BFF BANKING GROUP

Group Overview

February 2019

A Bank Like No Other®

BFF Banking Group: A Bank Like No Other®

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

Market leader in large and underpenetrated markets	>€260bn addressable market
Only Pan-European platform - 8 countries	35% of loan outside Italy
Compelling assets and earnings growth	14% net income CAGR 2013-18(1)
Outstanding cost efficiency	36% Cost/Income ratio
Low risk profile	13bps Cost of Risk
Solid capital position	15.2% TC ratio(2)
High profitability	37% RoTE(3)
Proven track-record of cash generation	c. €500m(4) capital generated 2013-18
Access to funding with multiple sources	€439m of committed undrawn lines
Ample liquidity	235% LCR

Source: Annual Reports

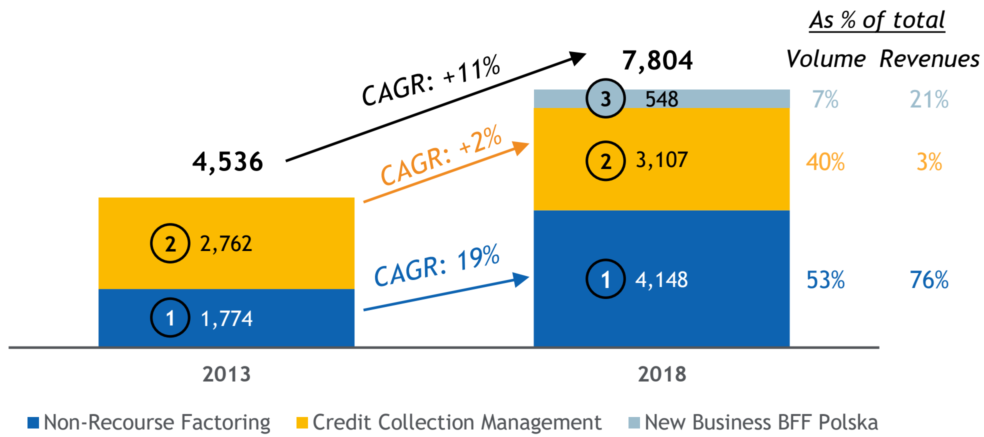
Notes: (1) 2013 income statement normalised for change in LPI accounting; 2018 Adjusted Net Income. (2) Referring to BFF Banking Group as of 31-Dec-2018. (3) Based on 2018 Adjusted Net Income. (4) Sum of reported net income 2013-2018

BFF Banking Group: key figures

General Overview

- **Leading financial services provider to suppliers of the European Healthcare and Public Administration sectors**
- **Founded in 1985, Bank since 2013**
- **Long standing relationship with high profile clients,** mainly international and large national companies → Low dilution risk
- **Three main business lines:**
  1. **Non-Recourse Factoring in Southern Europe ("Purchased")** (funded business, 53% of volumes and 76% of gross revenues[1])
  2. **Credit Collection Management in Italy** (unfunded business, 40% of volumes and 3% of gross revenues[1])
  3. **Financing to healthcare entities and Local Government and non-recourse factoring in Central-Eastern Europe** (funded business, 7% of volumes and 21% of gross revenues[1])

Total New Business Volumes (€m)



Key Financials

Historical Financials - €m	2013	2014	2015	2016[2]	2017	2018
Net Interest Income[3]	97	108	133	167	173	189
Net Banking Income[3]	108	117	142	175	180	195
Net Income[3]	47	57	72	87	84	92
Customer Loans	1,137	1,555	1,962	2,499	3,018	3,583
Total Assets	1,608	3,027	3,322	4,735	4,447	4,942
Drawn Funding	1,197	1,473	1,616	2,292	2,606	3,168
Equity	233	311	331	334	364	366
RoTE Adjusted[4]	26%	22%	28%	37%	33%	37%
Cost/Income ratio	30%	32%	30%	32%	34%	36%
Cost of Risk (bps)	10	(0.3)	6	10	20	13
Net NPL ratio	0.2%	0.2%	0.1%	0.5%	0.6%	1.1%

Source: Company Filing.
Notes: (1) Based on 2018 gross revenues calculated as the sum of interest income on loans to customers and commission income. (2) Pro-Forma to include BFF Polska for 12 months. (3) 2013-2014 P&L items are normalized due to change in LPIs reporting in 2014 and adjusted to exclude extraordinary costs. FY15/16/17/18 adjusted to exclude extraordinary items. (4) RoTE Adjusted = Adjusted NI/Tangible Equity excluding NI of the period.

Profitable and Growing in Every Season

Net Income (2007-2018)

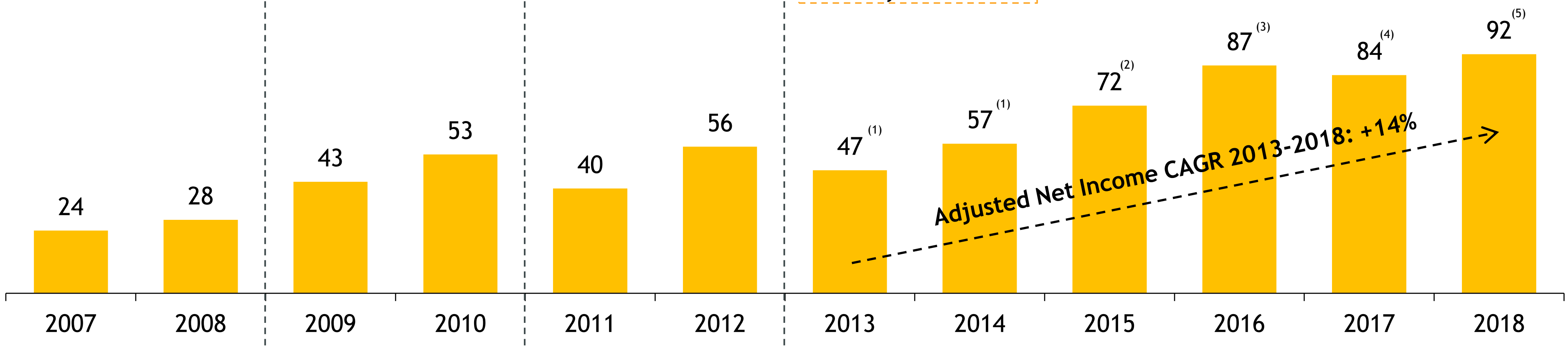
Total Capital Invested: IT Lira 500m (€260k) in 1985 vs c.€620m dividend distributed thus far

Regulated financial intermediary			BFF with Banking License	
Credit Bubble	Financial Crisis	Sovereign Debt Crisis	Low interest rate and plenty of liquidity for Government and clients	Changing macro

Rating Action on ITA Gov.

- Downgrade from A+ to A by S&P (Sep-11)
- Downgrade to BBB+ by S&P (Jan-12)
- Downgrade to BBB by S&P (Jul-13)
- Downgrade to BBB- by S&P (Dec-14)
- Downgrade to BBB by DBRS (Jan-17)
- Upgrade to BBB by S&P (Oct-17)
- Downgrade to Baa3 by Moody's (Oct-18)

Government interventions in Italy and Spain between 2013-14 to reduce late payments by the PA



Source: Annual Reports.

Notes: (1) 2013 and 2014 Net Income are normalised for change in LPI accounting. (2) Adjusted to exclude extraordinary costs. 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) Excluding €11m of extraordinary expenses and including €4m BFF Polska 5 months pre acquisition net income contribution. (4) Excluding €12m of net positive extraordinary items. (5) Excluding €0.4m of net positive items balanced by a net change in equity reserves.

Leading Provider of Credit Management and Working Capital Solutions to Public Sector Suppliers in EU

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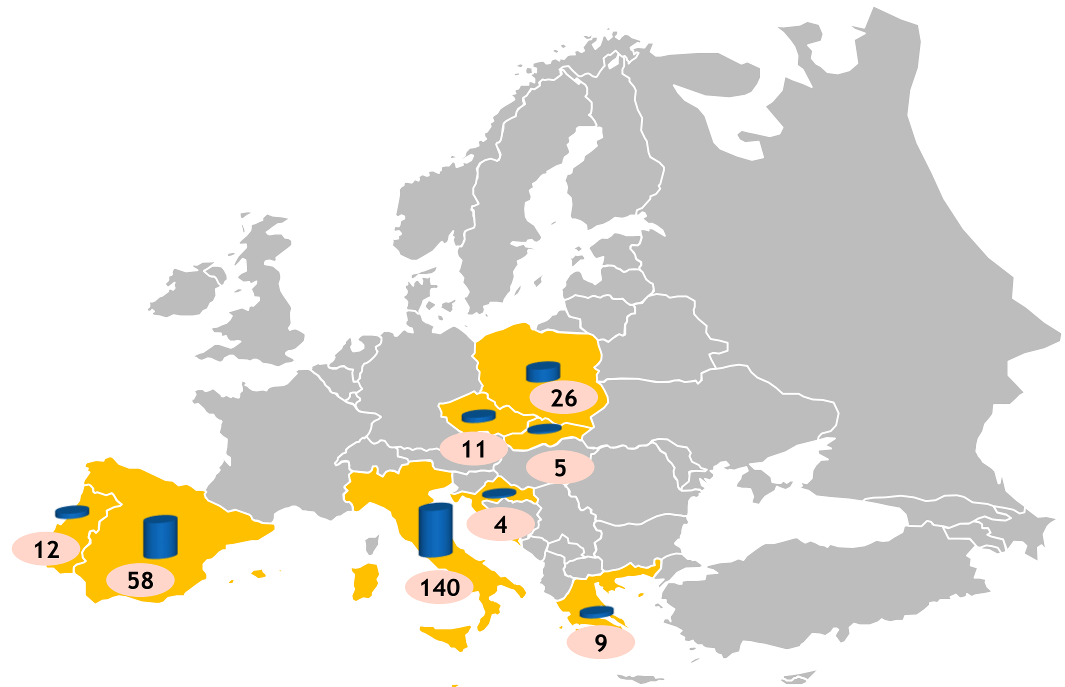
Structural Delay in Payments in the Public Sector

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

1. Mismatch between centralised tax collection and decentralised public spending
   - In Italy only 17.5% of total public expenditure for Goods and Services is controlled by the Central Government
2. Administrative complexity and inefficiency: 22,807 Italian public entities, 17,042 Spanish public entities and 4,636 Portuguese public entities
3. Commercial debt not classified as public debt, allowing financial flexibility to governments

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

Over €265bn of public sector expenditure in Goods & Services[(1)] in the countries where BFF operates in 2017



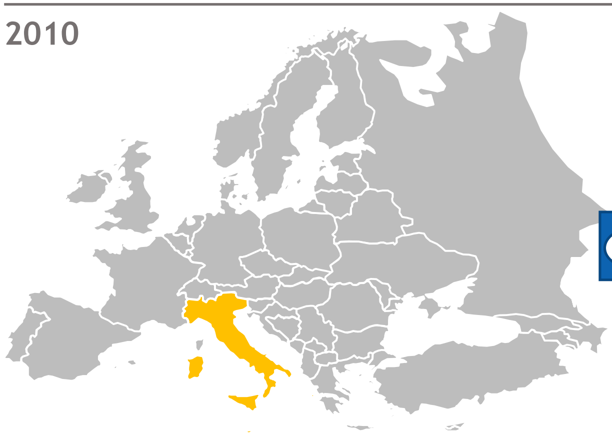
Public sector expenditure in Goods and Services (€bn)
Countries where BFF Group operates

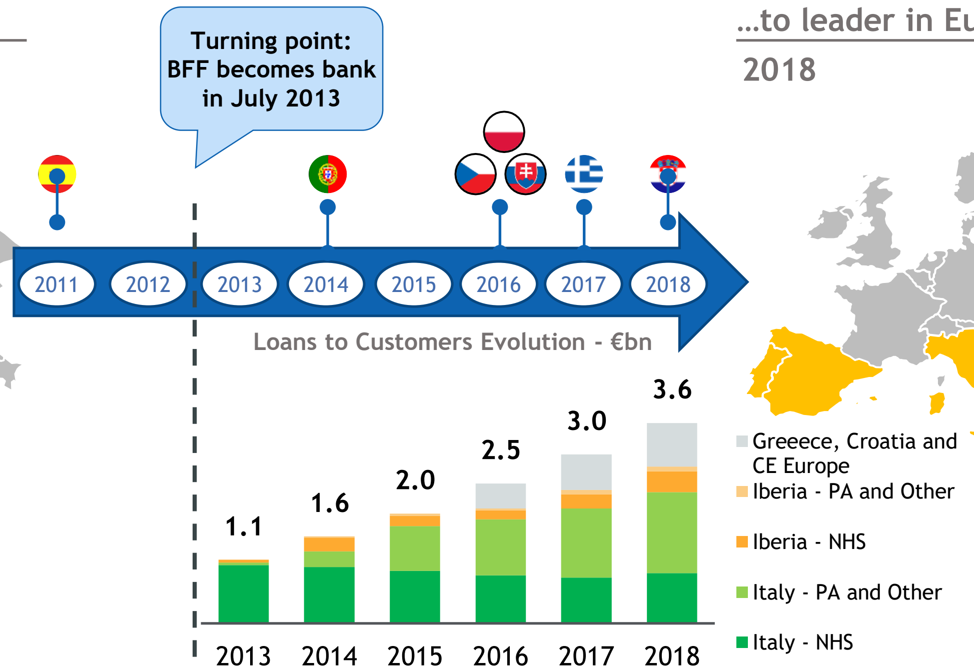
Source: DEF Nota di Aggiornamento as of 09/27/2018 for Italy, Direção-Geral do Orçamento for Portugal, Actualización del Programa de Estabilidad for Spain, Eurostat for Poland, Slovakian Republic, Croatia and Czech Republic. Gobierno de España - Ministro de Hacienda; Banco de Portugal.
Note: (1) Data exclude the item "social transfer in kind" and are related to 2017.

Successful International Expansion

From domestic market leader…

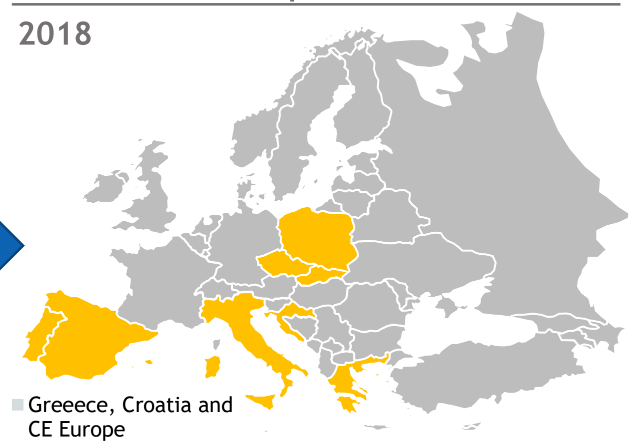
2010





…to leader in Europe

2018



Key Considerations

- Over the last 8 years, BFF has successfully executed a **clear strategy of international expansion across Europe, focused in core areas of expertise. Key pillars of BFF's international strategy are:**
  1) **Exploit growth opportunities** in the areas of expertise
  2) **Expanding the addressable market…**
  3) **Leveraging on its operating capabilities, market leadership and customer relationships**
- Launched Portugal, Greece and Croatia activities through Freedom of service (FOS) with low upfront investment, leveraging the existing IT system, while entered the Central-Eastern Europe market through the successful acquisition of BFF Polska.

Source: Company data.

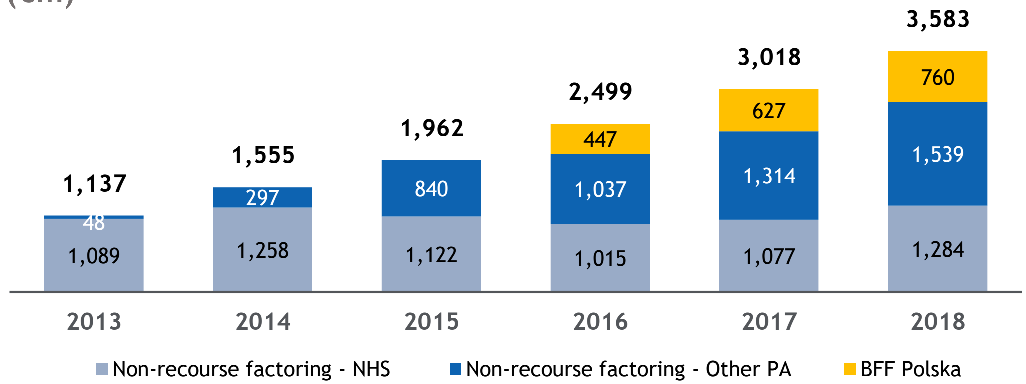
A Growing Business, Increasingly Diversified…

Key Considerations

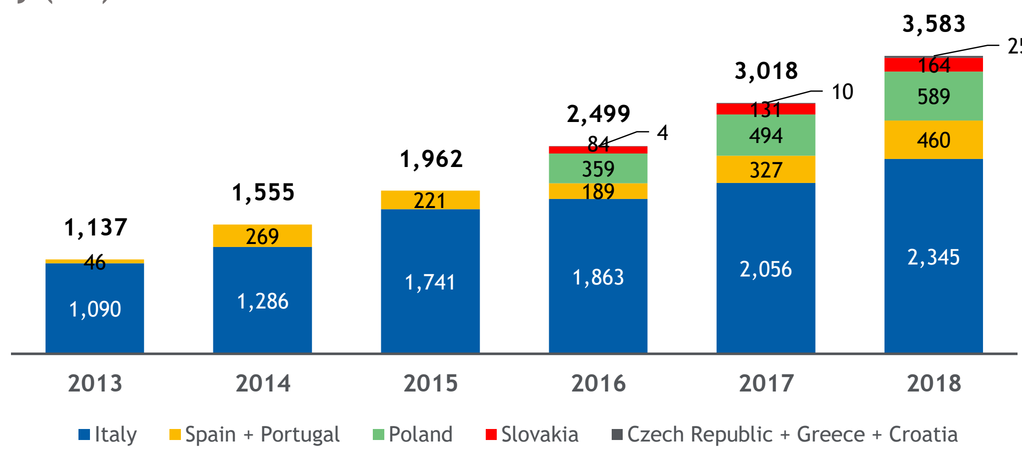
- Significant customer loans growth **with an higher contribution from less capital intensive segments**
  - Ongoing diversification towards segments with lower risk weighting (i.e. local Governments and Spanish NHS are risk weighted at 0%) reducing Italy NHS contribution (risk weighted at 100%)
- **Increased geographic diversification** with strengthened exposures in non domestic markets
  - Launched activity in Greece in freedom of service (FOS) regime in September 2017
  - First purchase of receivables in Croatia (FOS) in December 2018

Customer Loans Evolution (€m)

By Product (€m)



By Geography (€m)



Source: Company data.

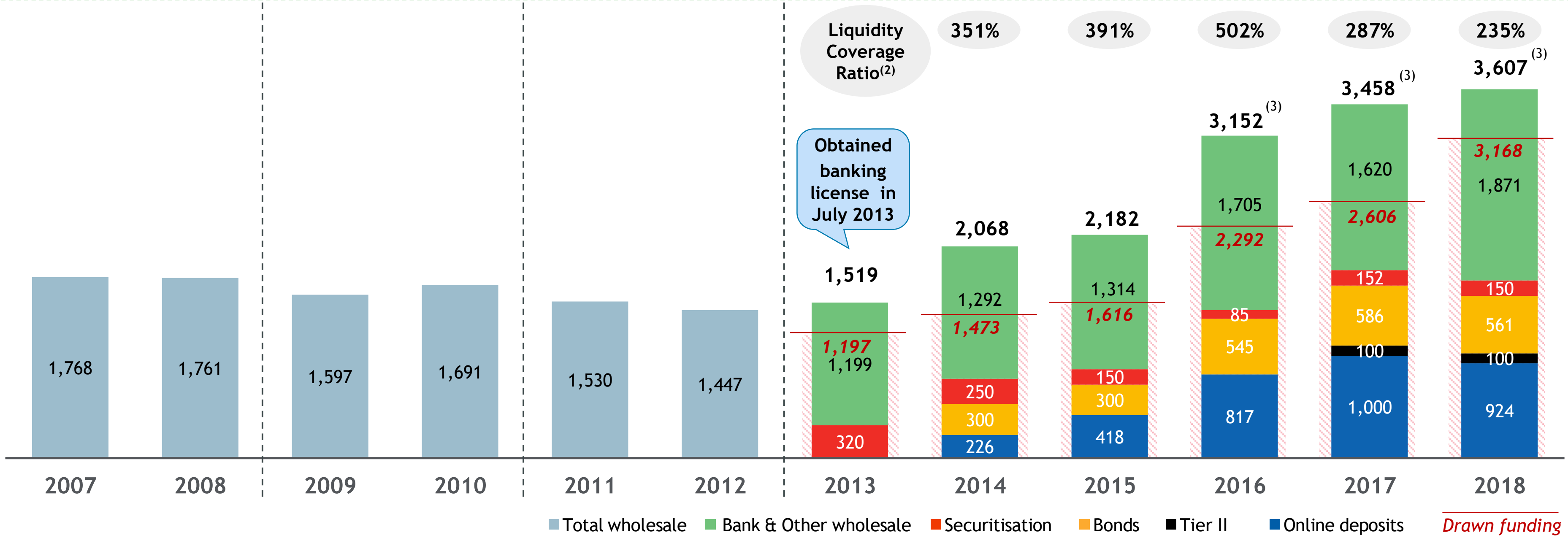
...with Consistent Access to Funding Through the Years and Diversified since becoming a Bank...

Available Funding[1,2] (€m)

Regulated financial intermediary			BFF with Banking License	
Credit Bubble	Financial Crisis	Sovereign Debt Crisis	Low interest rate and plenty of liquidity for Government and clients	Changing Macro

Proven ability to manage funding need even during the peak of the financial crisis thanks to strong relationship with the banking system

Wholesale funding represents a flexible funding source to manage seasonal peaks of volumes



BFF only	With BFF Polska

Notes: (1) Excluding ECB funds and REPOs. (2) Based on utilized credit lines; 2013, 2014 and 2015 excluding BFF Polska, December 2016, 2017 and 2018 including BFF Polska. (3) Not considering financing for BFF Polska acquisition 355 m PLN.

… Increasing Its Addressable Market and Growth Prospects in More Underpenetrated and Faster Growing Markets…

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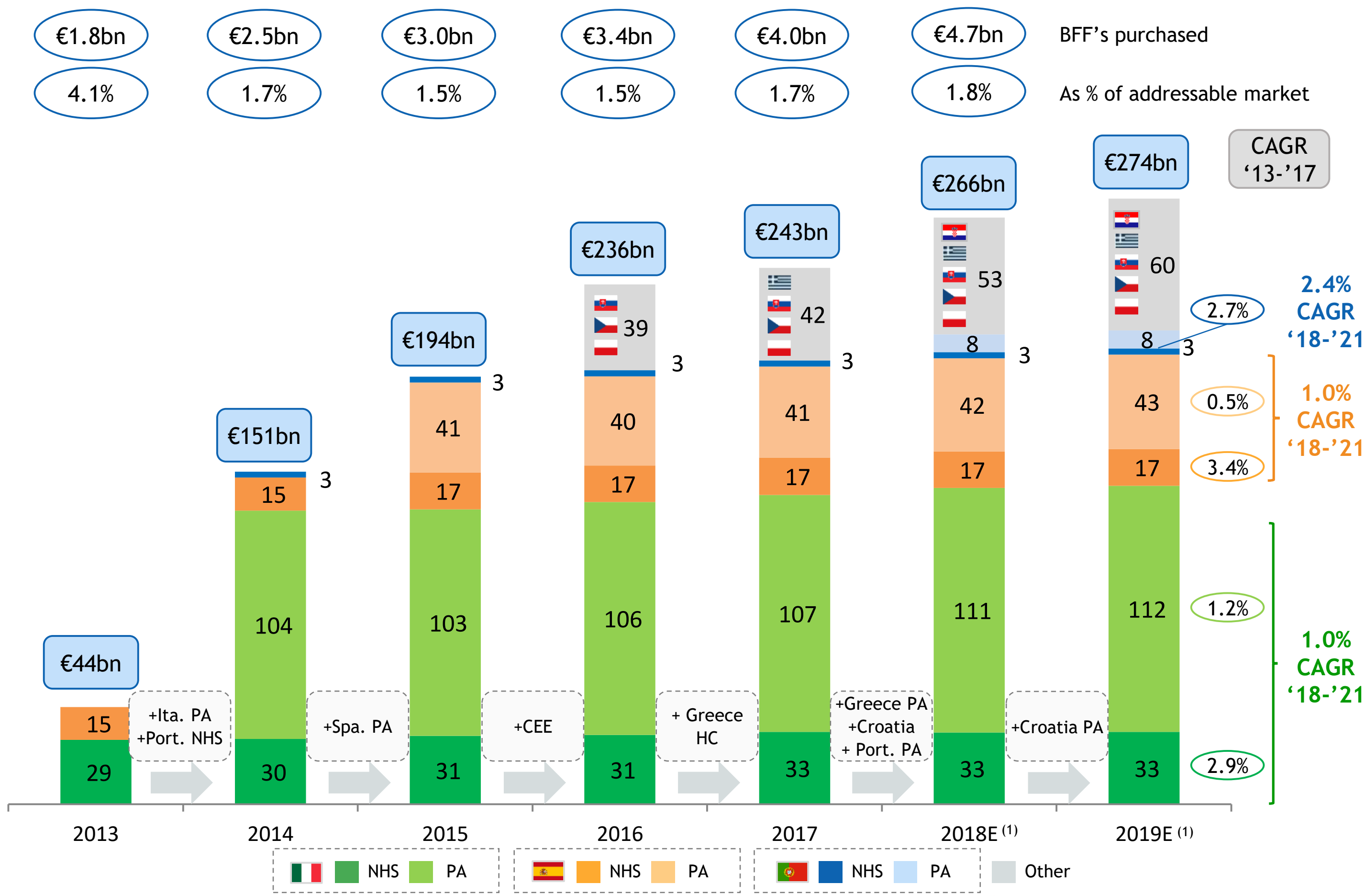
Key Considerations

- **Since 2013, BFF has expanded its addressable market by 6x** adding new countries and expanding from NHS only to the whole PA
  - Total potential market is the public sector expenditure in goods & services, c. €266bn from €44bn in 2013
  - BFF factors less than 2% of its addressable market in 2018 vs 4.1% in 2013 leaving substantial room to grow
- **Growth of addressable market at more than nominal GDP growth**
  - In Southern Europe, expenditures growing at nominal GDP rate despite austerity measures
  - Faster growing public sector expenditures in CEE

Evolution of BFF Addressable Market (€bn)



Source: DEF Nota di Aggiornamento as of 09/27/2018 for Italy, Direção-Geral do Orçamento for Portugal, Actualización del Programa de Estabilidad for Spain, Eurostat for Poland, Slovakian Republic, Croatia and Czech Republic.

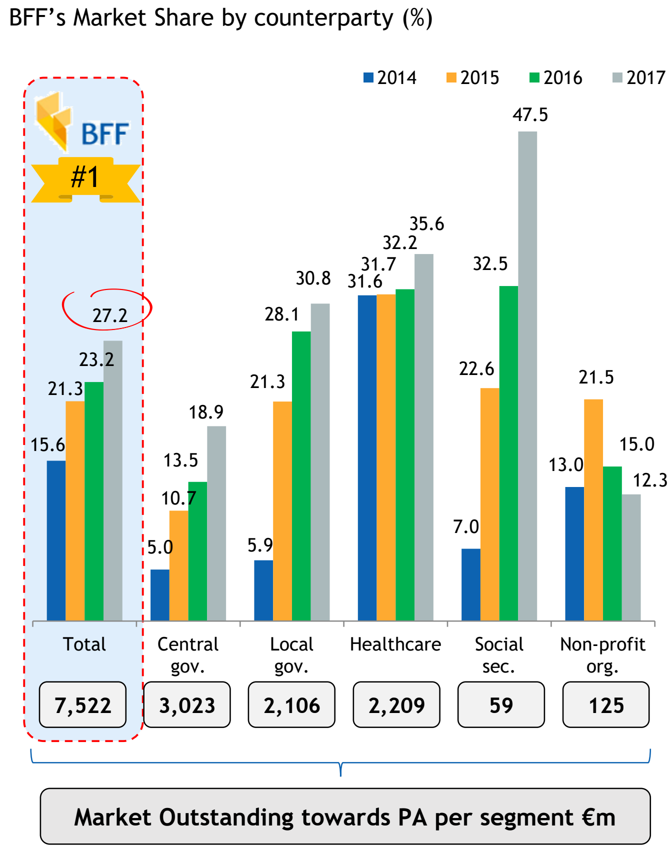
Note: (1) Italian total expenditure excludes the item "social transfer in kind" and is based on MEF forecast, for other countries expenditure is based on internal estimation. The split between NHS and PA is based on internal estimation.

… and Consolidating its Market Leadership

BFF Banking Group Market Share and Leadership Position

- **Leading financial services provider to suppliers of the European HC and PA sectors**
- **Cross border services increase the value proposition of BFF Group to multinational clients**
- #1 in Italy for factoring toward PA & NHS
  - Market share of 27.2% on total non-recourse factoring outstanding (€7.5bn)
  - Undisputed leadership across all segments
- Among top 5 factoring players in Spain by turnover(1)
  - Gained leadership in the PA as specialised player
- Sole specialised player in Portugal and Greece, leader in CEE and entering in Croatia as sole specialised player

Italy



Spain	#1 Independent Player
Portugal	Sole specialised player
Poland	Leader in alternative financing
Slovakia	Sole specialised player
Czech Republic	One of the few specialist
Greece	Sole specialised player
Croatia	Sole specialised player

Source: Assifact for Italy, AEF for Spain (public sector only in 2017), company estimates for other markets.
Note: (1) Public sector only.

A Solid Business Model…

Suppliers

- Leading multinational and national suppliers of the public sector → low dilution risk
- Recurring business thanks to long-standing relationship with top suppliers to the PA → 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
- €2.7bn on average[1] of recurring[2] volumes purchased from established clients → limited commercial effort to regenerate the factoring portfolio
- Short term duration of the receivables purchased and quick regeneration → constant repricing

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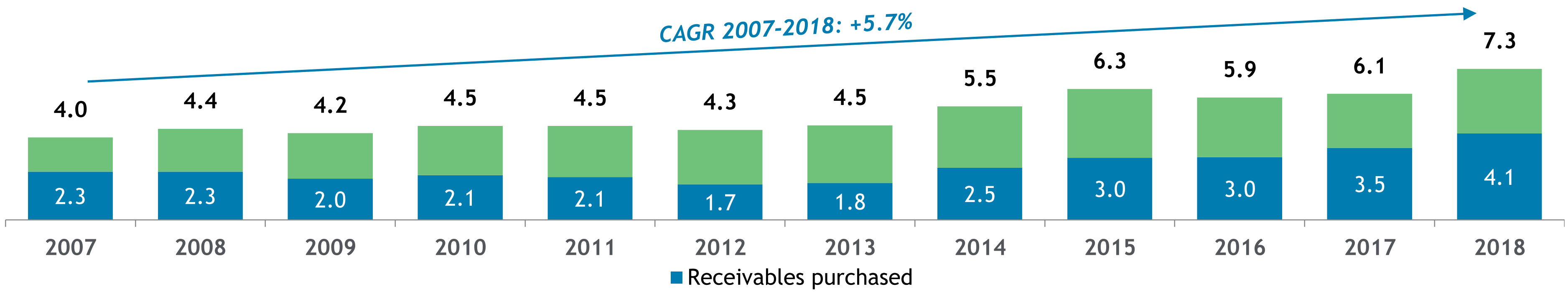
- **Highly experienced senior management team with a long tenure in the Group** (>13 years on average)
- **Advanced and scalable IT platform developed in-house**
- **High barriers to entry: scale is critical to succeed**

Debtors

- Entities of the public administration in Europe → negligible Cost of Risk
- 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
- Low risk of underlying receivables (commercial debt not subject to sovereign privilege, unlike sovereign debt)
- Short term duration of the receivables purchased and quick regeneration → clear and transparent loan book

Volumes (excluding BFF Polska) (€bn)

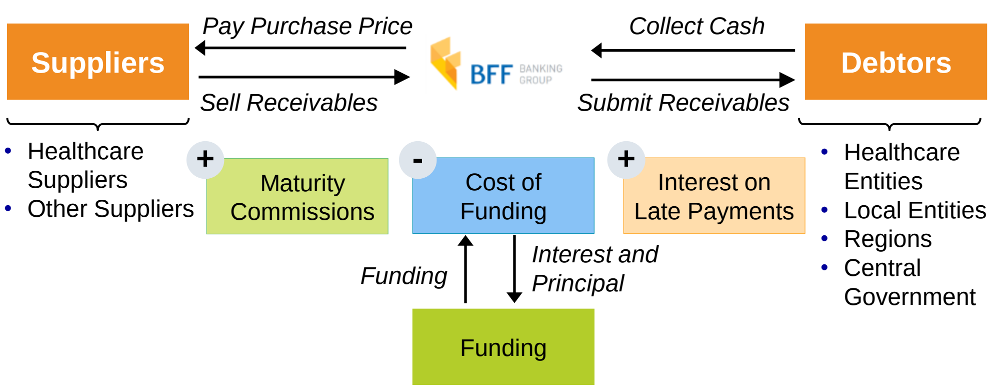


Source: Company data.
Note: (1) Average of last three years (2016-2018). (2) Recurring non-recourse clients defined as clients who concluded at least 1 transaction per year in the 2016-2018 period.

…With Revenues Coming from both Suppliers and Debtors

Focus on Non-recourse Factoring – Revenues Model

- Non-recourse purchase of receivables towards the European Public Administration (National Healthcare System and other PA)
- Receivables are purchased from the supplier at discount (maturity commission) and already past due (accruing Late Payment Interests to be collected from the debtor)



- Thanks to the service offered by BFF, **the suppliers benefit from**:
  - ✓ De-risking
  - ✓ Certainty of collection
  - ✓ Efficient processing
  - ✓ Good commercial relationship between customers and debtors

Stable Regulatory Framework

- BFF has a consolidated experience in collecting LPIs form the PA with over €600m LPIs collected over the last 10 years
- LPIs are regulated by EU law, starting from a 2002 EU directive. In particular, receivables against PA accrues Late Payment Interests ("LPI") at a rate of 8% over Central Bank base rate when not paid on time (within 60 days for NHS and 30 days for other PA)
- The conclusion of the latest European Commission's impact assessment report on the implementation of the LPI directive is that ***"… it is recommended that the Directive is maintained in its current form…"***
- The directive is binding to all the member states

Source: Company data, Report from the Commission to the European Parliament and the Council on the implementation of Directive 2011/7/EU of the European Parliament and of the Council of February 16th, 2011 on combating late payment in commercial transactions (Bruxelles 08/26/2016).

Lower Credit Risk of BFF's Underlying Receivables vs. Government Bonds

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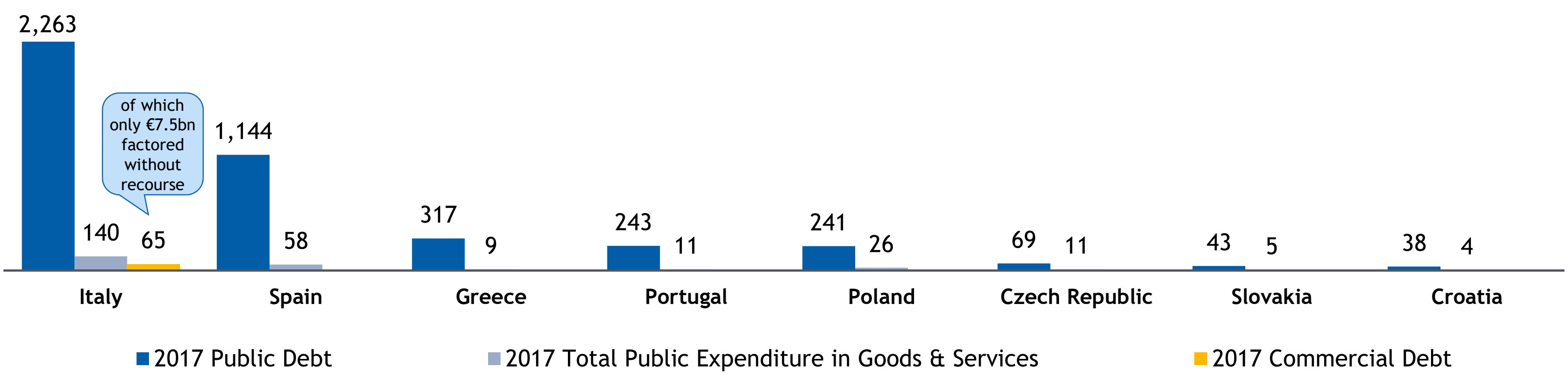
Key Considerations

- **Commercial debt of the Public Sector is not subject to sovereign privilege, unlike sovereign debt:**
  - Public sector's commercial debt is governed by the local commercial law
  - **No history of haircut on commercial receivables in the countries where BFF operates even in case of sovereign default and restructuring** (i.e. Greece)
- **Size of the Public sector's commercial debt is immaterial vs. the dimension of sovereign debt** in the countries where BFF operates, limiting the impact of an intervention
- **Factoring represents only a small part of the commercial receivables** therefore a potential restructuring would mainly damage real economy and the supply of public services rather than banks active in factoring

Public Debt vs. Total Public Expenditure in Goods & Services and Commercial Debt (€bn)



Source: Eurostat for Public Debt; Bank of Italy and Assifact for Commercial Debt in Italy (2017). Total Public Expenditure in Goods and Services Eurostat and MEF (Italy), Ministerio de Hacienda y Administraciones Públicas and Actualización del Programa de Estabilidad 2018-2021 (Spain), Instituto Nacional de Estatistica—Portugal (Portugal), Hellenic Statistical Authority (Greece), Eurostat (Poland, Czech Republic, Slovakia and Croatia).

Consistent delivery on plan
Roadshow presentation - BFF 2020 “Strategic Targets”

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

BFF 2014-2020 Stated Goals	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 ✓	– Stock of total loans in Italy +16% CAGR 2014-18 vs. +0.5% for PA factoring market(1)
Further expand business outside Italy both in the NHS and PA, increasing geographical diversification ✓	– 35% of the customer loans outside Italy vs. 4% in 2013 – From 2 to 8 countries covered
Maintain a high quality portfolio thanks to a continuous focus on large clients backed by stringent underwriting standards ▪ Maintain disciplined underwriting approach ▪ Continue serving blue-chip customer base ✓	– Low NPL ratio – Cross border deals with large suppliers
Maintain a solid balance sheet with best-in-class capital position and attractive leverage profile ✓	– FY18 TC ratio of 15.2% – FY18 LCR of 234.6% – FY18 Leverage ratio 5.0% – €411m(2) of free capital distributed to shareholders since 2013

Note: (1) Source Assifact, PA only excluding rest of the world. CAGR for PA factoring market calculate over the period Dec-14 – Sep-18. (2) Dividends distributed since Jan 2014, including the proposed dividend on net income 2018. CAGR for PA factoring market calculate over the period Dec-14 – Sep-18.

Infrastructure, Funding and Capital Ready to Support Growth

1 Invested in the business for growth …	Significant investment in infrastructure and expanded employee base to support business expansion, with cost/income ratio always in mid 30's
2 … with plenty of available funding…	Ample excess liquidity (€439m at YE2018) and access to multiple deposit and wholesale markets
3 … and highly capital generative model	Able to self fund superior growth and deliver attractive dividend, as already proven over the last years: ▪ given its high RoTE (37%), BFF can maintain both high growth and high dividends after full deployment of the excess capital ▪ €37m of capital absorbed by 2018 growth vs. €92m of organic capital generated in the period

Positively geared to a worsening of the macro / public finances outlook

Outlook	Impact for BFF
1 Increase perception of political / country risk	• Higher demand from customers • Less price sensitivity • Traditional banks less interested in the sector (less competitivity)
2 Worsening public finances / Higher Government funding costs	• Pressure on preserving cash leads to higher payment time by Government • Therefore, larger loan book for the same amount of volumes • BFF costs are mostly fixed or geared to volumes • Hence, positive impact on bottom line and ROE
3 Rising interest rates	• LPI at variable rate • Faster repricing of assets vs. liabilities (short term vs. long term duration) • High portion of loan book funded by equity (Equity / Loans ratio ~ 10%)

New business initiatives to support 2019 growth

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Jun-18	New financial solution in the infrastructure renovation sector that ensure BFF the purchase of receivables due from PA and coming from the multi-year contract of supply and maintenance of the infrastructure
Jun-18	First revolving agreements signed in Greece in less than 9 months after the first deal
Jul-18	Portuguese branch opened in July 2018 in Lisbon to boost the growth of the business and to enter partnership agreements with third parties distributors
Sep-18	First agreement with Pfizer to expand the credit management service to the entire healthcare chain
Sep-18	Launch of the Dynamic Discount product offered through a digital platform
3Q-18	Filed for Polish Branch opening to diversify Zloty funding and reduce funding cost
Nov-18	Establishment of the EMTN programme to promptly benefit of the potential funding opportunities in the international capital markets
Dec-18	First purchase of receivables in Croatia, the 8th market covered by the Group

Update on FY 2018 Results

2018 Results: Key Highlights

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Strong growth in net income and profitability	• €91.8m of Adjusted Net Income (+10% y/y), with 37% of Adjusted ROTE (33% in 2017) despite *(i)* 2 additional months of Tier II costs for €0.9m vs. 2017 and *(ii)* €24m of lower LPI collection vs. 2017 • Stock of unrecognized off balance sheet LPI (back book income reserve) equal to €356m • +9% of Adjusted Net Interest Income • Improving operating leverage with Operating Cost / Loans ratio of 2.24% vs. 2.32% in 2017
Double digit growth in loans and volumes	• Total customer loans up 19% y/y, 35% outside Italy vs. 32% at Dec-17 • New volumes up 17% y/y, with first deal in Croatia completed
Solid funding base and liquidity position	• Ample excess liquidity with €0.4bn of committed undrawn funding and no recourse to ECB TLTRO or other ECB emergency liquidity measures • Available committed wholesale funding increased at competitive rates despite tighter market conditions • Sound liquidity ratios with LCR at 235%
Robust capital position and low risk profile	• TC and CET1 ratios equal to 15.2% and 10.9% (excluding €92m of net income for the period) well above SREP requirements, and including mark to market effect on HTC&S portfolio for €4m after tax • Smaller government bond portfolio (-9% y/y), of which 86% HTC • Low Net NPLs (1.1% of loans), of which 83% related to Italian municipalities in conservatorship ("Comuni in dissesto") • Negligible Cost of Risk at 13 bps, of which 5 bps due to the Polish SME factoring portfolio in run off and 5 bps due to Italian municipalities in conservatorship

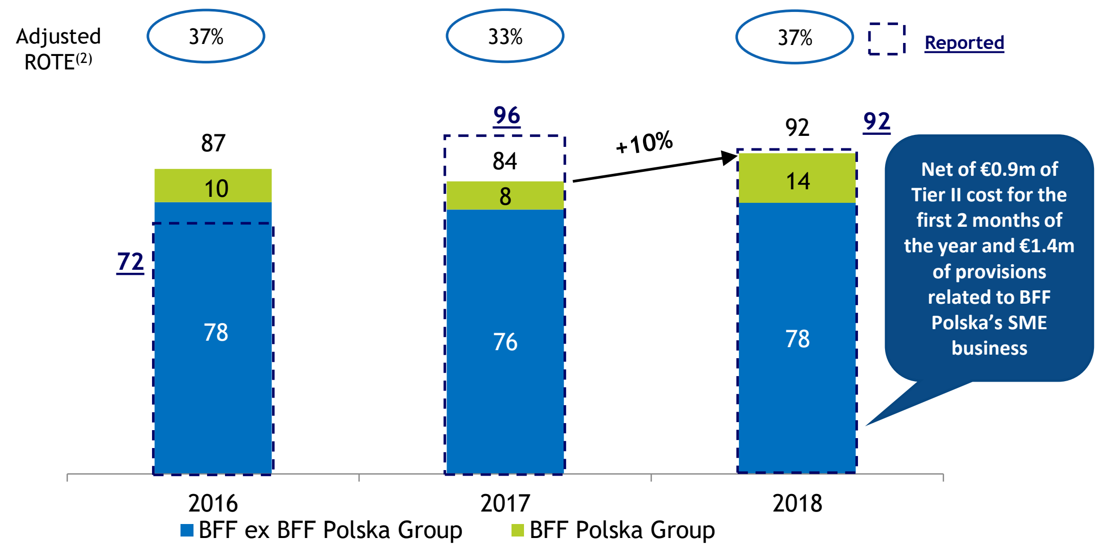
Source: Company data.
Notes: 2018 Exchange rate for Poland and Czech respectively PLN/€ 4.2615 and PLN/CZK 0.166 for P&L data (2018 average), PLN/€ 4.3014 and PLN/CZK 0.167 for Balance Sheet data (31st December 2018); 2017 Exchange rate for Poland and Czech respectively PLN/€ 4,2570 and PLN/CZK 0,162 for P&L data (2017 average), PLN/€ 4,1770 and PLN/CZK 0,164 for Balance Sheet data (29th December 2017);

+10% Growth in Adjusted Net Income

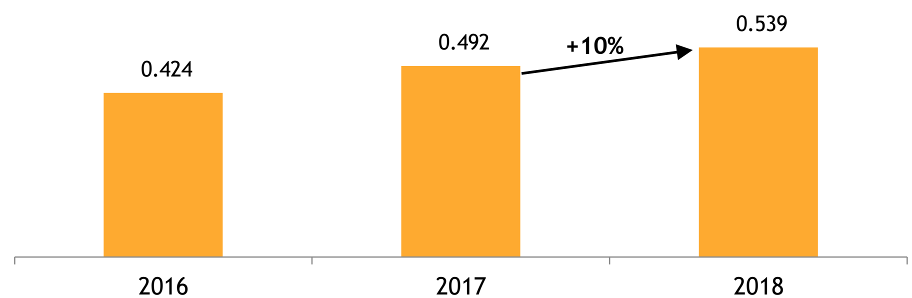
- **€91.8m of 2018 Adjusted Net Income, +10% vs 2017**
- **Increased profitability**: Adjusted RoTE of 37% vs. 33% in 2017
- **Dividend Per Share 2018 of €0.539**
- All the above results achieved despite:
  - 2 additional months of Tier II cost for €0.9m vs. 2017
  - Lower Late Payment Interests ("LPI") collection (€90m vs. €114m in FY17)
- 2018 Adjusted Net Income is also net of €1.4m (post tax) of provision related to BFF Polska's SME business placed in run-off at the end of 2017

2018 Extraordinary items net of taxes: €0.9m stock option plan costs, balanced by change in equity reserve; €0.5m extraordinary contribution to Resolution Fund; €1.9m after tax positive impact from the change in €/PLN exchange rate on the acquisition loan for BFF Polska, balanced by a change in equity reserve;
2017 Extraordinary items net of taxes: €17.8m income related to the change in LPI estimated recovery 40% to 45%; €1.7m extr. costs related to IPO; €1.1m stock option plan costs, balanced by change in equity reserve; €3.3m after tax negative impact from the change in €/PLN exchange rate on the acquisition loan for BFF Polska, balanced by a change in equity reserve;
2016 Extraordinary items net of taxes: €2.4m extr. costs related to IPO costs; ; €1.5m of extraordinary contribution to Resolution Fund; €7.6m extr. costs related to BFF Polska Group acquisition; €0.3m positive exchange rate difference

Adjusted Net income(1) (€m)



Dividend per share €(3)



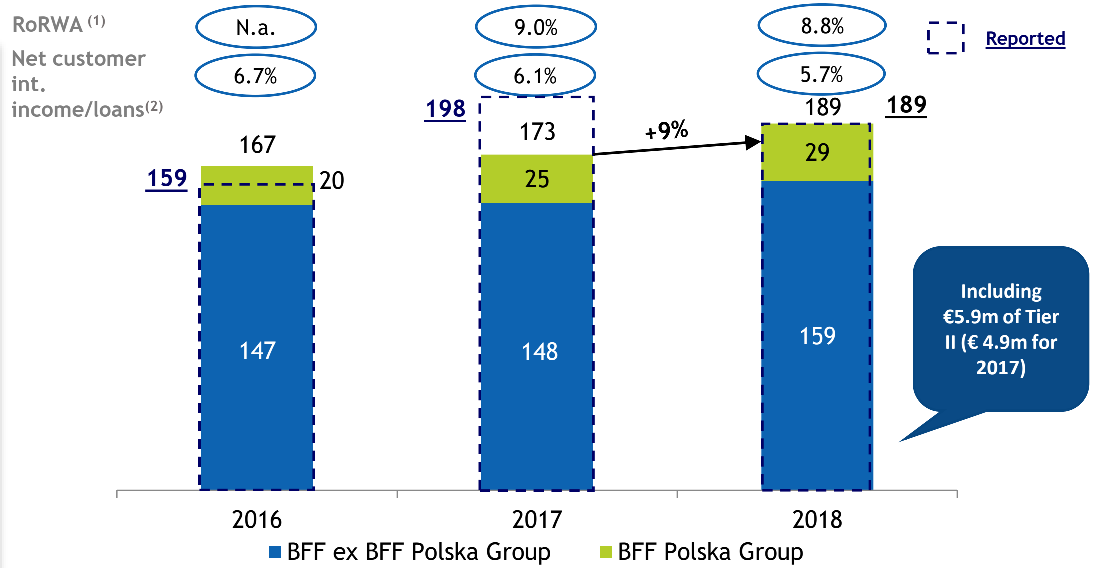
Notes: (1) Adjusted to exclude extraordinary items (2) 2017 Tangible equity includes extraordinary earnings set aside for capital; 2018 Tangible equity excludes 2018 net income (3) 2016 EPS adjusted for 1:100 stock split done in conjunction with IPO (April 2017)

Growing Adjusted Net Interest Income and Net Banking Income

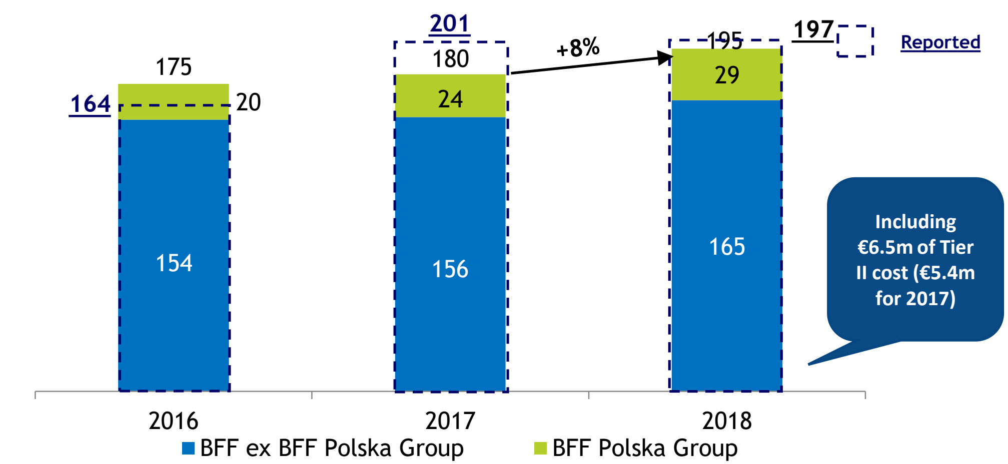
- **Adjusted net interest income +9% and Adjusted Net Banking income +8%** compared to 2017 mainly driven by higher stock of net loans and despite Costs of Funding affected by Tier II issuance for additional €1.0m of costs (Tier II outstanding for 12 months vs 10 months in 2017)

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 €5.9m of Tier II costs for 2018 (€4.9m for 2017), which in 2016 were not present.
Adjusted Net Banking income (1) does not include €2.6m of positive change in exchange rates impact for 2018 (-€4.7m in 2017 and €0.4m in 2016), €25.2m one-off impact of change in LPI accounting from 40% to 45% on 1/1/2017, €0.3m positive commissions related to BFF Polska acquisition and €3.8m negative commissions related to waiver for 2016 (2) includes €6.5m of interest expenses and commissions related to Tier II for 2018 (€5.4m for 2017), which in 2016 were not present.

Adjusted Net Interest Income (€m)



Adjusted Net Banking Income (€m)



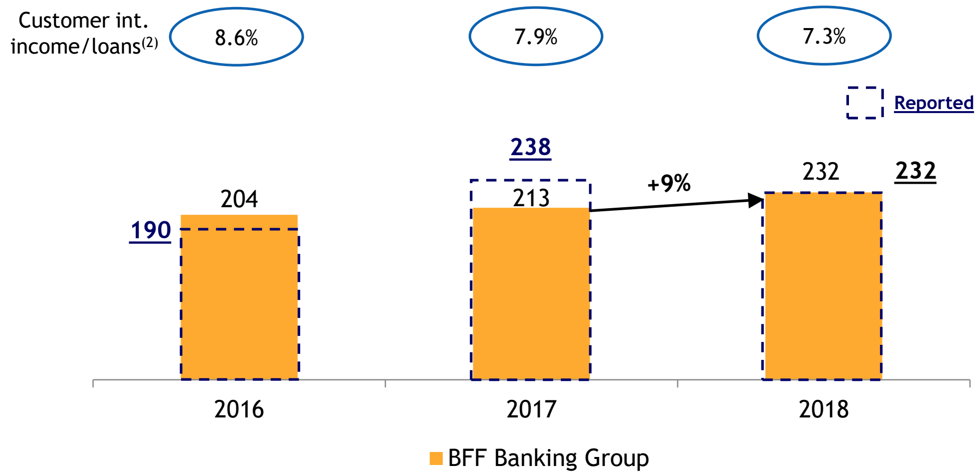
Note: (1) calculated as Adjusted Net interest income / average RWA (beginning and end of the period). 2016 not available since RWA YE2015 for BFF Polska (acquired in Jun 2016) are not available; (2) calculated as Adjusted Net interest income on customer loans (excluding income on securities and on credit due from banks and REPO activity impact) / average loans in the period.

Interest Income Growth Driven by Higher Stock of Loans

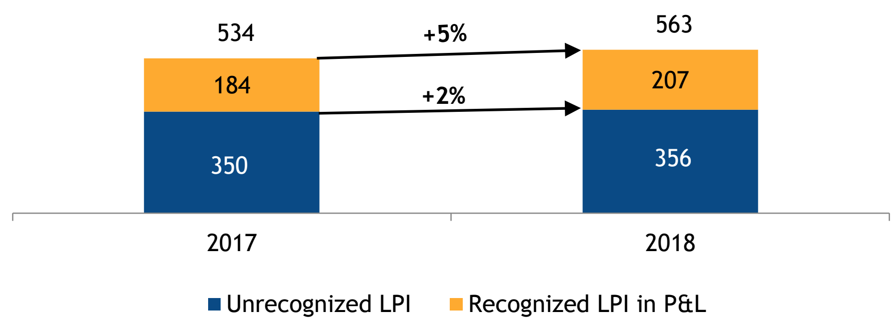
- **2018 interest income increased to €232m (+9% y/y) driven mainly by higher stock of loans**
- **Higher net LPI over-recovery[1] accounted in P&L (€19.5m** vs. €16.9m in 2017) despite **€24m of lower LPI cashed-in:**
  - €90m of LPI cashed-in vs. €114m in 2017 (€92m in 2016) resulted in €2.6m of higher net LPI over-recovery thanks to the combined effect of *i.* higher LPI recovery rate and *ii.* lower rescheduling impact[1] in 2018 vs. 2017 (*please see next slide for more details*)
- **Total accrued LPI stock** at Dec-18 **amount to €563m (pre-tax), of which €356m (back book income reserve) has not gone through the P&L (**+2% yoy) (*please see next slide for more details*)

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. BFF Polska Group) (€m)



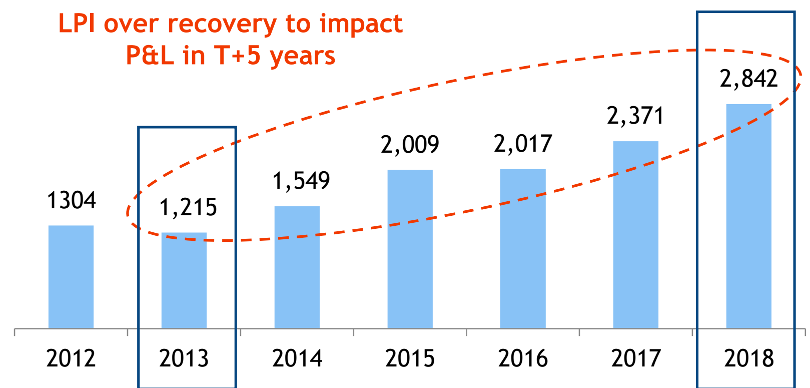
Note: (1) LPI over-recovery vs. 45% minimum recovery rate assumed for accounting purpose, net of the rescheduling impact. Rescheduling impact: in case a credit is not collected at the expected collection date, the value of the credit on the balance sheet is re-calculated using the new expected cash-flow 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.

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 outstandings
  - **Deferral effect of the over recovery:** over-recovery generated by the larger 2018 outstanding vs. previous years will be visible only in 5 years

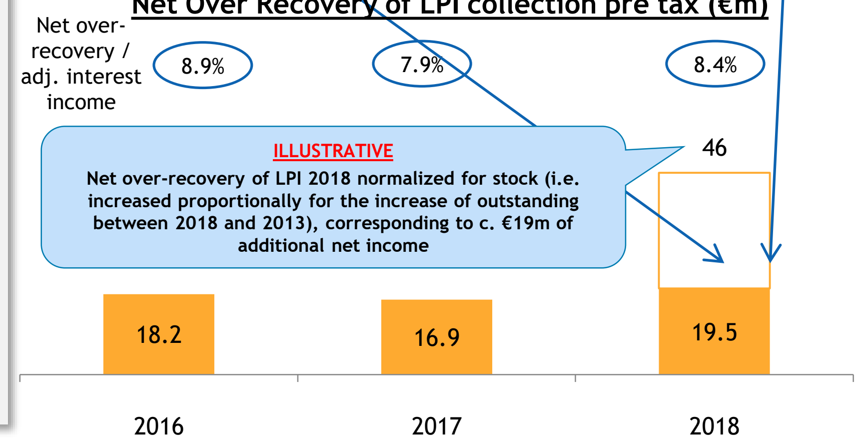
Outstanding Evolution (Excl. BFF Polska Group) (€m)



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

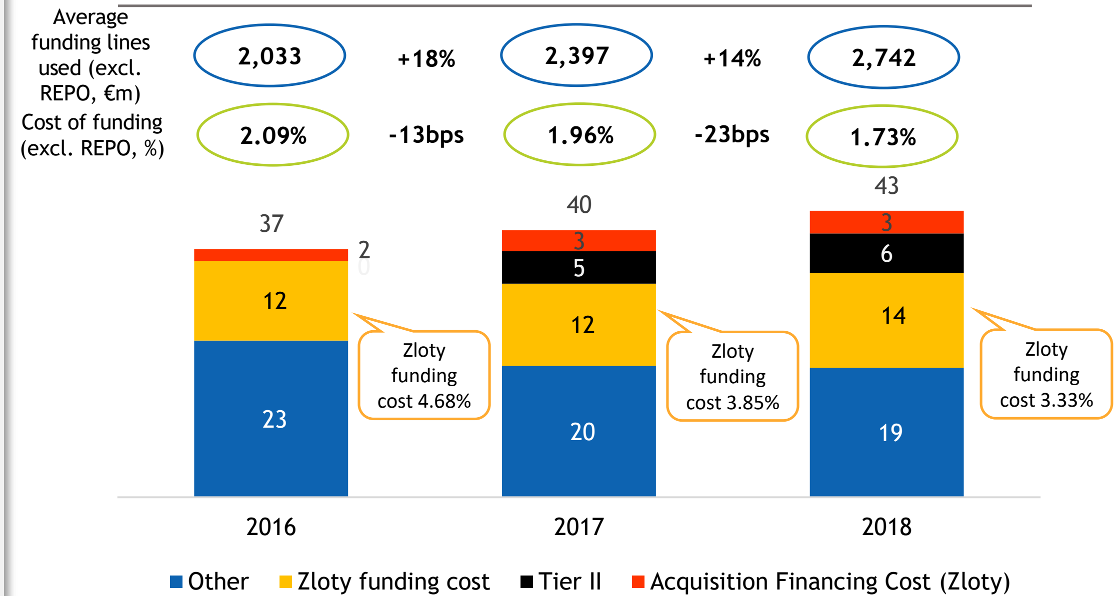
Net Over Recovery of LPI collection pre tax (€m)



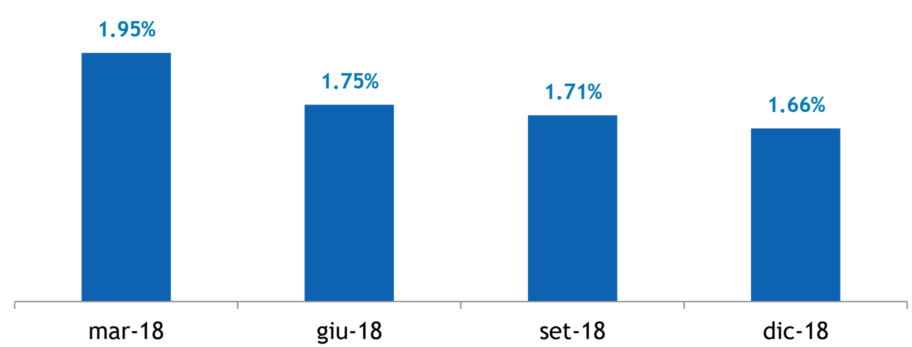
Improving Funding Costs

- **Reduction in cost of funding continued:**
  - 1.73% 2018 cost of funding versus 1.96% in 2017
  - Increasing interest expenses from €40m to €43m in 2018, mainly due to *i.* the impact of Tier II (€5.9m in 12M2018, €4.9m in 12M2017), *ii.* one-off commission cost on the refinancing (at lower rate) of part of BFF Polska acquisition financing for €0.3m, *iii.* the increase of drawn funding due to the growth of the business (from €2.6bn to €3.2bn) and *iv.* the increase in Zloty funding which has a higher base rate (Wibor 3M 1.72% vs. Euribor 3M -0.309% as of 31st December 2018)
- **Good access to wholesale market at competitive rates, with cost of funding decreasing QoQ over 2018**
- No funding costs linked to government bond yields
- No ECB refinancing risk
- Further opportunity to decrease funding costs with the opening of the Polish branch (expected for 2Q19) to collect online deposits

Adj. Interest expenses (€m)



Cost of funding (excl. REPO, %) - by quarter

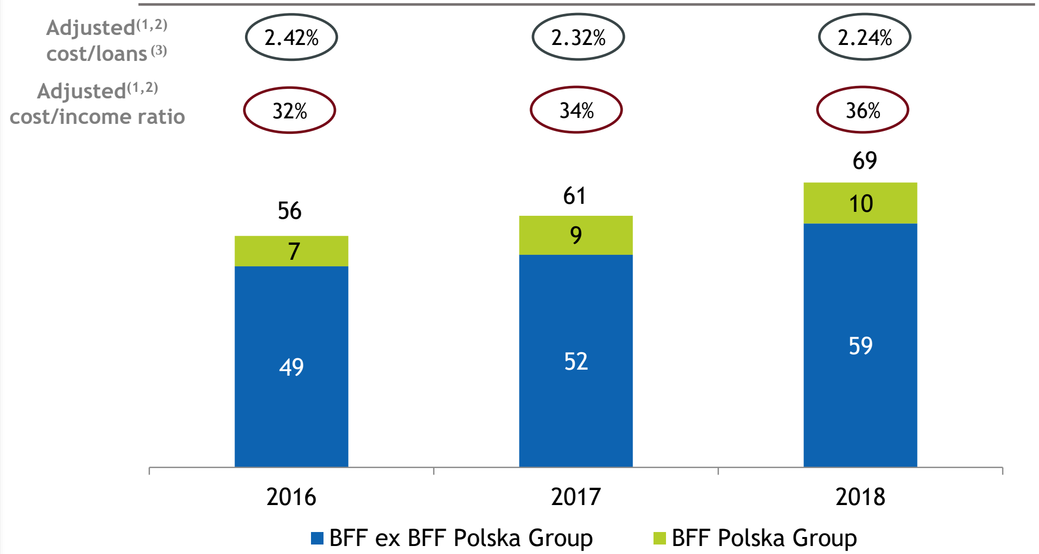


Good Operating Efficiency Despite Investment in Growth

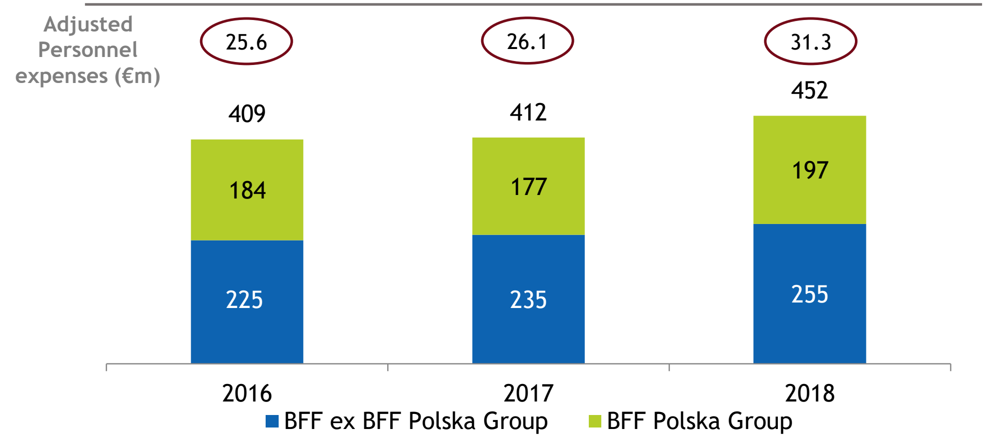
- **Highly efficient structure and improved operating leverage with Operating Cost[1]/ Loans ratio of 2.24%**
- **Operating Cost up +13% y/y:**
  - Personnel cost increased by 20% Y/Y driven by **higher employee base** and higher bonuses
  - Ordinary Resolution Fund and FITD contribution in 2018 equal to €2.5m in total vs. €1.7m in 2017
  - Increased other operating expenses to sustain growth initiatives
- On **higher employee base**:
  - Recruited the personnel required for establishment of Portuguese and Poland branch and for the Greek and Croatian operations in freedom of service
  - Some BFF Italy processes that were outsourced to Italian suppliers have been brought in house in Poland with 19 employees as of 31st December 2018, with net savings to be achieved in 2019

2018 gross extraordinary costs of € 2.0m in total: €1.3m related to stock option plan (pro-rata) related to IPO which generates an increase in equity, €0.7m extraordinary contribution to Resolution Fund;
2017 gross extraordinary costs of € 3.9m in total: €1.5m related to stock option plan (pro-rata) related to IPO which generates an increase in equity, €2.4m non-recurring costs related to the IPO process
2016 gross extraordinary costs of € 12.6m in total: €3.5m extr. costs related to IPO, €2.2m of extraordinary contribution to Resolution Fund; €7.0m extr. costs related to BFF Polska Group acquisition

Operating Costs[1] (€m)



Number of Employees[4]

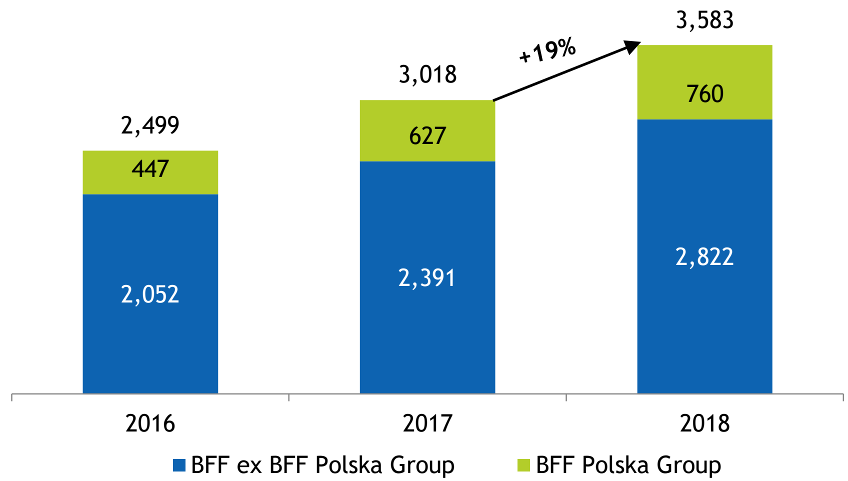


Note: (1) Adjusted to exclude extraordinary costs; (2) C/I computed as operating expenses excluding extr. Costs (administrative expenses + staff expenses + amortization on tangible and intangible assets) divided by Adjusted net banking income; (3) Annualised adjusted costs on average loans (4) BFF includes employees in Italy, Iberia 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 (+19% y/y)** throughout the Group:
  - Italy growth yoy +14%
  - International business 35% of total loans, up from 32% at December 2017
- Residual €3m net customer loans related to BFF Polska's SME factoring business placed in in run-off at the end of 2017, down from €6m at December 2017

Customer Loans Evolution (€m)



Customer Loans Breakdown by Geography (€m)

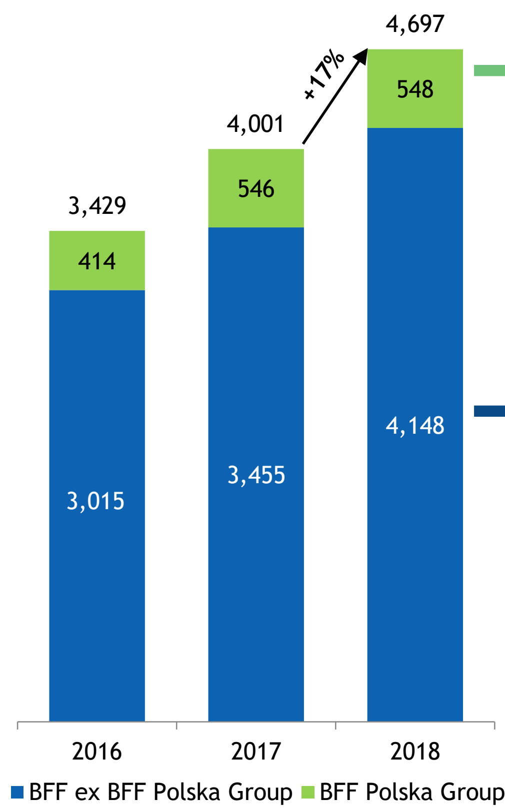
BFF Group excl. BFF Polska Group	2016	2017	2018
Italy	1,863	2,056	2,345
Spain	154	213	268
Portugal	35	114	192
Greece	-	9	15
Croatia			2
Total	**2,052**	**2,391**	**2,822**

BFF Polska Group	2016	2017	2018
Poland	359	494	589
Slovakia	84	131	164
Czech Rep.	4	2	7
Total	**447**	**627**	**760**

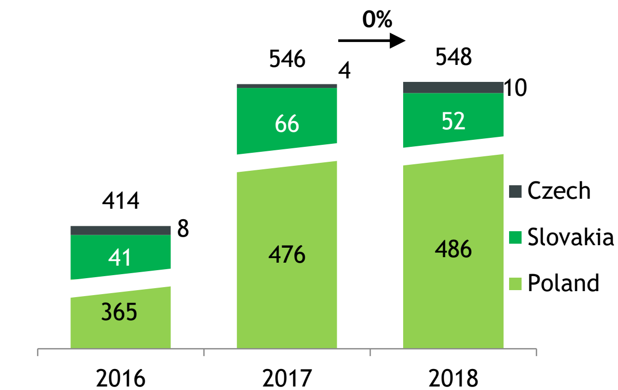
Solid New Business Production across Countries

- **Strong y/y growth (+*17%*) in new business volumes,** mainly driven by:
  - Italy +10% y/y, with DSO increased from 173 in 2017 to 180 in 2018
  - Spain, +67% y/y
  - Portugal +77% y/y
  - Greece +25% y/y
  - First deal in Croazia completed in December'18
  - Poland +2% y/y, driven by lower local government lending due to municipal election
  - Slovakia is down yoy due to the debt relief programme implemented by the government
  - Czech, +185% y/y

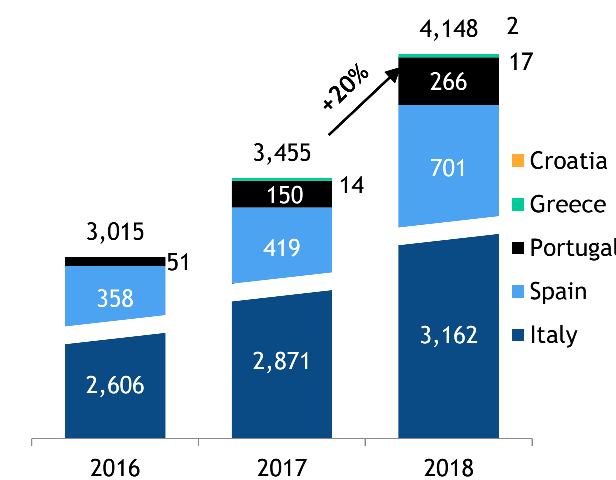
Total New Business Volumes (€m)



BFF Polska Group (€m)



BFF ex BFF Polska Group (€m)

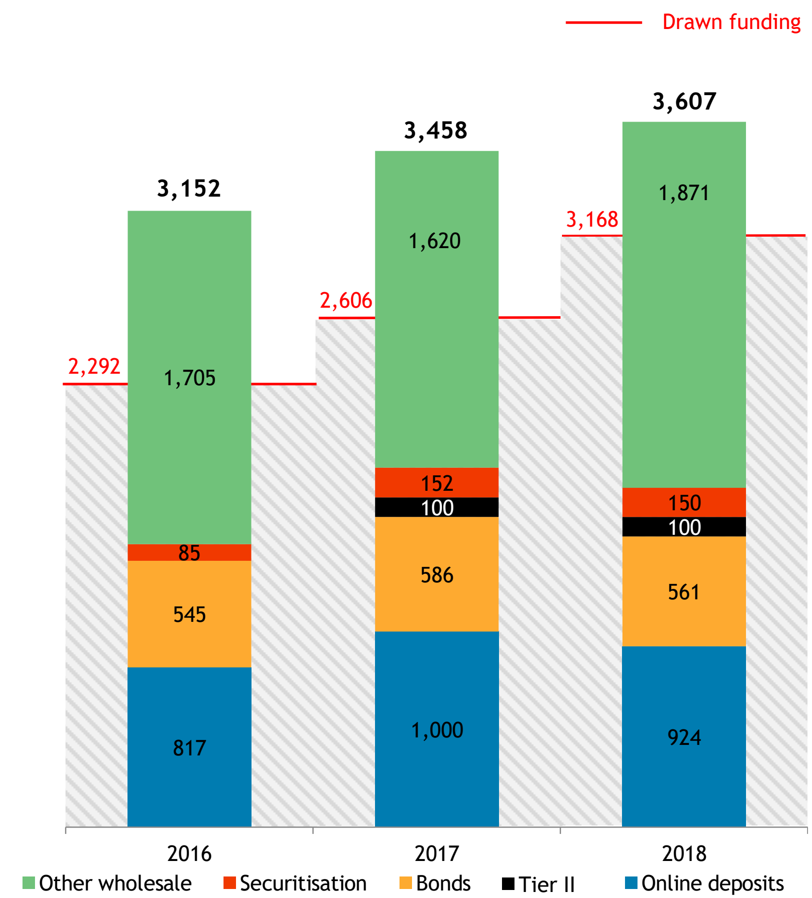


Note: For 2016, BFF Polska's Spanish business (€12m) is included in Banca Farmafactoring S.p.A. Sucursal en España

Ample liquidity without ECB financing and despite tighter market conditions

- **A diversified and flexible funding base to support business growth:**
  - Deposits account for 29% of drawn funds and are equal to €924m as of December 2018, in line with YE2017 despite reduction in offered yield
  - Deposits with no / limited prepayment options
- **Ample excess liquidity with group undrawn funding at €0.4bn[(1)] and committed wholesale funding increased at competitive rates despite market instability**
- **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 at the end of 2018** to promptly benefit of the potential funding opportunities in the markets

Available Funding[(2;3)] (€m)

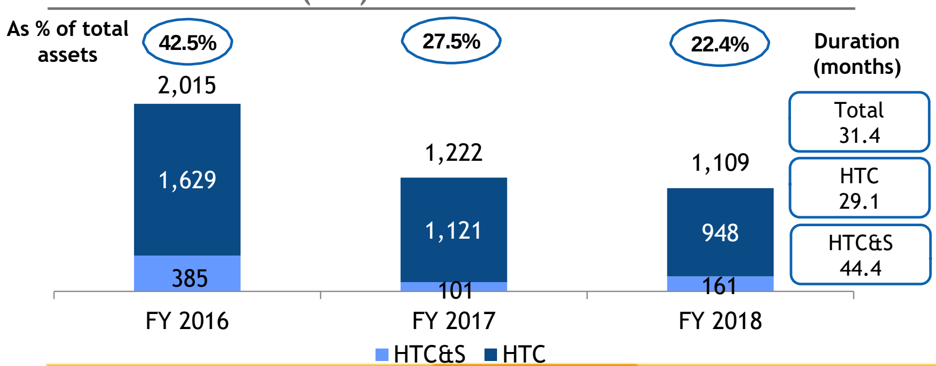


Notes: (1) Based on utilized credit lines; (2) Excluding ECB funds and REPOs; (3) Not considering financing for BFF Polska Group acquisition 378 m PLN. (4) Except for the residual €11m of BFF Polska's bond issued before the acquisition and expiring in the first nine months of 2019.

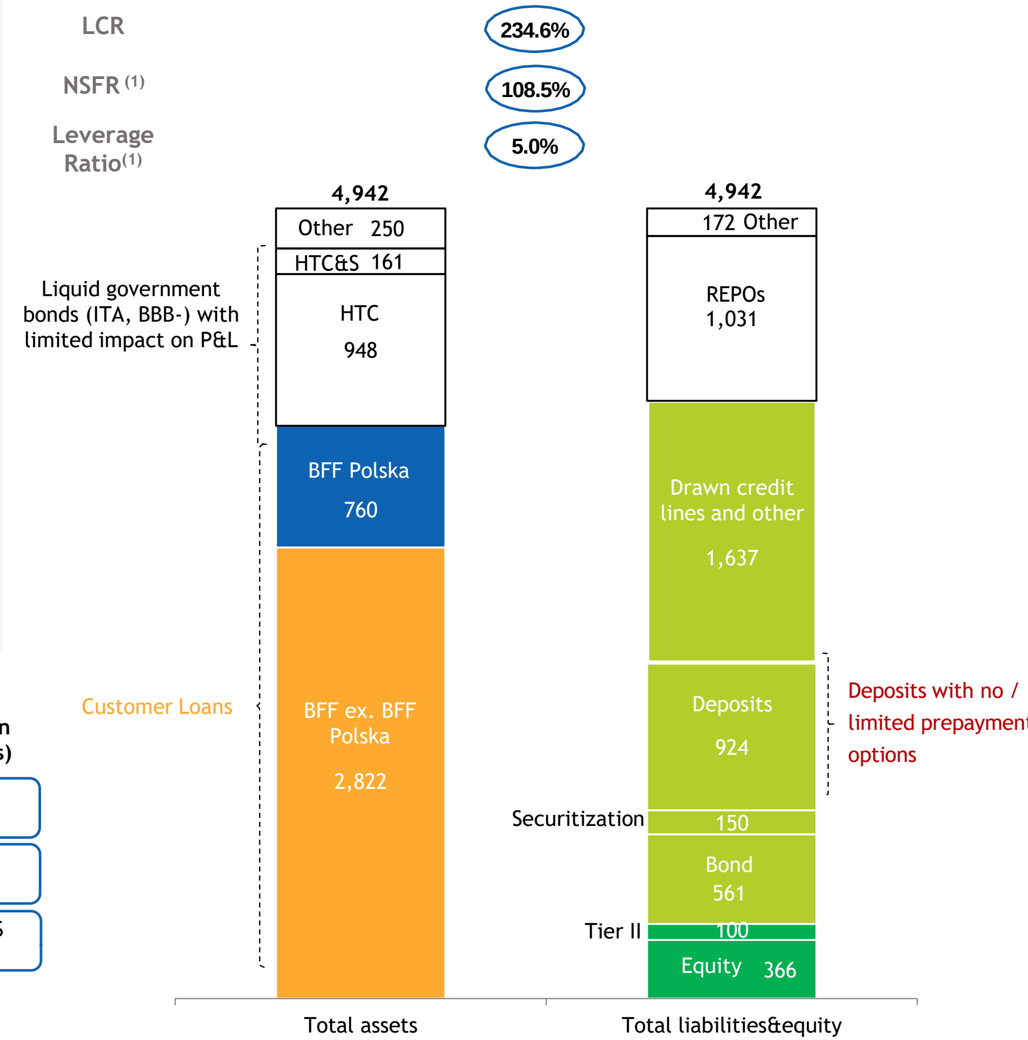
Fortress Balance Sheet

- Customer loans funded through a well **diversified funding base**
- **Conservative asset / liability management**
- **Strong liquidity position** with a LCR of 235% as of December 2018
- **Decreasing Government bond portfolio** (-9% y/y): negative mark to market of HTC&S for €4.2m after tax (booked in equity) and €5.4m after tax on HTC
- **Natural currency hedge**: forex assets and BFF Polska tangible equity funded with forex liabilities
- **Positively geared to higher interest rates:** most of Polska asset at variable rate and non recourse factoring portfolio with LPI at variable rate

Bond Portfolio(2) (€m)



Breakdown of Balance Sheet FY 2018 (€m)

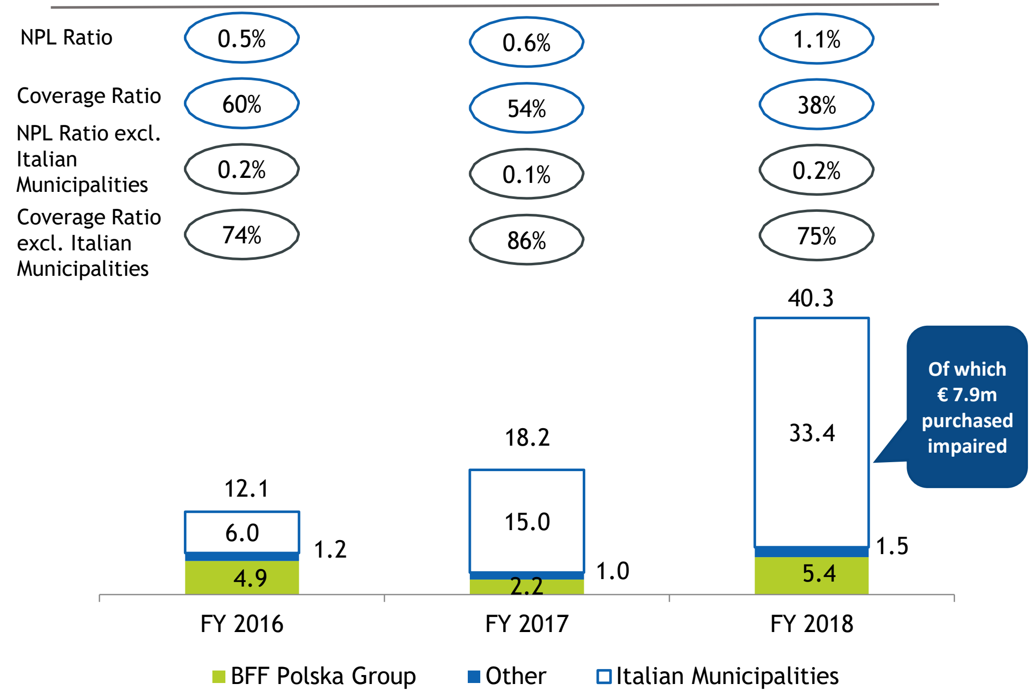


Source: Company data (1) FY 2018 CRR NSFR and Leverage Ratio: 5.3%; (2) 2017 and 2016 values of AFS and HTM

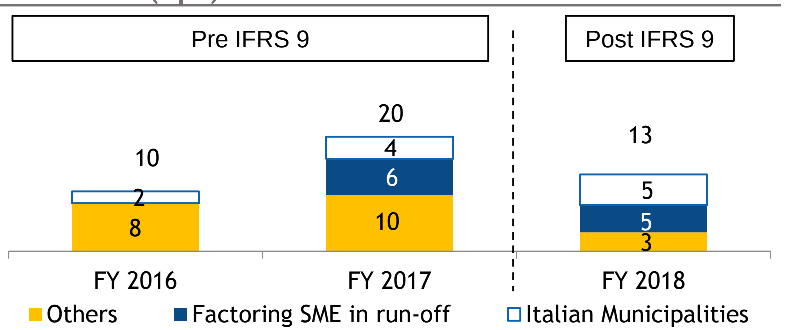
Negligible Credit Risk

- **Increase in Net NPLs (€40.3m, 1.1% of net loans) driven almost entirely by the growing activities towards the Italian Municipalities:**
  - €33m (83% of total) are related to Italian municipalities in conservatorship, classified NPLs by regulation despite BFF being legally entitled to receive 100% of the capital and LPI at the end of the process (€8m already in conservatorship at the time of purchase), €1.2m related to the San Raffaele Hospital exposure. Expected over-recovery on both Italian municipalities and San Raffaele exposure
- Net past due and total net impaired assets are for 64% and 67% respectively towards the public sector
- **Negligible cost of risk of 13bps reported in 2018, 3bps excluding:**
  - 5bps related to the SME factoring business in run-off (€3m of residual total net exposure with a coverage ratio of 57%)
  - 5bps related to the Italian municipalities in conservatorship

Net Non Performing Loans Evolution (€m)



Cost of risk (bps)



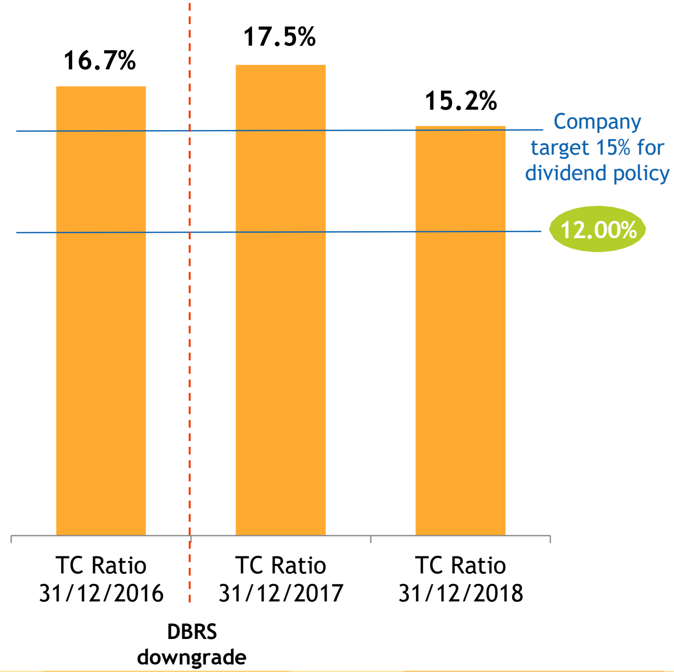
Asset quality - €/000	FY2016	FY2017	FY2018	Public sector
Net Non performing - total	12,065	18,175	40,344	
Net unlikely to pay	3,614	6,760	6,774	
Net past due	46,167	69,794	72,573	64%
Total net impaired assets	**61,846**	**94,730**	**119,690**	67%

Strong capital position

- **Total Capital ratio of 15.2% and CET1 ratio of 10.9%:**
  - €91.8m of adjusted net income not included in capital ratios (equal to 406 bps of additional CET1 and total capital) and available for dividend distribution
  - Both ratios are net of the negative exchange rate and HTC&S mark to market impact (respectively 13bps and 19bps) and already net of the own shares to buy under the buy-back plan announced today for the maximum amount of €1.7m
- **Conservative RWA calculation** based on standard model and with 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 3.1% positive impact on Total Capital Ratio and a 2.2% 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 thanks to a better loan mix**, 63% as of December 2018, vs. 67% as of December 2017, despite increasing past due and non performing loans

Total Capital Ratio - Banking Group ex TUB Capital Ratio[1]

	31/12/2016	31/12/2017	31/12/2018	SREP requirement incl. CCB
CET1	16.7%	12.6%	10.9%	7.80%
RWA	1,411	2,018	2,262	
RWA density	56%	67%	63%	
CET1 including net income of the period	21.8%	16.6%	14.9%	



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		

(1) FY2018 CRR Total Capital Ratio and CET1 Ratio: 15.0% and 10.8%. 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

BFF's Dividend Policy - Overview

Comments

- **Dividend policy aimed at self funding growth and pay excess capital to shareholders:**
  - Target Total Capital level of 15%, well above the SREP requirements
  - Earnings of the period retained to maintain the 15% TC ratio target, and pay-out the portion of the net income of the year in excess of the 15% TC threshold
  - No obligation to pay a min. DPS or pay-out ratio every year
  - TC ratio can also go below 15%, in order to exploit growth opportunities, which translates in 0% pay-out ratio in the short term for a higher profit in the future
- **Given the above dividend policy and the high ROE of the business, once the excess capital has been fully absorbed:**
  - The growth will be funded through retained earnings, while maintaining an attractive dividend (i.e. in Scenario 4 of the table the RWA would have to increase by 30% in order to have zero dividend)
  - The CET1 ratio would increase because of the loan growth

Dividend pay-out ratio evolution - ILLUSTRATIVE EXAMPLE

- Illustrative example of BFF's pay-out ratio based on different RWA growth assumptions
- Scenario 1, 2 and 3 assume respectively 10%, 15% and 20% RWA growth rate, while Scenario 4 assume maximum growth rate to achieve 0% pay-out ratio

€m - ILLUSTRATIVE EXAMPLE	Scenario 1	Scenario 2	Scenario 3	Scenario 4
RWA beginning of the period	2,200			
Total Capital beginning of the period	340			
Total Capital ratio beg. of the period	15.5%			
RWA growth	10.0%	15.0%	20.0%	30.3%
RWA end of the period	2,420	2,530	2,640	2,867
Total Capital ratio target	15.0%			
Total Capital target	363	380	396	430
Retained earnings to achieve TC target	23	40	56	90
Net Income ***(assumed flat in all scenarios and equal to €90m for illustrative purpose only)***	90			
NI available for dividends distribution	67	51	34	0
Pay-out ratio	**74%**	**56%**	**38%**	**0%**
CET 1 ratio (assuming €100m of Tier 2)	**10.9%**	**11.0%**	**11.2%**	**11.5%**

Appendix

Focus on Drivers of the % of Net Interest Margin vs. Previous Year

Assuming pricing done at i. constant target ROE vs capital absorbed and ii. no LPI over-recovery

Deferral effect of LPI over-recovery

% NIM (FY18 5.7%)	=	Net interest income on customer loan (FY18 €178.3m[1]) / Avg. customer loans (Avg FY18 €3,101m)	+	Maturity commission + 45% LPI discounted - interest expenses[2] (FY17 €158.8m[1]) / Avg. customer loans (Average FY2018 €3,101m)	LPI over-recovery - Re-scheduling impact (FY18 €19.5m) / Avg. customer loans (Average FY2018 €3,101m)	Impact on Yield on RWA	Comments
Impact on the % of NIM		In case of loan growth *(with stable RWA density)*		= / ↓	↓	↓	• **<u>Deferral effect of LPI over-recovery:</u>** the over-recovery on LPI generated by the current loan book will be visible in P&L in 5 years on average. Therefore, in case of loan growth the NIM on current loan book would decrease because of the increase in the denominator and the deferral of income • In case of no growth in the loan book, the deferral effect of the LPI and the over-recoveries "catching up" with the loan book will increase the reported yield
		In case of no growth *(with stable RWA density)*		=	↑	↑	
		In case of lower RWA density *(Pricing)*		= / ↓	↓	↑	• Pricing is based on, among other, CoF, capital absorption and assuming no over-recovery on LPI • Larger loan book coupled with lower capital absorption will generate better RoRWAs and lower NIM • With stable loan (no growth) and lower RWA density, NIM would decrease while ROE and RoRWA would improve • Improvement of RoRWA fully visible in 5 years since LPI over-recovery does not depend on capital absorbed

Re-scheduling impact: For receivables not collected within the expected maximum collection date, interest income is reduced by the amount of yield required to keep the IRR of the portfolio constant until the new expected collection rate. In particular, the value of the credit on the balance sheet is re-calculated using the new expected cash-flow schedule and the negative delta in value is booked in P&L to maintain the original IRR (**"rescheduling impact"**).

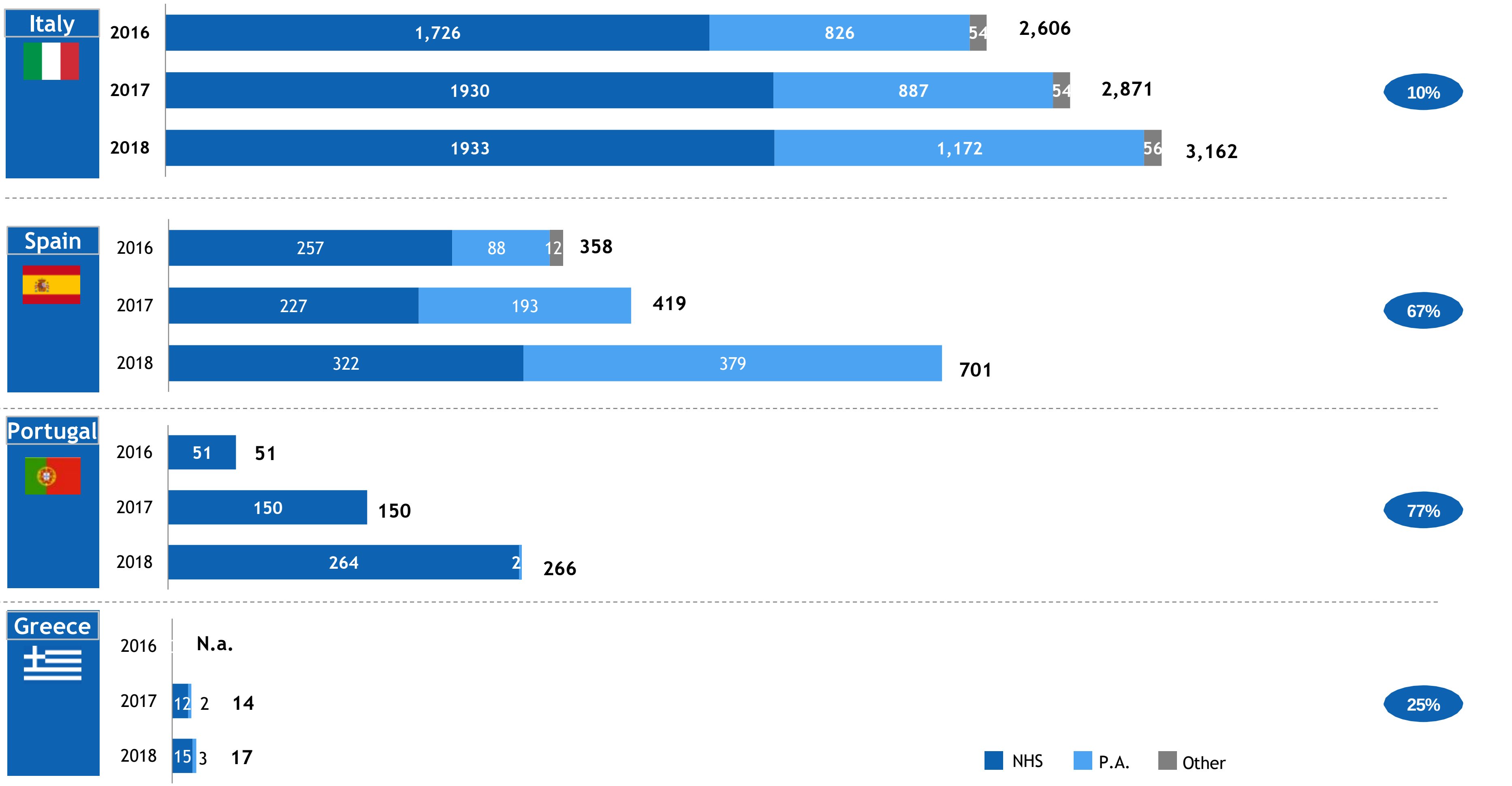
Source: Company data;
Notes: (1) Excluding interest on REPO from the interest expenses. (2) Based on total interest expenses on total funding excluding REPO.

Non-recourse Volumes

BFF BANKING GROUP

Volumes (€m)

Non-recourse growth FY18 vs FY17



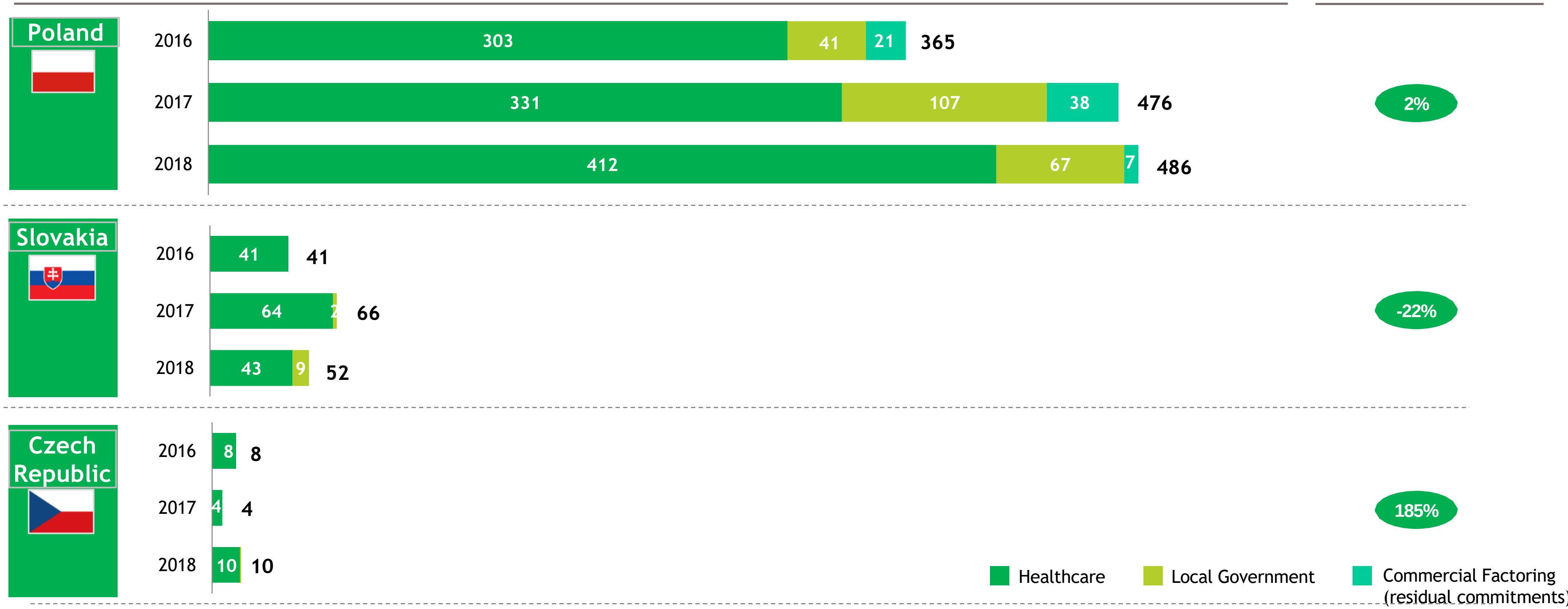
New Business

Volumes (€m)

Non-recourse growth FY18 vs FY17

New Business (€m)

New Business growth FY18 vs FY17



Adjusted Net Income Reconciliation

€m	FY16	FY17	FY18
Group BFF Reported Net income	**72.1**	**95.5**	**92.2**
Change in LPI accounting from 40% to 45%		(17.8)	
One-off IPO costs	2.4	1.7	
Exchange rates movement (offset at the comprehensive income and equity level)	(0.3)	3.3	(1.9)
Stock options		1.1	0.9
Extraordinary Resolution Fund contribution	1.5		0.5
Magellan acquisition costs	7.6		
Magellan Net Income pre acquisition	4.0		
Adjusted Net Income	**87.3**	**83.7**	**91.8**
Additional 12 & 2 months Tier II costs not present in '16 & '17 respectively	(4.7)	(0.9)	0.0
BFF Polska Group SME factoring provision		1.3	1.4
Adjusted Net Income "like for like"	**82.6**	**84.2**	**93.1**

Breakdown by quarter - BFF Group

Adjusted Values	**2016 (including BFF Polska for full period)**					**2017**					**2018**				
Data in €/m	**1Q**	**2Q**	**3Q**	**4Q**	**FY**	**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**	53.4	54.9	49.3	74.0	**231.6**
Interest expenses	(9.4)	(8.9)	(9.6)	(9.3)	**(37.1)**	(9.8)	(10.3)	(9.7)	(10.1)	**(39.9)**	(11.3)	(10.1)	(10.3)	(11.2)	**(42.9)**
Net interest income	36.3	37.2	34.7	58.8	**166.9**	45.0	36.4	34.8	56.7	**172.8**	42.2	44.8	39.0	62.8	**188.7**
Net banking income	38.2	38.7	37.3	60.6	**174.8**	45.9	38.4	36.8	59.1	**180.3**	44.0	46.5	40.7	63.6	**194.9**
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)**	(15.3)	(18.7)	(16.0)	(19.3)	**(69.3)**
LLPs	(0.2)	0.6	(0.5)	(2.5)	**(2.6)**	(0.7)	(1.2)	(0.4)	(3.7)	**(6.0)**	(1.0)	(2.3)	(0.6)	(1.0)	**(4.8)**
Other income / Other Provisions (risks & charges etc.)	0.2	0.6	0.8	2.3	**3.9**	0.6	0.9	(0.1)	0.9	**2.3**	0.2	0.9	0.2	1.7	**3.0**
Profit Before Taxes	25.5	26.1	23.7	44.5	**119.8**	30.3	22.6	22.8	39.7	**115.3**	27.9	26.4	24.5	44.9	**123.7**
Income Taxes	(7.2)	(8.0)	(5.2)	(12.1)	**(32.5)**	(8.5)	(6.2)	(6.2)	(10.6)	**(31.6)**	(7.6)	(6.7)	(6.4)	(11.2)	**(31.9)**
Net income	18.3	18.1	18.5	32.5	**87.3**	21.8	16.3	16.5	29.1	**83.7**	20.3	19.7	18.1	33.8	**91.8**

Reported Values	**2016**					**2017**					**2018**				
Data in €/m	**1Q**	**2Q**	**3Q**	**4Q**	**FY**	**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**	53.4	54.9	49.3	74.0	**231.6**
Interest expenses	(5.7)	(6.5)	(10.0)	(8.9)	**(31.0)**	(9.8)	(10.3)	(9.7)	(10.1)	**(39.9)**	(11.3)	(10.1)	(10.3)	(11.2)	**(42.9)**
Net interest income	31.8	34.0	34.2	59.2	**159.2**	70.1	36.4	34.8	56.7	**198.0**	42.2	44.8	39.0	62.8	**188.7**
Net banking income	33.7	36.9	31.1	62.3	**164.0**	67.4	38.6	38.5	56.5	**200.8**	44.7	49.8	38.8	64.1	**197.5**
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)**	(16.6)	(19.4)	(16.0)	(19.4)	**(71.4)**
LLPs	(0.1)	0.7	(0.4)	(2.5)	**(2.2)**	(0.7)	(1.2)	(0.4)	(3.7)	**(6.0)**	(1.0)	(2.3)	(0.6)	(1.0)	**(4.8)**
Other income / Other Provisions (risks & charges etc.)	0.2	0.6	0.8	2.3	**3.9**	0.6	0.9	(0.1)	0.9	**2.3**	0.2	0.9	0.2	1.7	**3.0**
Profit Before Taxes	21.7	19.7	15.2	42.5	**99.1**	47.8	22.7	24.4	37.0	**132.0**	27.3	29.1	22.5	45.4	**124.3**
Income Taxes	(6.4)	(6.6)	(2.6)	(11.4)	**(27.0)**	(13.6)	(6.3)	(6.8)	(9.8)	**(36.4)**	(7.5)	(7.6)	(5.8)	(11.3)	**(32.1)**
Net income	15.3	13.1	12.6	31.1	**72.1**	34.2	16.4	17.7	27.2	**95.5**	19.8	21.5	16.7	34.1	**92.2**

Asset quality

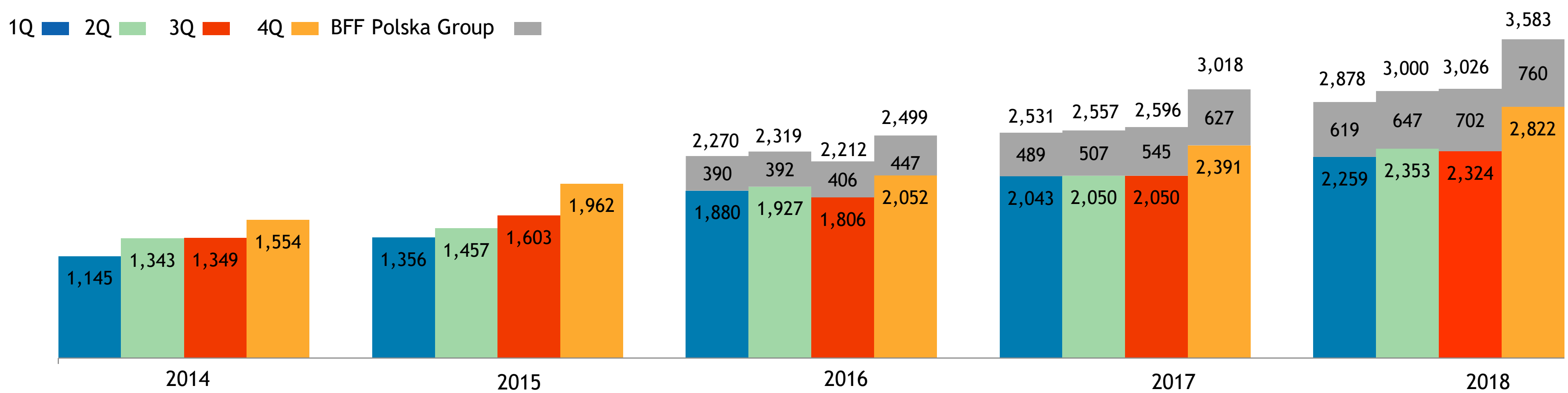
	31/12/2018		
	Gross	Provision	Net
Net non performing - total	65,106	(24,762)	40,344
Net unlikely to pay	8,680	(1,906)	6,774
Net past due	73,845	(1,273)	72,573
Total net impaired assets	**147,631**	**(27,940)**	**119,690**

	31/12/2017		
€/000	Gross	Provision	Net
Net non performing - total	39,587	(21,412)	18,175
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**

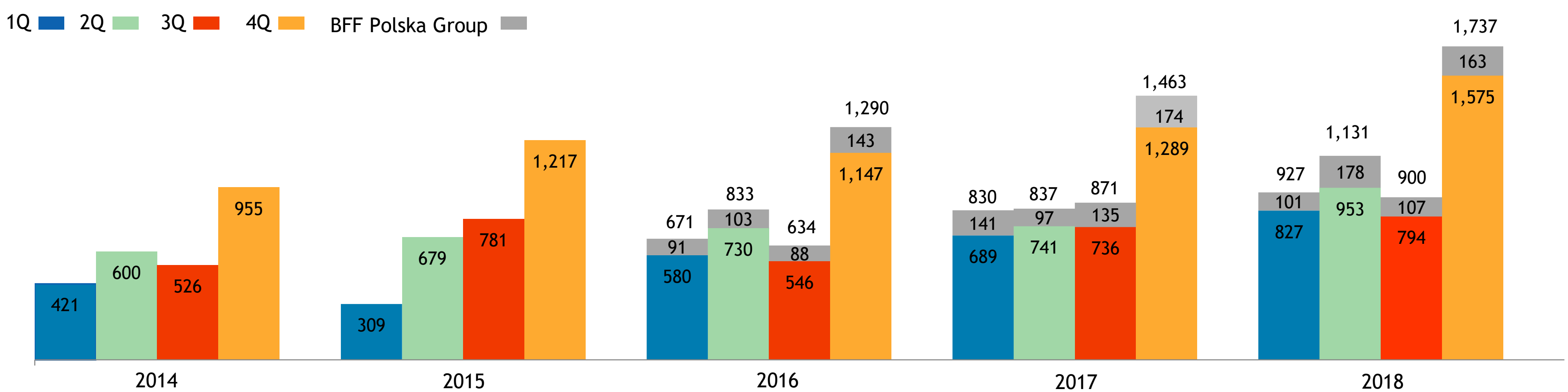
	31/12/2016		
€/000	Gross	Provision	Net
Net non performing - total	30,003	(17,938)	12,065
Net unlikely to pay	3,715	(101)	3,614
Net past due	46,250	(82)	46,167
Total net impaired assets	**79,968**	**(18,121)**	**61,847**

Traditional Business Subject to Seasonality, with Peak in Q4

Loans Evolution by Quarter[1] (€m)



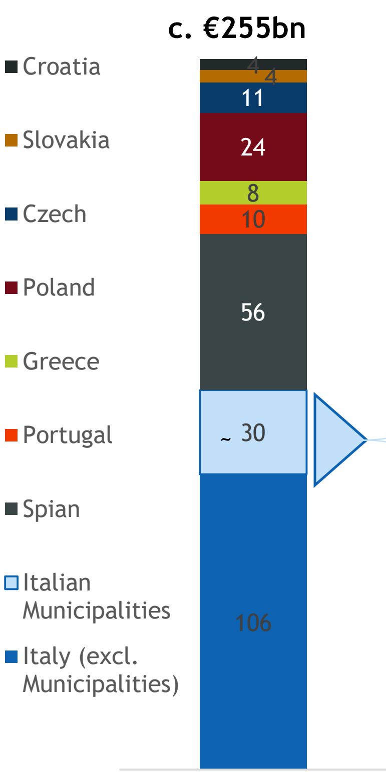
Breakdown of Volumes by Quarter[2] (€bn)



(1) 2018 loans: item 40 b) Balance Sheet excluding HTC (2) 2016 BFF Polska Group New Business includes Spanish Branch New Business (€12m) and is converted to the 2016 average exchange rate PLN/€ 4,3632; 2017 BFF Polska Group New Business is converted to the relevant period average FX rate; 2016 and 2017 BFF Polska Group Loans are converted to the relevant end of period day FX rate.

Market opportunity is driven by distribution of DSO and less by average DSO - example

Total potential market

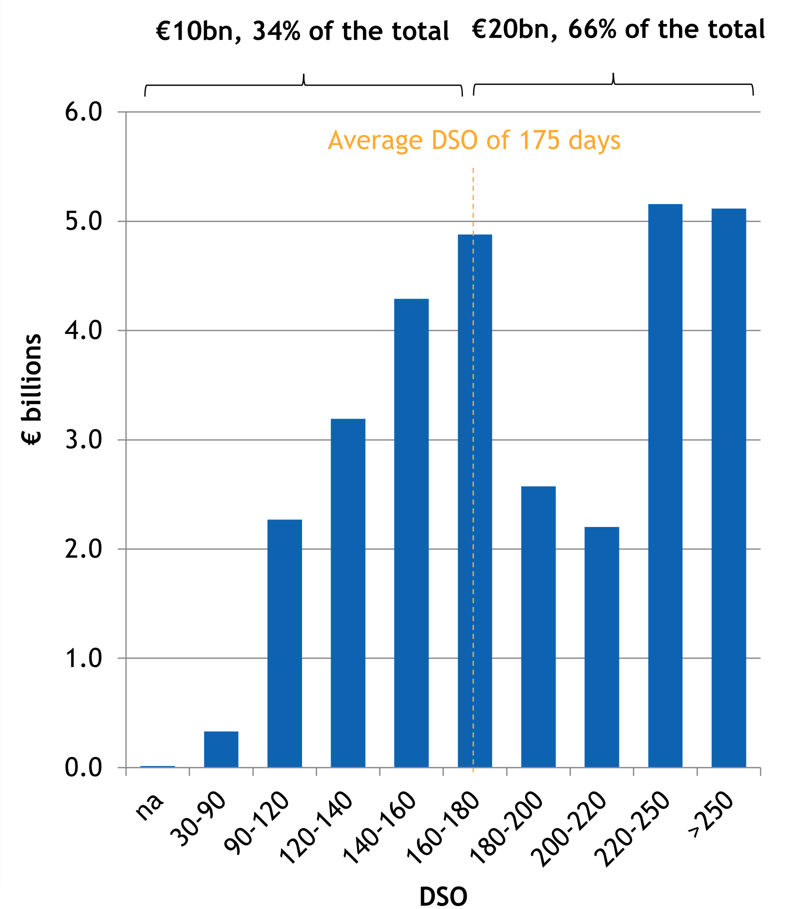


Total public expenditure in good and services in the countries where BFF Group operates

<u>Italian Municipalities Segment:</u>

- **Large and underpenetrated segment with significant opportunities to growth:**
  - 7,954 entities
  - €30.0bn expenditure in Goods and Services
  - 66% (€20bn) of the expenditure have a DSO higher than 160 days
  - Only c. 8.4% of the credits outstanding was factored without recourse
- **Low capital intensive segment:** risk weighting of 20%
- **BFF is the leading player in the segment** with a market share of 39.5%(2) of outstanding
  - €374m total volume acquired in 2017, with the activity started in 2014
- **A reduction of average DSO by 60 days,** from 175 days to 115 days, **would still leave over €10bn of expenditure with DSO over 160 days:**
  - €10bn is larger than the estimated total amount of public administration receivables factored in Italy in 2017 and c.10x the amount of receivables factored toward the Italian municipalities

Italian municipalities' expenditure in Goods and Service 2017 *(€m)*



Source: Company estimate, ISTAT 2015, AIDA PA, DEF 2016.
Note: (1) Calculated as BFF's volume acquired on total Italian municipalities' expenditure in Goods and Service. (2) Based on outstanding as of December 2017 (Assifact).

Management Fully Aligned With Public Market

BFF BANKING GROUP

Management have been shareholders of the business since 2006
Senior executives have been in the bank on average for more than 13 years

Yearly management bonus

- ✓ Paid only if risk-adjusted profit is achieved, zero otherwise
- ✓ 50% in shares or stock options for risk takers
- ✓ Multiplied up to 140% of target bonus if risk-adjusted profit is 10% or higher than budget

Large direct stock ownership

- ✓ Management owns >4.6% stake as of 12/31/2018
- ✓ 2.6% lock-up up to 2021
- ✓ 2.6% call options on Centerbridge shares (7 senior executives)
- ✓ All managers shareholders have non-compete agreement

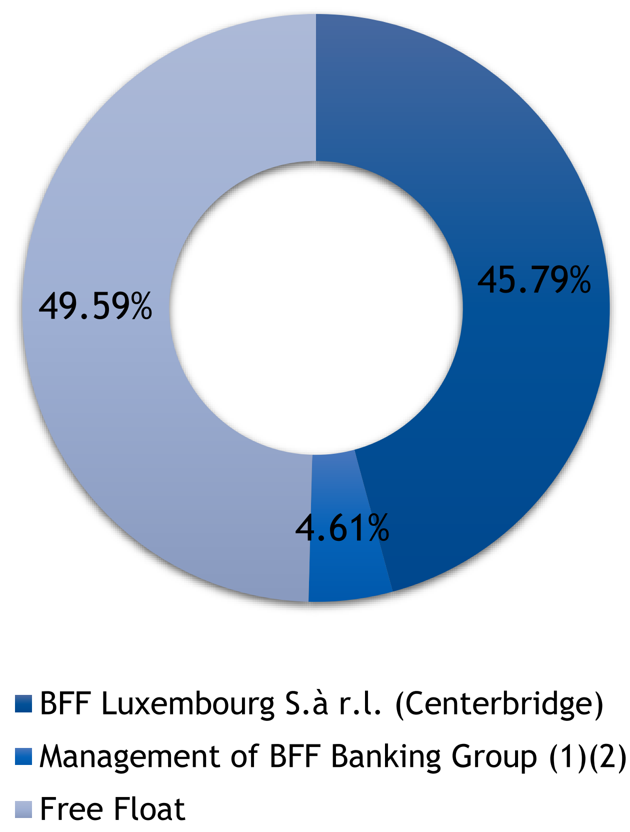
Stock options with 8% hurdle rate

- ✓ 3.75% pool allocated at IPO, 0.625% in 2018
- ✓ Strike price equal to price at award + 8% compounded returns. No catch up
- ✓ 3 yearly vesting
- ✓ Broad coverage throughout the organisation (80+ people)

Source: Company data.

Shareholders' structure

Shareholders (%)



Source: Shareholders' official communications to BFF. As per Company website.
Notes: (1) CEO and other 7 managers hold together 4.61% of BFF's share capital. (2) CEO and other 6 managers have additional options on 2.6% BFF shares owned by Centerbridge.

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