

PRESS RELEASE

BFF BANKING GROUP

Banca Farmafactoring – Ordinary Shareholders’ Meeting

Milan, 05 April 2018 – Banca Farmafactoring, the Parent Company of BFF Banking Group, informs that today the Ordinary Shareholders’ Meeting adopted the following resolutions.

1. Item 1 on the agenda: **Financial Statements as of December 31, 2017. Reports by the Board of Directors, the Board of Statutory Auditors and the Independent Auditors. Related resolutions. Presentation of the Consolidated Financial Statements of the Banca Farmafactoring Banking Group as of 31 December 2017.** The Shareholders approved the Parent Company’s 2017 financial statements, which show a net profit of Euro 79,477,696.
2. Item 2 on the agenda: **Allocation of the net income of the fiscal year; related resolutions.** The Shareholders also adopted a resolution to distribute Euro 83,692,841 as dividends (corresponding to 49.2 Euro cents on each of the 170,107,400 ordinary shares), withdrawing Euro 79,477,696 from the net profit of the year and Euro 4,215,145 from the Retained earnings reserve. Such dividend includes the portion attributable to any treasury share held by the company at the record date. The dividend payment will take place from 11 April 2018 (with coupon presentation on 09 April and record date on 10 April). The dividend yield, based on today share market price at closing, is 8.4%.
3. Item 3 on the agenda: **Authorization to purchase and dispose of treasury shares. Related resolutions.** The Shareholders approved to revoke the previous authorization, granted at the 5 December 2016 General Meeting, in so far as not implemented by the date of this Resolution, and authorised the purchase and disposal of own shares in accordance with the following terms and conditions:
 - a. shares can be purchased, also in multiple tranches and for a term of eighteen months as of the date of the Resolution, for the purposes mentioned in the Board of Directors’ report;
 - b. the maximum number of shares to be purchased is 26,196,539 ordinary Company shares (representing 15.4% of the Bank’s share capital, currently amounting to 170,107,400 zero-par-value ordinary shares), for a total outlay of Euro 26,196,539, within the limits of the distributable profits and available reserves according to the most recently duly approved financial statements;
 - c. acquisitions must be at the price conditions in Article 3.2 of EU Delegated Regulation No. 2016/1052 and, in any event, at a price per share which may not vary, downward or upward, by more than 20% of the reference price listed for the security at the last stock market session prior to each individual transaction;
 - d. acquisitions must ensure that Shareholders are treated equitably, and take

the form established in the provisions of reference, including those of the Community, and in current market practice, as indicated in the Board of Directors' report to today's General Meeting on this item on the Agenda;

- e. Treasury shares in the portfolio may be disposed of and/or used for the purposes and in accordance to the limits and conditions indicated in the Board of Directors' report submitted to today's General Meeting dealing with this item on the Agenda. No time limits are set for the disposal of the treasury shares held in the portfolio.

Any acquisition or disposal of own shares is subject to the prior authorization by the Bank of Italy in compliance with the regulation in force.

4. Item 4 on the agenda: Remuneration and Incentive Policies:

1. **Annual Report on Remuneration and approval of the first Section, pursuant to article 123-ter, paragraph 6, of Legislative Decree No. 58/1998.** The Shareholders approved the new "2018 Remuneration and incentive policy in favor of the members of Strategic Supervision, Management and Control Bodies, and the Personnel of Banca Farmafactoring Banking Group" illustrated in Section I of the Board of Directors' Report to today's General Meeting on this item on the Agenda.
2. **Confirmation of the ratio between the fixed and the variable components of remuneration, up to a maximum of 2:1, as established by resolutions of the Board of Directors on 5 December 2016. Related resolutions.** The Shareholders approved the confirmation of the ratio between variable remuneration and fixed remuneration to the maximum extent of 2:1.
3. **Criteria for determining the remuneration to be granted in case of early termination of the employment relation or early cessation of the office, including the limits set for such remuneration. Related resolutions.** The Shareholders approved the provisions of Section I of the annual Report on the remuneration and incentive policies of the BFF Group, relating to the policies for the determination of compensations in the case of early end of office or termination of the employment, including the limits established for this remuneration in terms of annuities of fixed remuneration and maximum amount resulting from their application.

5. Item 5 on the agenda: The appointment of the Board of Directors. Related resolutions.

1. **Determination of the number of members of the Board of Directors.** The Shareholders adopted a resolution to set to No. 9 (nine) the number of members of the Board of Directors.
2. **Determination of the term of office of the Board of Directors.** The Shareholders adopted a resolution to set the term of office of the Board of Directors in a period of No. 3 (three) financial years (2018, 2019, 2020), expiring on the occasion of the General Meeting that shall be convened to approve the financial statements for the year 2020.
3. **Election of the members of the Board of Directors.** The Shareholders adopted a resolution to appoint the following members of the Board of Directors:

- i. Salvatore Messina (list BFF Luxembourg S.à r.l.)
- ii. Massimiliano Belingheri (list BFF Luxembourg S.à r.l.)
- iii. Luigi Sbrozzi (list BFF Luxembourg S.à r.l.)
- iv. Ben Carlton Langworthy (list BFF Luxembourg S.à r.l.)
- v. Gabriele Michaela Aumann nata Schindler (list BFF Luxembourg S.à r.l.)
- vi. Barbara Poggiali (list BFF Luxembourg S.à r.l.)
- vii. Isabel Aguilera (list BFF Luxembourg S.à r.l.)
- viii. Federico Fornari Luswergh (list BFF Luxembourg S.à r.l.)
- ix. Carlo Paris (list Studio legale Trevisan & Associati)

The following directors have declared that they qualify as independent under the terms of the definition provided in Article 148, para. 3 of Italian Legislative Decree 58/98: Salvatore Messina, Gabriele Michaela Aumann, Barbara Poggiali, Isabel Aguilera, Federico Fornari Luswergh, Carlo Paris.

4. **Appointment of the Chairman of the Board of Directors.** The Shareholders adopted a resolution to appoint Salvatore Messina as the Chairman of the Board of Directors.
5. **Determination of the remuneration of members of the Board of Directors.** The Shareholders approved the gross total annual remuneration of Euro 450,000, to be divided among its members in accordance with the resolutions that will be taken by the Board itself and to be paid *pro rata temporis*. The remuneration for the members in charge of specific duties will be determined by the Board of Director in accordance with the art. 2389, third paragraph, c.c..
6. Item 6 on the agenda: **Appointment of the Board of Statutory Auditors. Related resolutions.**
 1. **Appointment of the members of the Board of Statutory Auditors.** The Shareholders adopted a resolution to appoint the following members of the Board of Statutory Auditors:
Standing Auditors
 - i. Marco Lori (list BFF Luxembourg S.à r.l.)
 - ii. Patrizia Paleologo Oriundi (list BFF Luxembourg S.à r.l.)
 - iii. Paola Carrara (list Studio legale Trevisan & Associati)Substitute Auditors
 - iv. Giancarlo De Marchi (list BFF Luxembourg S.à r.l.)
 - v. Fabrizio Riccardo Di Giusto (list Studio legale Trevisan & Associati)

All the Statutory Auditors have declared that they qualify as independent under the terms of the definition provided in Article 148, para. 3 of Italian Legislative Decree 58/98.

2. **Appointment of the Chairman of the Board of Statutory Auditors.** The Shareholders, whereas, pursuant to Article 22 point 16, of the Articles, the chair of the Board of Statutory Auditors is assigned to the current member appearing as first candidate on the minority list, take note that the chair of the Board of Statutory Auditors is assigned to Paola Carrara, current member appearing as first candidate on the list presented by Studio legale Trevisan &

Associati on behalf of a group of shareholders.

3. **Determination of the remuneration of regular members of the Board of Statutory Auditors.** The Shareholders adopted a resolution to determine the gross total annual remuneration of Euro 215,000 euros, of which Euro 85,000 for the Board's Chair, and 65,000 euros for each of the two regular Auditors.
7. Item 7 on the agenda: **Increased fee of the Independent Auditors to carry out an independent audit of the financial statements. Related resolutions.** The Shareholders approved the amendment proposed by PricewaterhouseCoopers S.p.A. on 30 November 2017, concerning the financial terms for the assignment entrusted for audit of the accounts of the Bank for the period 2017 – 2020, for total annual maximum remuneration of Euro 221,000.

The CVs of the new Directors and Statutory Auditors are available on the Bank's website at www.bffgroup.com, in the Corporate Governance section.

At a Board meeting held after the conclusion of the Ordinary Shareholders' Meeting, the Directors of Bancafarmafactoring:

- appointed Luigi Sbrozzi as Vice President
- appointed Massimiliano Belingheri as Chief Executive Officer
- instituted the following committees from among its own members, in accordance with the provisions of the Articles of Association and the regulations in force:
 - Risk and control committee consisting of:
 - Michaela Aumann as Chairman, independent
 - Federico Fornari Luswergh, indipendente
 - Luigi Sbrozzi, non executive
 - Appointment committee consisting of:
 - Federico Fornari Luswergh as Chairman, independent
 - Isabel Aguilera, independent
 - Ben Carlton Langworthy, non executive
 - Remuneration committee consisting of:
 - Barbara Poggiali as Chairman, independent
 - Isabel Aguilera, independent
 - Luigi Sbrozzi, non executive
 - Related party transactions committee consisting of:
 - Carlo Paris as Chairman, independent
 - Barbara Poggiali, independent
 - Michaela Aumann, independent

The minutes of the Annual General Meeting will be made available to the general public by 5 May 2018 at the company's head offices and on the following websites: www.1info.com and www.bffgroup.com, in the section entitled Corporate Governance / Shareholders' Meeting Documentation.



BFF Banking Group

BFF Banking Group is the leading player in Europe in the management and nonrecourse factoring of receivables towards the Public Administrations. BFF Banking Group operates in Italy, Poland, Czech Republic, Slovakia, Spain, Portugal and Greece. In 2017 the Group's consolidated adjusted net profit was Euro 84 million and the CET1 ratio for the Banking Group at the end of December 2017 was 12.6%.

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