

PRESS RELEASE

BFF S.p.A.'s ordinary and extraordinary Shareholders' Meeting

Milan, 2nd April 2020 – Today the Shareholders' Meeting of BFF S.p.A., the Parent Company of BFF Banking Group, has met in a single call and in both ordinary and extraordinary session (the "Meeting"), and has resolved as follows.

ORDINARY SESSION

- 1) Item 1 on the agenda: ***Financial Statements as of 31st December 2019. Reports by the Board of Directors, the Board of Statutory Auditors and the Independent Auditors. Related resolutions. Presentation of the Consolidated Financial Statements of Banca Farmafactoring banking Group as of 31st December 2019.*** The Meeting, having taken note of the reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors, having examined the financial statements for the year ended as of 31st December 2019, and having taken note of the Group's consolidated financial statements, has approved the individual financial statements for the year ended ad of 31st December 2019 with a net profit for the year of Euro 65,225,749.
- 2) Item 2 on the agenda: ***Allocation of the net income of the fiscal year. Related resolutions.*** As indicated in the press release issued on 31st March 2020, during the meeting held on 30th March the Board of Directors of BFF resolved to comply with the recommendations of the European Central Bank (ECB) and Bank of Italy (addressed to all Italian banks) – issued after the call of the Shareholders' Meeting – and, therefore, to refrain from making any irrevocable commitments for dividend payments for the financial years 2019 and 2020. In execution of this Board resolution, therefore, the Chairman, Mr. Salvatore Messina, postponed the discussion and the vote on item 2 on the agenda, postponing the related proposal to a new shareholders' meeting which the Board has already committed to call, in compliance with the conditions indicated by the banking regulators, at a time that will ensure that the dividend distribution will take place after the reassessment of the COVID-19 emergency (i.e., on the basis of the current indications by the ECB, indicatively in October 2020).

During that meeting, therefore, the Board, in order to maintain both the current dividend policy and the possibility of distributing the 2019 Expected Cash Dividend for a total of Euro 70.9m (as per the 2019 consolidated financial results press release), has resolved to comply with the regulatory recommendation by adopting Option 1 indicated by the ECB. Consequently, the portion of the 2019 individual net profit intended for dividends (equal to Euro 12.4m) will not be included in the regulatory capital calculations.

- 3) Item 3 on the agenda: ***Appointment of a Director. Related resolutions.*** The Meeting, having examined the related explanatory Report of the Board of Directors, has resolved to confirm the appointment of the director already co-opted on 11th December 2019, Ms. Giorgia Rodigari, who will remain in office until the expiry of the current Board's term of office.
- 4) Item 4 on the agenda: ***Appointment of the independent auditors for the financial years 2021-2029 and determination of their fees. Related resolutions.*** The Meeting, having examined the related explanatory Report of the Board of Directors, and the recommendation formulated by of the Board of Statutory Auditors in its role as Internal Control and Audit Committee ("ICAC"), has approved the proposal made by the ICAC to appoint KPMG S.p.A., whose offer, following the competitive process carried out by the Bank and the Selection Committee and validated by the ICAC, obtained the highest score, and was considered suitable for the assignment, as well as being in line with the requirements of the Bank and the Group.
- 5.1) Item 5.1 on the agenda: ***Annual report on remuneration policy and fees paid to the members of the strategic supervision, management and control bodies and to the staff of Banca Farmafactoring banking Group.*** The Meeting has resolved:
- 5.1.1) the first section of the Policy, pursuant to article 123-ter, paragraph 3-bis, of Legislative Decree n° 58/1998, as amended and supplemented;
- 5.1.2) the criteria for determining the remuneration to be granted in case of early termination of office or termination of employment, including the limits set for such remuneration;
- 5.1.3) the second section of the Policy, pursuant to article 123-ter, paragraph 6, of Legislative Decree n° 58/1998, as amended and supplemented.
- 5.2) Item 5.2 on the agenda: ***Approval of the new "2020 Stock Option Plan of the Banca Farmafactoring banking Group". Related resolutions.*** The Meeting, having examined the related explanatory Report of the Board of Directors, has approved the "Stock Option Plan of Banca Farmafactoring banking Group – SOP 2020", within the terms indicated in the Information Document, and has resolved to grant the Board of Directors, and on its behalf the Chief Executive Officer, with the right to subdelegate, all powers necessary to implement the resolution.
- 6) Item 6 on the agenda: ***Authorisation to purchase and dispose of treasury shares subject to the revocation, for the part not yet executed, of the authorisation resolved by the Shareholders' Meeting on 28th March 2019. Related resolutions.*** The Meeting, having examined the related explanatory Report of the Board of Directors, has resolved to revoke the previous authorisation for the portion not executed, and to authorise the Board of Directors to purchase BFF ordinary shares, in one or more tranches and for a term of 18 months starting from today, for the purposes mentioned in the aforesaid explanatory Report; the maximum number of shares to be purchased is equal to 8,323,880, representing 5% of the Bank's share capital (taking into account the treasury shares already in the portfolio).

EXTRAORDINARY SESSION

1) Item 1 on the agenda: ***Proposal for a share capital increase free of charge, in severable form, pursuant to art. 2349 of the Italian Civil Code, after revoking the proxy resolutions and the share capital increases with payment and free of charge approved by the extraordinary Shareholders' Meeting on 28th March 2019 and by the Board of Directors on 8th April 2019, and consequent amendment of art. 5 of the By-Laws. Related resolutions.*** The Meeting, having examined the related explanatory Report of the Board of Directors, has resolved to:

- revoke, for the portion not executed, (i) the share capital increase with payment resolved by BFF's extraordinary Shareholders' Meeting on 28th March 2019 to serve the "*Stock Option Plan of Banca Farmafactoring banking Group*" in force, (ii) the proxy granted to the Board of Directors by the same extraordinary Shareholders' Meeting in order to increase the share capital free of charge up to Euro 3,003,000, with a maximum issuance of 3,900,000 new ordinary shares, for requirements connected with the Company's remuneration and incentive policies, as well as (iii) the capital increase approved, in accordance with the said proxy, by the Board of Directors on 8th April 2019;
- to increase the share capital free of charge, in divisible form and to be carried out in several tranches, by the deadline of 31st December 2028, with the issue of a maximum of 6,824,108 ordinary shares, for an amount up to Euro 5,254,563.16, to be fully booked to capital, by recording a corresponding amount drawn from the retained earnings reserve, for needs related to the Company's remuneration and incentive policies, including the "*Stock Option Plan of Banca Farmafactoring banking Group – SOP 2020*" approved by today's Meeting;
- to amend, as a consequence of the above, the article 5 of the Corporate By-Laws;
- to grant the Board of Directors all powers to implement the above resolutions, as well as to make from time to time any changes to article 5 of the By-Laws consequent to the resolutions, execution and completion of the capital increase.

The minutes of the Meeting will be made available to the public by 2nd May 2020, at the Parent Company's registered office in Milan, Via Domenichino n° 5, in the *Governance > Shareholders' Meeting Documentation* section of the Group website www.bffgroup.com, as well as at the authorized storage system "1Info" on the website www.1info.com.



This press release is available on-line 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, Croatia, Czech Republic, France, Greece, Poland, Portugal, Slovakia and Spain. It is also active in Germany, The Netherlands and Ireland with on-line term deposits, by serving a total of 12 Countries across Europe. In 2019 it reported a consolidated Adjusted Net Profit of € 98.8 million, with a 10.9% Group CET1 ratio at the end of December 2019. www.bffgroup.com

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