8	64.1	**197.5**	45.7	41.6	**87.3**
Operating costs and D&A	(19.5)	(15.5)	(13.6)	(16.6)	**(65.1)**	(16.6)	(19.4)	(16.0)	(19.4)	**(71.4)**	(17.6)	(20.8)	**(38.4)**
LLPs	(0.7)	(1.2)	(0.4)	(3.7)	**(6.0)**	(1.0)	(2.3)	(0.6)	(1.0)	**(4.8)**	0.0	(0.5)	**(0.4)**
Other*	0.6	0.9	(0.1)	0.9	**2.3**	0.2	0.9	0.2	1.7	**3.0**	0.6	1.7	**2.3**
Profit Before Taxes	47.8	22.7	24.4	37.0	**132.0**	27.3	29.1	22.5	45.4	**124.3**	28.8	21.9	**50.7**
Income Taxes	(13.6)	(6.3)	(6.8)	(9.8)	**(36.4)**	(7.5)	(7.6)	(5.8)	(11.3)	**(32.1)**	(7.3)	(5.3)	**(12.6)**
Net income	34.2	16.4	17.7	27.2	**95.5**	19.8	21.5	16.7	34.1	**92.2**	21.4	16.7	**38.1**

**Other income / Other Provisions (risks & charges etc.)*

Asset quality

	30/06/2019		
	Gross	Provision	Net
Total non performing	57,016	(11,805)	45,211
Total unlikely to pay	12,874	(2,560)	10,315
Total past due	38,940	(244)	38,695
Total	108,830	(14,609)	94,221

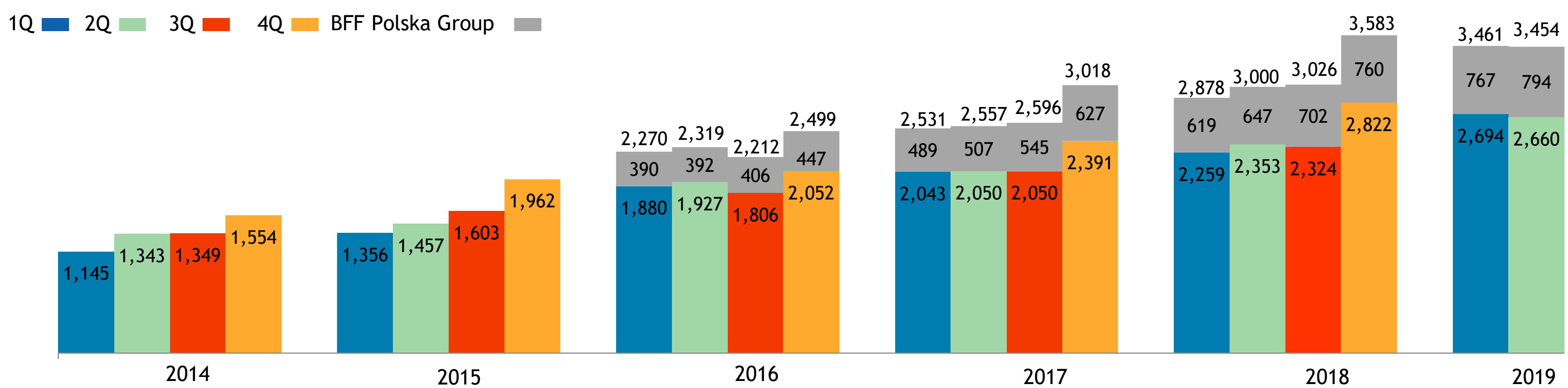
	31/12/2018		
	Gross	Provision	Net
Total non performing	65,106	(24,762)	40,344
Total unlikely to pay	8,680	(1,906)	6,774
Total past due	73,845	(1,273)	72,573
Total	147,631	(27,940)	119,690

	30/06/2018		
	Gross	Provision	Net
Total non performing	51,917	(22,363)	29,554
Total unlikely to pay	12,615	(3,405)	9,210
Total past due	128,936	(607)	128,328
Total	193,467	(26,375)	167,093

Traditional Business Subject to Seasonality, with Peak in Q4

BFF BANKING GROUP

Loans Evolution by Quarter (€m)



Breakdown of Volumes by Quarter (€bn)