Roadshow Presentation

March 2017

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BFF Banking Group: A Bank Like No Other

Leading financial services provider to suppliers of the European Healthcare and Public Administration sectors

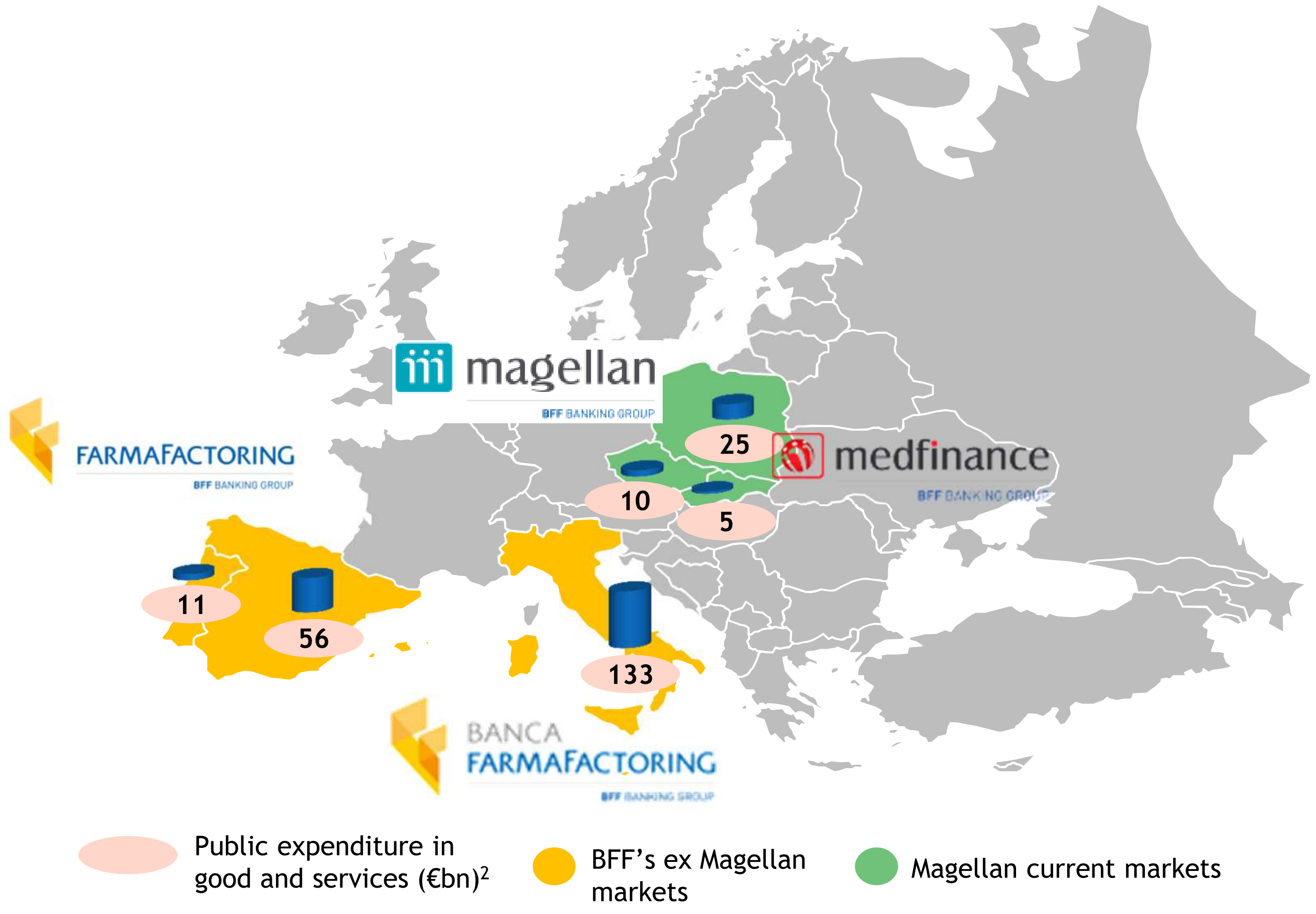
1	Market leader in large and underpenetrated markets	€240bn market
2	Solid and resilient business model with compelling assets and earning growth	>20% CAGR 2013-2016[(1)]
3	Low risk profile coupled with solid capital position	10bps Cost of Risk 19.5% TC ratio[(2)] vs. 15% Target
4	Superior cash generation with proven track record of high profitability and dividend	37% RoTE[(1)] 100% payout
5	Significant growth potential through excess capital, invested platform and access to funding	30% RWA growth & 100% payout €1bn of liquidity
6	Management fully aligned with shareholders	>7% direct stake post IPO 8% hurdle rate on stock options

Source: Annual Report

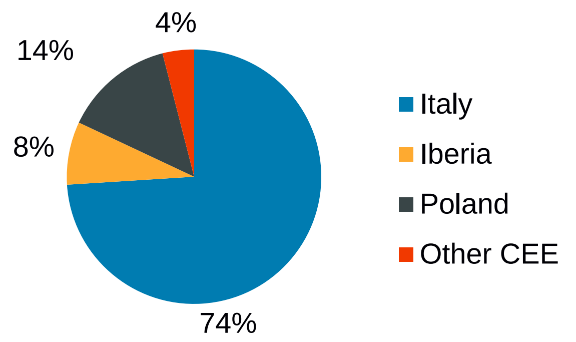
Notes: (1) 2013 income statement normalised for change in LPI accounting; 2016 net income, RoTE and C/I ratio adjusted to exclude extraordinary costs and including 12 months of Magellan. (2) Referring to Banking Group and pro forma for DBRS downgrade, 5% increase in LPI recovery rate and Tier II issuance.

Established presence in Italy, Spain and Portugal
Expanded in CEE with the acquisition of Magellan

€240bn of Public Sector expenditures in the countries we operate in[1]



26% of Customer Loans outside Italy[3]



- Established presence in Italy, Spain and Portugal
- Expanded in CEE with the acquisition of Magellan

Source: Eurostat
Notes: (1) Exchange rate as of 31/12/15; (2) Data as of 2015. (3) Data for Magellan are converted into EUR assuming an FX of 4.4103 (31/12/2016)

Leading Provider of Credit Management and Working Capital Solutions to Public Sector Suppliers, to Tackle the Payment Delays From the Public Administration in Italy, Iberia and CEE

Endemic Delay in Payments in the Public Sector

- Some European countries have endemic delays in payments due to Public Administration suppliers, because of:

  1. Mismatch between centralised tax collection and decentralised public spending
     - Only 16% of total public expenditure for goods and services in Italy is controlled by Central Government [(1)]
  2. Administrative complexity: 22,948 Italian public entities[(2)], 18,838 Spanish public entities[(3)] and 4,069 Portuguese public entities[(4)]
  3. Commercial debt not classified as public debt, allowing financial flexibility to governments

- Government interventions in Italy and Iberia have not been effective in reducing the delays on a long-term basis

What BFF Offers to Customer

- ✓ De-risking
- ✓ Certainty of collection
- ✓ Efficient processing
- ✓ Working capital optimisation
- ✓ Maintenance of good commercial relationship between customers and debtors

Source: Annual report, Assobiomedica, FENIN, Apifarma, DEF, CNE

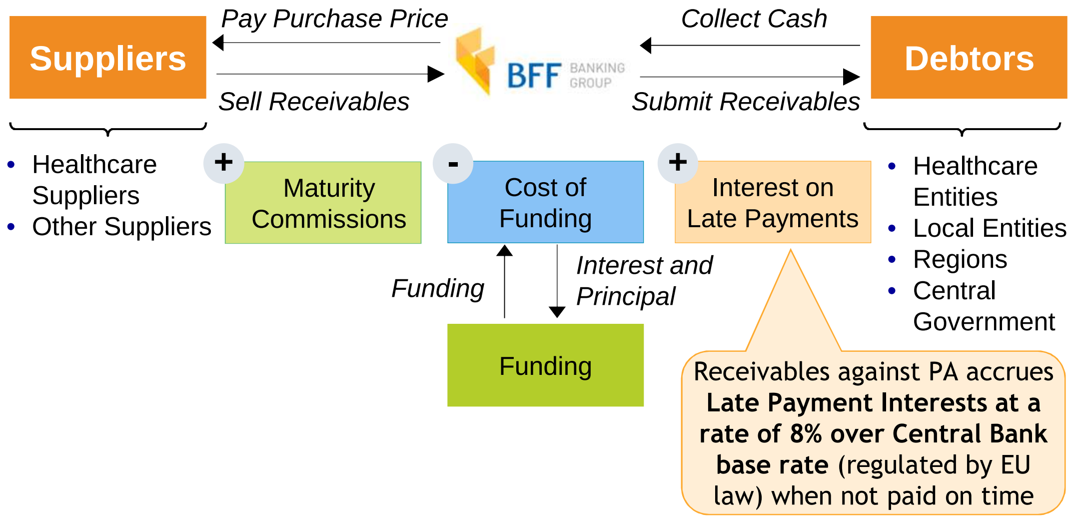
Note (1) As of 2015, €134.1bn of total Italian Public spending for goods and services; (2) Souce IPA, Indice delle Pubbliche Amministrazioni; (3) Source IGAE, Intervencion General de la Administracion del Estado; (4) Source Associação Nacional Municípios Portugueses, Direcção Geral do Orçamento and Commissao Nacional de Eleicoes

BFF's Services Offered

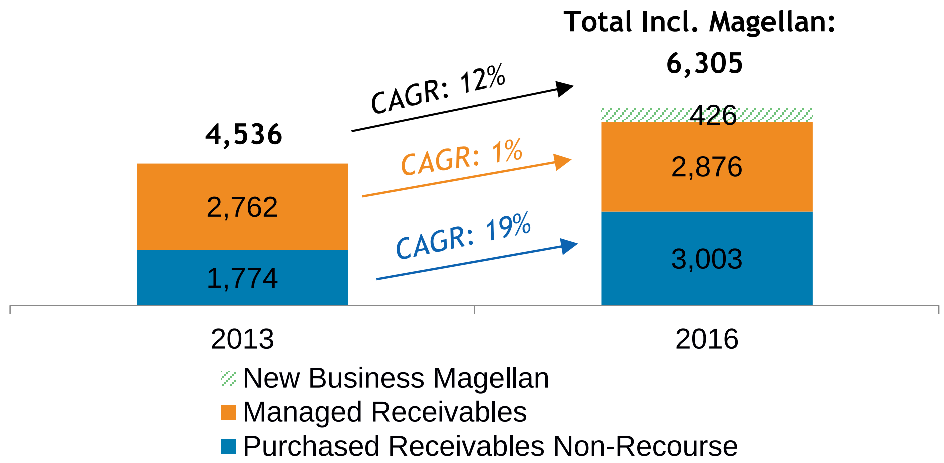
General Overview

- Three business lines:
  - **Non Recourse Factoring ("Purchased")** (Funded business, 82% of gross revenues[1])
  - **Credit Collection Management** (Unfunded business, 4% of gross revenues[1])
  - **Financing** to healthcare entities and Local Government in CEE (funded business, 12% of gross revenues[1])

Focus on Non-recourse Factoring - Revenues Model



Total New Business Volumes (€m)



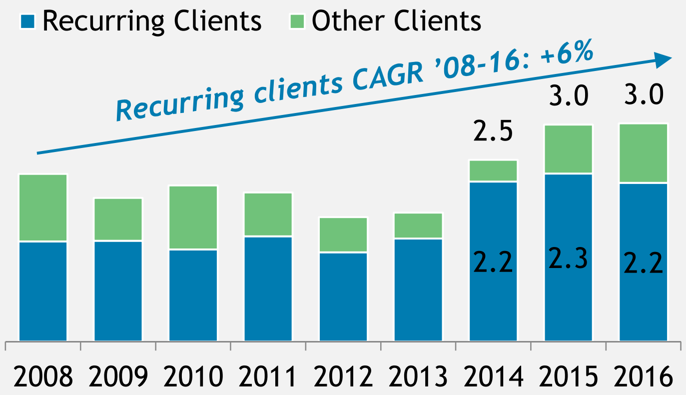
Source: Annual Report
Notes: (1) Based on Banking Income gross of interest expenses and commission expenses (2) Data for Magellan are converted into EUR assuming an FX of 4.4103 (31/12/2016).

Solid Business Model

Suppliers

- Long-standing relationship with top suppliers to the PA (leading multinational and national suppliers) → top 10 clients have been BFF clients for more than 16 years
- Majority of clients have outsourced their credit management activities to BFF → significant barrier to entry
- Significant recurring business with established clients

BFF excl. Magellan Non-Recourse Volumes (€bn)



Recurring clients[1] represented on average more than 70% of total volume

- **Highly experienced senior management team with a long tenure in the Group** (> 12 years)
- **Advanced and scalable IT platform developed in-house**

Debtors

- Long track record in dealing with Public entities and deep knowledge of the payment dynamics → better collection
- A proprietary database built over 30 years of experience enabling for an accurate estimate of collection time and credit risk → better pricing
- Short term duration of the receivables purchased allowing constant repricing
- Negligible Cost of Risk
- Low risk of underlying receivables (commercial debt vs. sovereign debt)

(€bn)[2]	ITA	SPA	POR
Commercial debt	49	15	2
Government debt	2,170	1,073	231

Source: Company data
Note: (1) Recurring non-recourse clients defined as clients who concluded at least 1 transaction per year in the 2014 – 2016 period; (2) Source Group's annual report 2015

Investment Highlights

Leading franchise	1	***Leader in a Large Market With a Solid Business Model…***	▪ Leading financial services supplier to the European Healthcare and PA sectors ▪ €240bn potential market, underpenetrated ▪ Significant recurring business from LT clients and long track record in dealing with Public entities
Attractive economics	2	***…Able to Deliver Growth…***	▪ Customer loans ex-Magellan CAGR '13-'16: +22% ▪ 23% net income CAGR over the last 4 years ▪ Accretive acquisition of Magellan, accelerating geographical expansion
	3	***.. while Maintaining a Low Risk Profile …***	▪ 99% loan exposure to public and healthcare sector ▪ 0.5% net NPLs ratio / 10bps Cost of Risk ▪ Total Capital ratio of 19.5%(2) (vs. management target of 15%) and CET1 more than 2.5x the SREP requirement (6.55% as of March 2017)
	4	***… and Efficient Cost Structure Despite Investments for Growth…***	▪ 32% Cost / Income adjusted despite Magellan and investments in infrastructure to sustain further growth ▪ A growing and diversified funding base with potential for further funding efficiencies ▪ Further potential upside from funding synergies on Magellan
	5	***…and with High Visibility of Future Revenues from LPI***	▪ €0.4bn off balance sheet late payment interest ("LPI") reserve ▪ Accounting defers significant earnings: even with 0% volume growth, earning will grow
Self funded business	6	***High Profitability and Significant Free Capital Generation***	▪ 2016 RoTE of 37%(3) ▪ 100% pay-out ratio in 2016 with more than €230m dividend paid in the last 4 years ▪ Rich capital structure allows for growth and 100% dividend payout

Source: Assifact and company financial statement.

Notes: (1) computed based on data published in the press release and AR 2016 (2) Referring to Banking Group and pro forma for DBRS downgrade, 5% increase in LPI recovery rate and Tier II issuance. (3) adjusted to exclude extraordinary costs and including 12 months of Magellan.

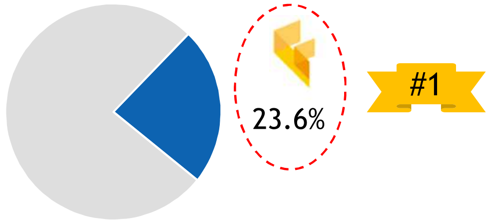
1 We Operate in an Underpenetrated €240bn Market, with Leadership Position in Many Geographies…

Key Considerations

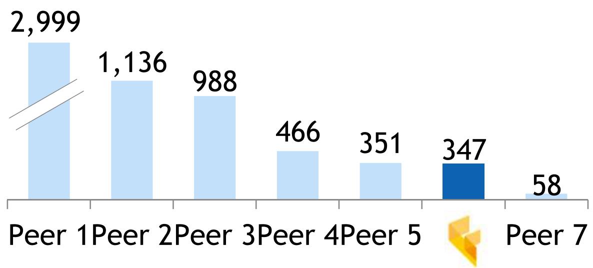
- **Total potential market is** the public sector expenditure in goods & services, **c. €240bn in Italy, Poland, Spain, Portugal, Slovakia and Czech Republic**
- In Southern Europe, stable market despite austerity measures
- Growing market in CEE

BFF Positioning

Non-recourse Factoring outstandings with PA & NHS (€7.3bn)



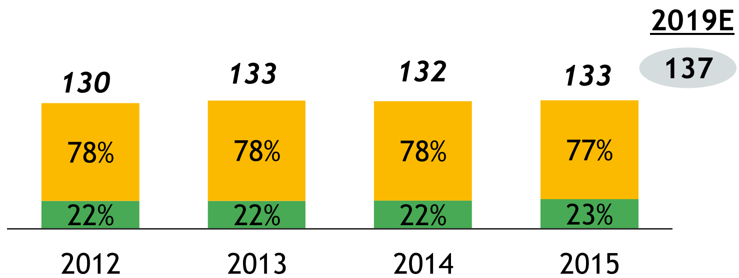
#1 Independent Player

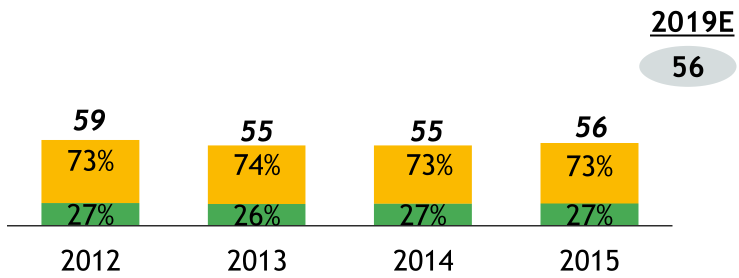


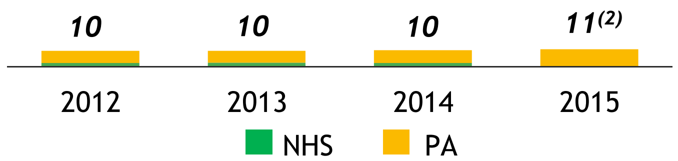
- #1 Independent Player
- Sole specialised player in Portugal

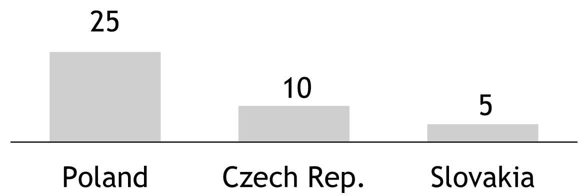
- Leader in alternative financing in Poland
- Sole specialised player in Slovakia
- One of the few specialist in Czech Republic

Total Public Expenditure in Goods and Service (€bn)









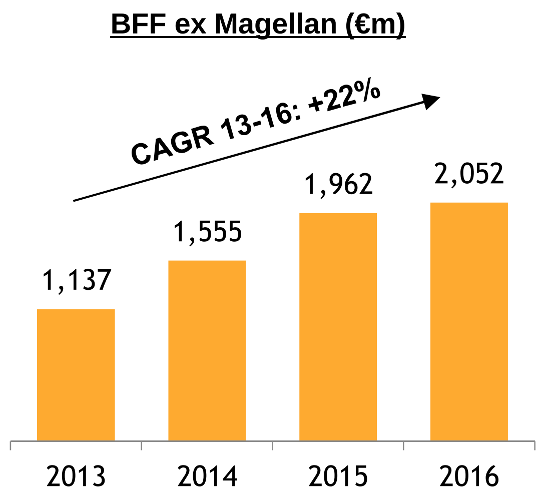
Source: PwC, IMF, DEF 2015 and 2016, Ministero de Sanidad, Servicios Sociales e Igualdad, Ministerio de Hacienda y Administraciones Públicas, and Actualizacion del Programa de Estabilidad 2016-2019 – Reino de Espana, Instituto Nacional de Estatistica - Portugal
Notes: (1) Total current public expenditure for goods and services; (2) Breakdown not available; (3) Calculated as percentage of total PA & NHS spending

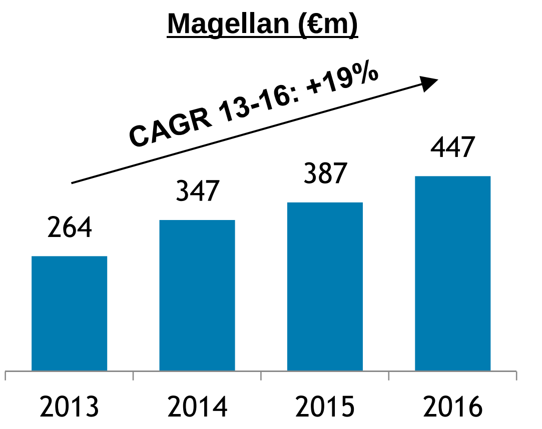
… With a Growing Business, Increasingly Diversified…

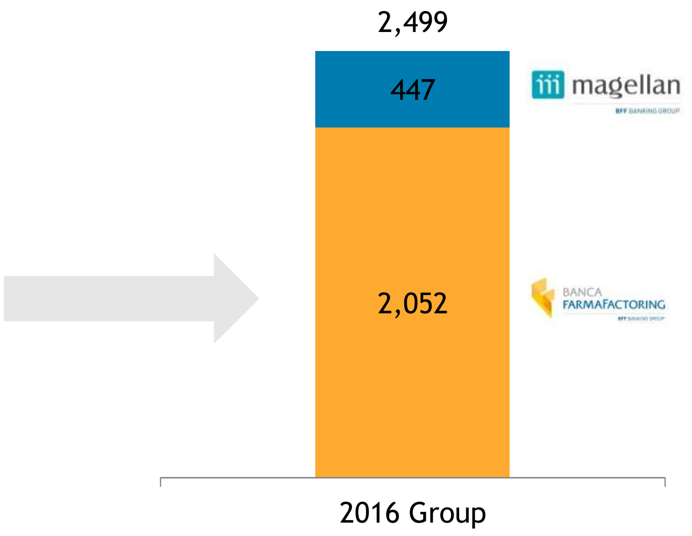
Key Considerations

- Significant customer loans growth **with an higher contribution from less capital intensive segments** (non NHS public administration)
- **Increased geographic diversification** with strengthened exposures in non domestic markets

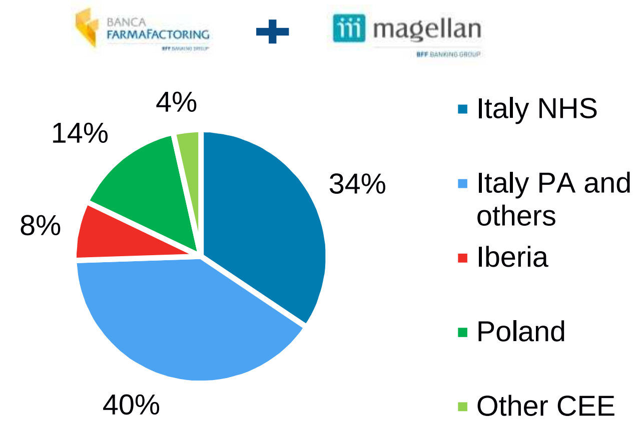
Customer Loans Evolution (€m)







Customer Loans Breakdown by Geography (%)

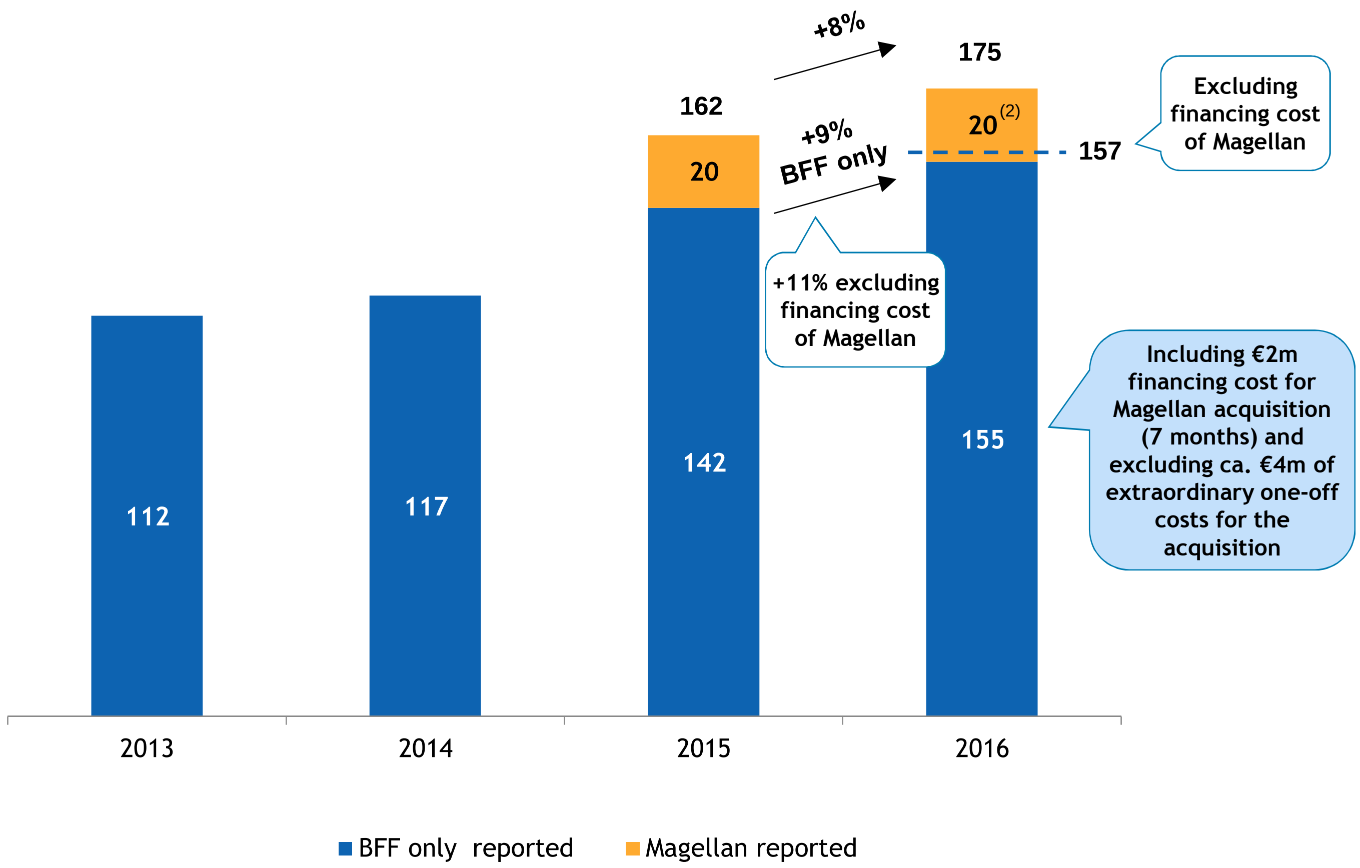


2 ... And with Positive Trend in Revenues

Key Considerations

- **Net banking income adjusted increased by 8% in 2016 to €175m (including Magellan and €2m financing costs)**:
  - **C.11% increase of net banking income for BFF only** (net of one-off and financing costs of Magellan) thanks to higher average outstanding and to lower interest expense driven by a diversified funding base
  - **€20m Magellan stable contribution YoY**

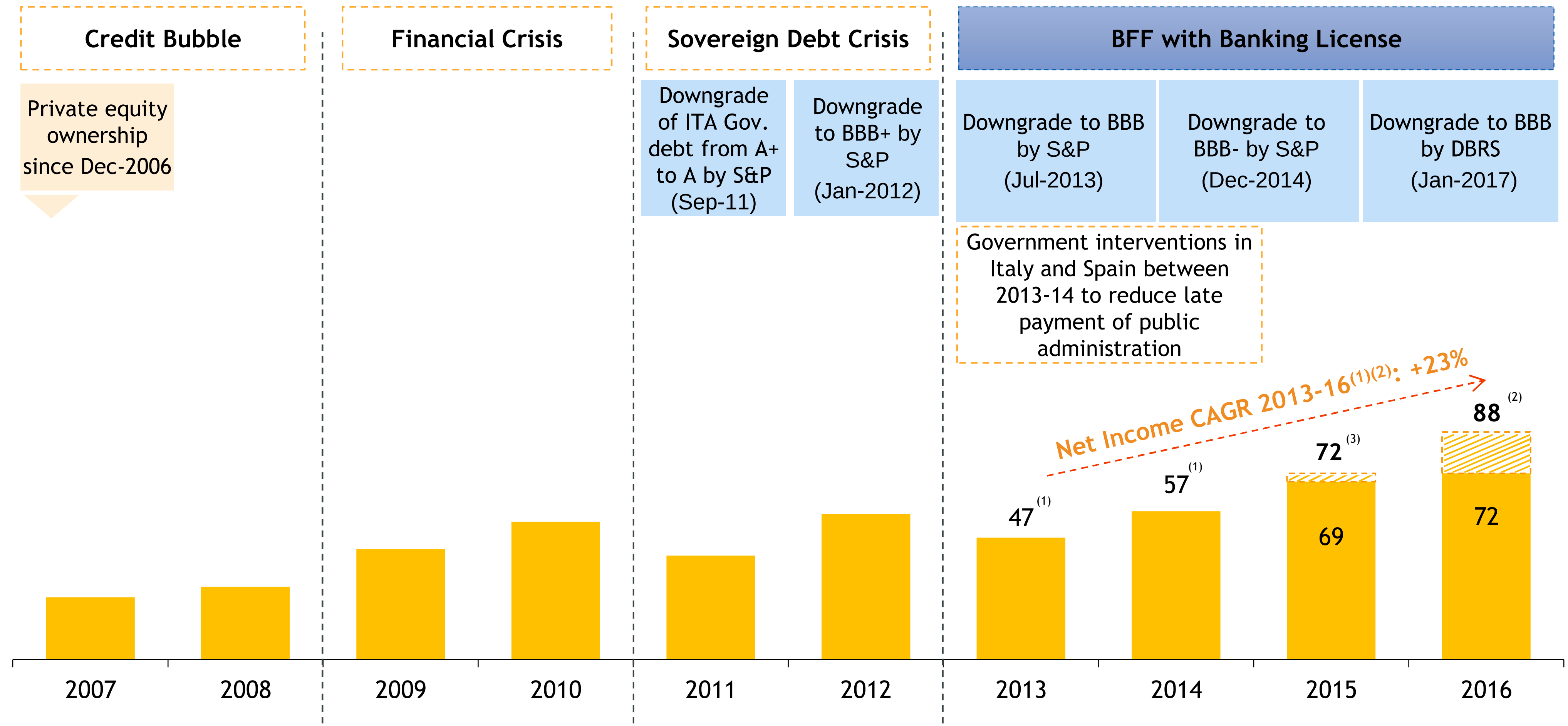
Net Banking Income[1] (€m)



Notes: (1) Including 12 months of Magellan for 2016 data and adjusted for extraordinary items; (2) €20 Magellan NBI (i) includes €12m relative to the 7 months post BFF's acquisition (as in BFF reported consolidated accounts) and (ii) pro-forma for €8m relative to the 5 months before the acquisition

A Solid Business Model Able to Grow Profitably through Every Storm...

Net Income (2007-2016)



IT Lira 500m (€260k) invested in 1985 - c.€450m dividend distributed

Source: annual reports, Factset

(1) 2013 and 2014 net income normalised for change in LPI accounting (2) Excluding €11m of extraordinary expenses and including €4m Magellan 5 months contribution (3) Adjusted to exclude extraordinary costs

... Thanks to Our Fortress Balance Sheet and Low Risk Profile...

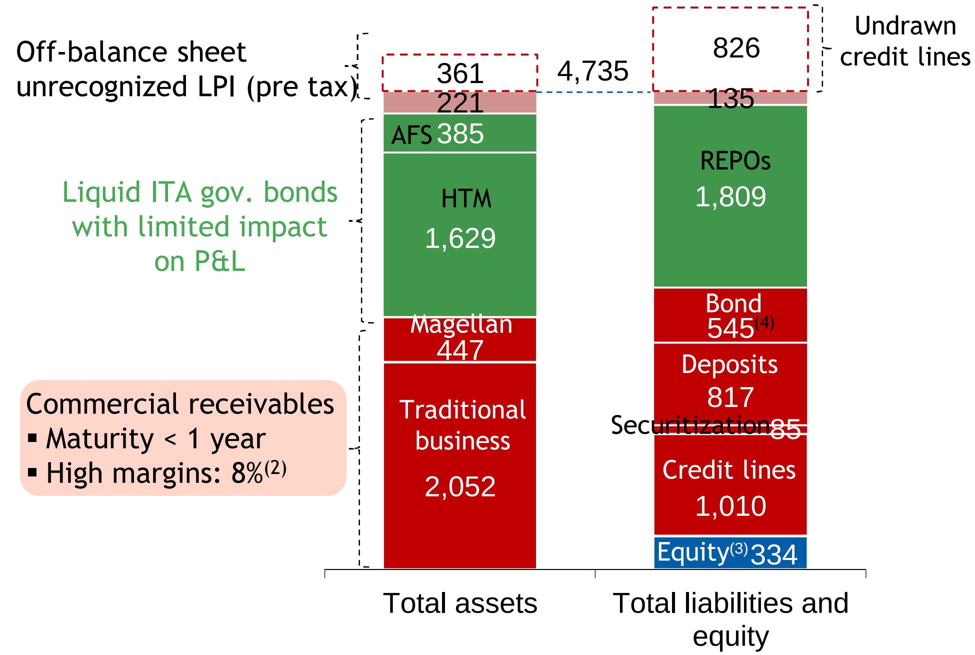
3

BFF BANKING GROUP

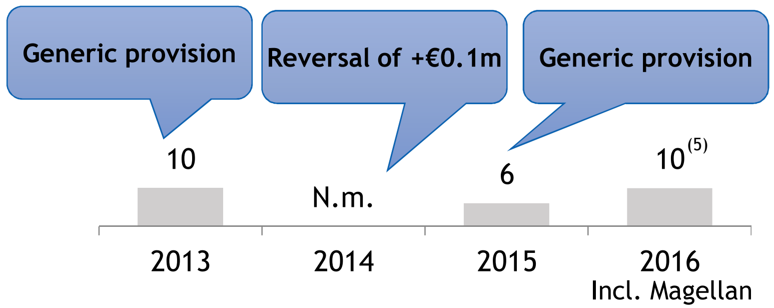
Key Considerations

- **A fortress balance sheet positively geared to an increase in interest rates**
  - Commercial receivables funded through a well diversified funding base and with a short maturity allowing for fast re-pricing
  - Conservative asset / liability management approach: funding duration higher than that of receivables
  - LPI at a rate of Central Bank base rate +8%
  - €361m of LPI stock off-balance sheet represents a further buffer
  - Low leverage (4.9% leverage ratio Pillar III)
- **Low risk profile**
  - High creditworthiness of the counterparties: 99% loan exposure to public and healthcare sector
  - Net NPLs ratio at 0.5%
  - Negligible credit risk: CoR constantly close to zero even after Magellan acquisition

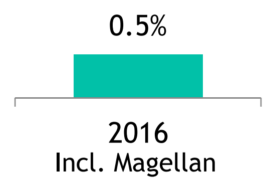
Breakdown of Balance Sheet YE2016 (€m)



Cost of Risk (bps)



NPL ratio



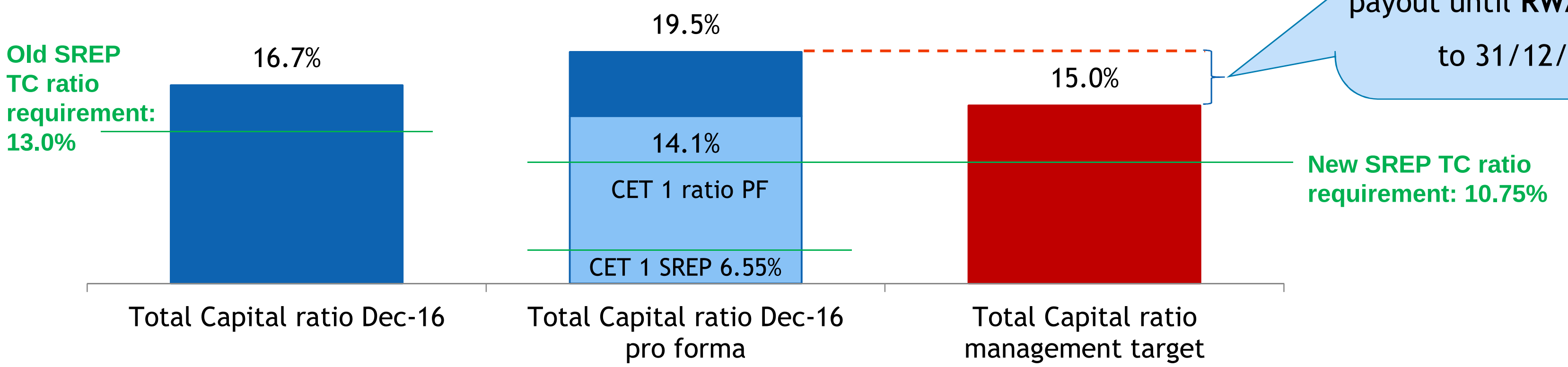
Source: Annual report and press release

Notes: (1) €334m of equity plus €262m of off-balance sheet unrecognised LPI post tax (assuming 27.5% tax rate). (2) Interest income on average loans (3) Including dividend to be paid in 2017 on net income 2016 (4) Including €95m bond of Magellan (5) Based on 2016 number including Magellan for 12 months (i.e. -€2.7m of total provisions)

3 ... Backed by a Strong Capital Position

- Robust capital position maintained also after the cash acquisition of Magellan, the full 2016 net income pay-out and DBRS Italian downgrade
  - **Total Capital ratio pro forma of 19.5%[1,2], +4.5% vs 15.0% company target** and substantially above SREP of 10.75% Total Capital (vs. previous requirement of 13.0%)
  - **CET1 ratio pro forma** of 14.1%, **more than 2.0x the SREP requirement** of 6.55% CET1 (previous requirement of 7.3%)[2]
- **Conservative RWA calculation** (based on standard model and with the Italian exposure to NHS and other PA risk weighted at 100%[1])
- Capital position ready to continue to deliver **growth and dividend**
  - On 21st of February 2017, BFF issued €100m Tier 2 bond to support business expansion
  - **The 4.5% excess capital** allows BFF to growth the RWA by 30% while maintaining a 100% dividend payout
  - After that, the high RoTE of the business allows strong RWA growth with high dividend payout

Banking Group ex. TUB Capital Ratios Evolution[3]



Excess capital to 15% means that company can continue to have a 100% dividend payout until **RWAs grow by +30%** compared to 31/12/2016 post downgrade

Note: (1) Following the DBRS downgrade the capital ratios will be calculated based on the higher risk weighting factor (from 50% to 100%) for the Italian exposure to NHS and other PA different from local government starting from March 2017; (2) CRR CET1 ratio equal to 16.4% and CRR Total Capital ratio equal to 16.6%; (3) Estimated impacts on CET1 arising from DBRS Italian downgrade (-3.6%, impact only on Italian exposure to NHS and other PA different from local government which moved from 50% to 100%), 5% increase in the LPI recovery rate (+1.0%) and Tier II issuance (+5.4%)
Source: Company data.

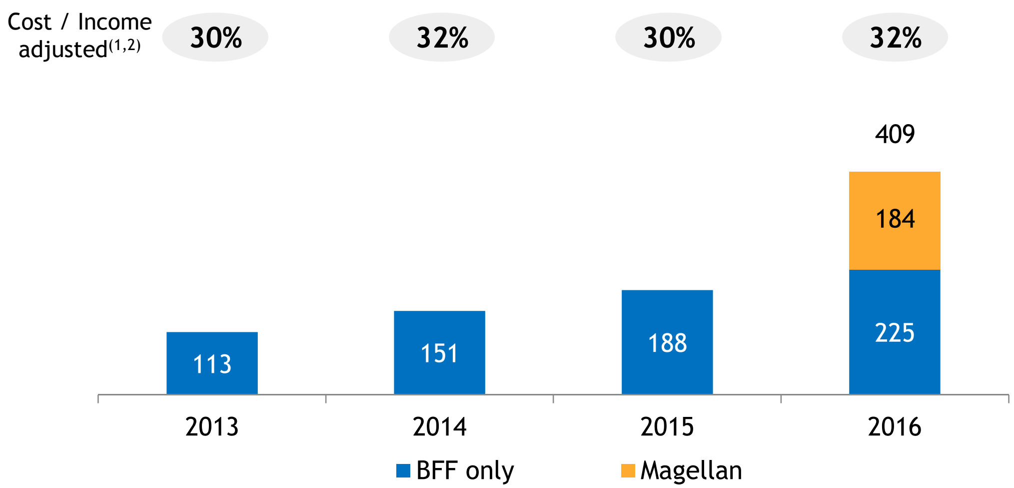
Invested in the Business while Maintained Strong Efficiency

4

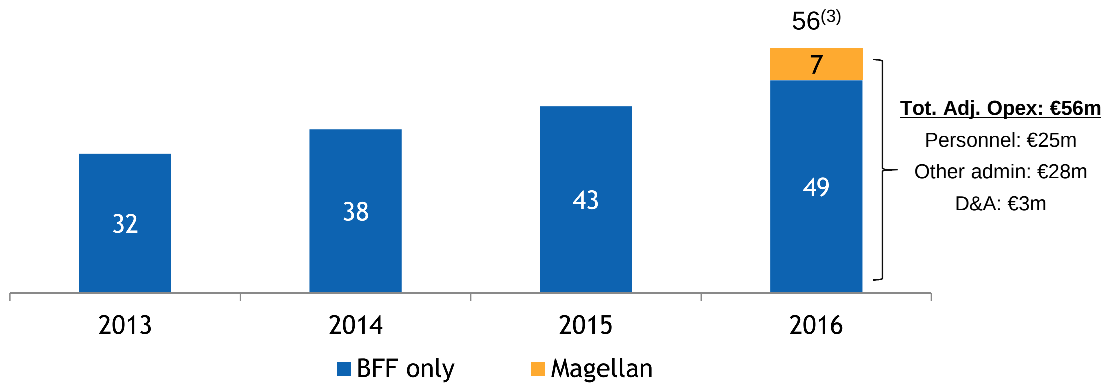
Key Considerations

- Banca Farmafactoring heavily invested over the last three years in infrastructure and people **to support growth**
- Managed to maintain an efficient cost structure with **best in class Cost / Income ratio around 30% - also post Magellan acquisition**
- **Ca. €13m gross extraordinary costs in 2016:** c.€3.5m related to BFF IPO, ca. €2.2m extraordinary contribution to Resolution Fund and the rest for the Magellan acquisition
- Cost increase mainly driven by (i) personnel expenses due to **new hires also for Magellan and increased MBO accrual** due to higher than budgeted results, (ii) administrative costs related to **increased business activities and group structure**

Number of employee and Cost / Income ratio



Operating Costs Adjusted for Extraordinary Items (€m)



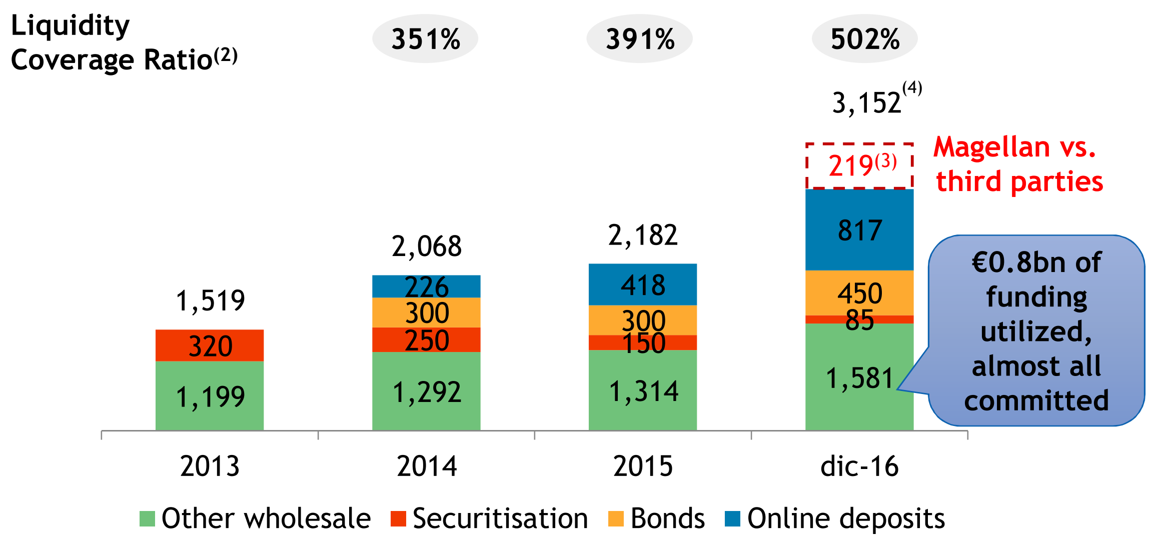
Notes: (1) Adjusted to exclude extraordinary costs; (2) C/I computed as operating expenses (administrative expenses + staff expenses + amortization on tangible and intangible assets) divided by net banking income; (3) Adjusted to exclude extraordinary costs. For 2015 adjusted net income includes ca. €0.3m ordinary contribution to Fondo Interbancario and Resolution Fund and excludes €0.7m of extraordinary contribution to Resolution Fund
Source: Company data

4 Diversified Funding Base with Potential for Further Funding Cost Optimization

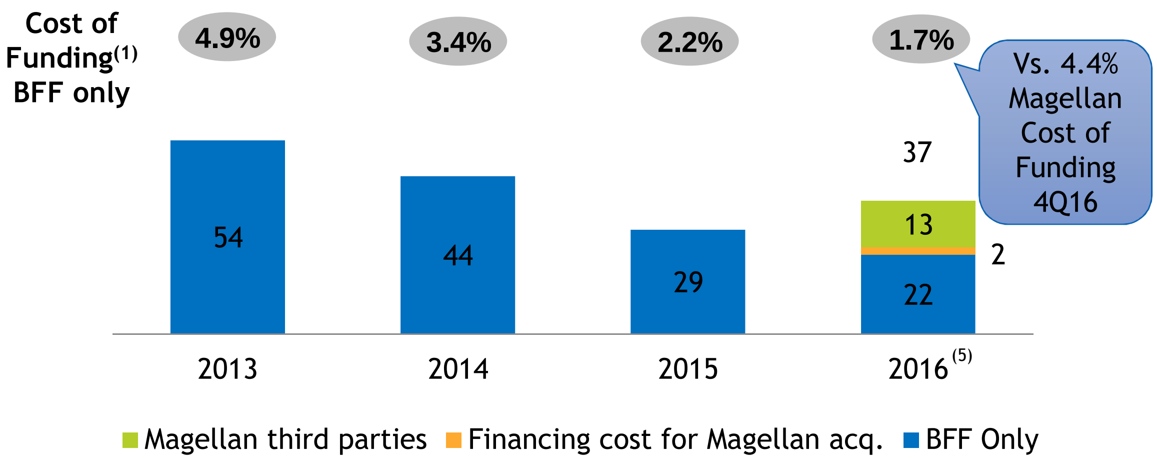
Key Considerations

- **A growing and diversified funding base (2x from 2013):**
  - **€817m online deposits raised in Italy, Spain and Germany** as of year-end 2016, up ca. 90% vs. year-end 2015
  - **Strong liquidity position** with a LCR above 500% as of December 2016
- **Reduction in cost of funding** with an average cost of funding, for BFF only, of 1.7% vs. 4.9% in 2013
  - Additional **€150m 5 years Senior Unsecured bond** issued in June 2016 at 1.25% interest rate. €300m senior unsecured bond at a fixed rate of 2.75% expiring in June 2017, that can be comfortably refinanced with available lines
- **Further potential upside from funding synergies on Magellan:** 4.4% Magellan cost of funding vs. 1.7% for BFF only

Available Funding(1) (€m)



Interest Expenses (€m)



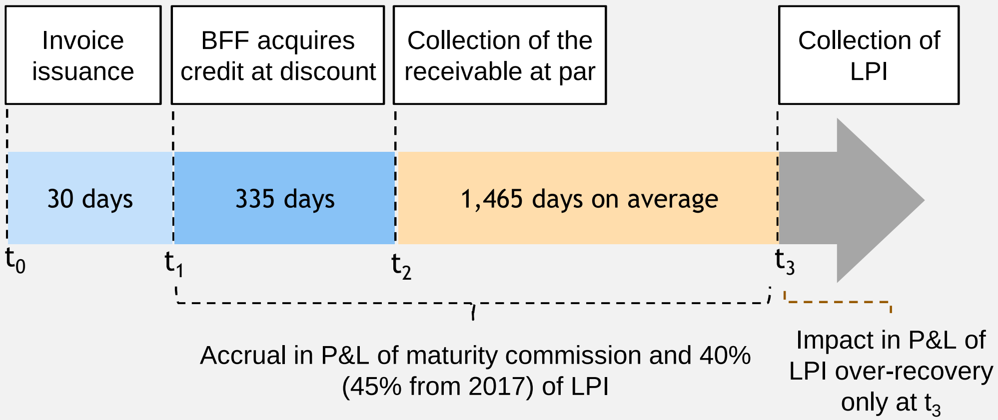
Notes: (1) Excluding ECB funds and REPOs. (2) Based on utilized credit lines; 2013, 2014 and 2015 excluding Magellan, December 2016 including Magellan; (3) Funding almost all utilized, converted into € at a rate of 4.4103. Includes also bonds; (4) Not considering financing for Magellan acquisition 355 m PLN. (5) Including 12 month Magellan and excluding funding synergies

5 High Visibility of Future Revenues from LPI

Key Considerations

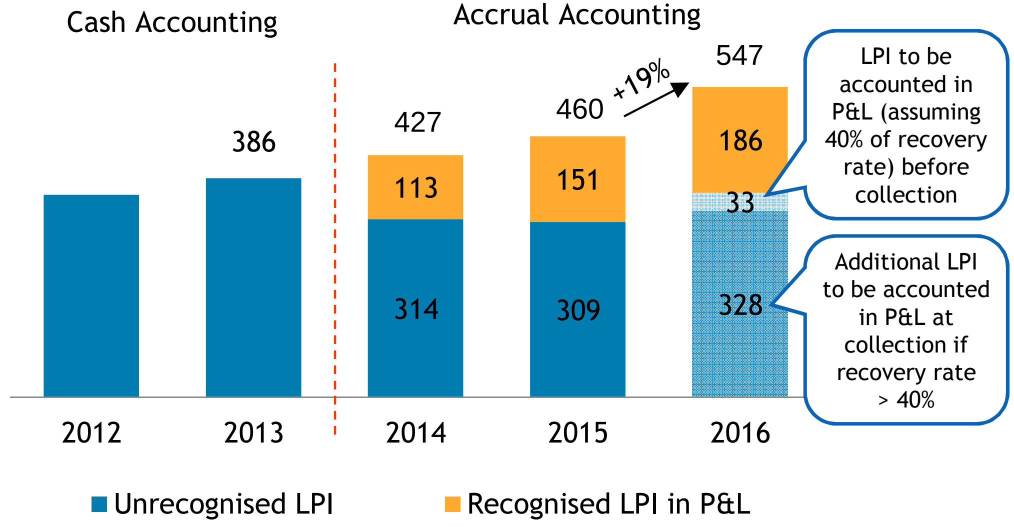
- **The full impacts on BFF's P&L originated by the LPIs and related to the significant growth of purchased receivables over the last years will be fully visible only in the coming years:**
  - A LPI on current outstandings and on already collected receivables generate revenues for 5 years (€33m deferred as of 31 Dec)
  - B The full P&L impact related to a higher LPI recovery rate vs. the assumed 40% (45% since 2017) will become visible only at collection date of the LPI

Illustrative example

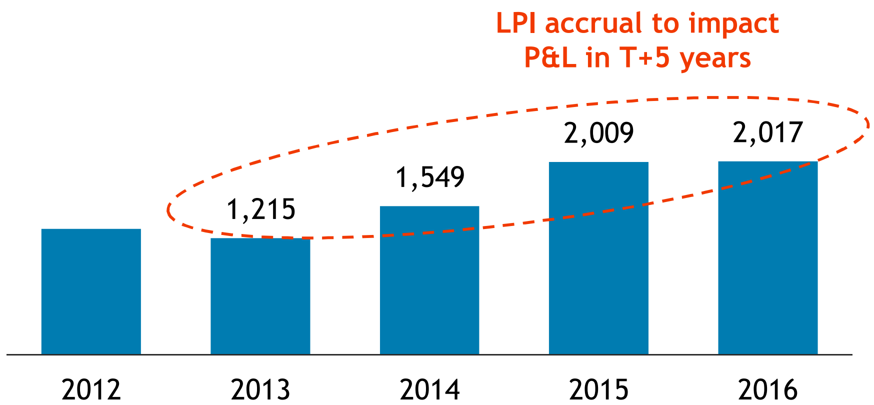


Notes: (1) Assuming 40% of recovery rate

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



Outstanding Evolution (Excl. Magellan) (€m)



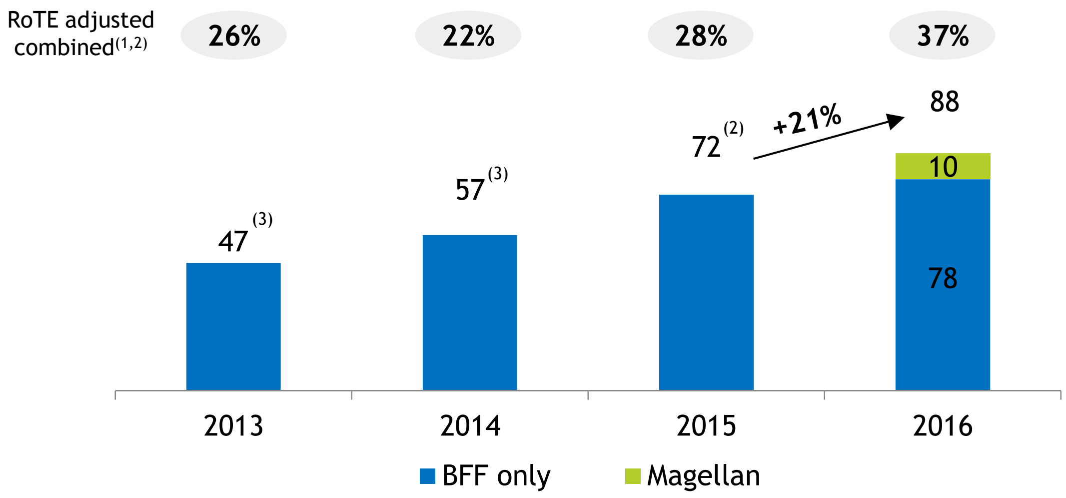
High Profitability and Significant Free Capital Generation ...

6

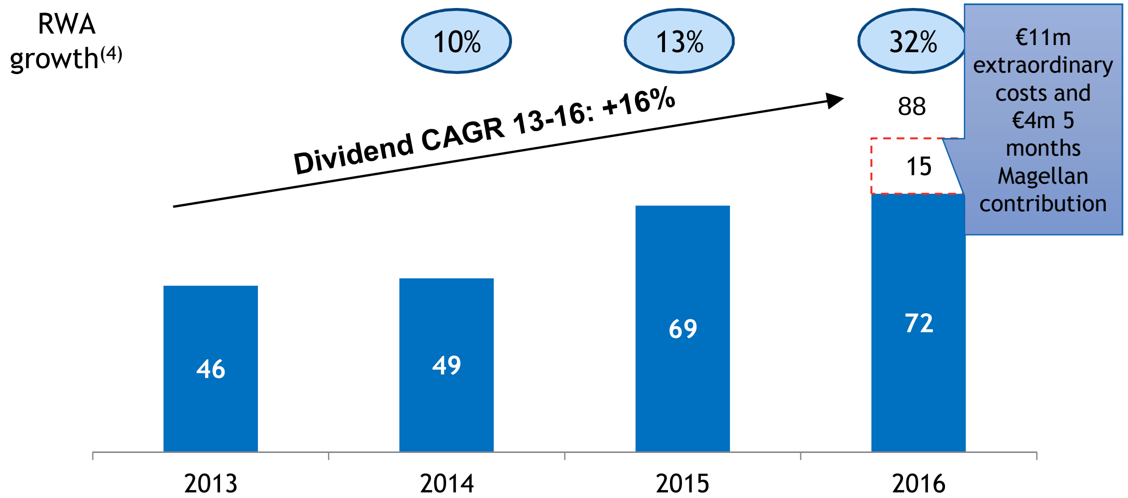
Key Considerations

- Almost doubled net income[1,2] in the last 4 years to €88m (incl. Magellan)
- Significantly improved return on capital thanks to an efficient use of capital
  - 2016 RoTE adjusted combined at 37%
  - ROTE consistently above 20% over the last 4 years
- Historical attractive dividend flows despite strong RWA growth with **more than €240m dividend paid between 2013 – 2016 and with a pay-out ratio of over 95% on average and 16% CAGR**
- **Attractive dividend flow confirmed also in 2016 despite cash acquisition of Magellan, Italian downgrade and significant extraordinary costs for IPO and M&A**

Net Income adj[1,2] (€m)



Dividend (€m)



Notes: (1) Throughout the document, P&L data for Magellan are converted into EUR assuming an FX of 4.3632 (average Jan-Dec 2016) and Balance Sheet data are converted into EUR assuming an FX of 4.4103 (Dec 2016); (2) Adjusted to exclude extraordinary costs. For 2015 adjusted net income includes ca. €0.3m ordinary contribution to Fondo Interbancario and Resolution Fund and excludes €0.7m of extraordinary contribution to Resolution Fund. (3) 2013 and 2014 net income pro-forma for change in LPI accounting (4) Reported (5) Net income adjusted for €11m extraordinary costs and €4m for 5 months Magellan contribution
Source: Company data

6 ... Able to Support future Growth and Dividend

BFF BANKING GROUP

RoTE: 37% | **Total Capital ratio: 19.5%** | **Target Total Capital ratio: 15%**

1 Invested in the business for growth ...

Significant investment in infrastructure and expanded employee base to support business expansion

2 ... with plenty of funding ...

Ample liquidity (€1bn at year end) and access to multiple deposit and wholesale markets

3 ... and raised capital to grow

4.5% of excess capital after the Tier II issuance to self fund growth while maintaining 100% payout ratio

Highly capital generative model able to self fund superior growth and deliver attractive dividend as already proven over the last years:

- The 19.5% total capital ratio allows full net income distribution until RWA grow by 30%
- Given its high RoTE, BFF can maintain both high growth and high payout ratio after full deployment of the excess capital

Management Fully Aligned With Public Market Shareholders

Management have been shareholders of the business since 2006
Senior executives have been in the bank for more than 12 years

Yearly management bonus	✓ Paid only if budget achieved, zero otherwise ✓ 50% in shares or stock options ✓ Multiplied up to 140% if EBTDA risk adjusted is +10% or higher than budget
Large direct stock ownership	✓ Management will have a > 7% stake post IPO (31 shareholders) ✓ None of the manager will own more than 5% ✓ 1 year lock up ✓ All manager shareholders have non compete agreement
Stock options with 8% hurdle rate	✓ 3.75% pool allocated at IPO ✓ Strike price equal to IPO price + 8% compounded returns ✓ 3 years vesting ✓ Broad coverage throughout the organisation (60+ people)

Key Takeaway

1	Market leader in large and underpenetrated markets	€240bn market
2	Solid and resilient business model with compelling assets and earning growth	>20% CAGR 2013-2016[(1)]
3	Low risk profile coupled with solid capital position	10bps Cost of Risk 19.5% TC ratio[(2)]
4	Superior cash generation with proven track record of high profitability and dividend	37% RoTE 100% payout
5	Significant growth potential through excess capital, invested platform and access to funding	30% RWA growth €1bn of liquidity
6	Management fully aligned with shareholders	>7% direct stake post IPO 8% hurdle rate on stock options

Source: Annual Report
Notes: (1) 2013 income statement normalised for change in LPI accounting; 2016 net income, RoTE and C/I ratio adjusted to exclude extraordinary costs and including 12 months of Magellan. (2) Referring to Banking Group and pro forma for DBRS downgrade, 5% increase in LPI recovery rate and Tier II issuance.

APPENDIX

2016 Net Income Reconciliation

Key Considerations

- **Reported net income equal to ca. €72m,** including net income from Magellan (7 months only)
- **Reported net income highly impacted by extraordinary expenses that will not be recurring from 2017 onwards**
- **Adjusted net income equal to ca. €88m,** adjusted for:

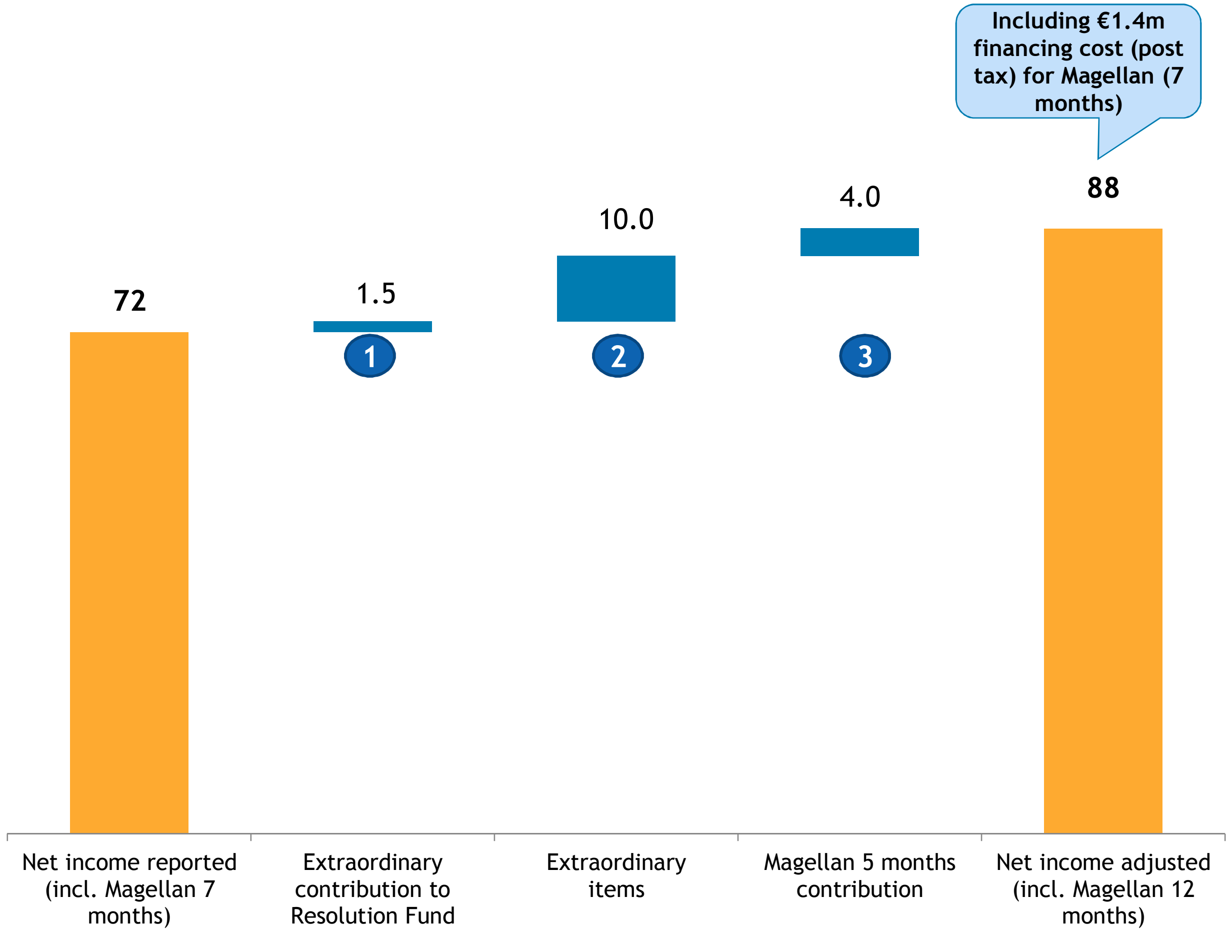
1 **€1.5m of extraordinary** contribution (post tax) to Resolution Fund

2 **€10.0m of extraordinary items (post tax)**, including €2.4m related to BFF IPO and remaining €7.6m extraordinary expenses related to Magellan acquisition

3 **€4.0m related to Magellan net income** (January to May period)

- And including:
  - €1.1m cost related to ordinary contribution to "Fondo Interbancario" and Resolution Fund
  - €1.4m financing cost (post tax) related to Magellan acquisition costs

Net Income Adjusted and Combined Build-up (€m)



History

Long and Successful Track Record in a Changing Environment

BFF BANKING GROUP

- Established in 1985
- Initial investment of €260k
- Focused on the collection management of the receivables of the suppliers to the Italian NHS

- Started in 1990 the activity of non-recourse factoring

From 1985 to 2005

- Acquired in 2006 by Apax Partners

Enhanced Profitability 2006 - 2010

- Spanish subsidiary active since 2011

FARMAFACTORING ESPAÑA

Resilient during crisis 2011 - 2013

Turning point: BFF becomes bank in June 2013

- Expand funding base:
  - 3yr senior bond issued on June 2014
  - Online deposit launched in September 2014
  - Strengthen Operations to support growth

FACTO I miei interessi

- Start changing the funding mix
- Launch of activities in Portugal in 2014

- Centerbridge agrees to acquire BFF from Apax in April 2015

- Further funding expansion
  - Launch of online deposit in Spain in 2H 2015
- Increased volumes in PA and Iberia
- 5yr senior bond issued on June 2016

FACTO Por tu interés

BFF BANKING GROUP

- Acquisition of Magellan in June 2016
- Enter deposit market in Germany

magellan

- €100m Tier 2 bond issuance in March 2017

Set-Up / Change in Ownership

Source: Annual Report

Magellan: The Story of a Successful Acquisition

Key Acquisition Highlights

BFF demonstrated a disciplined approach to acquisition enabling to acquire Magellan for a total cash consideration of €103m …

…revealing a successful acquisition with 2015 P/E of 10.0x for a business with high RoTE…

…and strong synergies potential

Execution Highlights

- ✓ Increased geographic diversification: 25% of 2016 outstanding amount outside of Italy vs. 11% in 2015
- ✓ Consideration fully paid in cash and no equity raise involved
- ✓ Boosted Group RoTE adjusted up to 37% in 2016(1)(2), from 28% in 2015 (BFF only)
- ✓ Tangible Magellan contribution to BFF Group Net Income
- ✓ Further funding synergies coming from the optimisation of Magellan's source of funding (4.4% CoF of Magellan in IVQ 2016 vs. 1.8% of BFF standalone in 2H 2016(3))

Notes: (1) Throughout the document, P&L data for Magellan are converted into EUR assuming an FX of 4.3632 (average Jan-Dec 2016) and Balance Sheet data are converted into EUR assuming an FX of 4.4103 (Dec 2016); (2) Adjusted to exclude extraordinary costs. For 2015 adjusted net income includes ca. €0.3m ordinary contribution to Fondo Interbancario and Resolution Fund and excludes €0.7m of extraordinary contribution to Resolution Fund (3) Including the effect of EUR/PLN swap for PLN IC Loan
Source: Company data

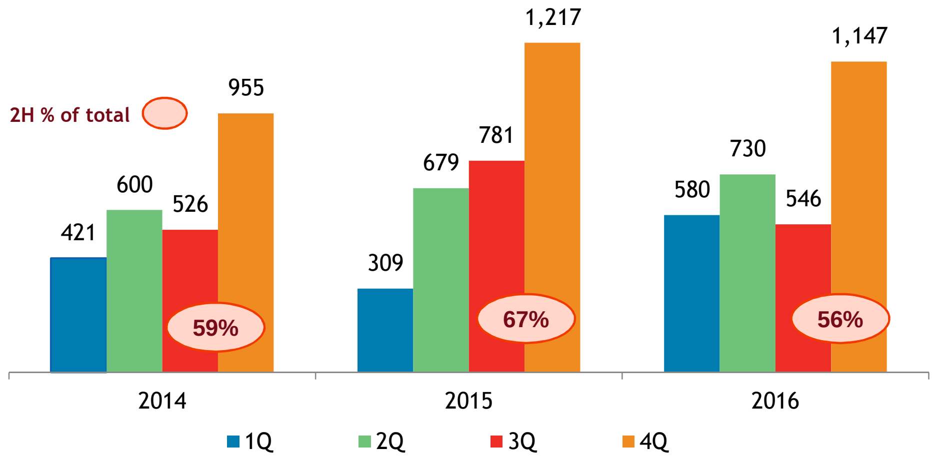
Traditional Business Subject to Seasonality, with Peak in Q4

BFF excl. Magellan

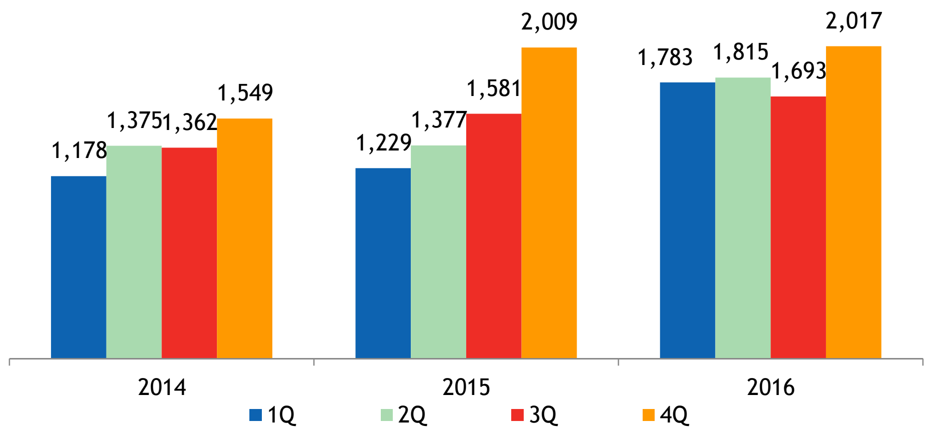
Key Considerations

- **Business subject to a certain degree of seasonality**, due to customers' preference in selling receivables towards the end of the quarter (especially in 4Q)
  - On average ca. **60% purchased in the 2H with the peak of purchases in the last three months**
- **Outstanding accumulated in the last quarter of the year offers high level of visibility on revenues in the following years**

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



Outstanding Evolution by Quarter (BFF Excl. Magellan) (€m)



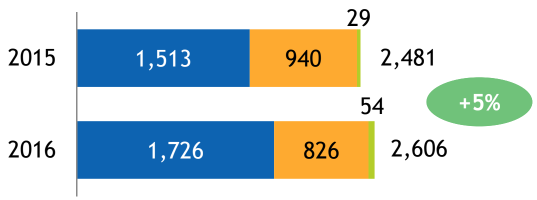
Notes: (1) Excluding Magellan

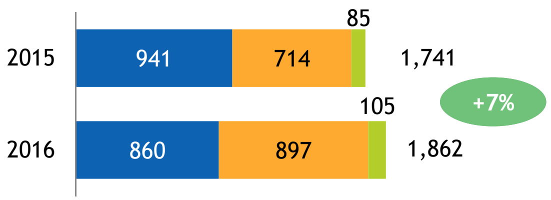
Growing Loan Portfolio with Significant Contribution from Italy

BFF BANKING GROUP

New Business (€m) | Customer loans (€m) | Key Considerations

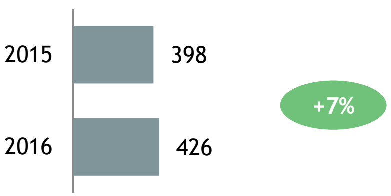
Italy

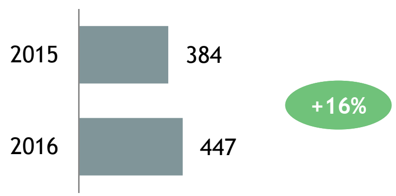




- Purchased volumes in 2016 up 5% vs. 2015
- No boost from results of constitutional referendum
- 2016 customer loans increased by 7% in Italy with an higher contribution from the PA segment (lower RWA)

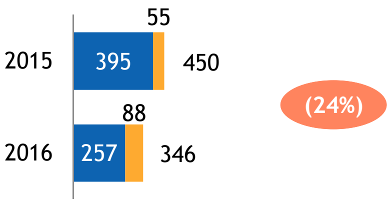
Magellan

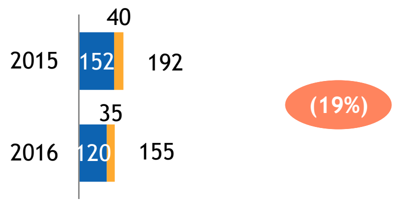




- Robust new business performance, volumes at €426m in December 2016 (+7% YoY)
- Loans grew at faster rate due to lower duration of Magellan assets; substantially increasing at €447m in December 2016, +16% vs. 2015

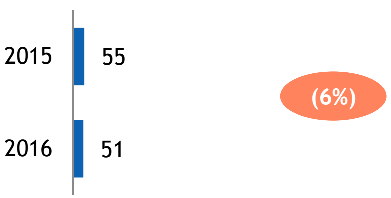
Spain

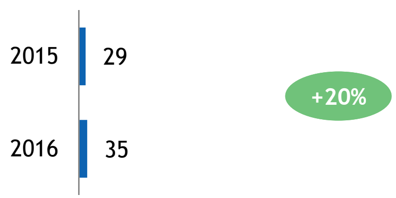




- Spain volumes in 2016 significantly impacted by regional liquidity funds (FLA) measures (particularly in June and at year end) and high sales force turnover
  - Sales team was reinforced in 2H2016

Portugal





- Activities in Portugal started in 2014 with customer loans up 20% in 2016
- Purchased volumes slightly down in 2016 (-6% vs. 2015) mainly for year end government payment

NHS P.A. Other

Delta '16-15

Group New Business Growth[1]

+1%

Group Customer loans Growth[1]

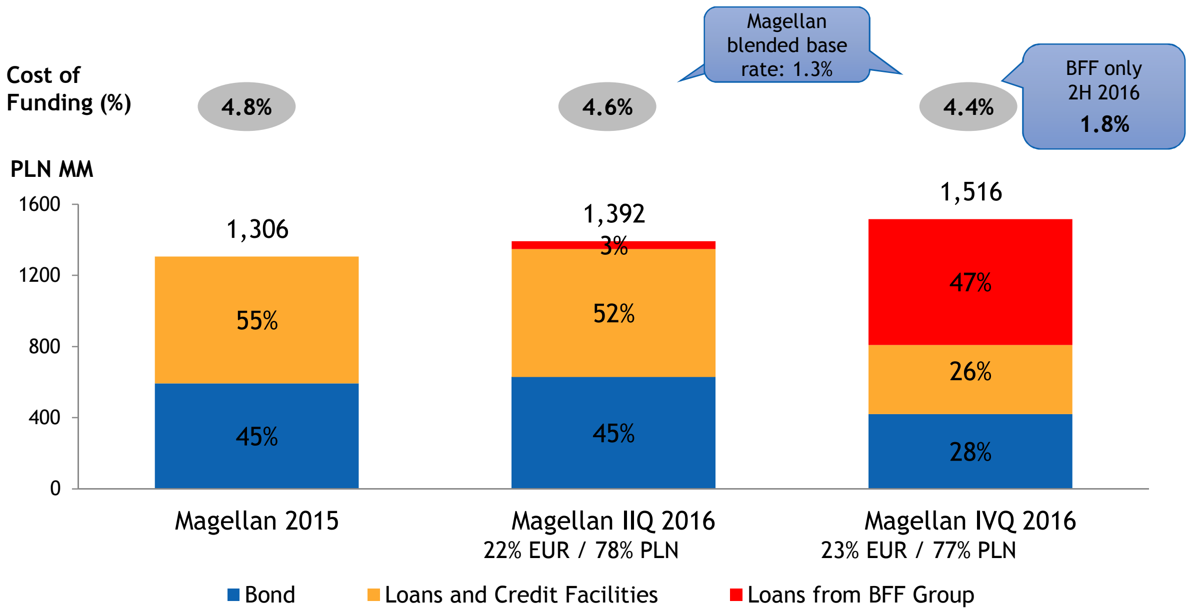
+7%

Notes: (1) Including Magellan for 2015

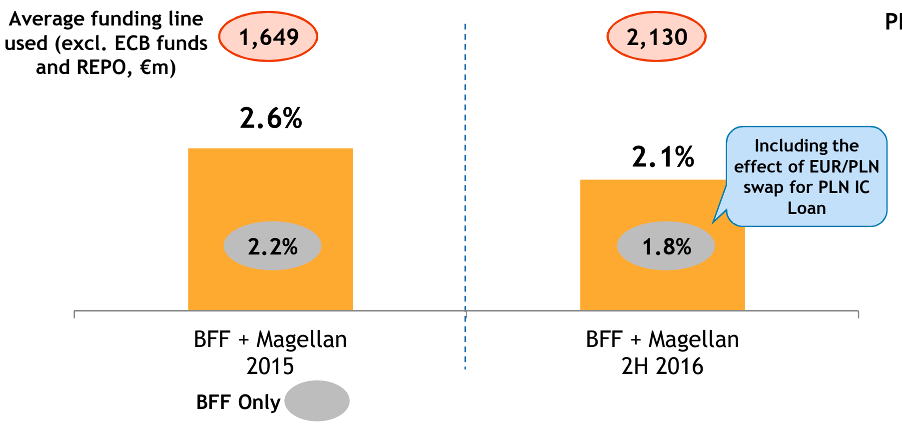
Further Potential Upside from Funding Synergies on Magellan

- **BFF Group's strategy aims to optimise Magellan's local cost of funding to bring it in line with BFF (process already started in second half of 2016)**
  - Significant portion of EUR denominated funding already refinanced by BFF Group
  - For PLN denominated funding, BFF Group started renegotiation of the existing funding lines and structured new banking facilities at a lower cost
- **Funding synergies will also come from maturing of Magellan bonds to be refinanced with cheaper funding instruments**

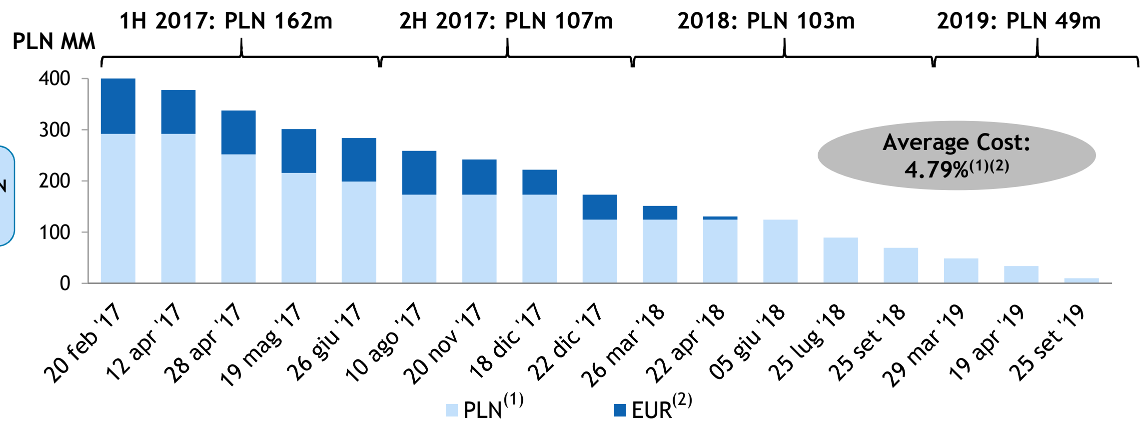
Magellan Funding Structure



Cost of funding (BFF + Magellan - %)



Bond Maturity Profile



Note: (1) PLN floating assuming Wibor 6m of 1.80%; (2) EUR/PLN 4.4103, EUR Fixed at 3.80% swapped in PLN to finance Magellan SA Polish business

Scenario analysis: Purchased volumes always constant

P&L impacts – Illustrative example

P&L pre over recovery on LPI

	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Purchased	**100**	**100**	**100**	**100**	**100**	**100**	**100**
Outstanding loans	**100**	**100**	**100**	**100**	**100**	**100**	**100**
Growth %	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Maturity commissions	**6.0**	**6.0**	**6.0**	**6.0**	**6.0**	**6.0**	**6.0**
LPI in P&L	**2.6**	**2.8**	**3.0**	**3.3**	**3.6**	**3.6**	**3.6**
LPI accrued on Y1 purchased	*2.6*	*0.2*	*0.3*	*0.3*	*0.3*	*-*	*-*
LPI accrued on Y2 purchased		*2.6*	*0.2*	*0.3*	*0.3*	*0.3*	*-*
LPI accrued on Y3 purchased			*2.6*	*0.2*	*0.3*	*0.3*	*0.3*
LPI accrued on Y4 purchased				*2.6*	*0.2*	*0.3*	*0.3*
LPI accrued on Y5 purchased					*2.6*	*0.2*	*0.3*
LPI accrued on Y6 purchased					*-*	*2.6*	*0.2*
LPI accrued on Y7 purchased					*-*	*-*	*2.6*
Funding costs	**(2.4)**	**(2.4)**	**(2.4)**	**(2.4)**	**(2.4)**	**(2.4)**	**(2.4)**
Total accrued revenues	**6.2**	**6.4**	**6.7**	**7.0**	**7.3**	**7.3**	**7.3**
Over recovery upon LPI collection (@ 60%)					**1.2**	**1.2**	**1.2**
NBI	**6.2**	**6.4**	**6.7**	**7.0**	**8.5**	**8.5**	**8.5**
Net income	**2.8**	**2.9**	**3.0**	**3.2**	**3.9**	**3.9**	**3.9**
Growth		*4%*	*4%*	*4%*	*22%*	*0%*	*0%*
Dividend	**2.8**	**2.9**	**3.0**	**3.2**	**3.9**	**3.9**	**3.9**
Payout	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*

CAGR Y1 - Y6: 7%

Tot. dividend over period: ca. €23m

Comments

- **Scenario assumption: no growth in outstanding over the period considered**
  - Outstanding at Y0: **€100K**
  - Receivable assumed to be purchased 1st January
  - Assumed **average financial in balance sheet (days): 365**
  - Assumed **maturity commission fee: 6%**
  - Assumed **cost of funding: 2.5%**
  - Assumed collection period for LPI from the purchase: **1,800 days**
  - Assumed **LPI interest rate: 8.05%** (8% + ECB rate 5bps)
  - Assumed **IRR : ca. 9%**
  - **C/I ratio** constant at **32%**
  - **Cost of risk** assumed at **10bps**
  - **LPI recovery rate at 45%** and over collection at **15%** (60% total LPI recovery rate)
  - Assumed **CET1 at 12%** and **RWA density at 75%**

Assumptions as per Analyst Presentation

Scenario analysis: Growth in purchased volumes in year 2 and flat afterward

BFF BANKING GROUP

P&L impacts - Illustrative example

	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8
Purchased	100	130	130	130	130	130	130	130
Outstanding loans	100	130	130	130	130	130	130	130
Growth %	*0%*	*30%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Maturity commissions	6.0	7.8	7.8	7.8	7.8	7.8	7.8	7.8
LPI in P&L	2.6	3.6	3.9	4.2	4.6	4.7	4.7	4.7
LPI accrued on Y1 purchased	*2.6*	*0.2*	*0.3*	*0.3*	*0.3*	*-*	*-*	*-*
LPI accrued on Y2 purchased		*3.3*	*0.3*	*0.3*	*0.4*	*0.4*	*-*	*-*
LPI accrued on Y3 purchased			*3.3*	*0.3*	*0.3*	*0.4*	*0.4*	*-*
LPI accrued on Y4 purchased				*3.3*	*0.3*	*0.3*	*0.4*	*0.4*
LPI accrued on Y5 purchased					*3.3*	*0.3*	*0.3*	*0.4*
LPI accrued on Y6 purchased						*3.3*	*0.3*	*0.3*
LPI accrued on Y7 purchased							*3.3*	*0.3*
LPI accrued on Y8 purchased								*3.3*
Funding costs	(2.4)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)
Total accrued revenues	6.2	8.3	8.6	9.0	9.4	9.5	9.5	9.5
Over recovery upon LPI collection (@ 60%)					1.2	1.6	1.6	1.6
NBI	6.2	8.3	8.6	9.0	10.6	11.0	11.0	11.0
Net income	2.8	3.8	3.9	4.1	4.8	5.0	5.0	5.0
Growth		*34%*	*4%*	*4%*	*18%*	*4%*	*0%*	*0%*
Dividend	2.8	1.1	3.9	4.1	4.8	5.0	5.0	5.0
Payout	*100%*	*28%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*

Outstanding growth of c. 30% in Y2

P&L pre over recovery on LPI

CAGR Y1 - Y6: 12%

Tot. dividend over period: ca. €27m

Assuming net income of the period invested in the RWA growth

Comments

- **Scenario assumption: growth in outstanding of c. 30% in Y2 and flat afterwards**
  - Outstanding at Y0: **€100K**
  - Receivable assumed to be purchased 1st January
  - Assumed **average financial in balance sheet (days): 365**
  - Assumed **maturity commission fee: 6%**
  - Assumed **cost of funding: 2.5%**
  - Assumed collection period for LPI from the purchase: **1,800 days**
  - Assumed **LPI interest rate: 8.05%** (8% + ECB rate 5bps)
  - Assumed **IRR : ca. 9%**
  - **C/I ratio** constant at **32%**
  - **Cost of risk** assumed at **10bps**
  - **LPI recovery rate at 45% and over collection at 15%** (60% total LPI recovery rate)
  - Assumed **CET1 at 12%** and **RWA density at 75%**

Assumptions as per Analyst Presentation

Scenario analysis: Growth in purchased volumes in year 2 and 3, flat afterward

BFF BANKING GROUP

P&L impacts - Illustrative example

	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8
Purchased	100	130	160	160	160	160	160	160
Outstanding loans	100	130	160	160	160	160	160	160
Growth %	*0%*	*30%*	*23%*	*0%*	*0%*	*0%*	*0%*	*0%*
Maturity commissions	6.0	7.8	9.6	9.6	9.6	9.6	9.6	9.6
LPI in P&L	2.6	3.6	4.7	5.1	5.5	5.7	5.8	5.8
LPI accrued on Y1 purchased	*2.6*	*0.2*	*0.3*	*0.3*	*0.3*	-	-	-
LPI accrued on Y2 purchased		*3.3*	*0.3*	*0.3*	*0.4*	*0.4*	-	-
LPI accrued on Y3 purchased			*4.1*	*0.4*	*0.4*	*0.4*	*0.5*	-
LPI accrued on Y4 purchased				*4.1*	*0.4*	*0.4*	*0.4*	*0.5*
LPI accrued on Y5 purchased					*4.1*	*0.4*	*0.4*	*0.4*
LPI accrued on Y6 purchased						*4.1*	*0.4*	*0.4*
LPI accrued on Y7 purchased							*4.1*	*0.4*
LPI accrued on Y8 purchased								*4.1*
Funding costs	(2.4)	(3.1)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)
Total accrued revenues	6.2	8.3	10.5	10.9	11.4	11.5	11.6	11.6
Over recovery upon LPI collection (@ 60%)					1.2	1.6	1.9	1.9
NBI	6.2	8.3	10.5	10.9	12.6	13.1	13.6	13.6
Net income	2.8	3.8	4.7	4.9	5.7	6.0	6.2	6.2
Growth		*34%*	*26%*	*4%*	*16%*	*4%*	*4%*	*0%*
Dividend	2.8	1.1	2.0	4.9	5.7	6.0	6.2	6.2
Payout	*100%*	*28%*	*43%*	*100%*	*100%*	*100%*	*100%*	*100%*

P&L pre over recovery on LPI

CAGR Y1 - Y6: 16%

Tot. dividend over period: ca. €29m

Assuming net income of the period invested in the RWA growth

Comments

- **Scenario assumption: growth in outstanding to €130m in Y2 and €160m in Y3 and flat afterwards**
  - Outstanding at Y0: **€100K**
  - Receivable assumed to be purchased 1st January
  - Assumed **average financial in balance sheet (days): 365**
  - Assumed **maturity commission fee: 6%**
  - Assumed **cost of funding: 2.5%**
  - Assumed collection period for LPI from the purchase: **1,800 days**
  - Assumed **LPI interest rate: 8.05%** (8% + ECB rate 5bps)
  - Assumed **IRR : ca. 9%**
  - **C/I ratio** constant at **32%**
  - **Cost of risk** assumed at **10bps**
  - **LPI recovery rate at 45% and over collection at 15%** (60% total LPI recovery rate)
  - Assumed **CET1 at 12%** and **RWA density at 75%**

Assumptions as per Analyst Presentation

Summary Profit & Loss

€ '000	31-Dec-2013	Pro-forma[(1)] 31-Dec-2014	31-Dec-2015 Reported BFF only	31-Dec-2016 Reported Group (consolidating only 7 months for Magellan)	31-Dec-2016 Group (consolidating 12 months for Magellan and excluding extr. costs)
Interest Income	154,643	151,968	161,946	190,225	204,022
Interest Expenses	(53,644)	(44,240)	(28,898)	(31,020)	(37,142)
Net Interest Income	**100,999**	**107,729**	**133,048**	**159,205**	**166,880**
Net Fee and Commission Income	9,164	8,239	7,943	3,355	6,845
Dividends	0	0	0	60	123
Gains/Losses on Trading	1,701	497	46	682	666
Gains/Losses on Hedging	0	(7)	(23)	(1)	(1)
Gains/Losses on Purchase / Disposal of Available-for-Sale Financial Assets	0	953	872	706	706
Net Banking Income	**111,864**	**117,411**	**141,886**	**164,007**	**175,219**
Impairment Losses/Reversals on Financial Assets	(1,136)	131	(1,126)	(2,244)	(2,678)
Administrative Expenses	(30,278)	(35,954)	(45,567)	(63,642)	(53,519)
Net Adjustments to/ Writebacks on Property, Plant and Equipment and Intangible Assets	(1,789)	(1,743)	(2,138)	(2,616)	(2,729)
Provisions for risks and charges	(734)	(1,280)	(879)	(2,075)	(2,076)
Other Operating Income (Expenses)	6,609	7,032	4,144	5,704	6,112
Profit Before Income Taxes from Continuing Operations	**84,537**	**85,597**	**96,320**	**99,134**	**120,330**
Income Taxes	(35,624)	(28,129)	(27,529)	(26,997)	(32,761)
Net Income	**48,913**	**57,468**	**68,791**	**72,137**	**87,569**

Source: Company data (1) Pro-forma 2014 figures calculated as if new LPI methodology had been adopted since FY2011

Summary Historical Balance Sheet

€ '000	31-Dec-2013	31-Dec-2014	31-Dec-2015 Reported BFF only	31-Dec-2016
Assets				
Cash and Cash Balances	1	3	160	149
Financial Assets Held for Trading	5	0	0	244
Financial Assets at Fair Value	0	0	0	3,401
Available-for-Sale Financial Assets	82,015	370,180	429,438	385,280
Financial Assets Held to Maturity		955,932	822,859	1,629,320
Due from Banks	325,944	97,726	60,523	144,871
Receivables and Loans	1,136,578	1,554,957	1,962,004	2,499,094
Hedging derivatives	0	0	0	529
Equity Investments	0	0	0	302
Property, Plant and Equipment	12,829	12,693	12,666	12,988
Intangible Assets	1,122	2,053	2,747	25,811
Tax Assets	40,083	31,117	28,053	25,870
Other Assets	9,336	2,106	3,106	7,137
Total Assets	**1,607,913**	**3,026,767**	**3,321,556**	**4,734,996**
Liabilities and Equity				
Due to Banks	804,451	968,264	688,081	634,807
Due to Customers	173,438	1,168,587	1,726,683	2,996,142
Securities Issued	320,000	468,562	452,962	634,283
Financial Liabilities Held for Trading	548	46	0	7
Hedging derivatives	0	47	0	176
Tax Liabilities	47,016	73,057	70,583	73,659
Other Liabilities	25,370	32,377	45,885	54,319
Employee Severance Indemnities	705	717	883	867
Provisions for Risks and Charges	3,377	4,316	5,195	6,989
Equity	184,096	186,416	262,493	261,610
Profit for the Year	48,913	124,378	68,791	72,137
Total Liabilities and Equity	**1,607,913**	**3,026,767**	**3,321,556**	**4,734,996**

Source: Company data