“BFF 2023” Strategy

May 29th, 2019

Agenda

Agenda

“BFF 2020” - The Leading Financial Services Provider to Suppliers of the Public Sector in Europe

BFF BANKING GROUP

	“BFF 2020”
Vision	The **leading provider of credit management and receivables factoring** for the Healthcare (“HC”) and Public Administration (“PA”) suppliers in the European Union (“EU”)
Mission	▪ Operating with honesty and transparency, respecting and valuing people ▪ Maintaining leadership in innovation, customer service and execution in the reference markets ▪ With a low risk profile and high operational efficiency

30+ years of Serving HC and PA Suppliers

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1985: Established by a group of pharmaceutical companies

FARMAFACTORING SPA

1990: Launch the non-recourse factoring activity for Italian HC suppliers

2010: Replicate business in Spain

2013: Turning point, becomes a bank

BANCA FARMAFACTORING

2014: Extend offer to Portugal

"BFF 2020" Plan

Launch of online deposits in Italy (*Conto Facto*)

FACTO

2015: Launch of online deposits in Spain (*Cuenta Facto*) **and Germany**

FACTO

2016: Acquisition of Magellan

Expansion in CEE

magellan WE CREATE SOLUTIONS

2017: becomes BFF Banking Group and lists on the Italian Stock Exchange

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2017-18: Extend offer to Greece and Croatia

Open branch in Lisbon

2019: Acquisition of IOS Finance, leading PA factoring player in Spain (pending)

IOS FINANCE

Growth in Italy 1985 - 2010

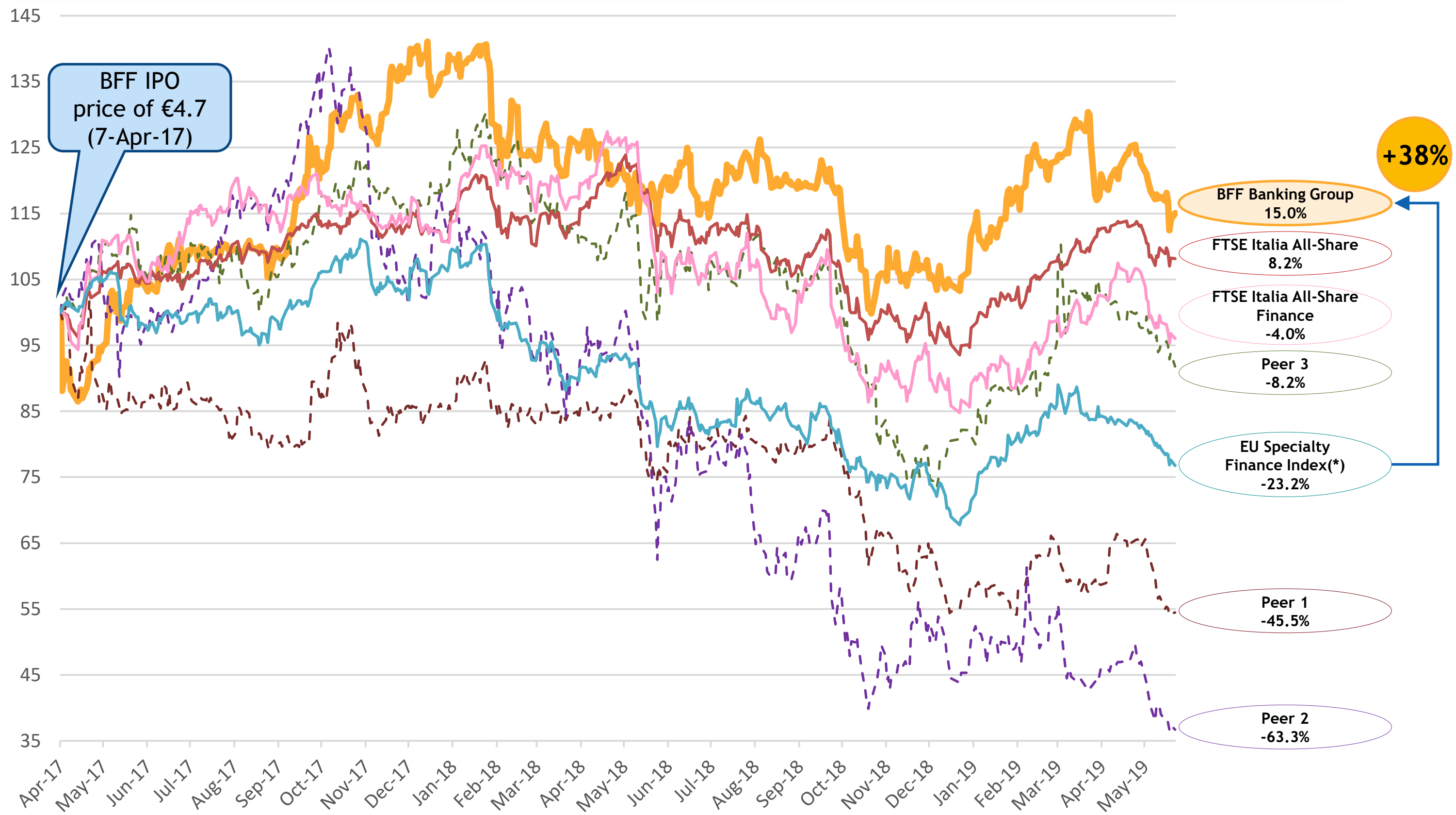
Resilient during crisis 2011 - 2013

"BFF 2020" Plan execution 2014 - 2019

30+ Years of Superior Shareholders Returns in the Private & Public Market

Unparalleled Private Capital Returns
Only €260k of capital ever invested, in 1985
€620m cumulated dividends thus far
€800m @ IPO
€1,420m Shareholders' return as private company

Total Returns from IPO Price Significantly Higher than Italian Market and Specialty Finance Peers



Source: Bloomberg. Data from April 7th, 2017 to May 27th, 2019. Total Shareholder Return assumes the reinvestment of the dividends at the ex-dividend date.
(*) EU Specialty Finance index's components are: Arrow, Banca Sistema, Cerved, doBank, Hoist finance, Banca IFIS, Intrum, Kruk.

A Rock Solid Business

Highly Capital Generating Model

37%

Return on Tangible Equity

>10%

Net Income Growth p.a.

Significant Deferral of Income

€378m

off-balance back book income reserve

(unrecognised stock of LPI)

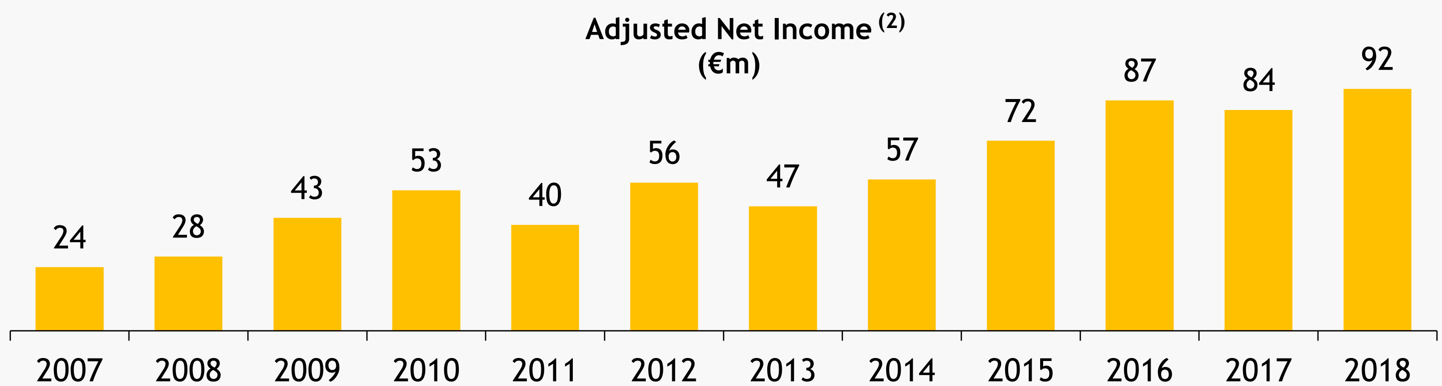
Essentially No Credit Losses on Factoring

Zero on Public sector

€5.5m[1]

cumulated last 12 years, 0.5% of cumulated PBT

Tried and Tested in Every Season



(1) Excluding BFF Polska. (2) Normalized and adjusted as reported in IPO prospectus and annual accounts.

Positively Geared to a Worsening of the European Macro / Public Finances Outlook

Outlook	Impact for BFF	
1 Increase perception of political / country risk	▪ Higher demand from customers ▪ Lower price sensitivity ▪ Traditional banks less interested in the sector	↑ Volume ↑ Pricing
2 Worsening public finances	▪ Pressure on preserving cash leads to higher payment times by PA ▪ Therefore, larger loan book for the same amount of volumes, with BFF costs mostly fixed or geared to volumes	↑ Loan book growth ↑ Profitability ↑ RoTE
3 Rising interest rates	▪ Double geared to interest rates ▪ LPI charged to debtors are at variable rate ▪ Faster repricing of loans vs. liabilities (short term vs. long term duration) ▪ High portion of loan book funded by equity (Equity / Loans ratio ~ 10%) and liabilities at fixed rate	↑ Net interest margin

With Excellent Growth Opportunities Ahead

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Organic growth opportunity

> 10% p.a. volume and loans growth

Long-Term Public Expenditure Growth

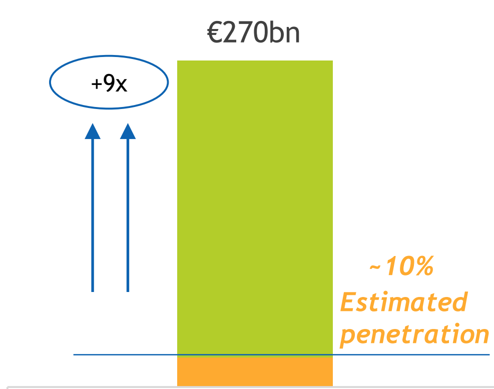
Growth on the back of HC and public expenditure growth

> +2 / 3% CAGR

Low to mid single digit in mature markets, higher in Central Eastern Europe

Increase Market Penetration

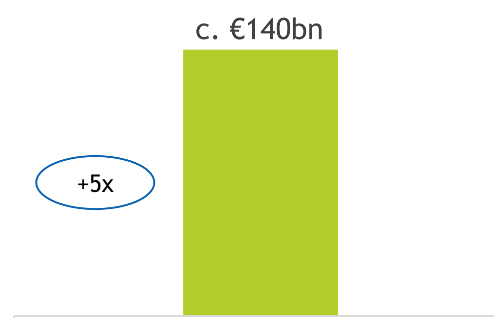
Only c. 10% of €270bn PA invoices are factored



BFF's current addressable market size

New Markets

Potential new PA markets account for additional c. €140bn of receivables



Size of potential new markets

Strong Barriers to Entry in Our Market…

A Trusted Partner for Our Customers. A Sound Track Record in Dealing with Public Debtors for > 30 Years

Large and Stable Customer Base

- Strong customer loyalty from large and multinational companies
- Opportunity to leverage customer relationships across geographies
- Constantly present and able to serve clients also in times of stress (i.e 2011-12)
- Credit collection process protects our clients' relationships with their own customers (BFF's debtors)

Top 10 clients with BFF on average for **>17 years**

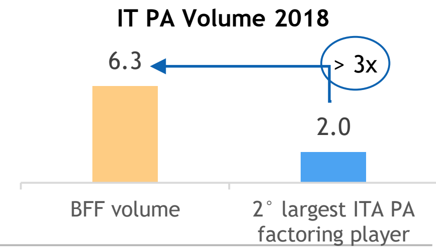
Deep Knowledge of Debtors

- >30 years in dealing with PA entities → Better pricing
- Deep understanding of PA structure → Accurate classification of debtor risk
- Largest commercial creditor of the PA → Better collection
- Long-term track-record in LPIs collection → Robust accounting model

c. 5% total PA's receivables are **factored or managed by BFF in Italy**

Highly Efficient Operating Platform

- Excellent operational effectiveness in a complex business
- Significantly bigger scale vs. competitors
- Scalable IT platform by volume and geographies with minimal incremental investment
- Access to a lower cost base in Poland for back-office activities since 2018



Self Funded Business

- Almost unlimited ability to self fund loan growth → >30% loan growth potential in one single year fully funded organically

>30% RoTE

>10% net income growth p.a. since 2013

> €600m dividend-out

…With Revenues Coming from both Suppliers and Debtors

Public Sector Suppliers (BFF's Clients)

- Leading multinational and national suppliers of the public sector

For illustrative purpose only

GE Healthcare, Air Liquide, eni, TIM, Pfizer, Bristol-Myers Squibb, gsk, Baxter, BD, Edison, Merck, Abbott, Olympus, enel

Source of revenues

Discount to face value on receivables purchased

(Yield)

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Public Sector Entities (BFF's Debtors)

- Debtors are PA in the EU
  - Central government entities (i.e ministries)
  - Regions
  - Provinces and Municipalities
  - Other local government entities
  - Public and public owned hospitals
  - Other HC entities and other public entities

Source of revenues

Late payments interests ("LPI") on receivables outstanding

(Yield)

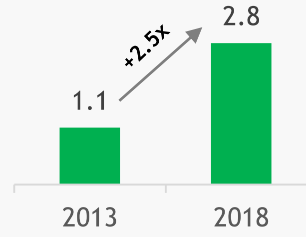
Source of revenues for non-recourse factoring, 76% of 2018 gross revenues

Proven Ability to Execute Organic Growth and M&A

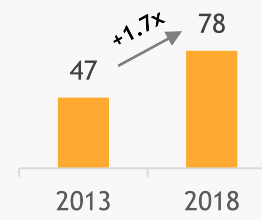
Customer Loans (€bn) | Net Income (€m)

Strong organic growth

- Grown factoring activity from HC only to entire PA in Italy
- Expanded greenfield from 2 to 5 countries across HC and PA



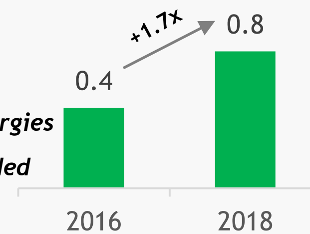
Countries covered (#): 2 | 5



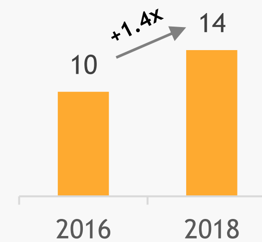
Disciplined bolt-on acquisitions

- **2016**: Magellan (now BFF Polska Group):
  - 3 new markets in CEE (Poland, Slovakia and Czech)
  - Broadened product offering (direct financing) to HC & PA in Central Eastern Europe
- **2019**: Tuck-in acquisition of IOS Finance (main competitor in Spain, pending)

- *~9x P/E pre-synergies*
- *Self-funded*



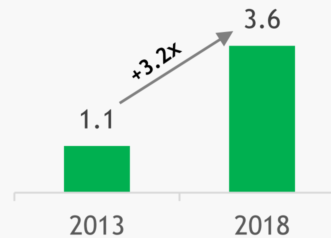
BFF Polska Group only



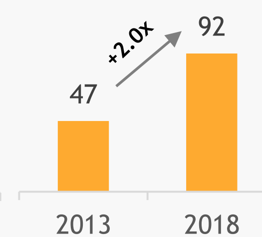
BFF Polska Group only

Total growth

- **+26% loans growth 2013-18 CAGR**
- **+14% net income growth 2013-18 CAGR**
- **35% of total loans outside Italy in 2018 (4% in 2013)**



Countries covered (#): 2 | 8



Infrastructure, Funding and Capital Ready to Support Growth

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1	Invested in the business for growth ...	Significant investment in infrastructure and expanded employee base to support growth
2	... with plenty of available funding...	Ample excess liquidity (LCR > 200%) and access to multiple deposit and wholesale markets
3	... and highly capital generative model	**Able to self fund superior growth and deliver attractive dividends:** ▪ given its high RoTE (37%), BFF can maintain both high growth and high dividends ▪ 19% loans growth in FY 2018 absorbed only 40% of capital generated in the period

Opportunity for Growth Through M&A

M&A aimed at consolidating existing businesses and expanding into other underserved markets

Existing business	Adjacent sectors	New niche markets
✓ IOS FINANCE	✓ magellan WE CREATE SOLUTIONS	

Existing business / Adjacent sectors

Targets profile:

- Operating in the same businesses of BFF or in adjacent sectors
- Attractive asset yield with a low risk profile
- Operating in the same countries covered by BFF or opening new markets

Main benefits:

- Consolidation of BFF's market shares for existing business and/or expansion into new segments leveraging upon existing BFF expertise
- Operational synergies
- Funding synergies

New niche markets

Targets profile:

- Operating in niche business not covered by traditional banks
- Operating only in countries already covered by BFF

Main benefits:

- Funding synergies
- Diversification

"BFF 2023" - A Leading Specialty Finance Bank Built with Discipline

BFF BANKING GROUP

	"BFF 2020"	"BFF 2023"
Vision	The **leading provider of credit management and receivables factoring** for the HC and PA suppliers in the EU	**Banking group leader in specialty finance niches in Europe**, leveraging on its leadership position in financial services to the suppliers of PA and HC

Mission

- Operating with honesty and transparency, respecting and valuing people
- Maintaining leadership in innovation, customer service and execution in the reference markets
- With a low risk profile and high operational efficiency
- Aligned with corporate governance best practices for public companies *New for "BFF 2023"*

Agenda

Building on the Same Delivery of "BFF 2020" Plan

BFF BANKING GROUP

The leading provider of credit management and receivables factoring for the HC and PA Administrations Suppliers in the EU

2014-2020 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 HC and PA ▪ Invest in its IT platform	▪ BFF loans +2.15x vs. flat market[1]
Further expand business outside Italy both in the HC and PA, increasing geographical diversification	▪ 2 ▶ 8 countries ▪ 4% ▶ 35% of loans outside Italy
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	▪ < 10 bps Cost of Risk
Maintain a solid balance sheet with best-in-class capital position and attractive leverage profile	▪ TC ratio of 15.2% ▪ LCR of 234.6% ▪ Leverage ratio 5.0% ▪ €411m[2] of free capital distributed to shareholders

Note: (1) Source Assifact, PA only excluding rest of the world. Growth over 2013-18. (2) Dividends distributed since Jan 2014, including the dividend on net income 2018.

We Expanded the Business Ahead of the "BFF 2020" Plan Targets…

	Products and/or services	Clients - Sectors	Clients - Size	Debtors	Geographies	Funding
BFF 2014	▪ Non-recourse factoring and credit management of HC receivables	▪ Pharmaceutical ▪ Biomedical ▪ Diagnostic ▪ Utilities ▪ Teleco	▪ Hospital turnover in the order of €10m	▪ HC entities ▪ Some local entities ▪ Other PA (selectively)	▪ Italy ▪ Spain ▪ (Portugal)	▪ Committed bilateral lines and pools ▪ Securitizations ▪ Uncommitted lines
"BFF 2020"	✓ Non-recourse factoring and credit management of HC and PA receivables (including VAT credits) ✓ Non-recourse factoring and credit management for private clinics	✓ HC: all the sectors ✓ Other PA: selectively based on client size	✓ HC: all ✓ Other PA: mainly medium/large clients	✓ HC entities ✓ Local entities ✓ Central PA ✓ Private hospitals (selectively)	✓ Italy ✓ Spain ✓ Portugal ✓ Possible expansion in other EU countries	✓ Committed bilateral lines and pools ✓ Securitizations ✓ Stand-by lines ✓ Deposits in Italy, Spain and Germany ✓ Tier II ✓ Bonds ✓ REPOs

…With Several Extra-plan Results Despite Unexpected External Adverse Events

Extra-plan results	Unexpected adverse events
✓ Launched business in Greece and Croatia	! Lower DSOs in Italy and Spain
✓ Adoption of accrual accounting method for late payment interests ("LPIs") to improve earning visibility	! Liquidity injection by governments (IT, SP, SK)
✓ Acquisitions of Magellan (now BFF Polska) – 2016	! Double rating downgrade of Italy
✓ Acquisition of IOS Finance (pending, closing expected within 3Q 2019)	! VAT Split payment introduced in Italy
✓ Change in ownership in 2015	! TLTRO
✓ IPO	! Entry of new players with aggressive pricing
	! Lower perception of country / political risk

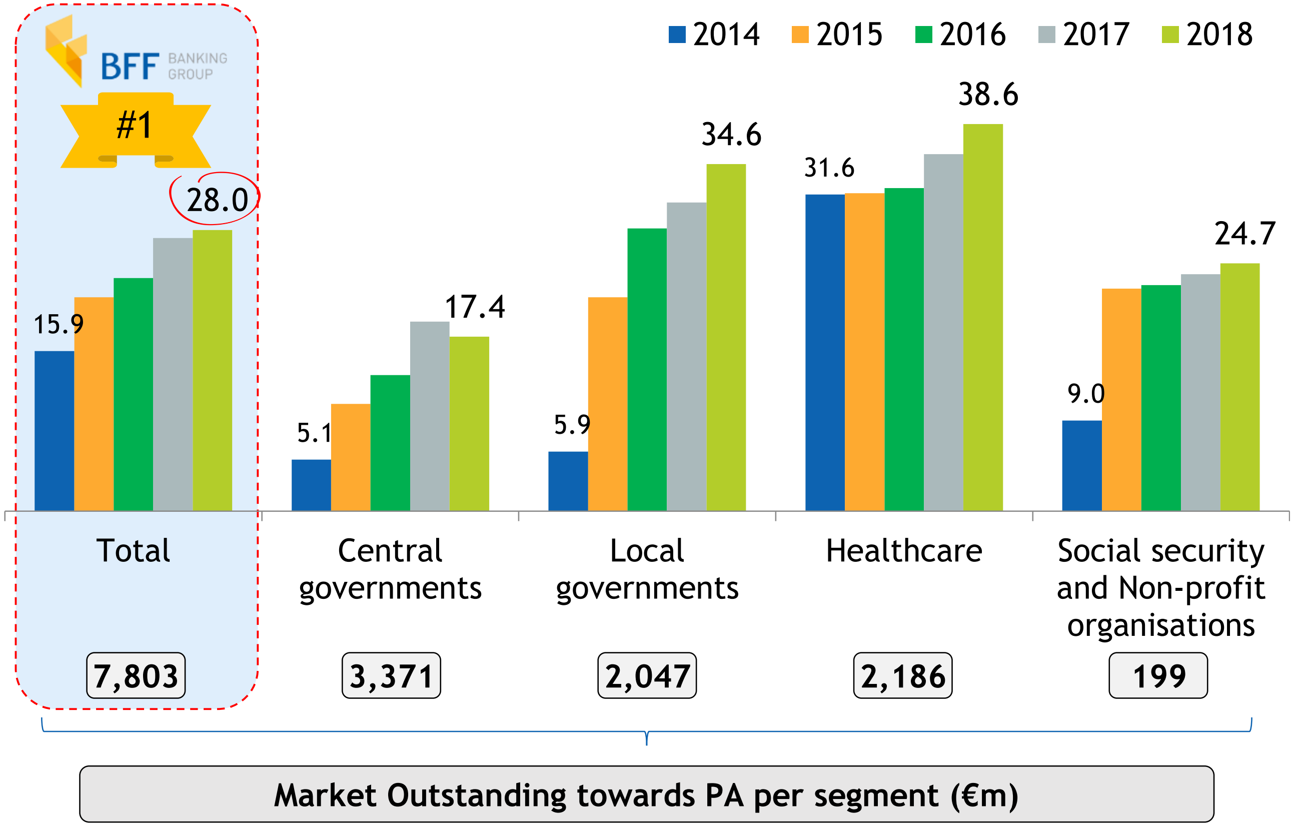
Consolidated Our Market Leadership in Italy

BFF Banking Group Market Share and Leadership Position

- **#1 in Italy for factoring toward PA & HC**
  - **Market share of 28%** on total non-recourse factoring outstanding
  - Undisputed leadership across all segments
  - Almost doubled market share since 2014 by driving more penetration in the market

Italy

BFF's Market Share by counterparty (%)

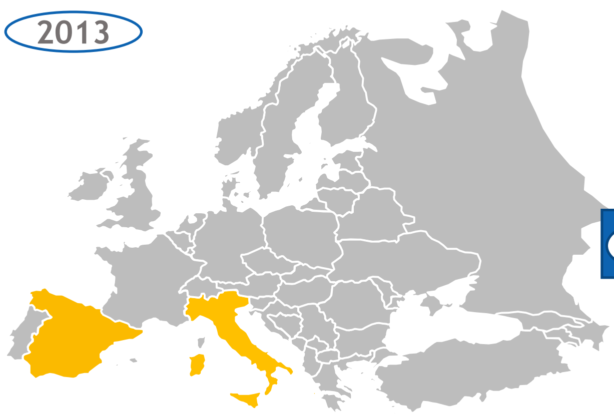


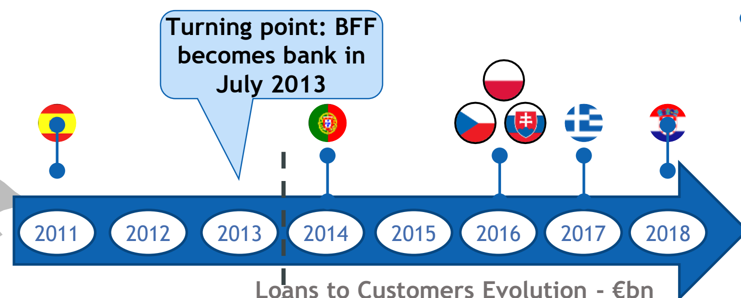
Source: Assifact.

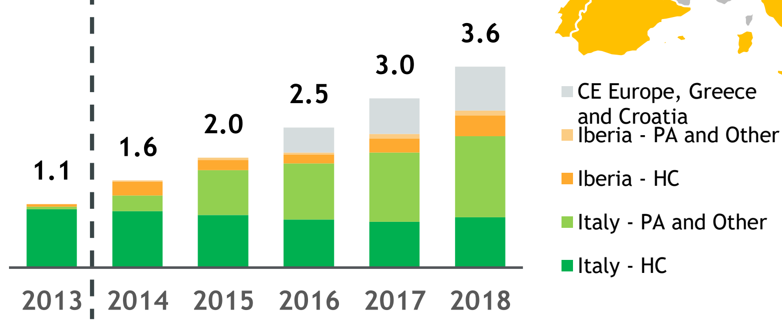
Expanded Internationally…

From domestic market leader to leader in Europe

- Over the last 5 years, BFF has successfully executed a **clear strategy of international expansion across Europe, focused in core areas of expertise, leveraging:**
  - **Long-term relationship with multinational customers**
  - **Scalable IT platform**
  - **Specialised business model**
- Launched Portugal, Greece and Croatia activities through Freedom of service (FOS)
- Opened branch in Portugal in 2018
- Entered the Central-Eastern Europe market through the acquisition of BFF Polska Group





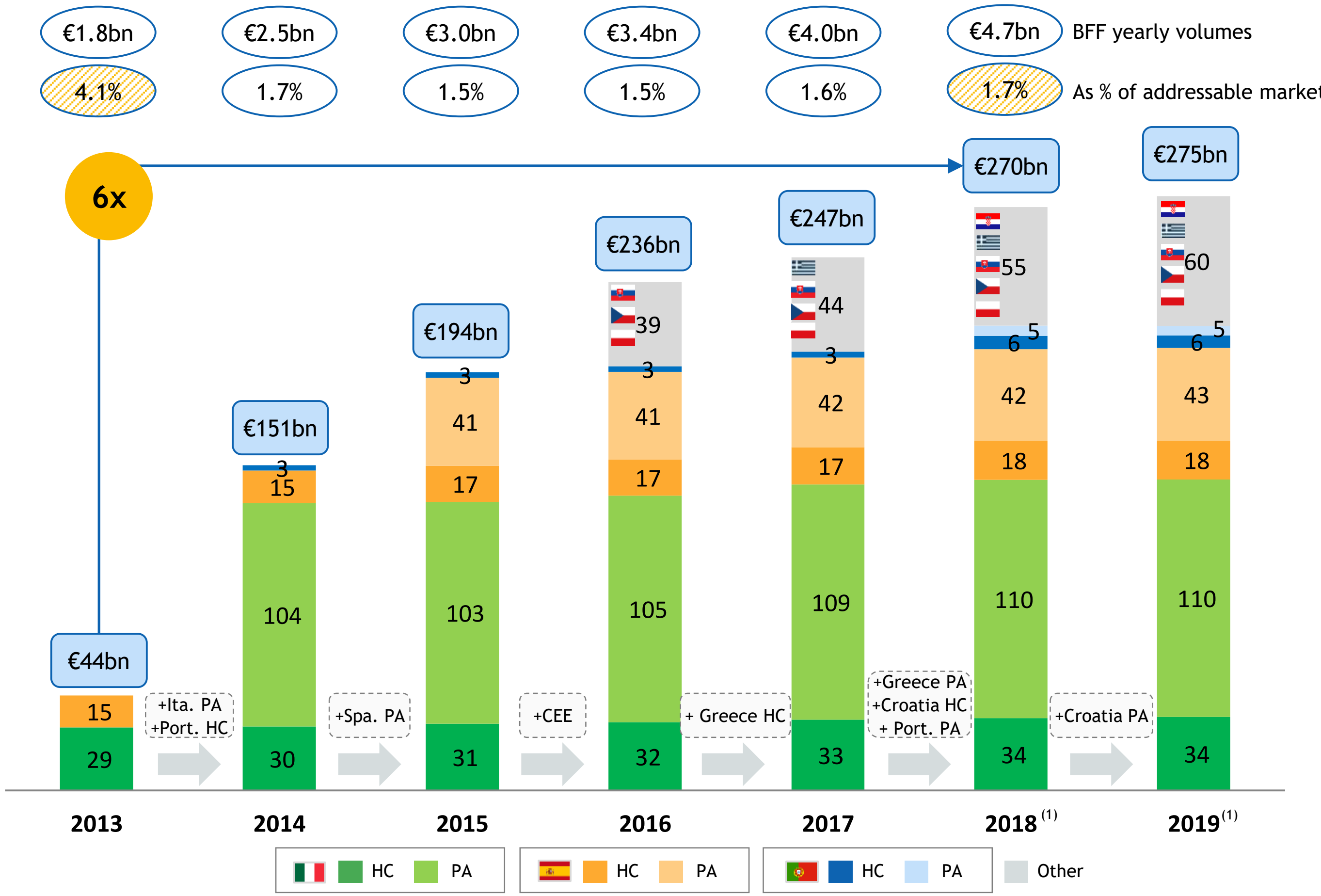


...And thus Increased 6x Our Addressable Markets in More Underpenetrated and Faster Growing Geographies

Key Considerations

- **Addressable markets grow at approx. nominal GDP growth, with CEE growing faster**
- **Since 2013, BFF has expanded its addressable market by 6x** adding new countries and expanding from HC only to the whole PA
- BFF volumes have expanded 2.6x over the same period
- BFF factors less than 2% of its addressable market in 2018 vs. 4.1% in 2013 (5.9% Italian HC only), leaving substantial room to grow

Evolution of BFF Addressable Market (€bn)



	2013	2014	2015	2016	2017	2018 (1)	2019 (1)
Italy HC	29	30	31	32	33	34	34
Italy PA		104	103	105	109	110	110
Spain HC	15	15	17	17	17	18	18
Spain PA			41	41	42	42	43
Portugal HC		3	3	3	3	6	6
Portugal PA						5	5
Other				39	44	55	60
Total	€44bn	€151bn	€194bn	€236bn	€247bn	€270bn	€275bn

Source: DEF 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 HC and PA is based on internal estimation.

Delivered and Improved Superior Performance

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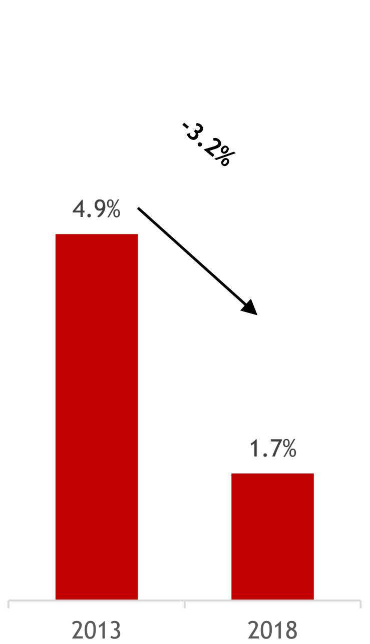
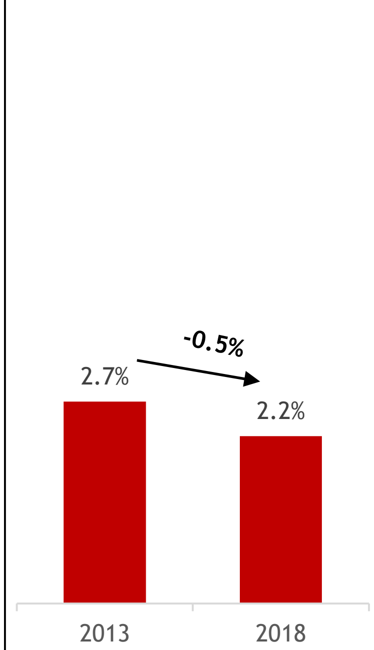
1	2	3	4	5
Generated High and Stable Yield on RWA	Improved Funding Cost by Accessing Multiple Funding Sources	Invested in the Business while Improving Operating Leverage	Maintained a High Quality Portfolio, with Negligible Credit Risk	Generated High Returns and Free Capital

Gross Yield on avg. RWA

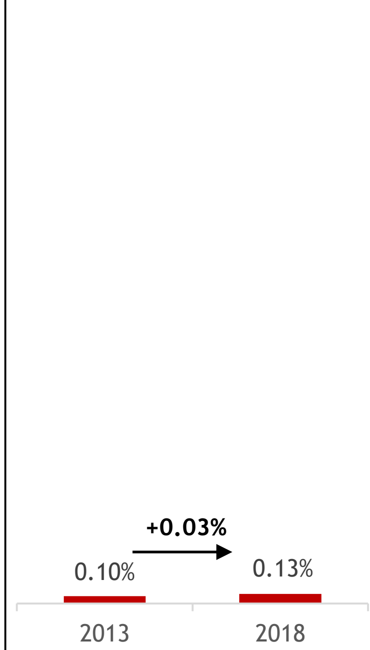
Cost of Funding



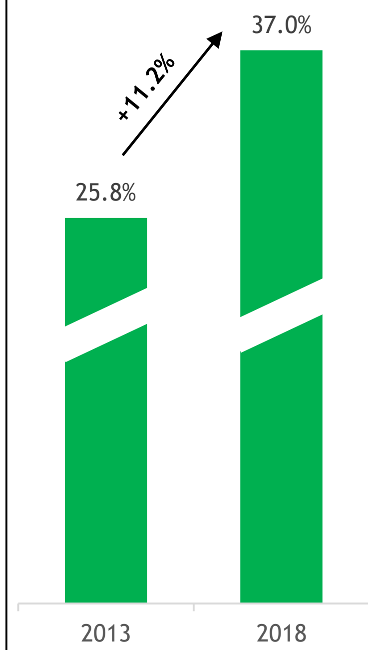
Adj. Costs / avg. loans



Cost of Risk



RoTE

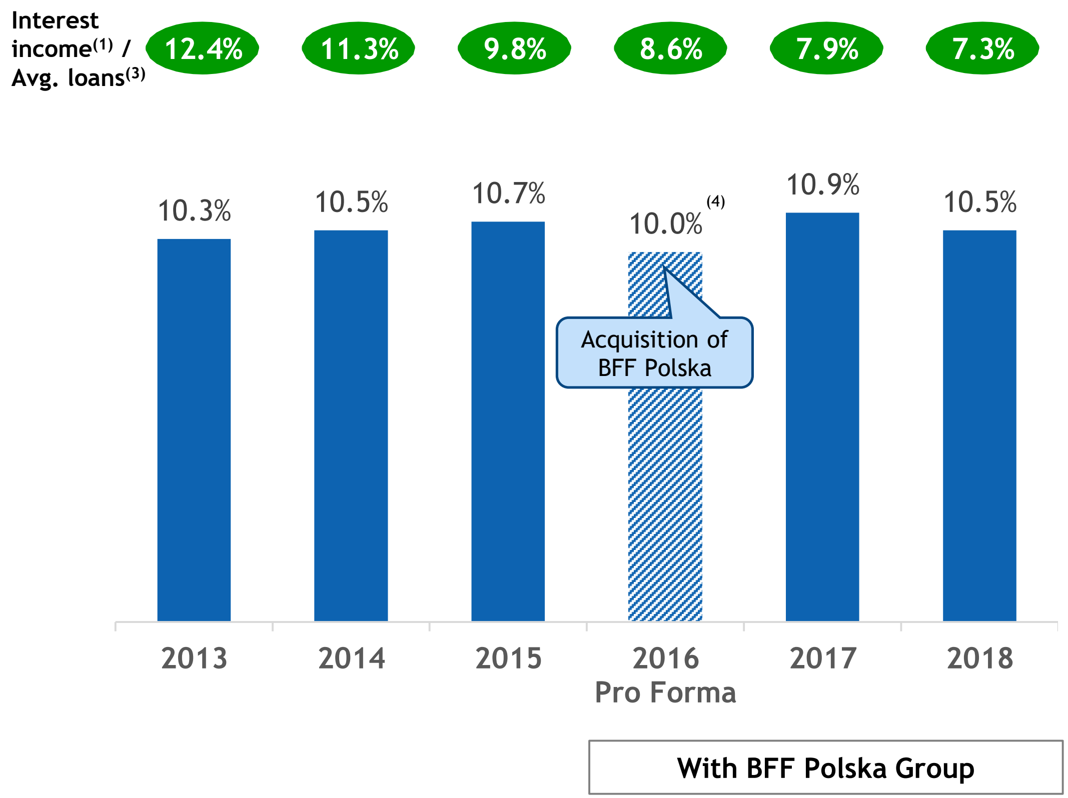


1 Generated High and Stable Yield on RWA

Key Considerations

- **Yield on RWAs ("RoRWA") constantly above 10% with significant net income deferred due to prudent LPI accounting**
  - LPI over-recovery recognized only when collected, resulting in **significant income deferral for a growing business**
- Yield on RWA in 2016-18 impacted by BFF Polska acquisition
- **High gross yield on customer loans (7.3% in 2018) with short loan book duration** (below 9 months on average for the factoring business)

Interest income[(1)] / Average RWA[(2)]



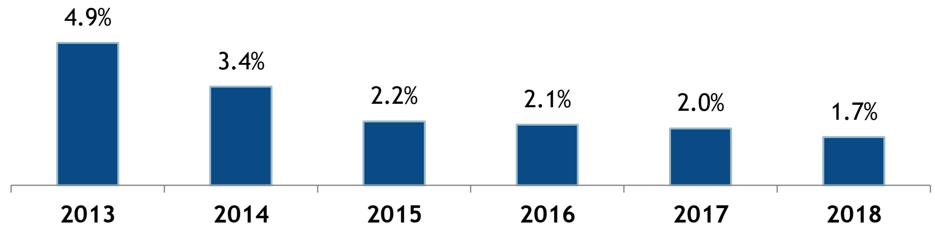
Notes: (1) Interest income on customer loans (excluding income on securities and on credit due from banks). 2013 and 2014 data normalized for change in LPI accounting (from cash to accrual accounting). 2017 adjusted to exclude one-off impact of change in LPI accounting from 40% to 45%. (2) Average of year end and beginning of the period. (3) Average loans in the period per quarters. (4) 2015 year end RWA for Polska not available. For calculation purpose, assumed same RWA density for BFF Polska at YE16 on YE15 loans.

2 Improved Funding Cost by Accessing Multiple Funding Sources

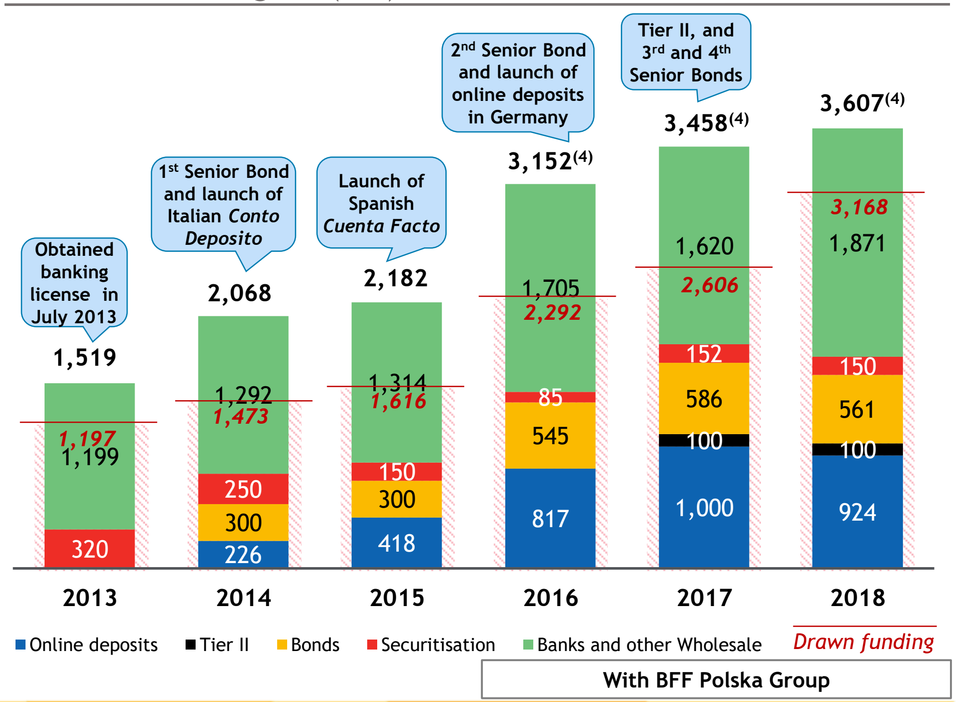
Key Considerations

- **Cost of funding more than halved** since 2013 despite 2017 Tier II issuance, higher base rate of Zloty funding and 2016 Zloty acquisition financing
- **No recourse to the ECB's TLTRO or other emergency liquidity measures**
- **Proven access to capital markets** with €0.95bn of total bonds issued since 2014, innovating the market:
  - First ever unrated Tier 2 institutional issuance by an unlisted Italian bank
  - First ever unrated floater Euro bond issuance by a bank
- **Successful ramp-up of online deposits base.** True term deposits, 70% collected outside Italy
- **Grew funding from banks at lower cost,** thanks to the strong relationships
  - Committed bilateral lines, no overnight interbank funding
  - Provided by >20 top Italian banks and European banking group, mostly investment grade rated

Cost of Funding[1]



Available Funding[2;3] (€m)



Notes: (1) Excluding REPO. The cost of funding for 2016, 2017 and 2018 includes BFF Polska and does not include the acquisition financing. (2) Excluding ECB funds and REPOs. (3) Based on utilized credit lines; 2013, 2014 and 2015 excluding BFF Polska, December 2016, 2017 and 2018 including BFF Polska. (4) Not considering financing for BFF Polska acquisition 355m PLN.

3

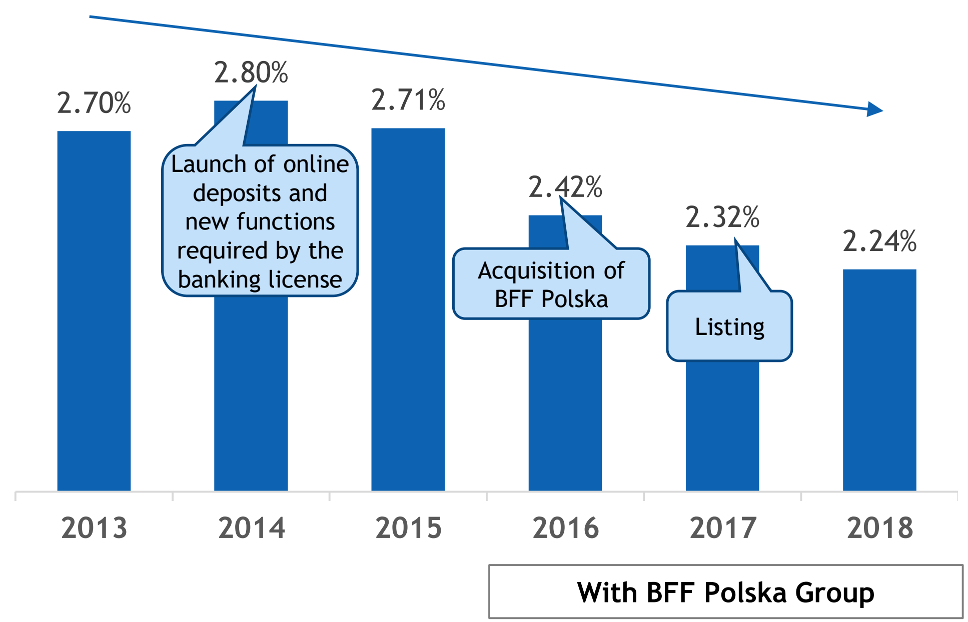
Invested in the Business while Improving Operating Leverage

Key Considerations

- **Best in class Cost / Income ratio**, stable at mid-30%, despite investments in growth with costs >2x over the period
- Continue to invest to sustain future growth
  - Infrastructure is not yet saturated
- **Improving operating leverage** with cost over avg. loans at 2.2% in FY18, down from 2.7% in FY13 despite:
  - Build up of the banking infrastructure and control functions post license
  - "Bankarisation" of the acquired BFF Polska Group
  - Listing on the Italian Stock Exchange

Adjusted Operating Cost[1] / Average Customer Loans

	2013	2014	2015	2016	2017	2018
Total Adj. Opex[1] (€m)	32	38	43	56	61	69
Cost / Income[1;2]	30%	32%	30%	32%	34%	36%



Notes: (1) Based on costs adjusted to exclude extraordinary costs for 2015-18 as reported in IPO prospectus and annual accounts. (2) Cost / income computed as operating expenses (administrative expenses + staff expenses + D&A) divided by net banking income.

4 Maintained a High Quality Portfolio, with Negligible Credit Risk

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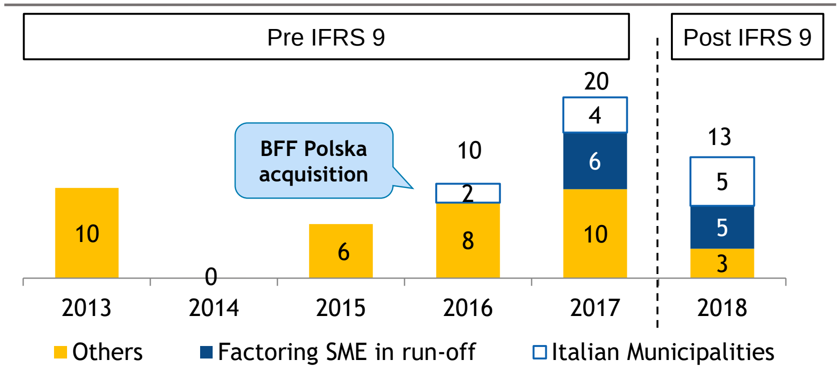
Key Considerations

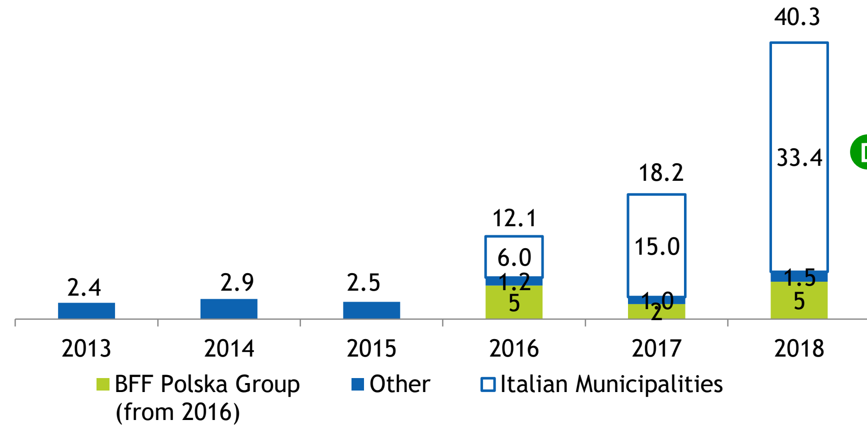
- **A Negligible Cost of Risk, in the low single bps p.a.**
- **B Impaired loans are essentially towards public sector**
- **C Net NPLs excluding Italian municipalities have been flat**
- D Increase in NPLs is driven almost entirely by the growing activities towards municipalities in conservatorship
  - Exposures are currently classified NPLs by regulation despite BFF being legally entitled to receive 100% of the capital and LPIs at the end of the process

A Cost of Risk (bps)



Net NPLs evolution (€m)

	2013	2014	2015	2016	2017	2018
NPL Ratio	0.2%	0.2%	0.1%	0.5%	0.6%	1.1%
Coverage Ratio	49%	85%	86%	60%	54%	38%
NPL Ratio excl. Italian Municip.	0.2%	0.2%	0.1%	0.2%	0.1%	0.2% C
Coverage Ratio excl. Italian Municipalities	49%	85%	86%	74%	86%	75%



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(€m)	2013	2014	2015	2016	2017	2018	Public sector
Net NPLs	2,368	2,936	2,507	12,065	18,175	40,344	83%
Net UTP	196	62	0	3,614	6,760	6,774	
Net Past due	5,803	9,779	43,234	46,167	69,794	72,573	64%
Net impaired loans	**8,367**	**12,777**	**45,741**	**61,847**	**94,730**	**119,690**	67%

5 Generated High Returns and Free Capital

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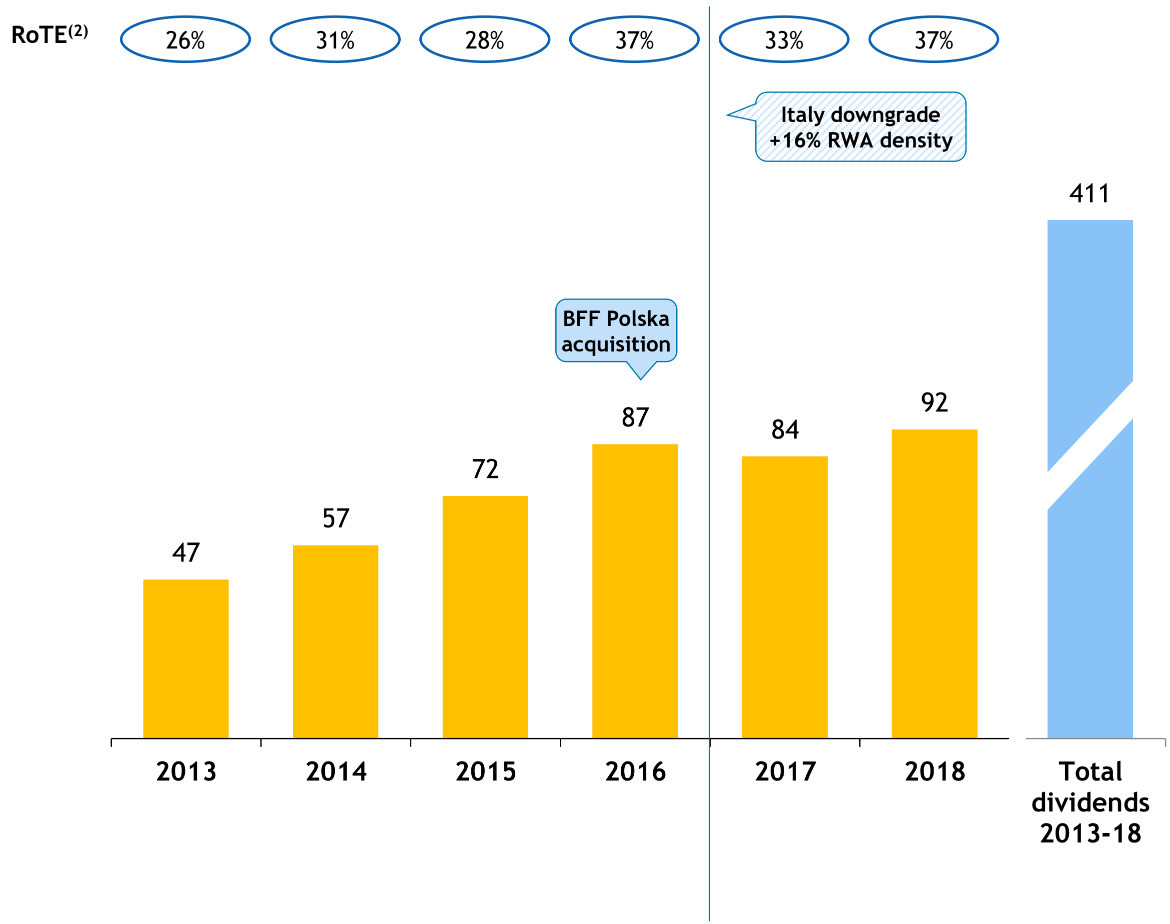
Key Considerations

- **Highly profitable business**
  - RoTE > 30%
  - Net Income growth 14% p.a. (CAGR 13-18)
- **Highly free capital generating business**
  - Funded 3.6x growth in loans portfolio
  - Self funded acquisition of Magellan (now BFF Polska) and IOS Finance
  - €411m cumulated dividends distributed since Jan-14
- **Strongly geared to high RoTE** thanks to:
  - The expansion towards less capital intensive segments and geographies (i.e. local governments and Spain) reducing Italy HC contribution
  - Catching up LPIs collection with portfolio growth (c. 5 years lag)
- **Conservative RWA calculation** based on standard model and with Italian exposure to HC and other PA risk weighted at 100%[1]

Adjusted Net Income (€m)



Notes: (1) 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 HC and other PA different from local and central government. (2) RoTE = Adjusted Net Income/Tangible Equity

Agenda

“BFF 2023” - A Leading Specialty Finance Bank Built with Discipline

	“BFF 2023”
Vision	<u>**Banking group leader in specialty finance niches in Europe**</u>, leveraging on its leadership position in financial services to the suppliers of PA and HC
Mission	▪ Operating with honesty and transparency, respecting and valuing people ▪ Maintaining leadership in innovation, customer service and execution in the reference markets ▪ With a low risk profile and high operational efficiency ▪ Aligned with corporate governance best practices for public companies
Targets to 2021	▪ Volume and loans growth >10% per annum ▪ Adjusted Net Profit growth ~10% per annum on average ▪ Return on average Tangible Equity (RoTE) >30%, on a solid capital base (Total Capital Ratio target of 15% and a growing CET 1 ratio)

We are Uniquely Positioned to Deliver

Leader in a large, growing and underpenetrated market

High quality and stable customer base

Specialized platform in a market with high barriers to entry

Proven ability to execute growth strategy

Superior capital generation

Access to multiple deposits and funding markets

Experienced management team

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Entering a More Benign Macro Environment for Our Business

- **Low single digit public expenditure growth in Europe with a stable payment time (DSO)**
- Rising interest rates would result in higher funding costs for Governments → **longer DSO in the public sector**
- **The largest suppliers of the PA (BFF's clients) are better placed to benefit from the aggregation of procurement contracts into a smaller number of larger contracts in the public sector** (i.e. a concentration of the tendering process)
- Potential termination of the VAT Split Payment in June 2020, a temporary measure introduced in Italy in 2015 and authorized by the EU → PA receivable will be purchased gross of VAT (on average ~15% of the face value of the receivables) → Upside not considered in the plan

Public Expenditures	Interest Rate / Market Liquidity	Payment Delay in the Public Sector (DSO)	Customers
▪ CURRENT - Persisting of the austerity measures - Low single digit nominal growth rate (~2%) - Aggregation of procurement contracts into smaller number of larger contracts, resulting in largest providers winning more contracts ▪ INVESTMENTS - Stable in western Europe - Growing in eastern Europe ▪ Derogation to apply the VAT split payment mechanism to expire in june-2020	▪ Eurozone interest rate rise would result in higher Government funding costs and, therefore, making it more difficult to contain the expenditure within the deficit/GDP limit ▪ GDP and inflation rate growth in Poland with pressure on nominal rates ▪ Gradual decline of liquidity in the market (i.e. TLTRO to expire)	▪ DSO have been stable over the last 2-3 years ▪ Wide distribution of payment behaviour with heavy tails for long DSO ▪ Higher interest rates and worsening of the public finances could lead to longer DSO	▪ Ongoing process of concentration in the HC supplier sector ▪ More outsourcing of ancillary services (i.e. credit management accounting, collections) ▪ Less benign funding environments

"BFF 2023" Key Strategic Goals

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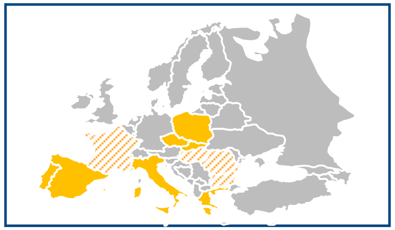
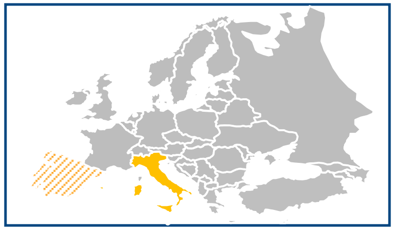
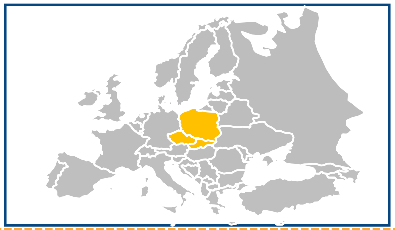
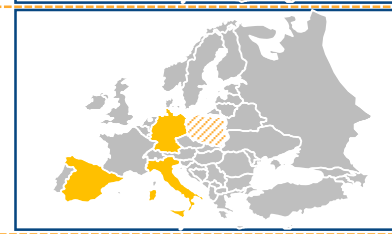
Main goals of "BFF 2023" Plan	How
1 Continue to develop current core business and improve operating efficiency: – Further strengthen of the leadership position in Italy – Expansion of the business in Southern Europe – Capture the growth potential of BFF Polska's business in CEE – Strengthen the relationships with clients' headquarters and increase cross-border deals – Expansion into other geographies – Expansion of the target client base to smaller suppliers, leveraging on digital platforms – Widen the product offering to segments / business lines adjacent to current operations	1 Investing in Sales and Collectors 1 Strengthening the management team and the organizational structure for the implementation of the new business initiatives, through: – Empowerment of internal talents – External recruiting 1 Investing in IT systems and updating the workflow process: – Update of the IT system / applications – Migration of the front office operations to digital platforms able to support the expansion of the client base to SMEs 1 Automatize several back office processes, especially in BFF Polska
2 Continue to optimise funding and capital	2 Further integrating the Group architecture and cost rationalization of activities which involve highly standardized processes 2 Maintaining a well diversified funding base with access to multiple deposits and wholesale markets 2 Implementing capital management policies aimed at optimizing the use of capital
3 Consolidate existing business and/or expand into other underserved markets via M&A	3 Exploring potential M&A targets in existing business, adjacent sectors and new niche markets

A Simple Product Range with Many Growth Opportunities

Current Product Offering	% Group revenues[1]	Countries (Currently covered / Potential)	Main Growth Opportunities
A — **Non-recourse factoring**; Credit management; Online deposits; Lending	76%		▪ Further development in the countries currently covered ▪ Expansion into new markets (France and other CEE) ▪ Fintech platforms to offer non-recourse factoring to SMEs and to enter other adjacent segments
B — Non-recourse factoring; **Credit management**; Online deposits; Lending	3%		▪ Extend the offer in other countries (i.e. Spain, Port.) ▪ Extend the credit management service to other segments of the healthcare value chain ▪ Offer the client the ability to outsource their entire management and collection process for the whole PA
C — Non-recourse factoring; Credit management; Online deposits; **Lending**	21%		▪ Replicate the BFF Polska's specialized lending model in other countries ▪ Acquisition of niche lending platforms / players
Analyzed in the Balance Sheet section — Non-recourse factoring; Credit management; **Online deposits**; Lending	n.a. (€870m deposit outstanding Marc-19)		▪ Extend the offer in other European countries through third party banking platform ▪ Widen the product offering (i.e. structured deposits) ▪ Open a branch in Poland to collect deposits in Zloty to fund the growing activity of BFF Polska

Note: (1) 2018 gross revenues calculated as the sum of interest income on loan to costumers and commission income.

A Organic Growth Volume > 10% per Year in a Large Underpenetrated Market

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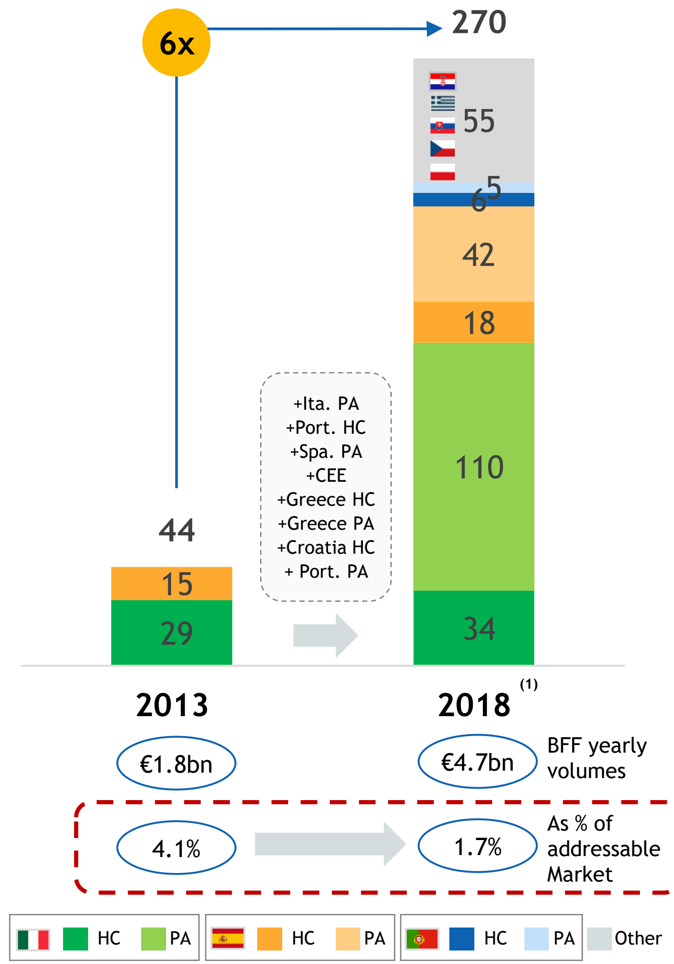
Opportunities

- BFF's addressable market is the public expenditure in goods and service, €270bn in 2018 of which only c. 10% is estimated to be factored non-recourse
- Since 2013, BFF has expanded its addressable market by 6x, adding new countries and expanding from HC only to the whole PA
- BFF volume have expanded by "only" 2.6x in 5 years

A.1 Public expenditure growth	▪ Addressable market is growing at c. 2% p.a. ▪ BFF's clients have grown historically at a higher rate c. 3%-4% p.a.
A.2 Increase market penetration	▪ Markets where BFF operates are underpenetrated – c. 10% of available receivables is factored non-recourse ▪ BFF factors < 2% of its addressable market in 2018 vs. 4% in 2013 ▪ Just started to leverage relationship with multinational clients to drive cross border business
A.3 New markets	▪ France & other CEE countries under review → c. €140bn of potential
A.4 Extend the coverage	▪ Extend the coverage to entire HC value chain in Italy ▪ New financial solutions and Fintech platform to offer PA factoring to SMEs

Evolution of BFF's Addressed Markets (€bn)



Source: DEF 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 HC and PA is based on internal estimation.

A >€400bn Opportunity Ahead

Opportunities

- **Total addressable market expected to expand from €270bn in 2018 to €436bn in 2023, c. 10x vs. 2013, thanks to:**

A.1 **Nominal public expenditure in good and services growth at c. 2% per annum:**

- c. €5bn p.a., equivalent to ~1x current BFF volumes

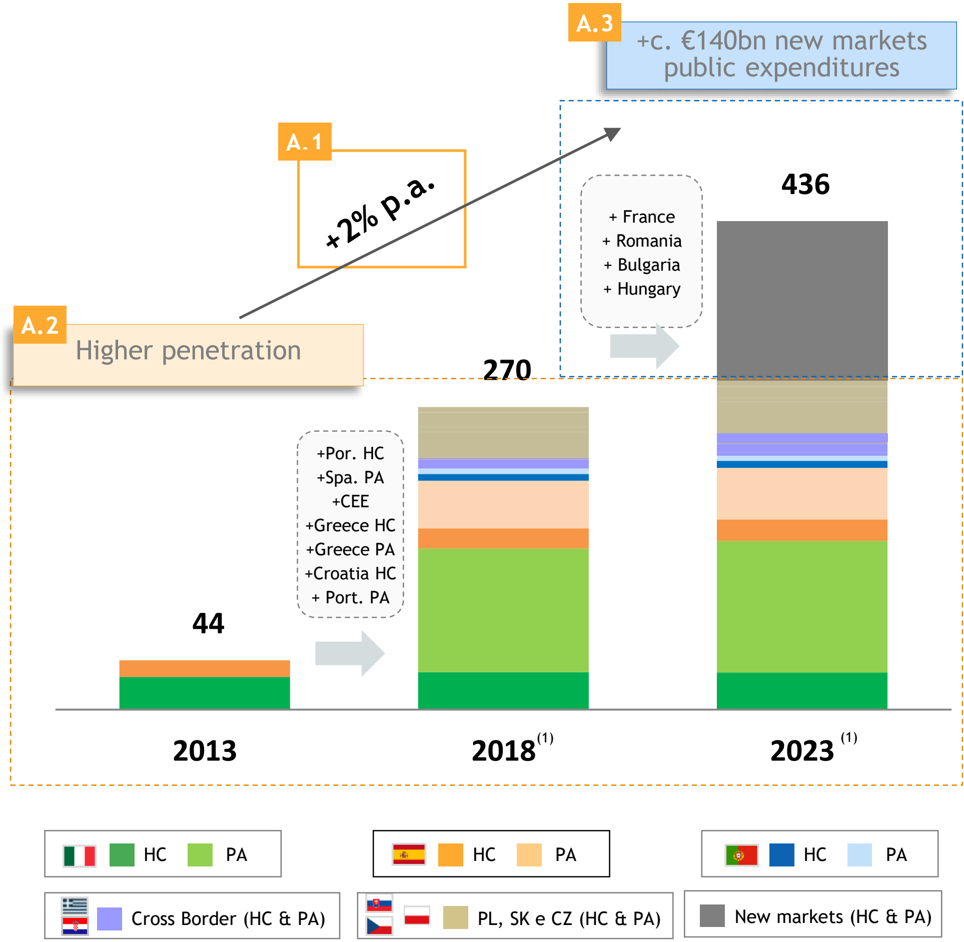
A.2 **Current market underpenetrated:**

- c. 10% is estimated to be factored non-recourse
- 1% penetration → €2.7bn p.a., equivalent to ~0.6x BFF volumes

A.3 **New markets identified represents additional c. €140bn of public expenditure in good and service:**

- 1% penetration → €1.4bn p.a. , equivalent to ~0.3x BFF volumes
- Expansion into new markets (i.e. France, Romania, Bulgaria e Hungary) in freedom of service, leveraging on 30+ years of experience in the sector, IT infrastructure and existing capabilities
- Low initial investments and profitable from year 1
- Local presence established only when size warrants physical presence

Evolution of BFF's Addressable Market (€bn)



Source: DEF 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 HC and PA is based on internal estimation.

A.4 Further Opportunities in Product Extension in HC

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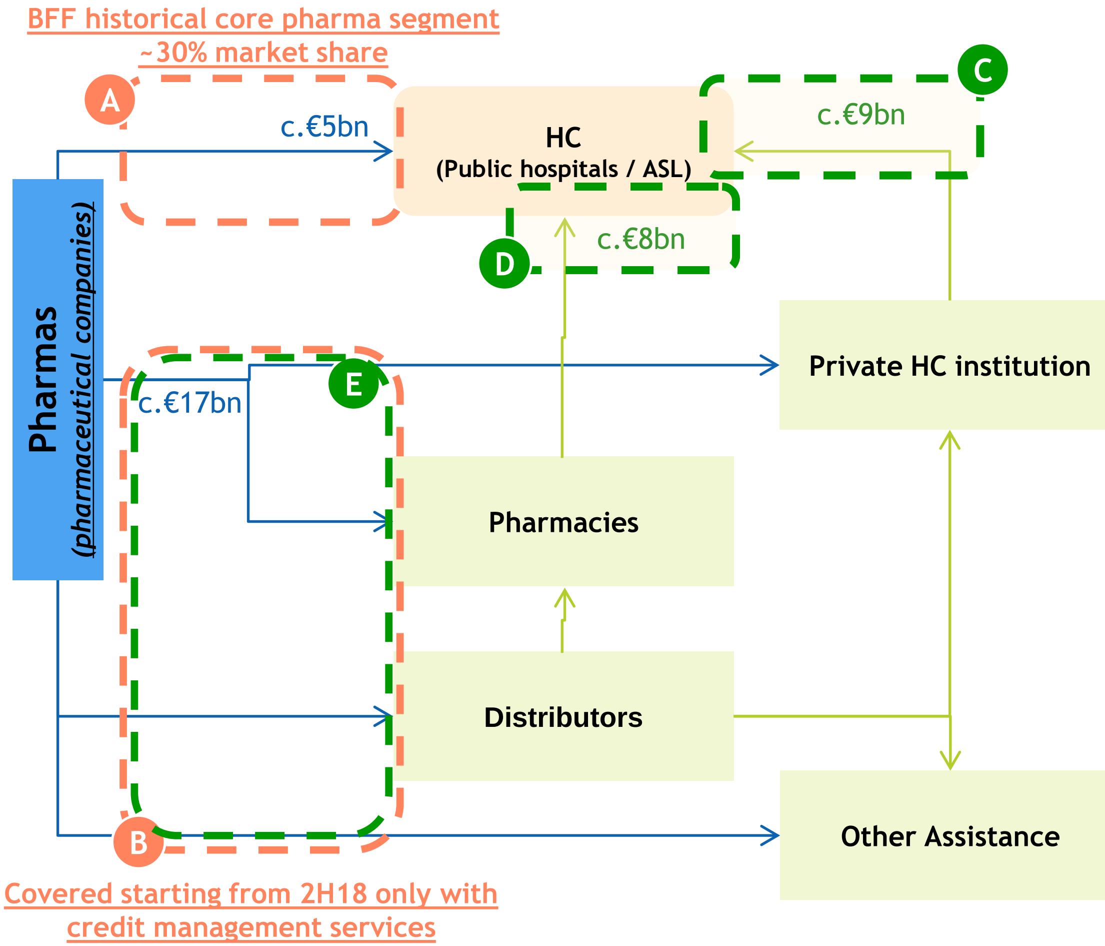
- **Pre 2018 coverage of the Italian pharma segment:**
  - A Pharmas' receivables towards HC (factoring and credit management)
- **2018:**
  - B From Sep-18, credit management of receivables towards Pharmacies & distributors
- **Growth opportunities:**
  - A B Consolidation of the credit management activity for Pharmas' receivables towards the entire pharma value chain
- **New opportunities:**
  - C Credit management and non-recourse factoring to private hospitals for receivables towards the HC
  - D Credit management and non-recourse factoring to pharmacies for receivables towards HC
  - E Non-recourse factoring towards pharmacies & distributors

Example: Pharma value chain in Italy[1]



[1] Source: AIFA (Monitoraggio della spesa farmaceutica nazionale e regionale Gennaio – Dicembre 2016), Corte dei Conti (Rapporto sul coordinamento della finanza pubblica 2017), Farmaindustria (Indicatori Farmaceutici 2018).

B C Growth Opportunity in Credit Management and Lending

	Current situation	Growth opportunities
B Credit management	▪ Offered currently only in Italy (and in Spain post IOS Finance closing) ▪ Strategic product to retain client relationships with positive impact on non-recourse volumes ▪ Fee income based business contributing to the Group's net profit with very limited capital absorption and leveraging non-recourse factoring infrastructure ▪ Main services included: - Electronic invoicing on behalf of the clients - Monitoring of credit performances - Management of the debtor and legal actions - Cash reconciliation	▪ Extend the offering also to other countries where the Group operates (i.e. Spain and Portugal) ▪ In Italy, extend the service for receivables towards pharmacies and distributors, using the same type of partnership agreement with Pfizer ▪ Offer the client the ability to outsource their entire management and collection process for the whole PA ▪ Include additional services in the current offering
C Lending	▪ Offered initially only by BFF Polska in Poland (direct financing to HC entities and local governments) ▪ Longer average duration than the traditional non-recourse factoring → faster accumulation of loans ▪ Requires specific know-how and commercial relationships with public bodies due to: - Their decision-making processes - Tender process to assign procurement contracts	▪ Further develop the offering to Polish local governments (started in 2016) ▪ Extend the offering also to other countries: - Slovakia and Czech Republic started only in 2017 and only to local governments - Currently not offered in the Southern European countries covered by the Group ▪ Acquisition of niche lending platforms / players

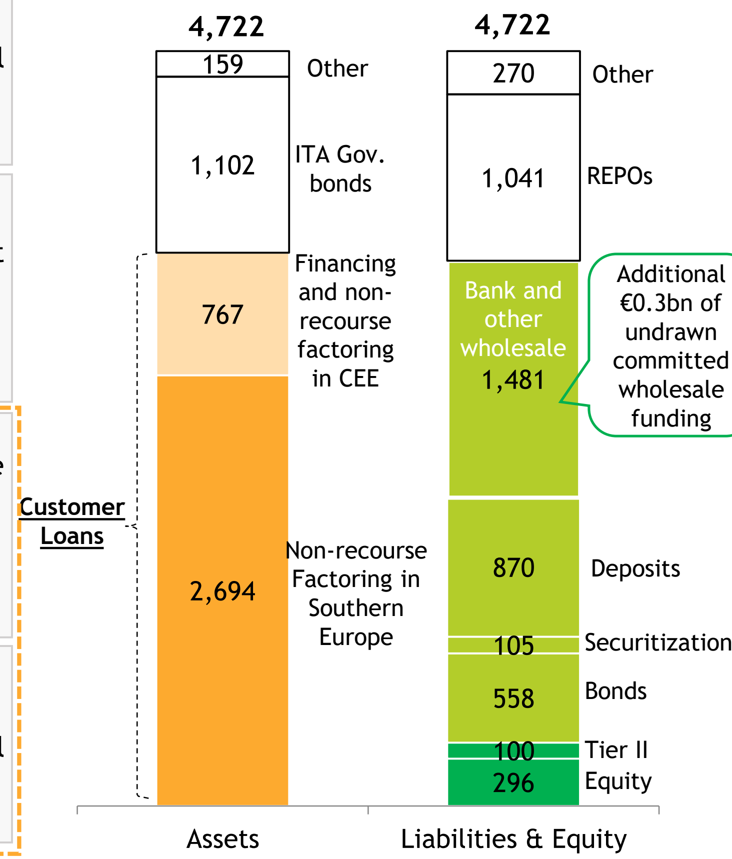
Loan Growth >10% per Year…

Key drivers / targets

Growing loans	▪ Costumer loan growth target >10% @ constant DSOs ▪ Increase in DSO would result in faster loan growth with no additional costs ▪ Bond portfolio less than 20% of total assets
Conservative ALM approach	▪ Duration assets < liabilities (including deposits) ▪ High liquidity buffer to face potential shock in DSO and surge in client demand ▪ Positively geared to higher interest rates ▪ Natural currency hedge → No currency risk
Diversified funding	▪ Bank and other wholesale lines used to meet seasonal peaks in volume ▪ EMTN bond program to swiftly benefit from market opportunities ▪ Deposits from Italy, Spain and Germany ▪ Launch of online deposits in Poland and in other geographies
Strong capital	▪ High capital generation business able to self-fund growth ▪ Flexibility to issue further TIER II instruments ▪ > €370m of off-balance sheet LPI stock represents a further capital buffer ▪ Dividend policy aimed at paying out excess capital

Analyzed in the following slides

Balance Sheet structure March-19 (€m)



…Supported by a Ample and Diversified Funding Base…

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Key funding strategy guidelines

- **Reduction of Cost of Funding despite the increase in forex liabilities (with higher base rate)**
- **Maintain a flexible and efficient funding mix able to meet seasonal peaks in volumes**

Instrument	% of drawn funding (YE18)	Key consideration	Initiatives	Trend
Banks & Other Wholesale Funding	45%	▪ Flexible funding source used to meet seasonal peaks in volumes ▪ Bilateral committed lines, no overnight interbank solutions	▪ Increase in line with the expansion of the business ▪ New lines leveraging on the local presence in geographies outside Italy (i.e. branch in Spain and Portugal)	↑
On Balance Sheet Securitization	5%	▪ Natural matching of the maturity of the liabilities with the underlying assets (underlying assets are credits not deconsolidated) ▪ Flexible note to be drawn and repaid in line with business seasonality	▪ Renewal of current securitizations ▪ New securitization program (receivables outside Italy, i.e. Spain and Portugal, or loans portfolio in Poland)	=/↑
Term Online Deposits	29%	▪ Term deposits, no current accounts ▪ Ability to “switch on” the product at any time thanks to the higher yield of BFF’s assets and high elasticity of demand on interest rates	▪ Online deposits in Poland to decrease the Zloty cost of funding ▪ Extend access to third party deposits platform in new European countries	↑↑
Bonds	21%	▪ Provide long term commitments at different maturities ▪ Relationship with fixed income investor base ▪ Investor base growing along the BFF growth on DCM activity	▪ New bond issues under the EMTM program in Euro or other currencies ▪ Tier II issuance depending on loan growth ▪ Possible assignment of a credit rating	=/↑

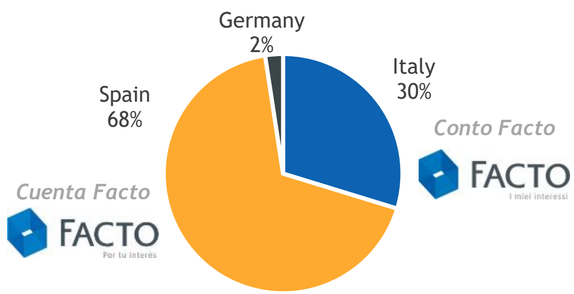
…with Opportunity to Expand the Online Deposits Offering in Other Geographies…

Overview

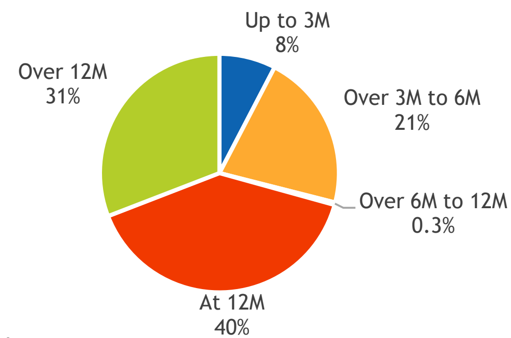
- **No sight and current accounts offered, only true term deposits at fixed rate** with no / limited prepayment options
  - More expensive but more stable during period of crisis
  - Average original maturity of 1.4 years
- **70% of the total outstanding is raised outside Italy**
  - More cost effective thanks to more favorable local market conditions
- Launching in Poland with the establishment of the branch
- **Possibility to extend the offer**, also leveraging third party platforms (i.e. Raisin), **in other geographies with a lower interest rate offered by top players vs. the markets already covered by BFF**

Online Deposits (Dec-18)

By Geography



By Maturity at Origin



Overview of Potential New Geographies

	Country	Currency	Population (# m)	GDP per capita (€000)	Gross national savings (% of GDP)	Total Deposits potential (€bn)	Avg. top 3 Term Deposits 12M offered rate[1]
	Italy	Euro	60.6	34.9	20%	2,563	1.68%
	Spain	Euro	46.4	34.8	23%	1,888	0.98%
	Germany	Euro	82.7	46.2	28%	4,766	0.97%
	Poland	Zloty	38.0	11.4	20%	298	2.80%
Potential new geographies	Austria	Euro	8.8	45.5	27%	516	0.90%
Potential new geographies	Netherlands	Euro	17.1	49.0	31%	1,175	0.65%
Potential new geographies	Belgium	Euro	11.4	42.5	25%	654	0.53%
Potential new geographies	Ireland	Euro	4.8	66.5	33%	302	0.38%

Source: Company data; International Monetary Fund - *World Economic Outlook Database* (April 2019); European Banking Federation - *Banking in Europe: EBF Facts & Figures 2018*.
Note: (1) Raisin website, average of the top 3 term deposit offers for retail customers based on local comparison sites as of 02/21/2019.

...with Organic Capital Generation Significantly Higher than the Capital Absorbed by Growth...

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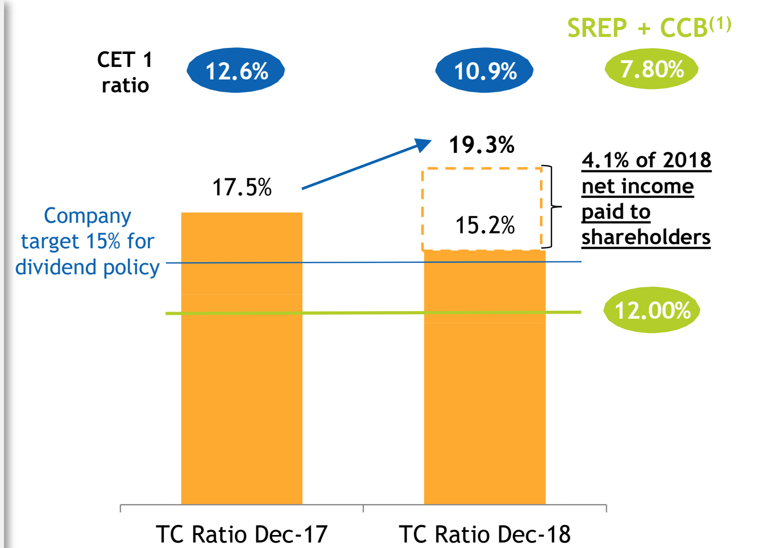
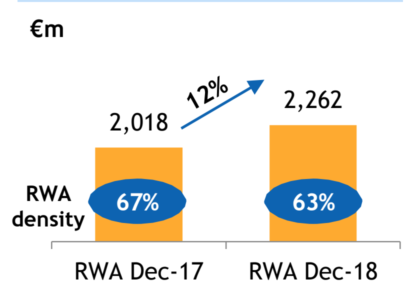
- **Organic capital generation significantly higher than the capital absorbed by the balance sheet growth:**
  - Ability to self fund loan growth ≥ 30% per annum at constant RWA density
  - Higher growth in less capital intensive segments (i.e. local government and Spain) would lead to a lower RWA density → loan growth potential >> 30%
  - Retention of equity to self fund the growth would also allow to issue additional Tier II while maintaining a solid CET1 ratio level (~11%) → loan growth potential > 40%
- **Very low risk of negative impact from downgrade of the sovereign ratings**
  - Need at least a two notches downgrade for Poland and Spain, even more for the other countries, while a single notch upgrade for Italy would have a significant positive impact (3.1% and 2.2% on TC and CET 1 ratio)
- Off-balance sheet LPI stock (€378m pre tax Mar-19) represents a further buffer as BFF is entitled to receive 100% of the amounts due

Total Capital Ratio - Banking Group TUB

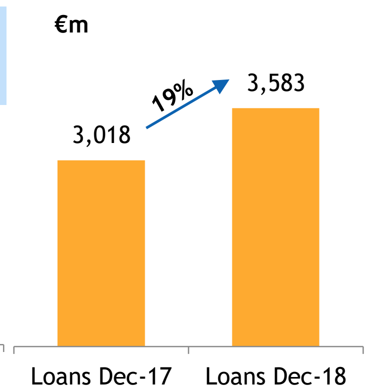


RWA - Banking Group TUB

RWA growth absorbed €37m of capital (@15% TC target), c. 40% of net income of the period



Customer loans



Under the Standard Model, the risk weighting factors for exposures to HC 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) SREP requirement including Capital Conservation Buffer

…And a Dividend Policy Aimed at Self Fund the Business and Deliver Attractive Dividends

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Key Considerations

- **Dividend policy aimed at self funding growth and pay excess capital to shareholders**
- Target Total Capital level of 15%, well above the SREP requirements

Almost unlimited ability to self fund loan growth…

- 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
- **RoTE >35% with RWA density of marginal loans <63% → >>30% loan growth potential in one single year**

… therefore, ample free capital available to shareholders

- **Given the 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		Assumed RWA density of 65%	
Total Capital beginning of the period	340			
Total Capital ratio beg. of the period	15.5%			
Loans growth	13.0%	19.5%	26.0%	39.4%
RWA density of marginal loans	50%			
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%**

Limited Impact from New Capital Regulations

	Description	Impact
Basel IV	▪ Re-convergence of internal models to standard model for RWA calculation	▪ No impact since BFF already uses standard model for RWA calculation
New past due regulation	▪ The classification of PA debtor exposures will be more aligned to the classification of the private sector ▪ In force starting from 2021	▪ No change in underlying risk ▪ Already adopted a more prudent approach than peers with 5x higher capital absorption today on “other PA” exposure(1) ▪ Already identified strategies in order to minimize the impact in terms of classification in past due
Calendar provisioning	▪ Requires specific levels of provision to be deducted from capital for exposures originated and classified as impaired asset (past due, UTP, NPL) after 26th April 2019, **irrespective of recovery expectations**: – Unsecured: 100% coverage ratio in 4 years – Secured: 100% coverage ratio in 8 years (10 years if secured by property)	▪ **Limited impact over the financial plan horizon** considering the nature of the impaired assets and the coverage levels already adopted
MREL	▪ Minimum requirement for own funds and eligible liabilities (i.e. senior non preferred bonds) ▪ In force starting from 2024	▪ BFF not expected to be subject to MREL requirement ▪ If applied, BFF is comfortably above current estimated requirement

(1) Higher capital absorption for exposures to PA different from central and local government which depend on the sovereign rating of the country

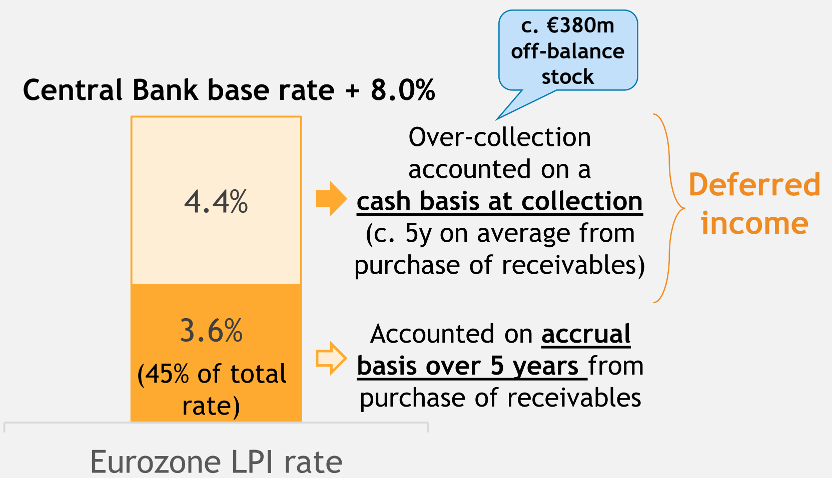
P&L to Benefit From Better Funding, More Operating Leverage and Catching Up With Deferred Income

		Target 2021
High yield with significant deferred income	▪ Pricing for non-recourse factoring based on, among other, Cost of Funding, capital absorption and assuming no LPI over-recovery vs. the min. 45% ▪ Therefore, assuming constant return on capital absorbed, larger loan book couple with lower capital absorption will generate: – Better yield on RWA – Lower yield on loans – Improvement of yield on RWA fully visible only in c. 5 years since LPI over-recovery does not depend on capital absorbed ▪ Reinforced collection team → better LPI collection performance	=/↑ Yield on RWA ↓ Yield on loans
Better funding costs	▪ Opportunities to further decrease funding costs through: – Launch of online deposits collection in Poland – Increase of drawn funding (different from Tier II and acquisition financing) – Assignment of a credit rating	↓ Cost of Funding
More operating leverage	▪ Infrastructure not saturated yet → further room to improve operating leverage ▪ Access to a lower cost base in Poland for back-office activities since 2018	↓ Operating costs on loans
Maintaining a low credit risk	▪ Loan loss provisions mainly impacted by: – Increasing activity towards Italian municipalities, to be offset in the M/L term by release of provisions following collections of those exposures – Direct lending business with higher duration vs. non-recourse factoring ▪ No significant impact from calendar provisioning over financial plan horizon	↓ Cost of Risk
High net return	▪ RoTE target > 30% on a solid capital base with a growing CET 1 ratio	RoTE > 30%

Significant Income Deferral due to a Prudent Accounting of Late Payment Interest

Accounting of Late Payment Interest (“LPI”) and Income Deferral

- Receivables against PA accrues LPIs (regulated by EU law) when not paid on time **@ Central Bank base rate + 8%**
- BFF prudently recognizes in P&L on an **accrual basis only 45% of LPI legally due**, and discounted over 5 years horizon
- **No settlement below 45%, so always over-collection** vs. 45% minimum recognized on **a cash basis at collection** (5 years on average from purchase of receivables)

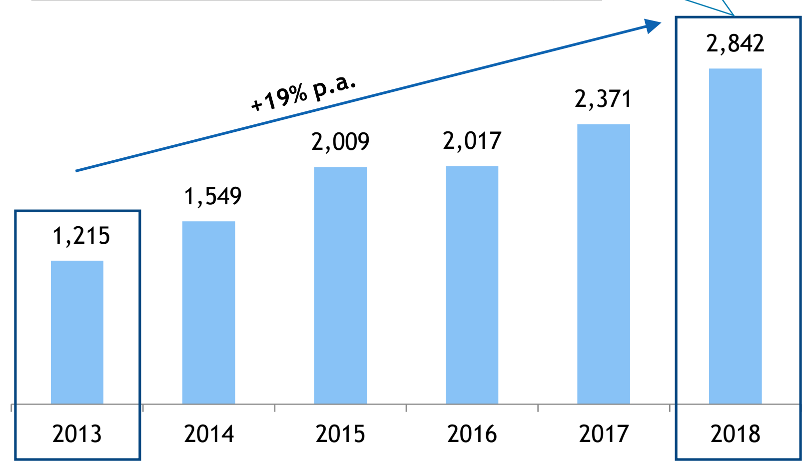


Therefore, **full impacts on P&L of the LPI generated by the growing outstanding over the last years will be visible only in the coming years** (i.e. LPI collection generated by the larger 2018 outstanding will be visible only in 5 years)

ILLUSTRATIVE

At stable book: c. €19m of 2018 net income deferred(1), pro-forma net income from €92m to €111m

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



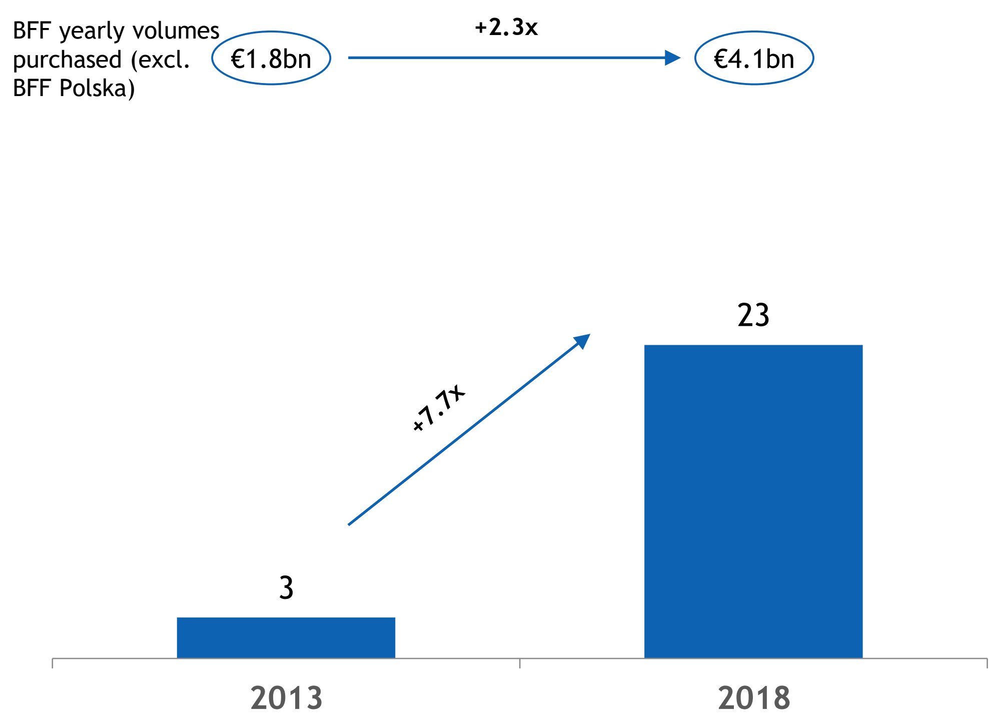
Note: (1) Reported 2018 LPI net over-recovery of €19.5m (pre tax) normalized for stock (i.e. increased proportionally for the increase of outstanding between 2018 and 2013, c. 2.3x, and net of tax)

Strong Benefit from Scalability of the Platform

Key Considerations

- **Strong investment in the sale force, still not at full capacity:**
  - +7.7x sales since 2013, while volumes increased only by 2.3x
  - Business in Greece and Croatia just started with dedicated sales already recruited
- **Cost for the Portuguese branch already incurred:**
  - Opened in July 2018 to boost the growth of the business going forward and to enter partnership agreements with third parties distributors
- **In Poland, already recruited the personnel for:**
  - Establishment of the branch
  - The internalization of some of the processes of the Italian business that were outsourced
- **Control and staff functions mostly stable and not linked to business expansions**

Investment in Sale Force (excl. BFF Polska) (#FTE)



Streamlined and Strengthened Group Organisation

Key Considerations

- **Created in April a more integrated and agile structure** in order to successfully capture the growth opportunities ahead
  - New organization of Sales in Italy
  - All international business under the International Department
  - Creation, within the International department, of the new "Cross Border Sales" unit, with the purpose to drive the sales towards multinational companies
  - Insourcing in Poland of most of the Italian Credit Management's back office activities reallocating resources to the collection team in Italy → +50% front office collectors in 2H 2019
  - Creation of the Group's CFO position
- **Strengthened the management team:**
  - From 7 in 2013 to 20 today senior executives and executives
  - New country heads for Spain and Portugal
  - Hired external talents for new roles while preserved our expertise

Overview of the Top Management

Position / Name		Role	Tenure >2y	New role	Previously
CEO	Belingheri	CEO	13y		
Senior Executive	Antognoli	International Markets	4y	✓	
Senior Executive	Bona	Chief Financial Officer	11y	✓	
Senior Executive	Castiglioni	Factoring	32y		
Senior Executive	Franceschi	Operations	New	✓	Banca Sistema (7y)
Executive - 1st line reporting only	Barrera	Communications & Institutional Relations	New	✓	Banca Sistema (7y)
Executive - 1st line reporting only	Bicci	Risk Management	5y		
Executive - 1st line reporting only	Corsi	Internal Audit	27y		
Executive - 1st line reporting only	Della Mora	Chief of Staff	New		Mittel
Executive - 1st line reporting only	Gustato	Compliance & AML	3y		Banca Leonardo
Executive - 1st line reporting only	Rizzi	HR & Organization Development	New	✓	Generali
Executive - 1st line reporting only	Russo	General Counsel	2y		
Executive - 1st line reporting only	Tadiotto	Investor Relations, Strategy and M&A	New	✓	Deutsche Bank IBD
Executive - 1st line reporting only	Zanni	Planning, Administration & Control Director	17y		
Country Head	Francisco	Portugal	New	✓	Crédito y Caución
Country Head	Molinero	Spain	New		Technetix
Country Head	Kawalec	CEE	19y		

Further Upsides

ILLUSTRATIVE

Termination of the VAT Split Payment mechanism	▪ Following the introduction of the VAT Split Payment in Italy, BFF purchases receivables net of VAT (on average ~15% of the face value of the receivables) ▪ It is a temporary measure introduced in 2015 and authorized by the EU until June 2020 ▪ If not extended, BFF volumes, net interest income and commissions in Italy (managed only / purchased) would automatically increase by ~15% or more (VAT amount) with virtually no impact on operating costs	▪ +15% volumes in Italy ▪ +15% loan book in Italy at constant yield ↓ +15% growth in Group Net Income
Higher DSO	▪ Longer DSOs would translate in 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 ▪ Longer DSO means also more demand for our products, and potentially better pricing	▪ +30 DSO on the portfolio of receivables ▪ +10% loan book at constant yield ↓ +15% growth in Group Net Income

Management Fully Aligned With Public Market Shareholders

BFF BANKING GROUP

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

Yearly management bonus

- ✓ Paid only if budget risk-adjusted profit is achieved, zero otherwise
- ✓ 50% in shares or stock options for risk takers, 30% of total deferred for 3 years
- ✓ Multiplied up to 140% of target bonus if risk-adjusted profit is 10% or higher than budget
- ✓ Multiplied up to 109% based on customer satisfactions

Large direct stock ownership

- ✓ Management owns 4.6% stake as of 04/29/2019
- ✓ 2.6% lock-up up to 2021
- ✓ 2.6% call options on Centerbridge shares (7 executives)
- ✓ All managers shareholders have non-compete agreement
- ✓ 0.09% Stock Grant Plan allocated to all permanent employees in April 2019

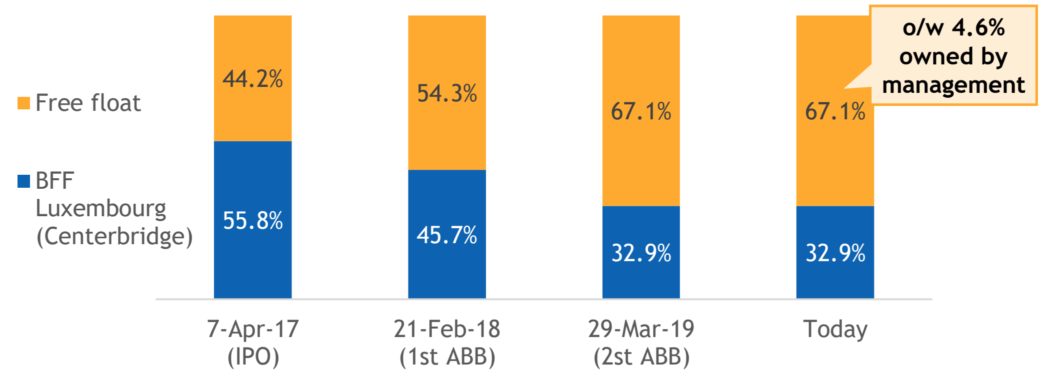
Stock options with 8% hard hurdle rate

- ✓ 4.9% pool allocated
- ✓ Strike price equal to price at award + 8% compounded returns. No catch up
- ✓ 3 year vesting
- ✓ Broad coverage throughout the organisation (130+ people)

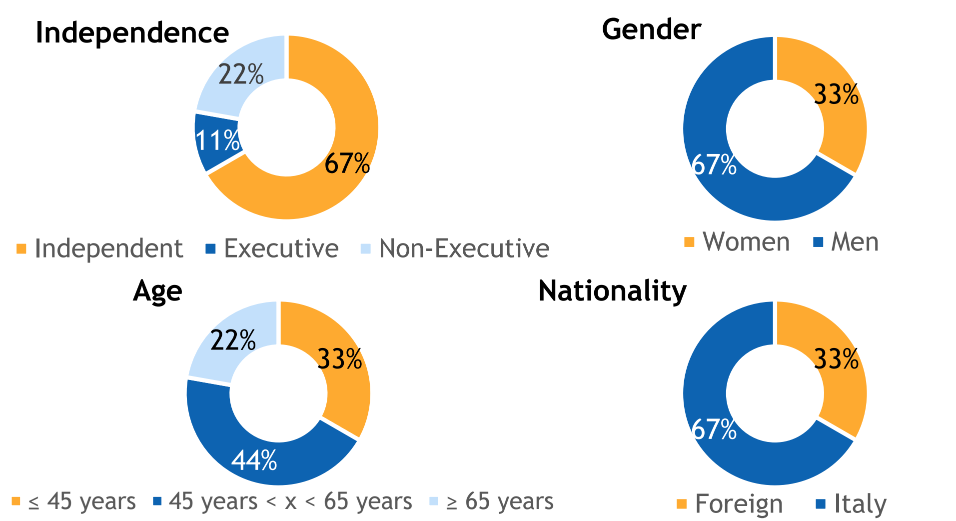
Corporate Governance & Engagement with Shareholders in Line with Best Practices

- **Already prepared to become a fully public company**
  - BFF Luxembourg's stake went down from 94% pre IPO, to 56% at IPO and then to 33% post completion of two ABBs
  - Centerbrige funds indirectly hold a majority stake in BFF Luxembourg
- **Board authorized to present its own list of candidates for the election of the new Board**
- Current Board of Directors has been appointed in April 2018 following the best market practices:
  - **Majority of independent directors** (67%) and 1/3 are **women** (33%)
  - **3 foreigners** (33%)
  - Average age is 54 years
  - One director appointed from the minority list
- **Focusing on ESG performance.** Voluntarily drafting the first ESG disclosure for 2019 despite not obliged yet

Evolution of BFF free float



Board of Directors Members Composition (9 members)



Agenda

We are Uniquely Positioned to Deliver

- Leader in a large, growing and underpenetrated market
- High quality and stable customer base
- Specialized platform in a market with high barriers to entry
- Proven ability to execute growth strategy
- Superior capital generation
- Access to multiple deposits and funding markets
- Experienced management team

Key Drivers of the 2021 Business Plan

Key drivers	2018	2021 Target	Key considerations
Volumes (YoY)	17%	>10% p.a.	▪ Delay in Payments in the Public Sector (“DSO”(1)) stable ▪ Pricing on RoRWA, without LPI over-recovery
Loans (YoY)	19%	>10% p.a.	▪ Volumes and product mix (factoring vs. financing) stable ▪ DSO and duration
Capital	15.2% TC 10.9% CET1	15% TC ↑ CET 1	▪ Dividend policy to keep Total Capital ratio at 15% ▪ CET1 % would increase because of the loan growth (@ constant TIER 2) ▪ Possible issuance of other capital instruments (TIER 2)
Loans yield	7%	↓ (Yield on RWA =/↑)	▪ Pricing ▪ LPI collections
Cost of Funding / Loans	2%	↓	▪ Funding mix ▪ Duration ▪ Possible rating
Operating costs / Loans	2%	↓	▪ HR and IT investments ▪ New business initiatives
Cost of risk / Loans	13bps	↓	▪ Quality and mix of the products ▪ Duration of the assets
Net return on asset	2% *37% RoTE*	RoTE >30%	▪ Product and geographic mix (i.e. RWA density) ▪ Growing CET 1 ratio and as a % of the TC ratio (i.e. lower leverage)

Notes: All data based on adjusted number to exclude extraordinary items. (1) Days of sale outstanding.

Final Remarks

A Bank Like No Other®

	"BFF 2023"
Who	<u>Leader in specialty finance niches in Europe</u>
How	▪ Low risk ▪ Highly operational efficiency ▪ Best practices as public company ▪ Honest, transparent and valuing people
Targets to 2021	▪ Volume and loans growth >10% per annum ▪ Adjusted Net Profit growth ~10% per annum on average ▪ RoTE > 30% with a growing CET 1 ratio ▪ Total Capital ratio at 15%

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