PRESS RELEASE

BFF BANKING GROUP 1Q 2019 FINANCIAL RESULTS

The Board of Directors of Banca Farmafactoring S.p.A. approved today the 1Q 2019 consolidated financial accounts of BFF Banking Group.

Highlights:

- **Adjusted Net Income of €22.2m in 1Q 2019 (+10% y/y) with 36% Adjusted RoTE vs. 32% in 1Q 2018**
- **Adjusted Net Interest Income +5% y/y and stock of unrecognized off-balance sheet LPIs at €378m (+7% y/y)**
- **Net Customer Loans up by 20% y/y, with 34% of Customer Loans outside Italy**
- **Strong capital position: Total Capital Ratio of 15.6% and Common Equity Tier I Ratio[1] of 11.1%, both net of the negative mark-to-market effect on HTC&S portfolio. 12.1% Common Equity Tier I Ratio including the Net Income of the period**
- **Low risk profile: Net NPLs/Net Loans at 1.5% and 0bps Cost of Risk**
- **New Group organisational structure to create a more effective and agile organization**
- **Signed the agreement for the acquisition of 100% of IOS Finance. Closing expected within 3Q 2019**

Milan, May 10th, 2019 – The Board of Directors of Banca Farmafactoring S.p.A. (BFF) approved today the consolidated financial accounts of the first quarter 2019.

1Q19 **Adjusted Net Income** reached €22.2m vs. €20.3m in 1Q18, +10% y/y despite €9m of lower LPIs collection vs. 1Q 2018 (-58% y/y), with the **stock of unrecognized off-balance LPIs (back book income reserve)** at €378m (+7% y/y). The **Reported Net Income** in 1Q19 was €21.4m compared to €19.8m in 1Q18, with the latter positively impacted for €0.5m post taxes (negative for €0.01m in 1Q19), from the change in €/PLN exchange rate and offset by a negative change in equity reserve, reflecting the natural hedging approach adopted by BFF.

Adjusted Net Interest Income increased by 5% y/y, mainly driven by higher stock of Net Customer Loans.

The operating leverage improved with **Adjusted Costs/Average Loans ratio** decreasing from 2.07% in 1Q18 to 1.87% in 1Q19 and with an **Adjusted Cost/Income ratio** almost stable at 36%

[1] Calculated on the Banking Group perimeter (pursuant to TUB – Testo Unico Bancario).

despite: (i) personnel cost up by 8% y/y driven by higher employee base (462 as of 03/31/2019 vs. 419 as of 03/31/2018) and (ii) other operating expenses increase to sustain growth initiatives.

Net Customer Loans at the end of March 2019 amounted to €3,461m, +20% compared to €2,878m at the end of March 2018. **New Business Volumes** were €900m in 1Q 2019, in line with 1Q18 mainly due to flat volumes in Italy, Spain and Poland due to different seasonality in 2019. At the end of March 2019, the international markets (Spain, Portugal, Poland, Slovakia, Czech Republic, Greece and Croatia) accounted for 34% of loans (32% at the end of March 2018).

As of 03/31/2019 the **Total Capital ratio** was 15.6%, above the company's 15% target threshold, and the **CET1 ratio** was 11.1%, confirming the Group's solid capital position and ability to organically fund growth. Both ratios are calculated excluding €21.4m of Reported Net Income of the period, which would have increased both ratios by 96bps. The Reported Net Income, not included in the capital ratios, more than offset the expected capital absorption from IOS Finance acquisition. Both capital ratios include, instead, the negative mark-to-market effect on HTC&S portfolio for €3.5m after taxes.

The Group continues to enjoy a low risk profile, with **Net NPLs** at 1.5% **of Net Customer Loans** (0.2% net of Italian municipalities in conservatorship – "*comuni in dissesto*") and a **Cost of Risk** of 0bps. In 1Q18 Cost of Risk was 13bps and entirely related to BFF Polska's SME factoring business placed in run-off.

On April 10th, 2019 BFF signed the agreement for the acquisition of 100% of IOS Finance. IOS Finance is one of the leading providers of factoring for trade receivables towards the public sector in Spain. With this acquisition BFF further strengthens the international growth of the Group, and reinforces its leadership in Spain. Closing of the transaction is expected within 3Q19.

KEY CONSOLIDATED ACCOUNTS ITEMS[2]

Main Balance Sheet data

Net Customer Loans at the end of March 2019 amount to €3,461m (of which €767m related to BFF Polska), compared to €2,878m at the end of March 2018 (of which €619m related to BFF Polska), and up by 20% y/y. Customer Loans in Spain increased by 23% y/y (from €169m to €207m) and in Italy were up by 16% y/y at €2,288m. Portugal was up by 53% y/y to €179m. International markets (Spain, Portugal, Poland, Slovakia, Czech Republic, Greece and Croatia) accounted for 34% of Customer Loans in 1Q19, up from 32% in 1Q18. The residual amount of net customer loans related to BFF Polska's SME factoring business placed in run-off at the end

[2] 1Q19 exchange rate for Poland and Czech respectively PLN/€ 4,3016 and PLN/CZK 0,167 for P&L data (1Q 2019 average), PLN/€ 4,3006 and PLN/CZK 0,167 for Balance Sheet data (03/29/2019). 1Q18 Exchange rate for Poland and Czech respectively PLN/€ 4,1792 and PLN/CZK 0,165 for P&L data (1Q 2018 average), PLN/€ 4,2106 and PLN/CZK 0,166 for Balance Sheet data (03/29/2018).

of 2017 is equal to €2.6m at the end of March 2019 (-6% vs. December 2018).

The Group recorded overall **New Business Volumes** of €900m (of which €89m related to BFF Polska), -3% compared to 1Q18 (€927m, of which €101m of BFF Polska), mainly driven by (i) flat volumes in Italy, Spain and Poland due to different seasonality in 2019, (ii) Portugal -35% y/y due to a strong 1Q18 and (iii) Slovakia -93% y/y, due to Government extraordinary liquidity injection. Greece contributed for €6m.

Following the strong growth of the business over the last 5 years and the diversification of activities, with new business initiatives launched recently (acquisition of IOS, opening of a Polish branch) and possible penetration of new geographies, BFF adopted a **new organisation structure** with the following main changes:

- Re-organisation of Sales team in Italy: a new Head of Sales in Italy has been recently appointed, and the team has been re-organised into 3 different areas to have a more effective approach to the marketplace;
- Consolidation of the International Department's role: all credit business outside Italy, including BFF Polska and its subsidiaries, will report directly to the International Department. Additionally, the new unit "Cross Border Sales" has been created within the International Department, with the purpose to drive the sales towards multinational companies;
- Insourcing of activities in Poland and reorganisation of the collection team: most of the Credit Management's back-office activities in Italy will be transferred to a unit in Poland, while the resources that were dedicated to the back-office in Italy will join the front office team to strengthen BFF's collection activities (+50% front office collectors);
- Creation of the Group's Chief Financial Officer position: responsible for Pricing, Credits Evaluation, Finance & Treasury and Planning & Administration.

With this new structure, BFF is creating a more integrated and agile organization, in order to capture successfully the growth opportunities ahead.

The **Total Available Funding** of the Group amounts to €3,314m as of 03/31/2019. Online deposits represent 29% of drawn funds and are equal to €870m at the end of 1Q19. The Group does not offer current accounts, but only term deposits with limited prepayment options. The Group has ample excess liquidity, with **Undrawn Funding** available at the end of March 2019 equal to c. €0.3bn. Additionally, the committed wholesale funding increased over the quarters at competitive rates, despite market instability. The Group has no bond expiring before June 2020 (except for the residual €8m of BFF Polska's bond issued before the acquisition and expiring in the first nine months of 2019) and has not drawn TLTRO or other ECB's emergency liquidity measure funding. None of BFF's funding lines are linked to the Italian Government's funding cost or rating. BFF can also rely on an EMTN programme for €1.0bn, established in November 2018, to promptly benefit of the potential funding opportunities in the international capital markets.

The **Government bond portfolio (HTC and HTC&S)** was equal to €1,102m at the end of March 2019, flat compared to the end of March 2018 (€1,100m). The negative mark-to-market as of

03/31/2019 of the HTC portfolio (not included in the equity) was €1.2m post taxes, while for the HTC&S portfolio (entirely composed of variable rate bonds) was €3.5m post taxes (already included in the equity). The duration of the entire portfolio is 28.8 months (26.5 months for the HTC portfolio and 41.5 months for the HTC&S portfolio).

The Group maintained a very healthy liquidity position, with a **Liquidity Coverage Ratio (LCR)** of 202.4% at the end of 1Q19. The **net stable funding ratio (NSFR)** and the **leverage ratio**, at the same date, were equal to 107.2% and 5.2% respectively[3].

Main Profit and Loss data[4]

In 1Q19 **Adjusted Net Banking Income** reached €46m, +4% y/y, and **Adjusted Net Interest Income** reached €44m, +5% y/y, both mainly driven by higher stock of Net Customer Loans.

Adjusted Interest Income increased by 5% y/y to €56m in 1Q19 compared to €53m in 1Q18, despite negative Net LPIs over-recovery[5].

Net LPIs over-recovery accounted in P&L was negative for €1.0m in 1Q19 (positive for €2.5m in 1Q18) due to lower **cashed-in LPIs** (€6.5m cashed in 1Q19 vs. €15.4m in 1Q18). The Net LPIs over-recovery was only €3.5m lower than 1Q18 (compared to €9m of lower cashed-in LPIs), thanks to the combined effect of (i) higher LPIs recovery rate and (ii) almost stable rescheduling impact in 1Q19 vs. 1Q18.

At the end of 1Q19 the **unrecognized off-balance sheet LPIs fund** (back book income reserve) reached €378m, +7% higher than the stock at the end of 1Q18 (€354m). The total LPIs stock amounted to €594m pre-taxes (+9% y/y).

In 1Q19 **Net yield on Customer Loans** (excluding income on securities and on credits due from banks and REPO activity impact) was 4.8% vs. 5.3% in 1Q18, and the **Gross Yield on Customer Loans** was 6.2% (vs. 7.0% in 1Q18). The return on RWAs (**RoRWA**)[6] was 7.9% in 1Q19 vs. 8.4% in 1Q18.

The **Average Cost of Funding** in 1Q19 showed a reduction compared to the same period of last

[3] Calculated on the Banking Group perimeter (pursuant to TUB – Testo Unico Bancario).

[4] Adjusted P&L numbers exclude:

- €0.01m post taxes (€0.02m pre-taxes) negative impact in P&L in 1Q19 (positive impact of €0.5m post taxes and €0.7m pre-taxes for 1Q18) due to the change in €/PLN exchange rate on the acquisition loan for the purchase of BFF Polska, which is offset by a negative (positive for 1Q18) change in equity reserve (included in the capital ratios), reflecting the natural hedging between these two balance sheet items;
- €0.8m post taxes (€1.1m pre-taxes) costs in 1Q19 (€1.0m post taxes and €1.3m pre-taxes for 1Q18) related to the accounting of the Stock Option Plan; this item generates a positive equity reserve, with therefore no impact on Group's equity.

[5] LPI over-recovery vs. 45% minimum recovery rate assumed for accounting purpose, net of the re-scheduling impact. 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.

[6] Calculated as Adjusted Net Interest Income/Average RWAs (beginning and end of the period).

year: the combined figure (including BFF Polska) decreased from 1.95% in 1Q18 to 1.57% in 1Q19. The **interest expenses** are stable at €11m despite:

i. the increase of drawn funding (from €2.3bn to €3.0bn) due to the growth of the business;
ii. the increase in Zloty funding, which has a higher base rate (Wibor 3M 1.72% vs. Euribor 3M -0.311% as of March 31st, 2019) and, therefore, a higher nominal cost (BFF's Zloty funding cost is 3.23%).

The Group had good access to the wholesale market at competitive rates, with Cost of Funding decreasing quarter on quarter (1.57% in 1Q19 vs. 1.66% in 4Q18). BFF has no funding costs linked to Government bond yields and no ECB refinancing risk. Moreover, the opening of the Polish branch and the collection of online deposits in the local market represents a further opportunity to decrease funding costs.

The operating leverage improved with **Adjusted Costs/Average Loans ratio** decreasing from 2.07% in 1Q18 to 1.87% in 1Q19, and with an **Adjusted Cost/Income ratio** almost stable at 36%. In 1Q19 **Adjusted Operating Costs** were €16m, up by 8% vs. €15m in 1Q18 due to:

i. 8% y/y increase in personnel costs driven by higher employee base;
ii. Ordinary Resolution Fund and FITD contribution accrued on an expected pro-rata basis: equal to €0.7m in 2019 in total vs. €0.5m in 2018;
iii. an increase in other operating expenses to sustain growth initiatives.

The higher employee base was driven mainly by: (i) personnel recruited for establishment of Portuguese and Polish branches, as well as for the Greek and Croatian operations in freedom of service, and (ii) some BFF Italy processes, previously outsourced to Italian suppliers, have been brought in-house in Poland with 21 employees as of March 31st, 2019, and with net costs savings to be achieved in 2019. The **employees** at Group level increased from 419 at the end of March 2018 (of which 175 in BFF Polska) to 462 at the end of March 2019 (of which 199 in BFF Polska).

Loan loss provisions ("LLPs") were marginally positive for €0.02m in 1Q19 compared to negative provisions for €1.0m in 1Q18 (equivalent to a Cost of Risk of 13bps, entirely related to the Polish SME factoring).

1Q19 **Adjusted Net Income** reached €22.2m, +9.7% y/y despite €9m of lower cashed-in LPIs, for a **RoTE** of 36% (vs. 32% in 1Q18). 1Q19 **Reported Net Income** was €21.4m compared to €19.8m in 1Q18.

Capital ratios

The Group maintains a solid capital position with a 11.1% **CET1 ratio** (vs. SREP plus Capital Conservation Buffer requirement for 2019 at 7.80%) and a 15.6% **Total Capital ratio** (vs. SREP plus Capital Conservation Buffer requirement at 12.00% and a company's target threshold for the dividend policy established at 15%) calculated on the Banking Group perimeter (pursuant to

TUB – Testo Unico Bancario)[7].

The RWAs used in the denominator of the above ratios are calculated based on standard model and, therefore, the risk weighting factors for the exposures towards NHS and other PA different from local and central Government depend on the Sovereign Rating of each country. Since DBRS (BFF's ECAI) rating for Italy is BBB (High), the Italian exposure to NHS and other PA is risk weighted at 100%, up from the 50% risk weighting applied before the downgrade in January 2017. Consequently, one notch Italian rating upgrade would move the risk weighting on the Italian exposure to NHS and other PA (different from local and central Government) from 100% to 50%, with a 2.4% increase on CET1 ratio and 3.4% on Total Capital ratio. On the other side, in order to have a negative impact on the risk weighting factor for the Italian exposure to NHS and other PA, the Italian rating needs to be downgraded by 9 notches.

The above **capital ratios do not include the €21.4m of Reported Net Income** of the period (equal to 96bps of additional CET1 and Total Capital ratios, which more than offset the expected capital absorption from IOS Finance acquisition), **and are net of the negative HTC&S mark-to-market impact** (-16bps). Both ratios are already net of treasury shares hold.

The **RWAs density**[8] was 64% at the end of March 2019, vs. 63% at the end of December 2018 and 69% at the end of March 2018. The Group uses the Basel Standard Model.

Asset quality

Superior asset quality is confirmed with a Net Non-Performing Loans/Net Loans Ratio of 1.5% at end of March 2019 (vs. 1.1% at year-end 2018 and 0.7% at the end of March 2018). Net of Italian municipalities in conservatorship, the net NPL ratio is 0.2% (stable compared to year-end 2018 and end of March 2018).

The increase in **net NPL** from €40.3m at end of FY2018 to €51.3m at end of March 2019 is driven entirely by the growing activities towards the Italian municipalities. In particular, the **exposure to Italian municipalities in conservatorship classified as NPLs** at the end of March 2019 (classified as NPL as requested by Bank of Italy's regulation[9], despite BFF is legally entitled to receive 100% of the capital and LPIs at the end of the process) amounts to €44.5m (€33.4m at the end of December 2018), and represents 87% of the total net NPL exposure at the same date. The aforementioned €44.5m includes €8.0m related to Italian municipalities already in conservatorship at the time of purchase. The **NPL Coverage Ratio net of the municipalities in conservatorship** is equal to 76% (75% at the end of December 2018), while the **Coverage Ratio including also the municipalities in conservatorship** is equal to 33% (38% at the end of December 2018).

[7] Considering the CRR Group perimeter, including the parent company BFF Luxembourg, the CET1 ratio is 10.9% and the Total Capital ratio 15.2%. These ratios are subject to approval of the BFF Luxembourg S.àr.l. accounts.
[8] Calculated as RWAs/Customer Loans.
[9] Paper n° 272 of July 30th, 2008.

Net Past Due, equal to €50.5m (€72.6m at year-end 2018), are due from the Public Administration and public sector companies for 77%. **Total impaired loans** (non-performing, unlikely to pay, past due) – **net of provisions** – amounted to €112.2m (€119.7m at year-end 2018) and are due from the Public Administration and public sector companies for 74%.

Significant events after the end of the first quarter 2019

- On April 10th BFF signed the **sale and purchase agreement (SPA) for the acquisition of 100% of the share capital of IOS Finance**, on the terms already agreed upon under the Agreement communicated to the market with the press release dated March 27th, 2019, and following the waiver of the Right of First Refusal ("ROFR") by the minority shareholder not participating to the Agreement. The completion of the acquisition is subject to (i) non-opposition of Bank of Spain and (ii) notification to Bank of Italy. Both regulatory filings have been already executed. The closing of the transaction is expected to take place within the 3Q19. After completion, BFF plans to merge IOS Finance into its Spanish business (BFF Finance Iberia). Merger is expected to be completed in 4Q19.
- On April 29th BFF filed with the Companies Registration List of Milan, Monza Brianza and Lodi the certificate of the **share capital increase**, following the partial execution – over the period between April 16th and April 29th – of the share capital increase without payment resolved by the Board of Directors held on April 8th, 2019, under the mandate granted by the Extraordinary Shareholders' Meeting on March 28th, 2019. More specifically, the share capital increased by Euro 21,898.80, through the issue of 28,440 new BFF ordinary shares assigned to BFF Group's employees in relation to the variable remuneration and incentive policies of the Bank.
- In relation to the variable remuneration and incentive policies of the Bank, after the end of 1Q19, BFF also assigned 23,465 BFF ordinary shares already owned by the Bank (treasury share). The number of treasury share hold by BFF as of May 10th, 2019 is equal to 334,550.

Statement of the Manager responsible for preparing the company's financial reports

The manager responsible for preparing the company's financial reports, Carlo Zanni, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records of the Company.

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Conference call

The financial results of 1Q 2019 will be presented today at 1:00 p.m. CET (12:00 a.m. GMT) during a conference call, which can be followed by dialling one of the following numbers:

Italy: *(+39) 0267688 or 800 914241 (toll free only from land line)*

UK:	*02030598171 (local connection)*
USA:	*8558205363 (toll free)*
Other Countries:	*+39 0267688*

*When prompted, dial *0 on your touch-tone phone to speak to our Conference Specialists.*
You will join the conference call after the registration of your details (First Name, Last Name and Company Name).

Audio link: https://hditalia.choruscall.com/?calltype=2&info=company
Suggested browsers: Google Chrome or Mozilla Firefox

The presentation will be available before the start of the conference call on the BFF Group's website www.bffgroup.com within the section *Investors > Presentations*.

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This press release is available online on BFF Group's website www.bffgroup.com within the section *Investors > Press Releases*.

BFF Banking Group

BFF Banking Group, listed on the Milan Stock Exchange since 2017, is the leading player specialised in the management and non-recourse factoring of trade receivables due from the Public Administrations in Europe. The Group operates in Italy, Poland, Czech Republic, Slovakia, Spain, Portugal, Greece and Croatia. In 2018 it reported a consolidated Adjusted Net Profit of € 91.8 million, with a 10.9% Group CET1 ratio at the end of December 2018.
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Consolidated Balance Sheet *(Values in €)*

Assets	12/31/2018	03/31/2019
Cash and cash equivalents	99,457,728	39,288,130
Financial assets measured at fair value through profit or loss		
a) financial assets held for trading		
b) financial assets designated at fair value		
c) other financial assets mandatorily measured at fair value		
Financial assets measured at fair value through OCI	160,755,859	161,764,835
Financial assets measured at amortized cost	4,593,770,324	4,463,474,489
a) Due from banks	*62,758,477*	*63,072,875*
b) Due from customers	*4,531,011,848*	*4,400,401,614*
Hedging instruments		
Equity investments	172,037	243,687
Property, plant and equipment	11,988,426	14,690,890
Intangible assets of which:	26,405,901	25,986,443
- goodwill	*22,146,189*	*22,146,189*
Tax assets	34,226,870	36,606,368
a) current	*26,044,837*	*28,382,193*
b) deferred	*8,182,033*	*8,224,175*
Other assets	14,747,460	16,077,355
Total Assets	**4,941,524,605**	**4,758,132,198**

Liabilities and Equity	12/31/2018	03/31/2019
Financial liabilities measured at amortized cost	4,403,029,388	4,155,245,281
a) deposits from banks	*1,237,996,379*	*1,119,422,345*
b) deposits from customers	*2,349,855,548*	*2,271,704,122*
c) securities issued	*815,177,461*	*764,118,813*
Financial Liabilities Held for Trading		
Financial liabilities designated at fair value		
Hedging derivatives		
Tax liabilities	88,301,821	95,951,063
a) current	*22,584,878*	*29,510,777*
b) deferred	*65,716,944*	*66,440,286*
Other liabilities	78,123,708	204,729,315
Employee severance indemnities	848,841	853,473
Provisions for risks and charges:	4,980,559	5,244,900
a) guarantees provided and commitments	*197,735*	*262,748*
b) pension funds and similar obligations	*3,977,004*	*4,177,244*
c) other provisions	*805,820*	*804,908*
Valuation reserves	843,738	1,864,780
Reserves	142,505,681	143,736,096
Share premium		
Share capital	130,982,698	130,982,698
Treasury shares	(244,721)	(1,908,770)
Minority interests		
Profit for the year	92,152,892	21,433,362
Total Liabilities and Equity	**4,941,524,605**	**4,758,132,198**

Consolidated Income Statement *(Values in €)*

Profit & Loss items	1Q 2018	1Q 2019
Interest and similar income	53,417,966	55,868,129
Interest and similar expenses	(11,263,651)	(11,460,701)
Net interest income	**42,154,315**	**44,407,429**
Fee and commission income	1,993,812	1,708,537
Fee and commission expenses	(433,205)	(418,858)
Net fees and commissions	**1,560,607**	**1,289,679**
Dividend income and similar revenue		
Gains/losses on trading	730,927	(15,114)
Fair value adjustments in hedge accounting	110,652	
Gains (losses) on disposals/repurchases of:		
a) financial assets measured at amortized cost	*(459)*	
b) financial assets measured at fair value through OCI	*182,484*	*31,109*
Net banking income	**44,738,527**	**45,713,103**
Impairment losses/reversals on:		
a) receivables and loans	*(958,715)*	*21,261*
b) available-for-sale financial assets	*(7,075)*	*1,652*
Net profit from banking activities	**43,772,737**	**45,736,015**
Net profit from financial and insurance activities	**43,772,737**	**45,736,015**
Administrative expenses:		
a) personnel costs	*(8,700,068)*	*(9,069,323)*
b) other administrative expenses	*(7,117,227)*	*(7,328,512)*
Net provisions for risks and charges:		
a) guarantees provided and commitments	*(47,392)*	*(67,462)*
b) pension funds and similar obligations	*(305,113)*	*(323,905)*
Net adjustments to/writebacks on property, plant and equipment	(335,897)	(691,993)
Net adjustments to/writebacks on intangible assets	(465,045)	(475,285)
Other operating income/expenses	491,320	997,356
Operating expenses	(16,479,421)	(16,959,123)
Profit before tax from continuing operations	**27,293,316**	**28,776,892**
Income taxes on profit from continuing operations	(7,490,848)	(7,343,530)
Profit after taxes from continuing operations	19,802,468	21,433,362
Profit for the year	**19,802,468**	**21,433,362**
Profit for the year attributable to owners of the Parent Company	**19,802,468**	**21,433,362**

Consolidated Capital Adequacy – BFF Banking Group ex TUB

Values in €m	**03/31/2018**	**12/31/2018**	**03/31/2019**
Credit and Counterparty Risk	130.6	151.3	148.7
Market Risk	0.0	0.0	0.0
Operational Risk	28.0	29.6	29.6
Total Capital Requirements	**158.6**	**181.0**	**178.3**
Risk Weighted Assets (RWAs)	**1,982.7**	**2,262.4**	**2,229.1**

CET I	**255.2**	**246.4**	**248.5**
Tier I	**0.0**	**0.0**	**0.0**
Tier II	**98.2**	**98.2**	**98.2**
Own Funds	**353.4**	**344.6**	**346.8**

CET 1 Capital Ratio	***12.9%***	***10.9%***	***11.1%***
Tier I Capital ratio	***12.9%***	***10.9%***	***11.1%***
Total Capital Ratio	***17.8%***	***15.2%***	***15.6%***

Asset quality – Reported data

	03/31/2019		
€ 000	**Gross**	**Provision**	**Net**
Non-performing loans (NPLs)	76,022	(24,741)	51,281
Unlikely to pay	13,083	(2,687)	10,396
Past due	50,949	(428)	50,521
Total impaired assets	**140,054**	**(27,856)**	**112,198**

	12/31/2018		
€ 000	**Gross**	**Provision**	**Net**
Non-performing loans (NPLs)	65,106	(24,762)	40,344
Unlikely to pay	8,680	(1,906)	6,774
Past due	73,845	(1,273)	72,573
Total impaired assets	**147,631**	**(27,940)**	**119,690**

	03/31/2018		
€ 000	**Gross**	**Provision**	**Net**
Non-performing loans (NPLs)	40,957	(21,266)	19,691
Unlikely to pay	13,483	(3,580)	9,904
Past due	87,145	(410)	86,735
Total impaired assets	**141,585**	**(25,256)**	**116,329**