BFF BANKING GROUP

1Q2018 Results

9th May 2018

A Bank Like No Other

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1Q2018 Results: Key Highlights

Solid financial performance	• €20.3m of Adjusted Net Income (€19.8m reported), after having expensed €0.8m of Tier II costs and additional provision for €0.9m on Polish SME factoring portfolio in run off, and with €15m of cashed in LPI, vs €21.8m in 1Q2017 with €33m of cashed in LPI • Stock of unrecognized off balance sheet LPI increasing to 354m (+3% vs 1Q17) • Efficient operation with costs flat yoy and C/I ratio of 35% • 32% of Adjusted ROTE
Double digit growth in loans and volumes	• Total customer loans up 14% y/y, 32% outside Italy, with higher contribution from less capital intensive segment resulting in lower RWA density • New volumes up 12% y/y, with Italy and Spain respectively up 11% and 37% y/y
Solid capital position and low risk profile	• TC and CET1 ratios equal to 17.8% and 12.9% (excluding €20m of net income for the period) well above SREP requirements • Low Net NPLs (0.7% of loans) • Annualised CoR 1Q18 of 13bps and entirely related to the Polish SME factoring portfolio in run off • Smaller government bond portfolio (-51% y/y)
New regulation	• Marginally positive impact from the adoption of the IFRS 9 accounting principle thanks to the public sector exposure and short term duration of the loan book
Rebranding and new lock-up	• Rebranding of all the entities of the group under the common «BFF» brand to further strengthens our positioning as the only pan-European player able to cover multiple markets • New share Lock-up assumed by the CEO and other 6 managers for up to three years

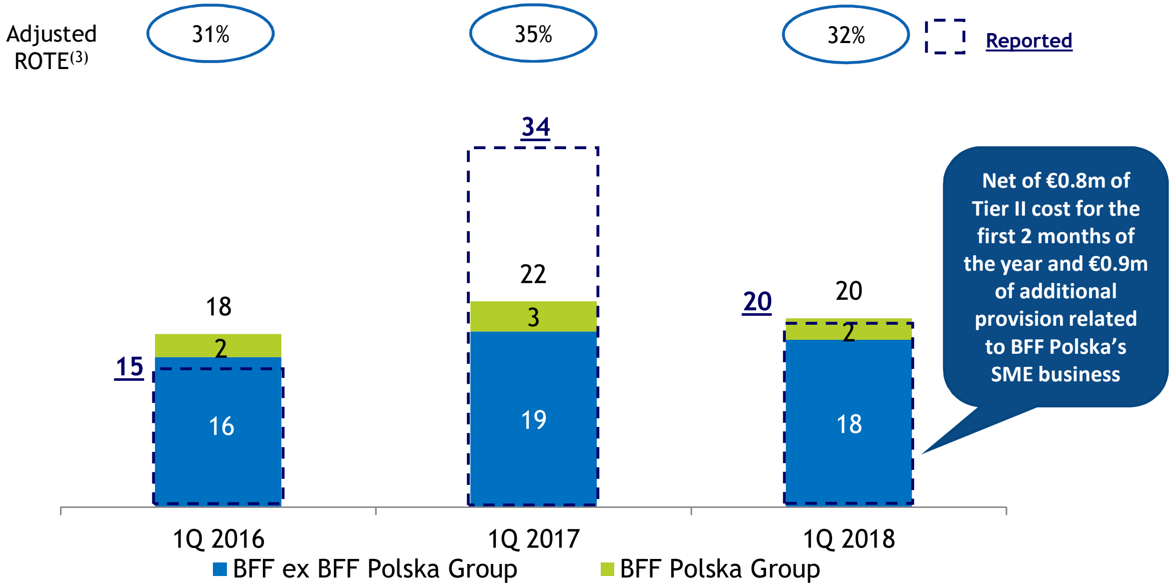
Source: Company data;
Notes: 2018 Exchange rate for Poland and Czech respectively PLN/€ 4,1792 and PLN/CZK 0,165 for P&L data (1Q 2018 average), PLN/€ 4,2106 and PLN/CZK 0,166 for Balance Sheet data (29th March 2018); 2017 Exchange rate for Poland and Czech respectively PLN/€ 4,3206 and PLN/CZK 0,160 for P&L data (1Q 2017 average), PLN/€ 4,2265 and PLN/CZK 0,156 for Balance Sheet data (31st March 2017);

€20m of Adjusted Net Income

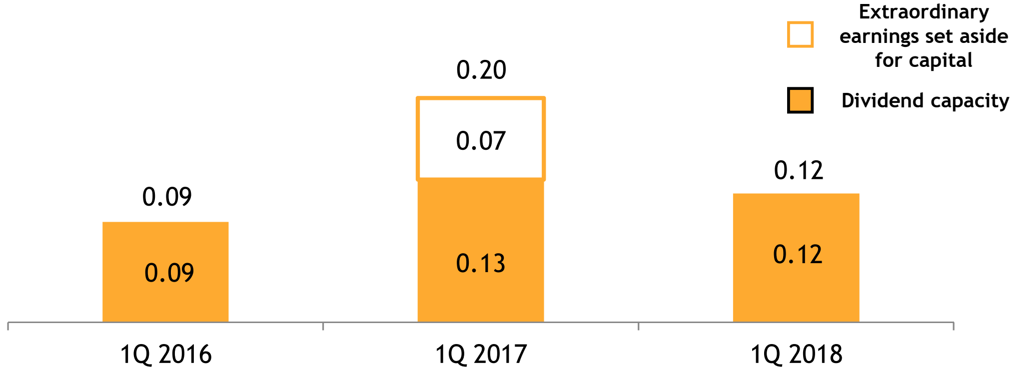
- **Adjusted Net Income at €20.3m, vs. €21.8m in 1Q17, despite €18m of lower cashed-in LPI:**
  - €15m of cashed-in LPI vs. €33m in 1Q17 (with higher recovery rate in 1Q18) resulting in €2.4m of lower net over-recovery[1] accounted in P&L
- The 1Q18 Adjusted Net Income includes (all value post tax):
  - €0.8m of Tier II cost for the first 2 months (not present in 1Q17)
  - €0.9m of additional provision related to BFF Polska's (ex. Magellan) SME business placed in run-off at the end of 2017
- **Profitability**: RoTE of 32%
- **Dividend capacity:** €0.12 per share as of 1Q18

1Q18 Extraordinary items net of taxes: €1.0m extraordinary costs related to stock option plan; €0.5m post tax, € 0.7m pre tax positive P&L effect from exchange rate movements on the acquisition debt for the acquisition of BFF Polska Group, offset at the comprehensive income and equity level by a corresponding decrease in value of the BFF Polska Group asset, given the natural hedging put in place at the time of the acquisition;
1Q17 Extraordinary items net of taxes: €17.8m income related to the change in LPI accounting from estimated 40% to 45%; €1.7m extr. costs related to IPO; €1.1m extraordinary costs related to stock option plan; €2.6m post tax, € 3.8m pre tax negative P&L effect from exchange rate movements on the acquisition debt for the acquisition of BFF Polska Group, offset at the comprehensive income and equity level by a corresponding increase in value of the BFF Polska Group asset, given the natural hedging put in place at the time of the acquisition
1Q16 extraordinary items net of taxes: €0.5m extr. costs related to IPO costs; €0.1m extr. Costs related to BFF Polska Group acquisition

Adjusted Net income[2] (€m)



Dividend capacity € per share[4]



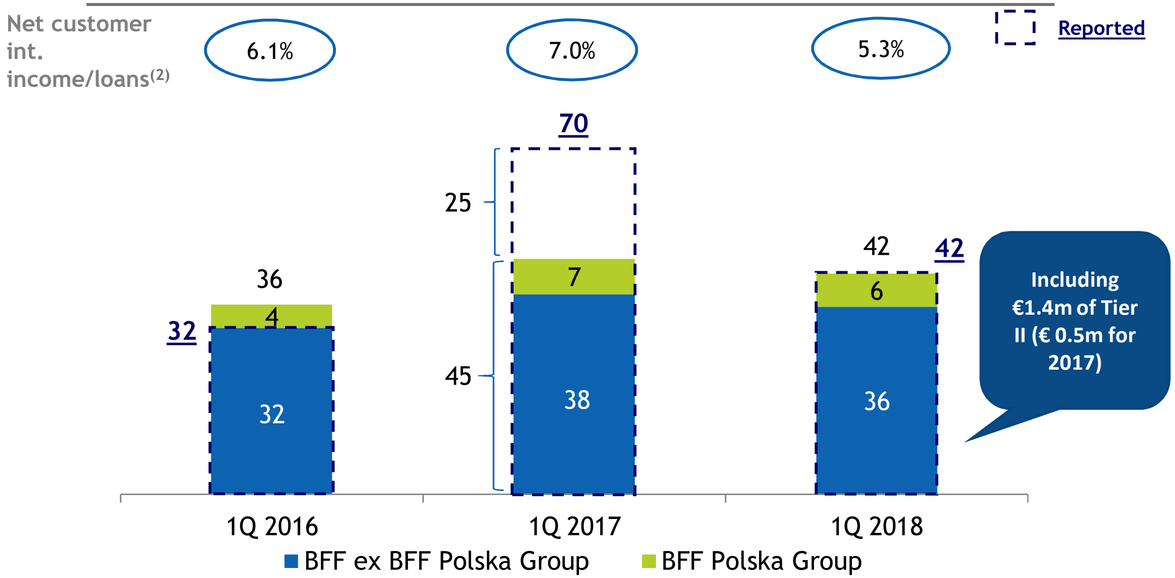
Notes: (1) Net of the rescheduling impact; in case a credit is not collected at the expected collection date, the value of the credit on the balance sheet is re-calculated using the new expected cash-flow schedule. The negative delta in value of the loan is booked in the P&L line interest income ("rescheduling impact") (2) Adjusted to exclude extraordinary items (3) 1Q17 Tangible equity includes extraordinary earnings set aside for capital; 1Q18 Tangible equity excludes 1Q18 net income and €83.7m of dividend to be distributed on net income 2017 (4) 1Q17 EPS adjusted for 1:100 stock split done in conjunction with IPO (April 2017)

Adjusted Net Interest Income and Net Banking Income

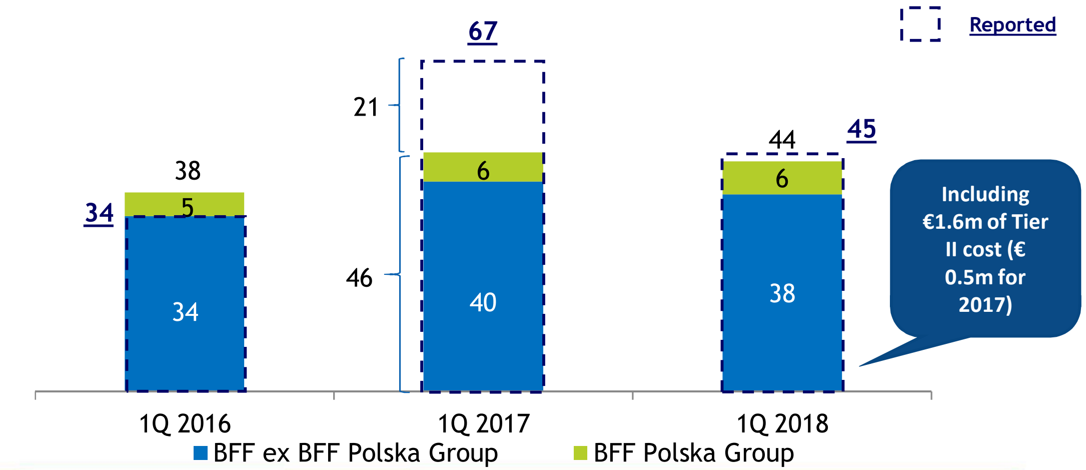
- **Adjusted net interest income and Adjusted Net Banking income lower** compared to 1Q17 mainly due to:
  - Lower cashed-in LPI (but with higher recovery rate) which resulted in €3.4m of lower net over-recovery [(1)] accounted in P&L in 1Q18
  - Costs of funding affected by Tier II issuance for additional €1.1m of costs (Tier II outstanding for 3 months vs 1 month in 2017)

Adjusted Net interest income (1) includes €1.4m of Tier II costs for 1Q 2018 (€0.5m for 1Q 2017) and (2) does not include €25.2m one-off impact of change in LPI accounting from 40% to 45% on 1/1/2017 for 1Q 2017.
Adjusted Net Banking income (1) includes €1.6m of interest expenses and commissions related to Tier II for 1Q 2018 (€0.5m for 1Q 2017) (2) does not include €0.7m of positive change in exchange rates impact for 1Q 2018 (-€3.8 m 1Q 2017) and €25.2m one-off impact of change in LPI accounting from 40% to 45% on 1/1/2017 for 1Q 2017.

Adjusted Net Interest Income (€m)



Adjusted Net Banking Income (€m)



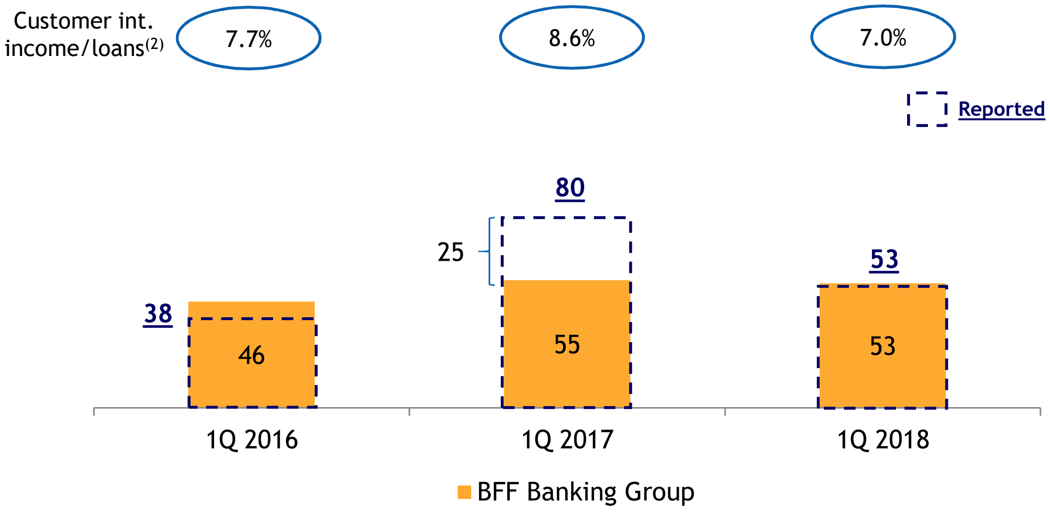
Note: (1) Net of the rescheduling impact; In case a credit is not collected at the expected collection date, the value of the credit on the balance sheet is re-calculated using the new expected cash-flow schedule. The negative delta in value of the loan is booked in the P&L line interest income ("rescheduling impact") (2) calculated as Adjusted Net interest income on customer loans (excluding income on securities and on credit due from banks and REPO activity impact) / average loans in the period.

Interest Income Driven by Lower Cashed-In LPI

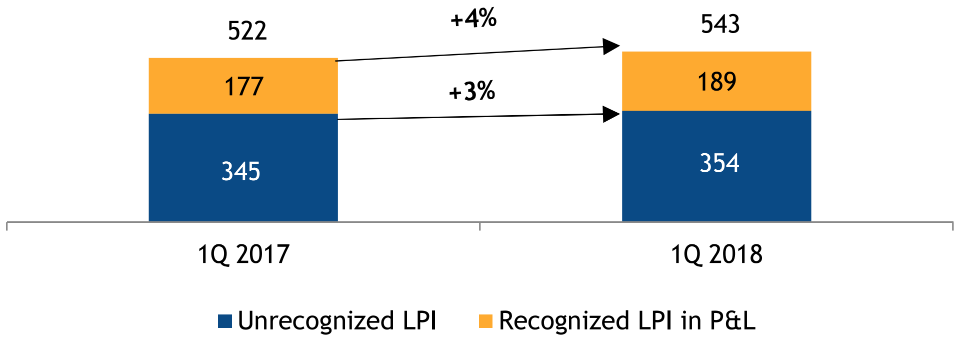
- 1Q18 interest income decreased mainly due to **lower LPIs cashed-in:**
  - Cashed-in LPI of €15m vs. €33m in 1Q17 (€10m in 1Q16)
  - Higher LPI recovery rate in 1Q18 vs. 1Q17 and 1Q16
  - €3.4m of lower net over-recovery of LPI [(1)] accounted in P&L vs. 1Q17 (€2.5m in 1Q18 vs. €5.9m in 1Q17, net of re-scheduling impact[(1)] - see next slide for detail) and €5.4m higher than 1Q16
- Gross yield on loan book decreased in 1Q18 as a result of lower interest income and the significant income deferral (LPI over-recovery recognized only when collected)
- **Stock of unrecognized LPI reached of €354m** at the end of March 2018, + 3% vs. the end of March 2017

1Q 2017 Adjusted Interest income does not include € 25.2m one-off impact of change in LPI accounting from 40% to 45%

Adjusted Interest Income (€m)



LPI Stock evolution (Excl. BFF Polska Group) (€m)



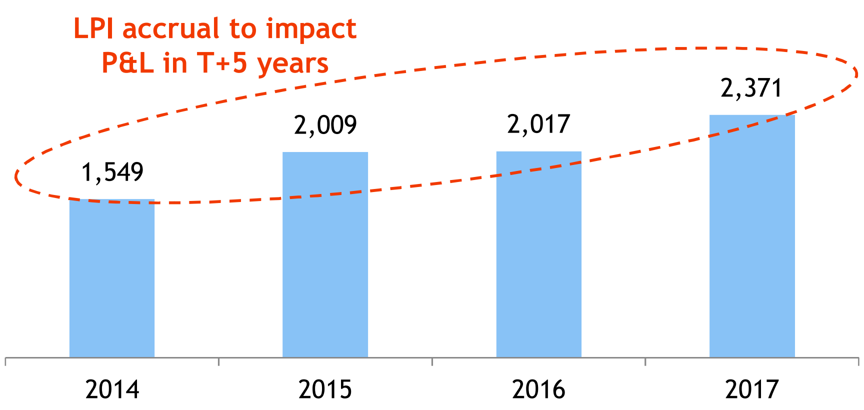
Note: (1) Net of the rescheduling impact; In case a credit is not collected at the expected collection date, the value of the credit on the balance sheet is re-calculated using the new expected cash-flow schedule. The negative delta in value of the loan is booked in the P&L line interest income ("rescheduling impact") (2) Adjusted Interest income on customer loans (excluding income on securities and on credit due from banks) / average loans in the period.

Focus on Deferral Income and Net Over Recovery of LPI Collection

Deferral Income of LPI collection

- BFF prudently recognizes in P&L on an accrual basis 45% of LPI legally due (**discounted** over a 5 years horizon), while the **over-collection** vs. the 45% is recognized on a cash basis at collection (5 years on average)
- Therefore, the full impacts on P&L of the LPI generated by the growing outstanding over the last years will be visible only in the coming years:
  - **Discounting effect of the 45%**: the amount of LPI accrued in P&L will increase for the next 5 years also in case of stable outstanding
  - **Deferral effect of the over recovery:** over-recovery generated by the larger 2017 outstanding vs. previous years will be visible only in 5 years

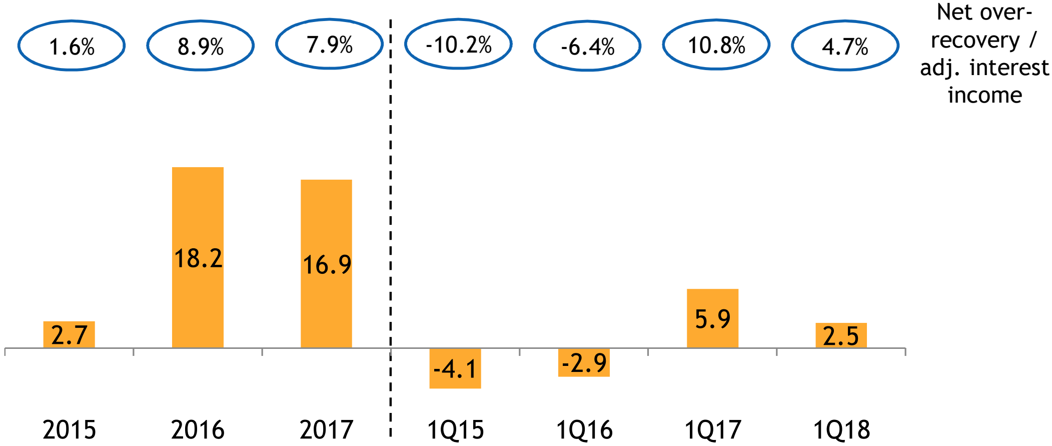
Outstanding Evolution (Excl. BFF Polska Group) (€m)



Over-recovery of LPI net of re-scheduling impact (€m)

- The loans on balance sheet are accounted based on the amortized cost:
  - In case the credit is not collected at the expected collection date, the value of the credit is re-calculated using the new expected cash-flow schedule
  - The delta in the value of the loan is booked in the P&L line "interest income" with a negative impact (**rescheduling impact**)
- The **net over-recovery**, over-recovery less the rescheduling impact (the latter calculated on a larger outstanding vs. the outstanding that generates the over-recovery accounted in the same year), are on average less than 10% of the interest income over the last 3 years

Net Over Recovery of LPI collection (€m)



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

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

% NIM (FY17 6.1%)

Net interest income on customer loan (FY17 €161.3m[1]) / Avg. customer loans (Avg FY17 €2,640m)

=

Maturity commission + 45% LPI discounted - interest expenses[2] (FY17 €144.4m[1]) / Avg. customer loans (Average FY2017 €2,640m)

+

Deferral effect of LPI over-recovery

LPI over-recovery - Re-scheduling impact (FY17 €16.9m) / Avg. customer loans (Average FY2017 €2,640m)

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

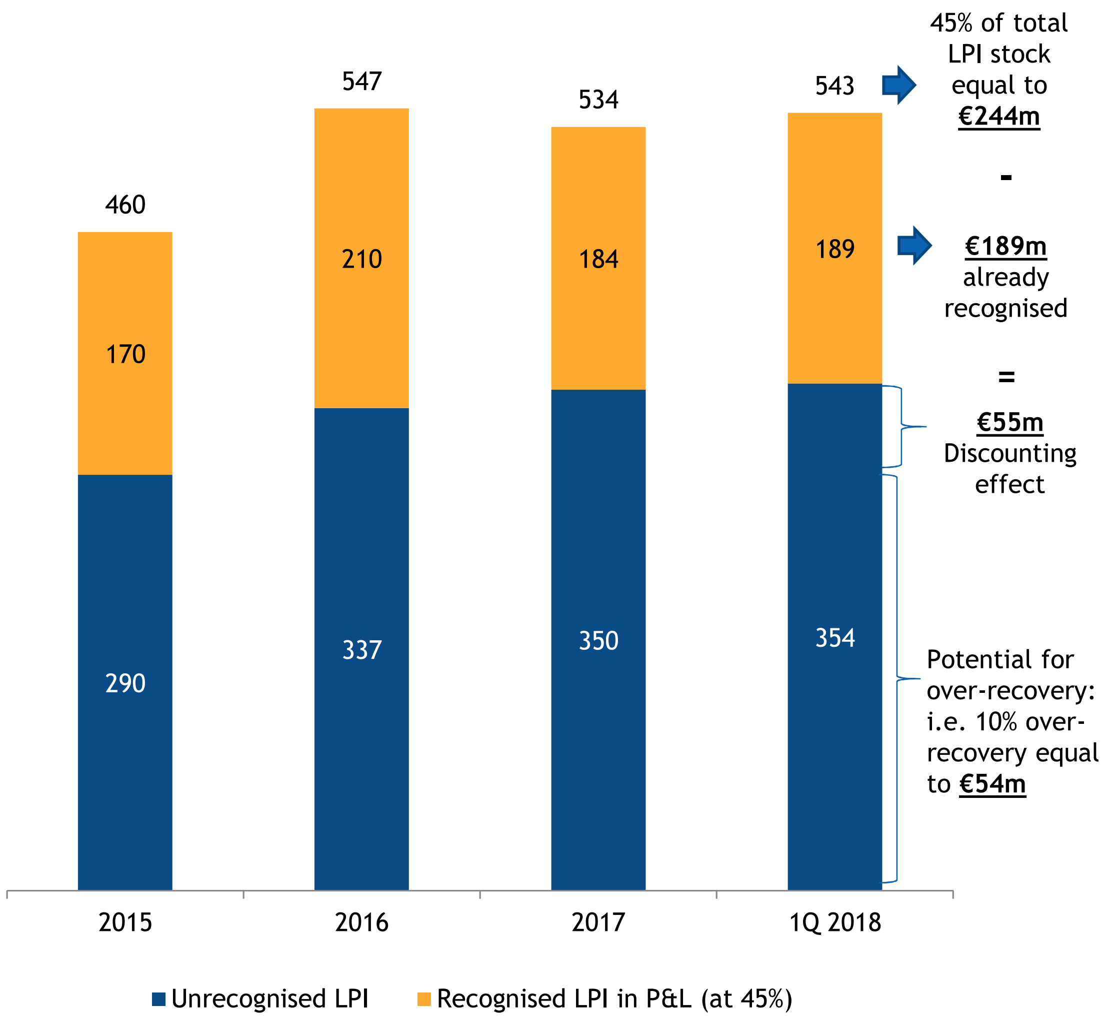
Impact on the % of NIM	Maturity commission + 45% LPI discounted - interest expenses	LPI over-recovery - Re-scheduling impact	Impact on Yield on RWA	Comments
In case of loan growth *(with stable RWA density)*	= / ↓	↓	↓	• **<u>Deferral effect of LPI over-recovery:</u>** the over-recovery on LPI generated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

Source: Company data;
Notes: (1) Excluding €25m positive one-off impact from change in LPI accounting (40% to 45%) and interest on REPO from the interest expenses. (2) Based on total interest expenses on total funding excluding REPO.

Focus on the Stock of LPI

- €354m of **unrecognized stock of LPI as of 31 March 2018 which includes:**
  - **€55m of LPI related to the 45% of the total stock** not already accounted in the P&L due to the discounting effect (the stock of recognized LPI of €189m is the present value of the 45% of the total stock of LPI)
  - **The over-recovery** (i.e. an over-recovery of 10% vs. the 45% accounted in P&L will generate additional €54m of interest income at the time of collection)
- **The stock of LPI does not include:**
  - The **LPI that the current outstanding will generate** until the collection of the credit (i.e. include only the LPI accrued until that accounting date)
  - The **LPI generated by BFF Polska Group**
- The growth of the stock of LPI is lower compared to the growth of the customer loans over the same period mainly due to the seasonality of the business (with peak of loans mainly at year end)

LPI Stock evolution (Excl. BFF Polska Group) (€m)(1)

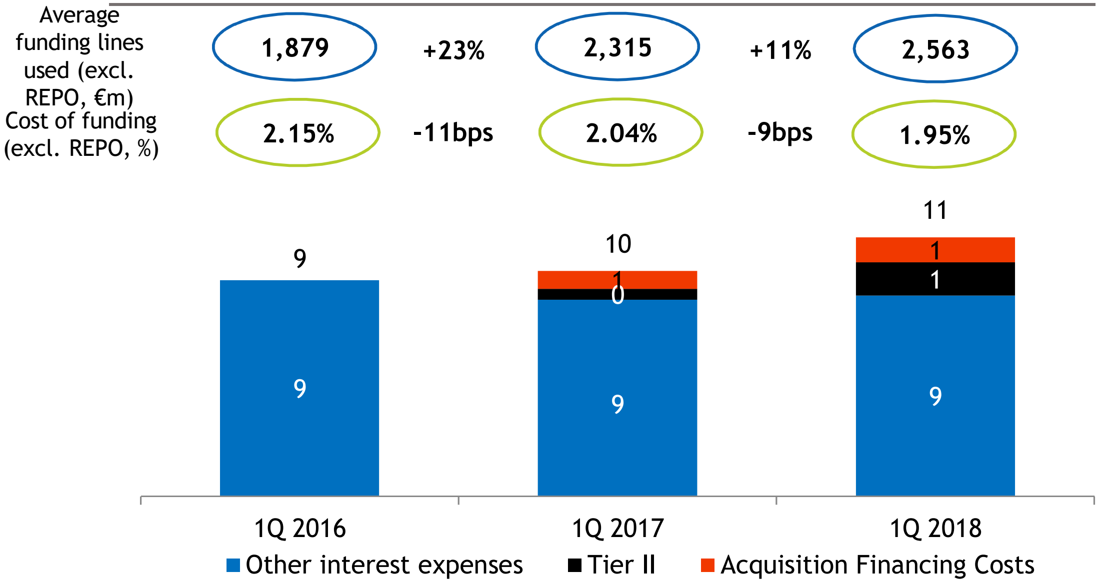


Note: (1) Unrecognised stock of LPI 2014, 2015 and 2016 pro forma assuming 45% of recovery rate of LPI

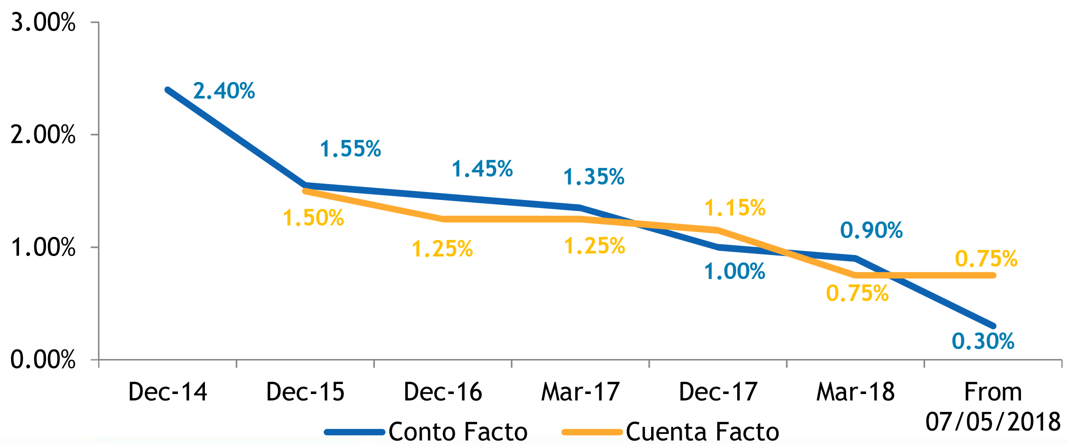
Improving Funding Costs

- **Reduction in cost of funding continued:**
  - 1.95% 1Q2018 cost of funding versus 2.04% in 1Q2017
  - Increasing interest expenses from €9.8m to €11.3m in 1Q2018, mainly due to *i.* the impact of Tier II (€1.4m in 1Q2018, €0.5m in 1Q2017), *ii.* one-off commission cost on the refinancing (at lower rate) of part of BFF Polska acquisition financing for €0.3m, *iii.* the increase of funding and *iv.* the increase in Zloty funding (+26% yoy) which has a higher base rate (Wibor 3M 1.70% vs. Euribor 3M -0.33% as of 31 march 2018)
- **Good visibility on further cost of funding reduction:**
  - Rates offered on 12-month online deposits in Italy were cut in March and then again in May 2018 to 0.30% with the benefit expected to unfold once the deposits are reinvested at lower rates

Adj. Interest expenses (€m)



12-months Online Deposits Interest Offered to New Moneys

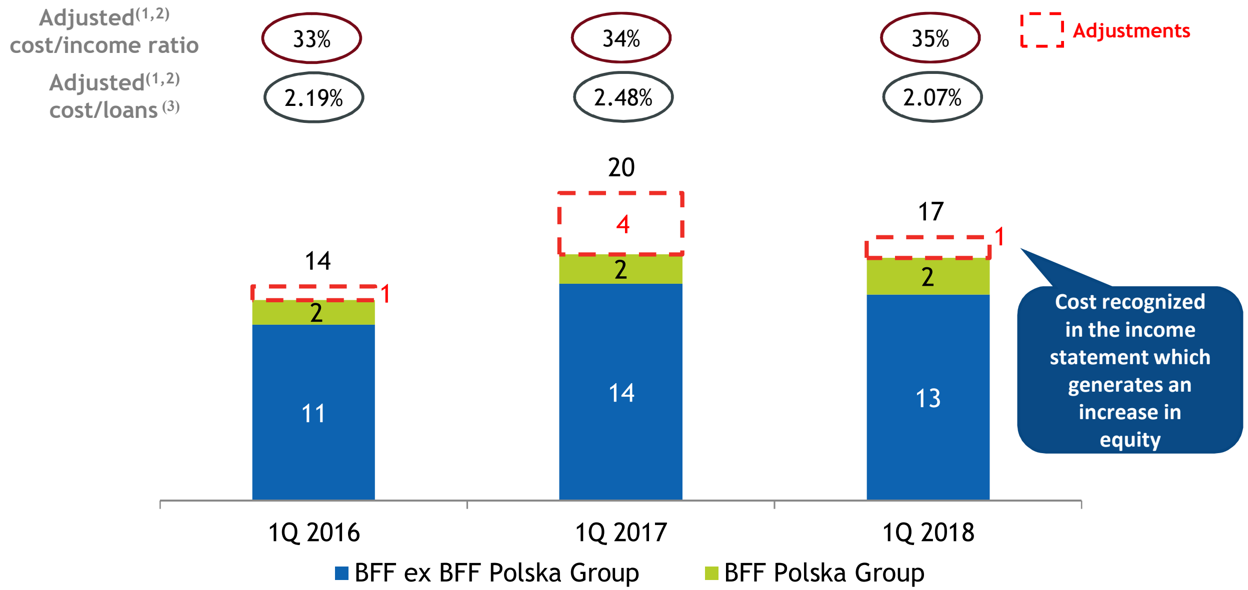


Good Operating Efficiency

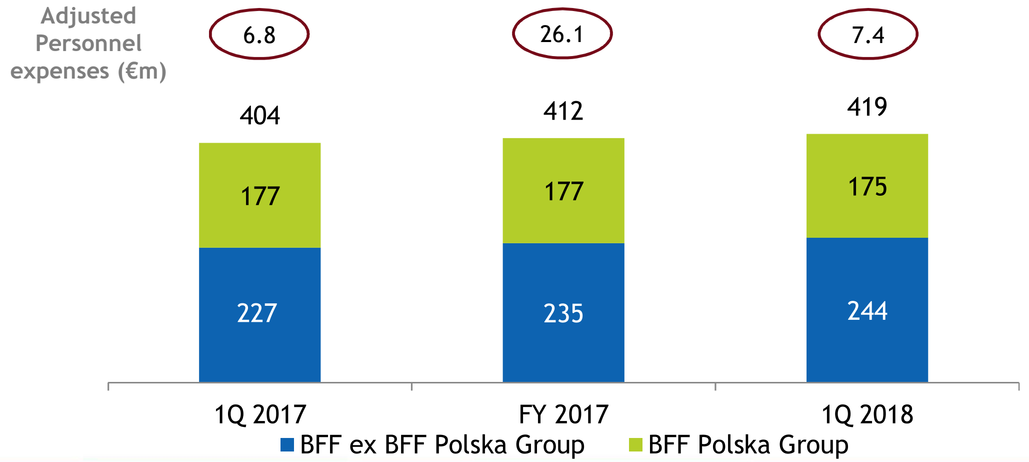
- **Highly efficient structure with adjusted Cost/Income ratio of 35% and improving operating leverage, with costs/loans at 2.07%**
- **Operating cost down -1% y/y** despite higher employee base
  - **Resolution Fund** accrued on a pro-rata basis in 1Q 2018, versus fully expensed in 1Q 2017 as the 2018 amount has yet to be confirmed
- Already recruited most of the personnel required for establishment of Portuguese branch and for the Greek and Croatian operations in freedom of service
- Some BFF Italy processes that were outsourced to Italian suppliers are being brought in house in Poland, with net savings to be achieved in 2019

1Q 2018 gross extraordinary costs €1.3m related to stock option plan (pro-rata) related to IPO;
1Q 2017 gross extraordinary costs €1.5m related to stock option plan (pro-rata) related to IPO, € 2.4m non-recurring costs related to the IPO process;
1Q 2016 gross extraordinary costs €0.7m extr. costs related to IPO; €0.2m extr. costs related to BFF Polska Group acquisition

Operating Costs(1) (€m)



Number of Employees(4)

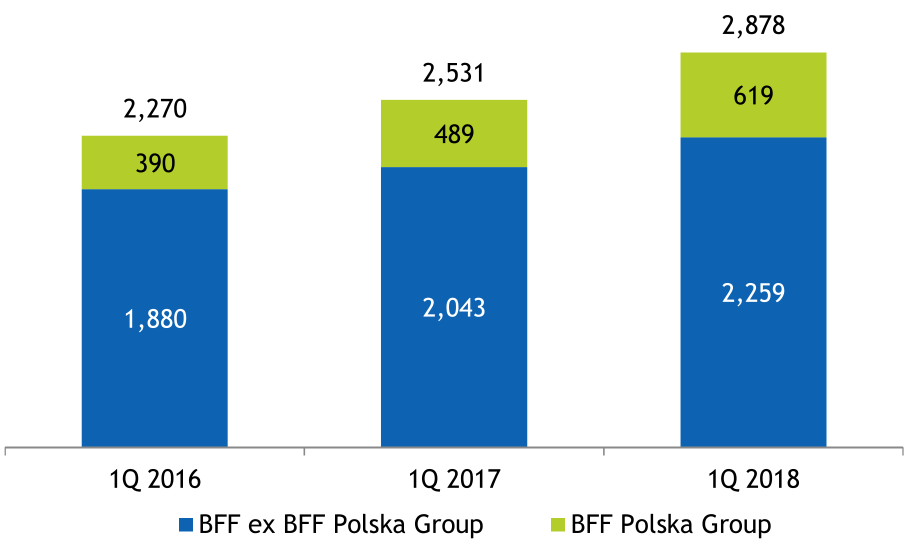


Note: (1) Adjusted to exclude extraordinary costs; (2) C/I computed as operating expenses excluding extr. Costs (administrative expenses + staff expenses + amortization on tangible and intangible assets) divided by Adjusted net banking income; (3) Annualised adjusted costs on average loans (4) BFF includes employees in Italy and Iberia; BFF Polska Group includes employees of BFF Polska SA, BFF MedFinance SA, BFF Central Europe s.r.o. and BFF Czech Republic s.r.o.

Growing Customer Loans

- **Strong growth in customer loans (+14% y/y)** throughout the Group:
  - Double digit growth in Spain, +6% growth in Italy
  - Assets in Portugal more than doubled y/y
  - BFF Polska Group up by 27%
- Residual €4m of net customer loans related to BFF Polska's SME factoring business placed in in run-off at the end of 2017, down from €6m at year end

Customer Loans Evolution (€m)



Customer Loans Breakdown by Geography (€m)

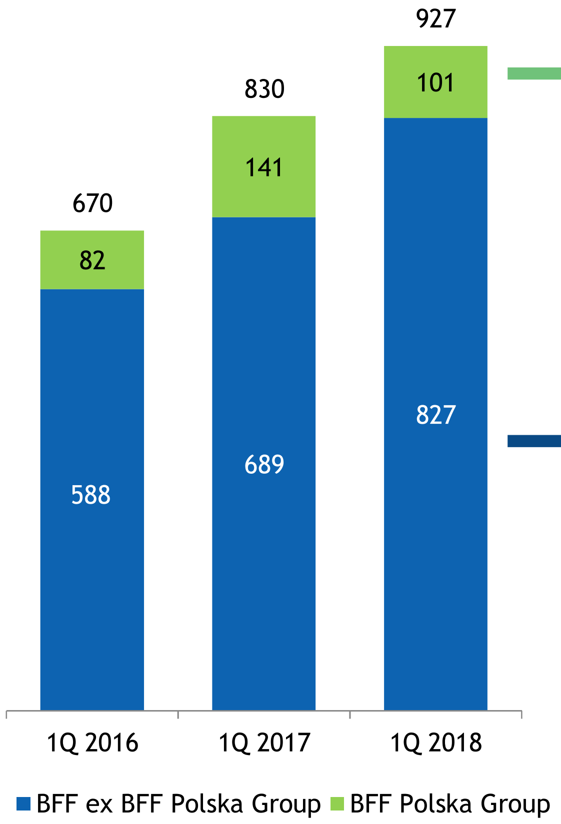
BFF Group excl. BFF Polska Group	1Q16	1Q17	1Q18
Italy	1,732	1,857	1,969
Spain	121	150	169
Portugal	27	36	117
Greece	-	-	5
Total	**1,880**	**2,043**	**2,259**

BFF Polska Group	1Q16	1Q17	1Q18
Poland	345	386	477
Slovakia	43	101	140
Czech Rep.	2	3	2
Total	**390**	**489**	**619**

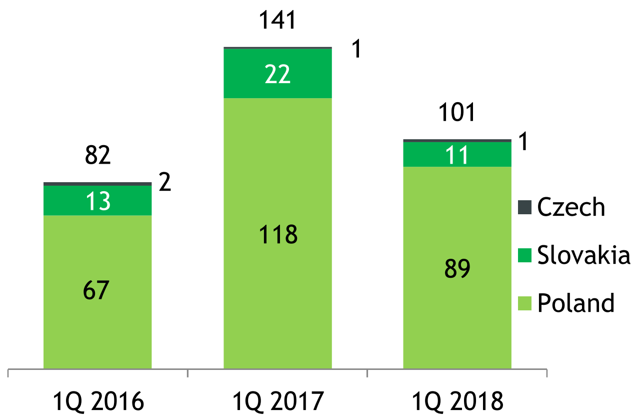
Solid New Business Production across Countries

- **Strong y/y growth (+*12%*) in total new business volumes,** driven mainly by:
  - Italy +11% y/y
  - Spain +37% y/y
  - Portugal +344% y/y
- **€101m total volumes for BFF Polska Group** vs. a strong 1Q17 due to different expected seasonality in 2018

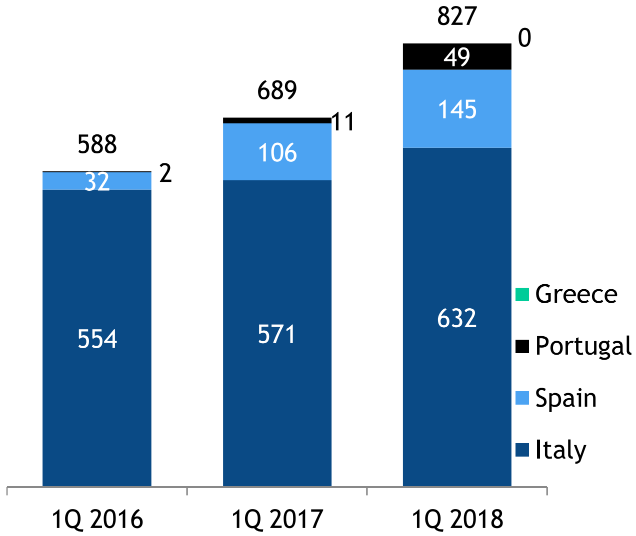
Total New Business Volumes (€m)



BFF Polska Group (€m)



BFF ex BFF Polska Group (€m)

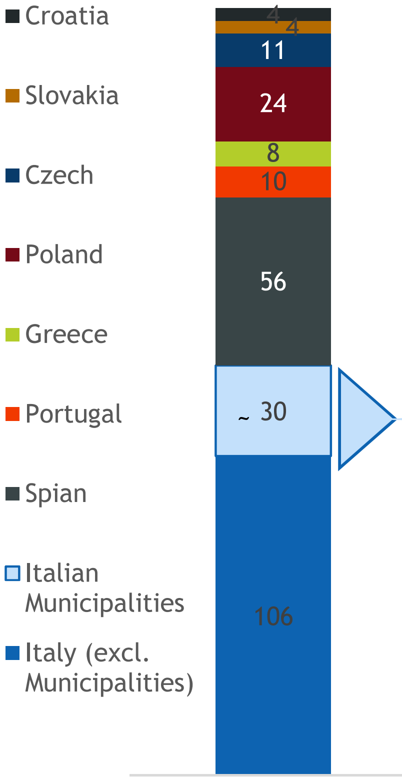


Note: For 2016, BFF Polska's Spanish business (€9m) is included in Banca Farmafactoring S.p.A. Sucursal en España

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

Total potential market

c. €255bn

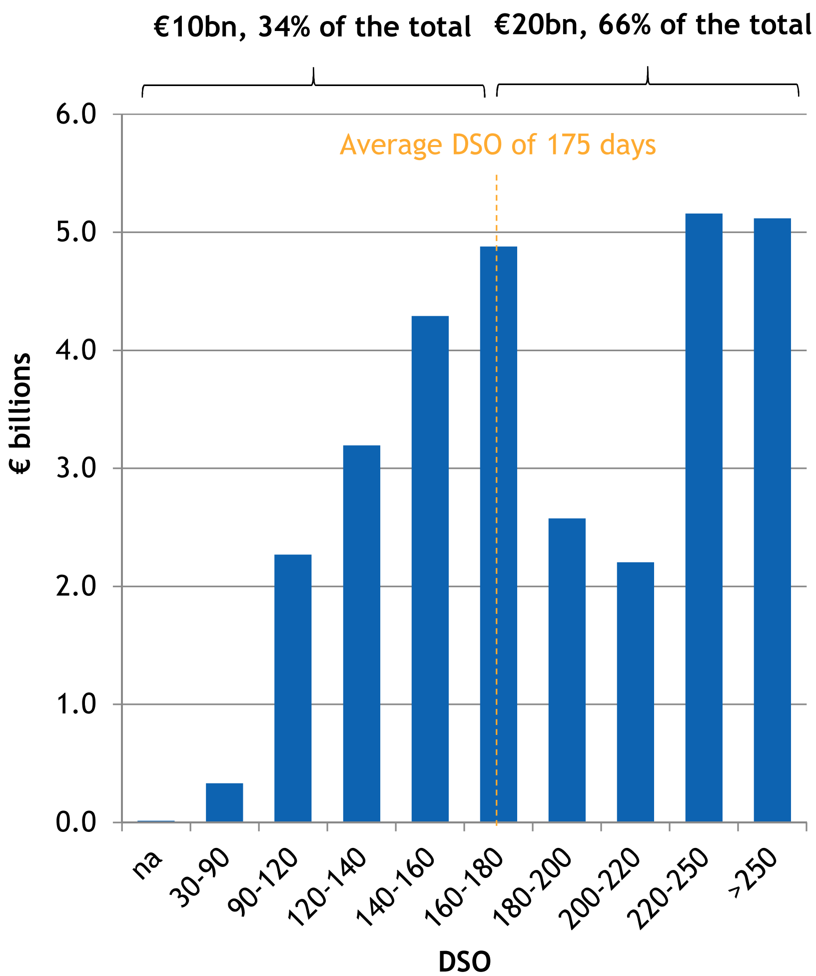


Total public expenditure in good and services in the countries where BFF Group operates

<u>Italian Municipalities Segment:</u>

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

Italian municipalities' expenditure in goods and service 2015 *(€m)*

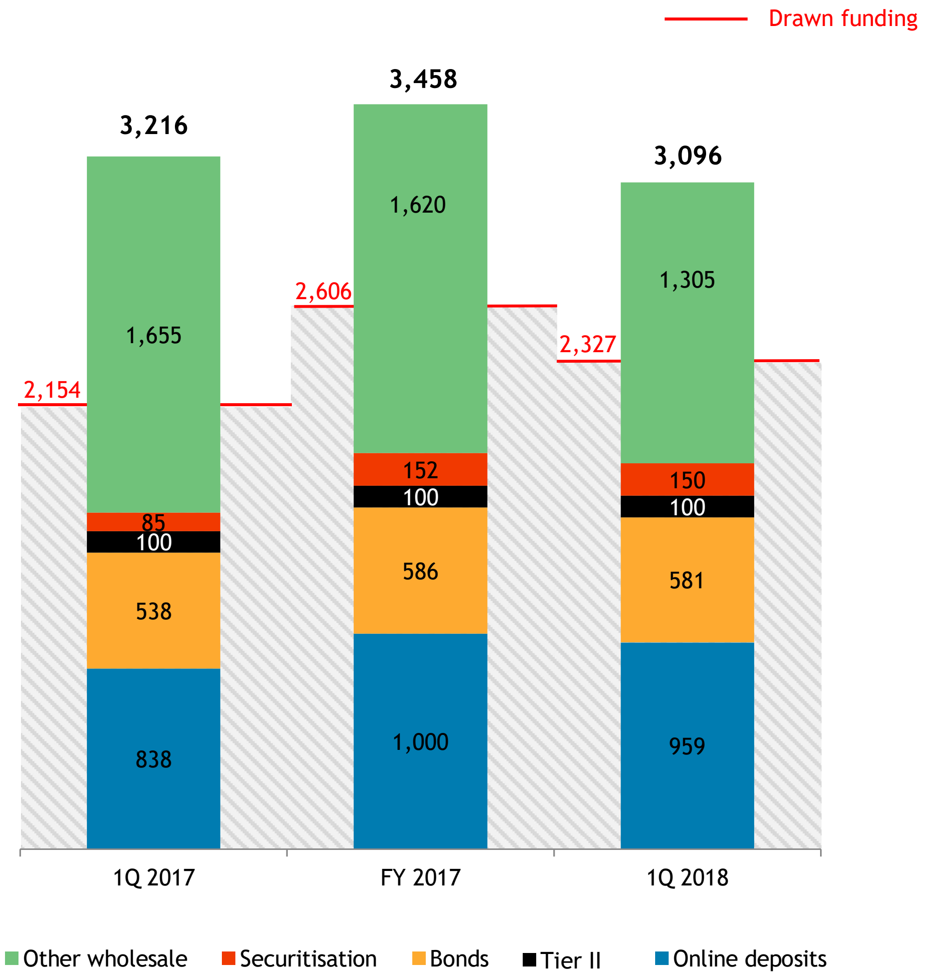


Source: Company estimate, ISTAT 2015, AIDA PA, DEF 2016
Note: (1) calculated as BFF's volume acquired on total Italian municipalities' expenditure in goods and service. (2) Based on outstanding as of December 2017 (Assifact)

Diversified Funding Base with ample liquidity

- **A diversified and flexible funding base to support business growth:**
  - Deposits accounting for 41% of drawn funds despite strong reduction in offered yields, €959m as of March 2018, +14% y/y
- **Ample excess liquidity with group undrawn funding at €0.8bn[(1)]**

Available Funding[(2;3)] (€m)

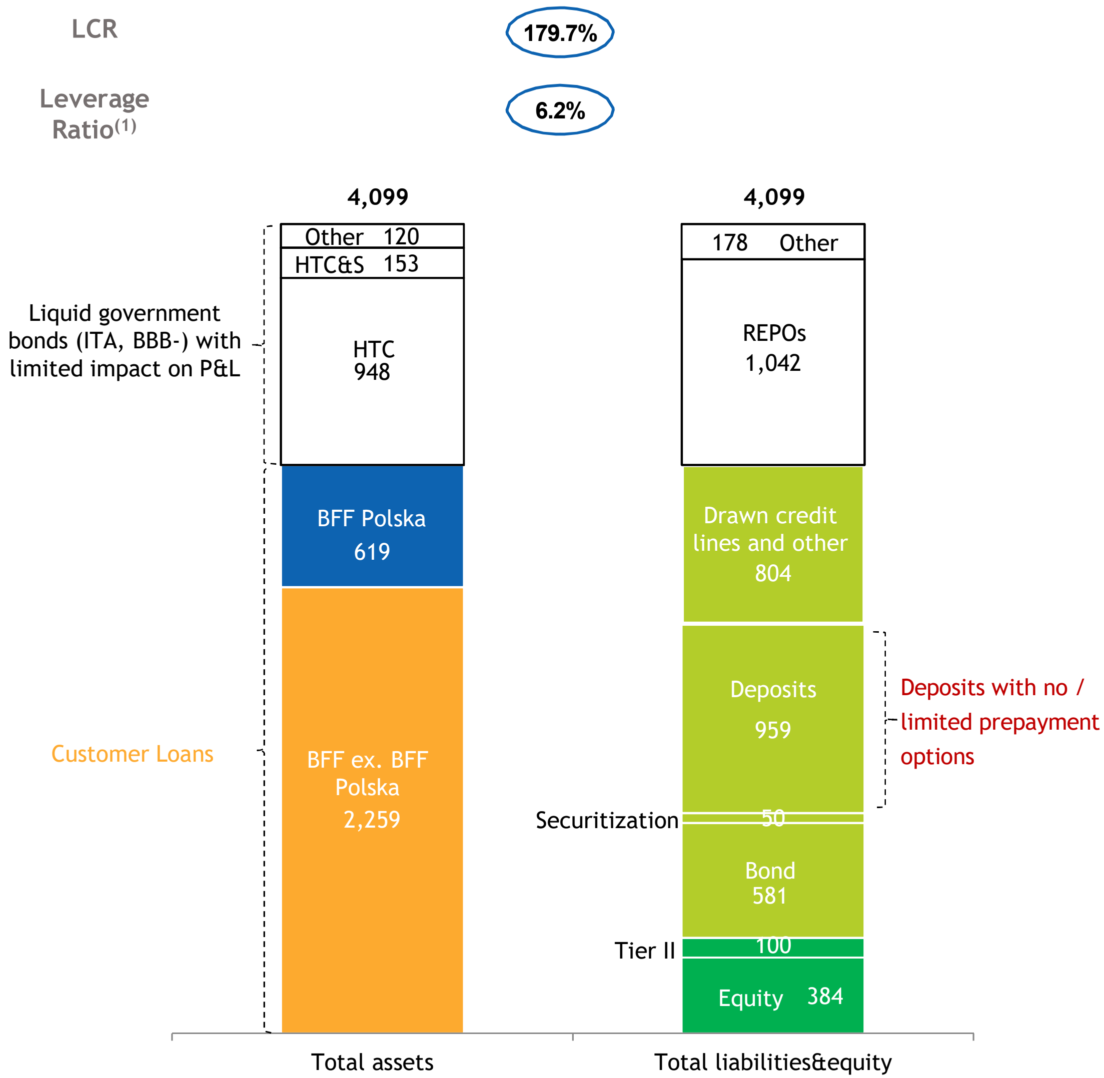


Notes: (1) Based on utilized credit lines; (2) Excluding ECB funds and REPOs; (3) Not considering financing for BFF Polska Group acquisition 378 m PLN.

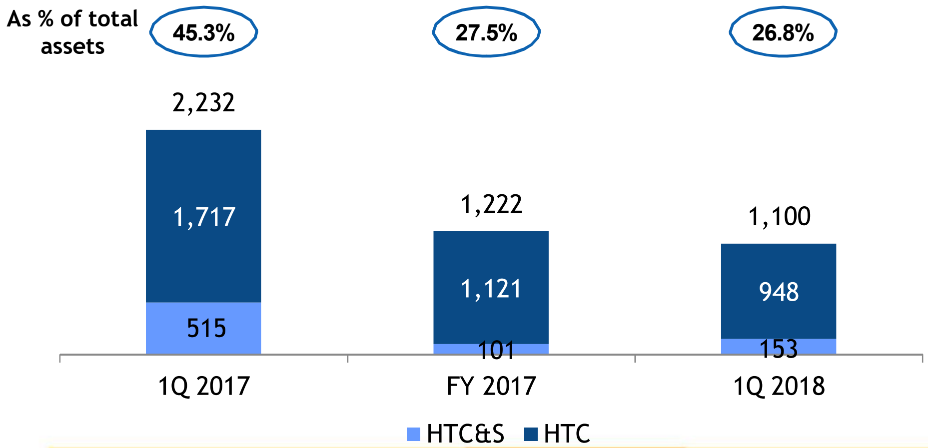
Fortress Balance Sheet

- **Decreasing Government bond portfolio:** -51% y/y
- **Conservative asset / liability management approach:** funding duration higher than that of receivables
- Customer loans funded through a well **diversified funding base** with shorter maturity of the asset side vs. liabilities, allowing for fast repricing
- **Positively geared to higher interest rate**
- **Strong liquidity position** with a LCR of 180% as of March 2018
- **Natural currency hedge**: zloty assets and BFF Polska tangible equity funded with zloty liabilities

Breakdown of Balance Sheet 1Q 2018 (€m)



Bond Portfolio(2) (€m)

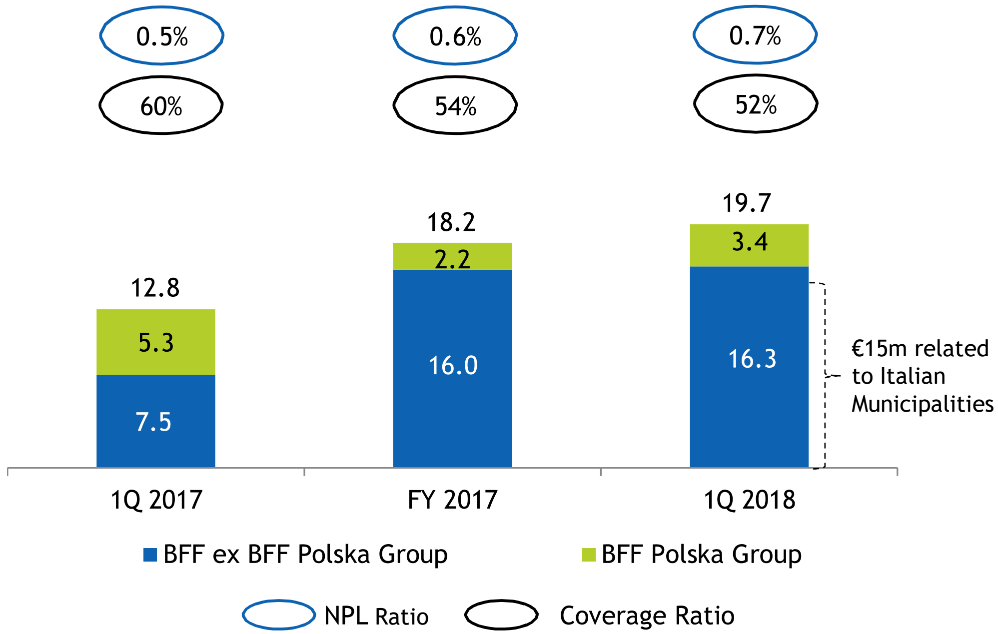


Source: Company data (1) 1Q 2018 CRR Leverage Ratio: 6.1%; (2) 2017 values of AFS and HTM

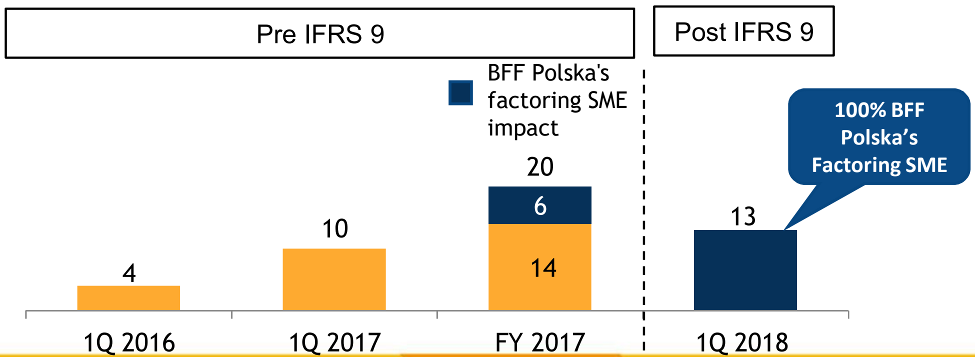
Negligible Credit Risk

- **Net NPLs of €19.7m (0.7% of total net loans),** of which €15m are related to Italian municipalities in *dissesto* (€3m already in *dissesto* at the time of purchase) and €1m is related to the San Raffaele Hospital exposure
  - We expect 100% recovery on Italian municipalities and San Raffaele exposure
- Net past due are for 78% towards the public administration and public sector
- **Negligible cost of risk** of 13bps in 1Q18 and entirely related to the SME factoring business in run-off
- Marginally positive one off impact from the adoption of the IFRS 9 accounting principle thanks to the public sector exposure and short term duration of the loan book

Net Non Performing Loans Evolution (€m)



Annualised cost of risk (bps)

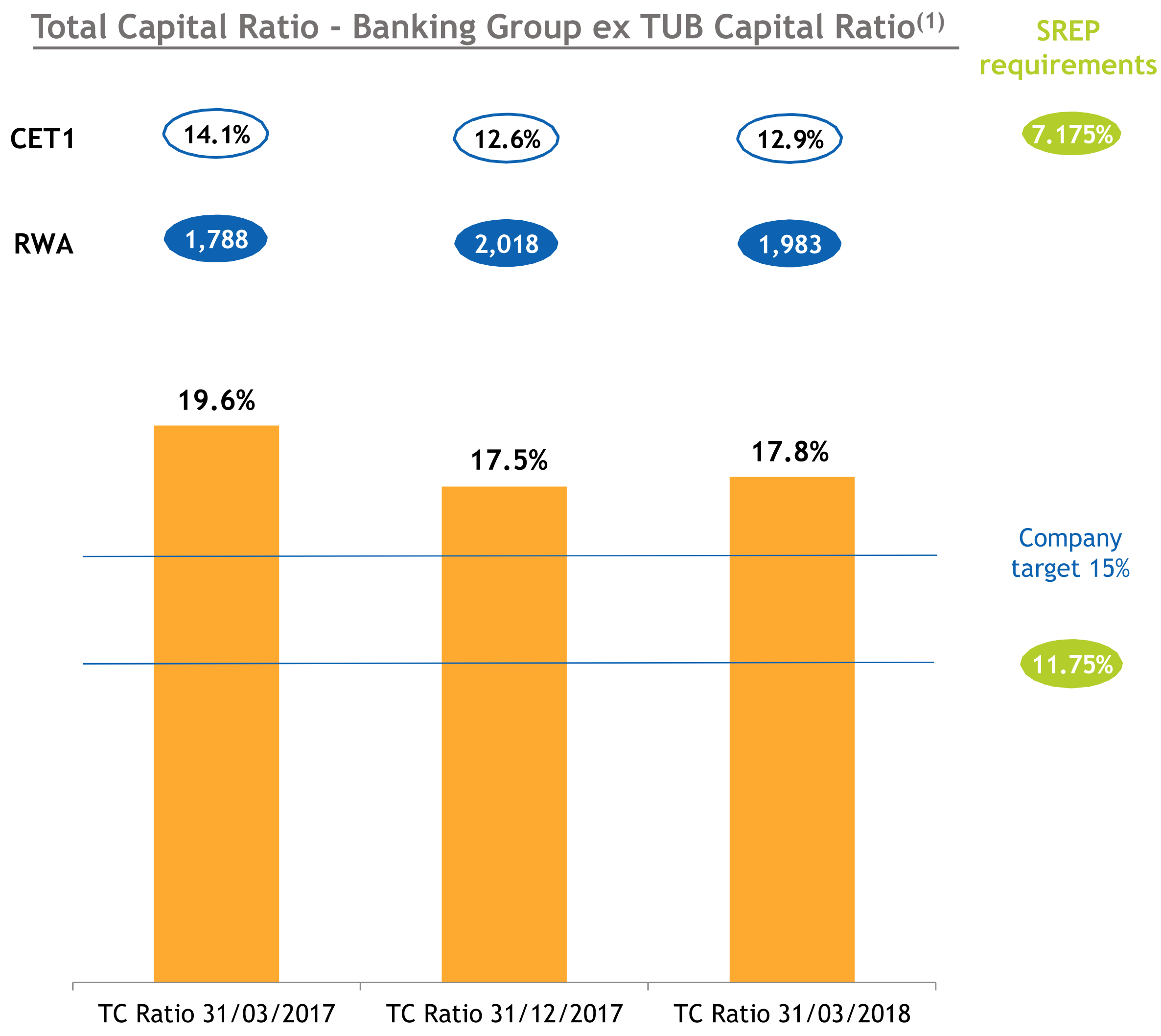


Asset quality - €/000	1Q2017	FY2017	1Q2018
Net Non performing - total	12,798	18,175	19,691
ow "comuni in dissesto"	*6,302*	*14,975*	*15,250*
Net unlikely to pay	4,571	6,760	9,904
Net past due	45,093	69,794	86,735
Total net impaired assets	**62,463**	**94,730**	**116,329**

78% of past due refers to PA and public sector (including state owned entities)

Strong capital position

- **Total Capital ratio equal to 17.8%**
  - €19.8m of reported net income not included in capital ratios (equal to 100 bps of additional CET1 and total capital) available for dividend distribution
  - 280bps Total Capital in excess of 15% target available to sustain RWA growth
- **CET1 ratio of 12.9%,** well above the CET1 SREP requirement of 7.175%
- **Conservative RWA calculation** based on standard model and with Italian exposure to NHS and other PA risk weighted at 100%[(2)]. One Italian rating upgrade would move the risk weighting to 50% with a 4.0% positive impact on Total Capital Ratio and a 2.9% impact on CET1 Ratio
- **Lower RWA density thanks to a better loan mix**, 69% as of March 2018, vs. 71% as of March 2017



(1) 1Q2018 CRR Total Capital Ratio and CET1 Ratio: 16,3% and 11,8%. These ratios are subject to approval by BFF Luxembourg S.àr.l. 2) Following the DBRS downgrade, starting from March 2017, capital ratios are calculated based on a higher risk weighting factor (from 50% to 100%) for the Italian exposure to NHS and other PA different from local and central government

Rebranding

The "Rebranding" Group project was launched with the aim of providing all BFF Group Companies with a new and common image. Starting from May the 2nd, there is a single logo for all BFF Group companies

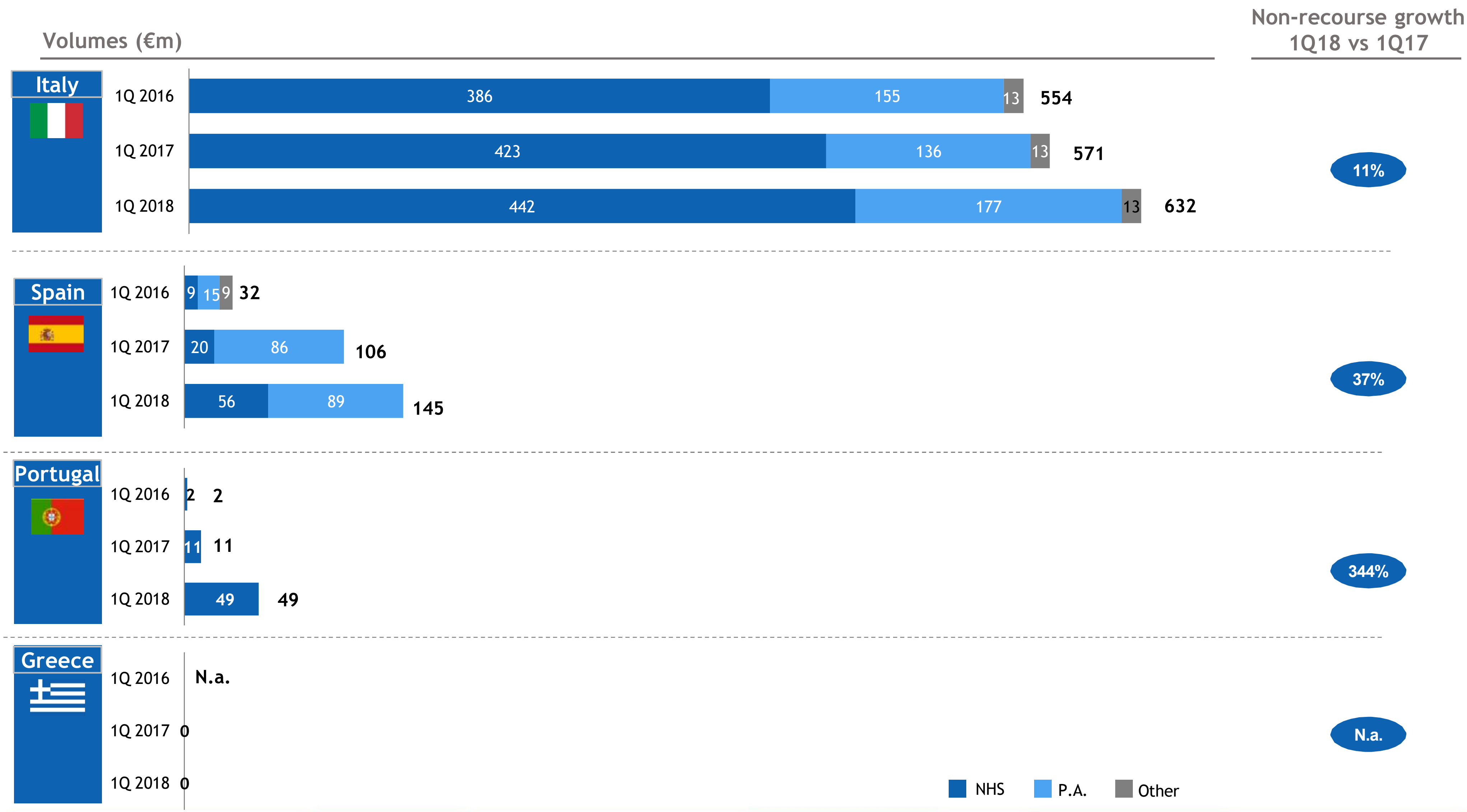
1Q2018 Results: Key Highlights

Solid financial performance	• €20.3m of Adjusted Net Income (€19.8m reported), after having expensed €0.8m of Tier II costs and additional provision for €0.9m on Polish SME factoring portfolio in run off, and with €15m of cashed in LPI, vs €21.8m in 1Q2017 with €33m of cashed in LPI • Stock of unrecognized off balance sheet LPI increasing to 354m (+3% vs 1Q17) • Efficient operation with costs flat yoy and C/I ratio of 35% • 32% of Adjusted ROTE
Double digit growth in loans and volumes	• Total customer loans up 14% y/y, 32% outside Italy, with higher contribution from less capital intensive segment resulting in lower RWA density • New volumes up 12% y/y, with Italy and Spain respectively up 11% and 37% y/y
Solid capital position and low risk profile	• TC and CET1 ratios equal to 17.8% and 12.9% (excluding €20m of net income for the period) well above SREP requirements • Low Net NPLs (0.7% of loans) • Annualised CoR 1Q18 of 13bps and entirely related to the Polish SME factoring portfolio in run off • Smaller government bond portfolio (-51% y/y)
New regulation	• Marginally positive impact from the adoption of the IFRS 9 accounting principle thanks to the public sector exposure and short term duration of the loan book
Rebranding and new lock-up	• Rebranding of all the entities of the group under the common «BFF» brand to further strengthens our positioning as the only pan-European player able to cover multiple markets • New share Lock-up assumed by the CEO and other 6 managers for up to three years

Source: Company data;
Notes: 2018 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 (29th March 2018); 2017 Exchange rate for Poland and Czech respectively PLN/€ 4,3206 and PLN/CZK 0,160 for P&L data (1Q 2017 average), PLN/€ 4,2265 and PLN/CZK 0,156 for Balance Sheet data (31st March 2017);

Appendix

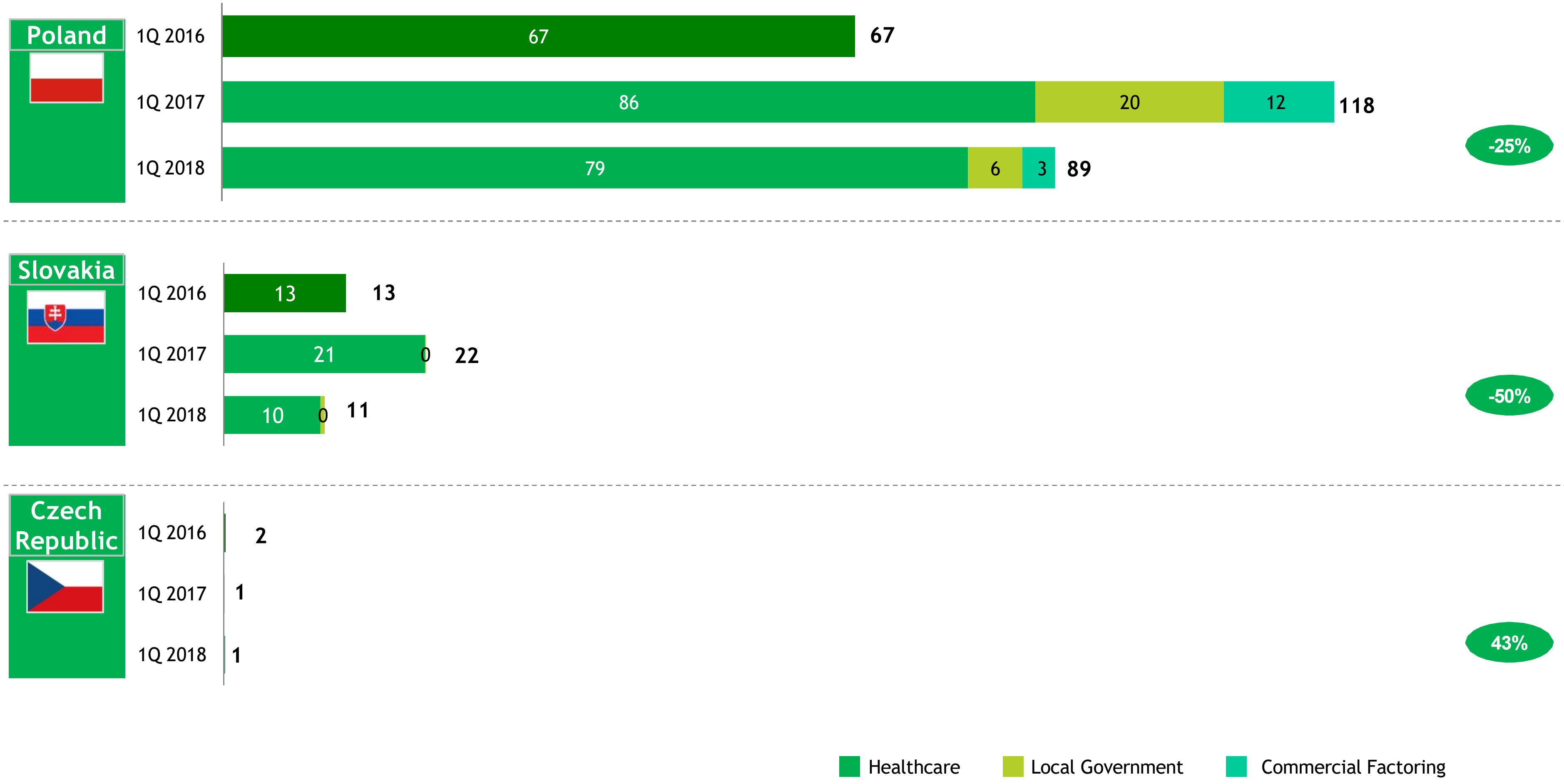
Non-recourse Volumes



New Business

New Business (€m)

New Business growth
1Q18 vs 1Q17



Adjusted Net Income Reconciliation

€m	1Q16	1Q17	1Q18
Group BFF Reported Net income	**15.3**	**34.2**	**19.8**
Change in LPI accounting from 40% to 45%		(17.8)	
One-off IPO costs	0.5	1.7	
Exchange rates movement (offset at the comprehensive income and equity level)		2.6	(0.5)
Stock options		1.1	1.0
Magellan acquisition costs	0.1		
Magellan Net Income	2.4		
Adjusted Net Income	**18.3**	**21.8**	**20.3**
Additional 2 months Tier II costs			0.8
Magellan SME factoring provision			0.9
Adjusted Net Income "like for like"	**18.3**	**21.8**	**22.0**

Summary Profit & Loss

€m	1Q16 Combined	1Q16 Adjustments	1Q16 Adjusted
Interest Income	45.6		45.6
Interest Expenses	-9.4		-9.4
Net Interest Income	**36.3**	**0.0**	**36.3**
Net Fee and Commission Income	1.7		1.7
Dividends	0.0		0.0
Gains/Losses on Trading	0.0		0.0
Gains/Losses on Hedging	0.0		0.0
Gains/losses on Purchase/Disposal of Available-for-Sale Financial Assets	0.3		0.3
Net Banking Income	**38.2**	**0.0**	**38.2**
Impairment Losses/Reversal on Financial Assets	-0.2		-0.2
Administrative Expenses	-12.8	0.9	-12.0
Writebacks on Property, Plan and Equipment and Intangible Assets	-0.7		-0.7
Provisions for risks and charges	-0.2		-0.2
Other Operating Income (Expenses)	0.5		0.5
Profit Before Income Taxes from Continuing Operations	**24.6**	**0.9**	**25.5**
Income Taxes	-7.0	-0.3	-7.2
Net Income	**17.7**	**0.6**	**18.3**

	1Q17 Reported	1Q17 Adjustments	1Q17 Adjusted	1Q18 Reported	1Q18 Adjustments	1Q18 Adjusted
Interest Income	79.9	-25.2	54.8	53.4		53.4
of which interest income calculated using the effective interest rate method	68.2	-25.2	43.1	47.0		47.0
Interest Expenses	-9.8		-9.8	-11.3		-11.3
Net Interest Income	**70.1**	**-25.2**	**45.0**	**42.2**		**42.2**
Net Fee and Commission Income	1.6		1.6	1.6		1.6
Dividends	0.0		0.0	0.0		0.0
Gains/Losses on Trading	-4.1	3.8	-0.3	0.7	-0.7	0.0
Fair value adjustments in hedge accounting	-0.3		-0.3	0.1		0.1
Gains/losses on disposal/repurchase of			0.0			
a) financial assets measured at amortized cost	0.0		0.0	0.0		0.0
b) financial assets measured at fair value through OCI	0.0		0.0	0.2		0.2
Net Banking Income	**67.4**	**-21.4**	**45.9**	**44.7**	**-0.7**	**44.0**
Net adjustments/reversals of impairment for credit risk concerning:			0.0			
a) financial assets measured at amortized cost	-0.7		-0.7	-1.0		-1.0
b) financial assets measured at fair value through OCI	0.0		0.0	0.0		0.0
Administrative Expenses	-18.7	3.9	-14.8	-15.8	1.3	-14.5
Net provisions for risks and charges			0.0			
a) commitments and guarantees provided			0.0	0.0		0.0
b) other net allocations	-0.3		-0.3	-0.3		-0.3
Net Adjustments to/ Writebacks on Property, Plan and Equipment and Intangible Assets	-0.8		-0.8	-0.8		-0.8
Other Operating Income (Expenses)	0.9		0.9	0.5		0.5
Profit Before Income Taxes from Continuing Operations	**47.8**	**-17.5**	**30.3**	**27.3**	**0.6**	**27.9**
Income Taxes	-13.6	5.1	-8.5	-7.5	-0.1	-7.6
Net Income	**34.2**	**-12.5**	**21.8**	**19.8**	**0.5**	**20.3**

Source: Company data

Summary Balance Sheet

€/m **Assets**	**1Q16 Combined**	**1Q17 Reported**
Cash and ash Balances	0.1	0.0
Financial Assets Held for Trading	0.0	0.0
Financial Assets at Fair Value	3.4	3.5
Available-for-Sale Financial Assets	458.4	515.1
Financial Assets Held to Maturity	981.4	1,716.5
Due from Banks	35.4	81.9
Receivables and Loans	2,270.2	2,531.2
Hedging derivatives	0.0	0.4
Equity Investments	0.1	1.3
Property, Plant and Equipment	13.0	12.8
Intangible Assets	2.7	25.5
Tax Assets	29.6	26.8
Other Assets	7.3	8.8
Total Assets	**3,801.5**	**4,923.8**
Liabilities and Equity		
Due to Banks	461.8	484.8
Due to Customers	2,123.4	3,219.2
Securities Issued	588.2	728.3
Financial Liabilities Held for Trading	0.2	1.1
Hedging Derivatives	0.0	1.1
Tax Liabilities	79.3	85.5
Other Liabilities	183.1	97.9
Employess Severance Indemnities	0.9	0.9
Provision for Risks and Charges	5.3	6.4
Equity	341.6	264.5
Profits for the Year	17.7	34.2
Total Liabilities and Equity	**3,801.5**	**4,923.8**

	FY17 Reported	**1Q18 Reported**
Cash and cash Balances	80.9	11.9
Financial assets measured at *fair value* through profit or loss	0.5	0.0
a) financial assets held for trading	0.0	0.0
b) financial assets designated at *fair value*	0.0	0.0
c) other financial assets mandatorily measured at *fair value*	0.5	0.0
Financial assets measured at fair value through OCI	101.4	152.6
Financial assets measured at amortized cost	4,183.9	3,851.1
a) Loans and receivables with banks	44.8	25.3
b) Loans and receivables with customers	4,139.1	3,825.8
Hedging derivatives	0.3	0.0
Equity Investments	0.3	0.3
Property, Plant and Equipment	12.8	12.7
Intangible Assets	26.0	25.7
Tax Assets	30.9	31.1
Other Assets	9.8	13.1
Total Assets	**4,446.9**	**4,098.5**
Liabilities and Equity		
Financial liabilities measured at amortized cost	3,944.1	3,536.6
a) deposits from banks	658.0	530.7
b) deposits from customers	2,496.0	2,275.0
c) securities issued	790.1	730.8
Financial Liabilities Held for Trading	0.5	0.1
Hedging Derivatives	0.0	0.0
Tax Liabilities	82.5	91.2
Other Liabilities	49.7	79.8
Employess Severance Indemnities	0.8	0.9
Provision for Risks and Charges	5.4	5.6
Equity	268.3	364.6
Profits for the Year	95.5	19.8
Total Liabilities and Equity	**4,446.9**	**4,098.5**

Source: Company data

Breakdown by quarter - BFF Group

Adjusted Values	2016 (including Magellan for full period)					2017					2018
Data in €/m	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q
Interest income	45.6	46.0	44.3	68.1	**204.0**	54.8	46.8	44.4	66.8	**212.8**	53.4
Interest expenses	(9.4)	(8.9)	(9.6)	(9.3)	**(37.1)**	(9.8)	(10.3)	(9.7)	(10.1)	**(39.9)**	(11.3)
Net interest income	36.3	37.2	34.7	58.8	**166.9**	45.0	36.4	34.8	56.7	**172.8**	42.2
Net banking income	38.2	38.7	37.3	60.6	**174.8**	45.9	38.4	36.8	59.1	**180.3**	44.0
Operating costs and D&A	(12.7)	(13.8)	(13.9)	(16.0)	**(56.4)**	(15.6)	(15.5)	(13.6)	(16.6)	**(61.2)**	(15.3)
LLPs	(0.2)	0.6	(0.5)	(2.5)	**(2.6)**	(0.7)	(1.2)	(0.4)	(3.7)	**(6.0)**	(1.0)
Profit Before Taxes	25.5	26.1	23.7	44.5	**119.8**	30.3	22.6	22.8	39.7	**115.3**	27.9
Income Taxes	(7.2)	(8.0)	(5.2)	(12.1)	**(32.5)**	(8.5)	(6.2)	(6.2)	(10.6)	**(31.6)**	(7.6)
Net income	18.3	18.1	18.5	32.5	**87.3**	21.8	16.3	16.5	29.1	**83.7**	20.3

Reported Values	2016					2017					2018
Data in €/m	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q
Interest income	37.5	40.5	44.1	68.1	**190.2**	79.9	46.8	44.4	66.8	**237.9**	53.4
Interest expenses	(5.7)	(6.5)	(10.0)	(8.9)	**(31.0)**	(9.8)	(10.3)	(9.7)	(10.1)	**(39.9)**	(11.3)
Net interest income	31.8	34.0	34.2	59.2	**159.2**	70.1	36.4	34.8	56.7	**198.0**	42.2
Net banking income	33.7	36.9	31.1	62.3	**164.0**	67.4	38.6	38.5	56.5	**200.8**	44.7
Operating costs and D&A	(12.0)	(18.4)	(16.2)	(19.7)	**(66.3)**	(19.5)	(15.5)	(13.6)	(16.6)	**(65.1)**	(16.6)
LLPs	(0.1)	0.7	(0.4)	(2.5)	**(2.2)**	(0.7)	(1.2)	(0.4)	(3.7)	**(6.0)**	(1.0)
Profit Before Taxes	21.7	19.7	15.2	42.5	**99.1**	47.8	22.7	24.4	37.0	**132.0**	27.3
Income Taxes	(6.4)	(6.6)	(2.6)	(11.4)	**(27.0)**	(13.6)	(6.3)	(6.8)	(9.8)	**(36.4)**	(7.5)
Net income	15.3	13.1	12.6	31.1	**72.1**	34.2	16.4	17.7	27.2	**95.5**	19.8

Asset quality

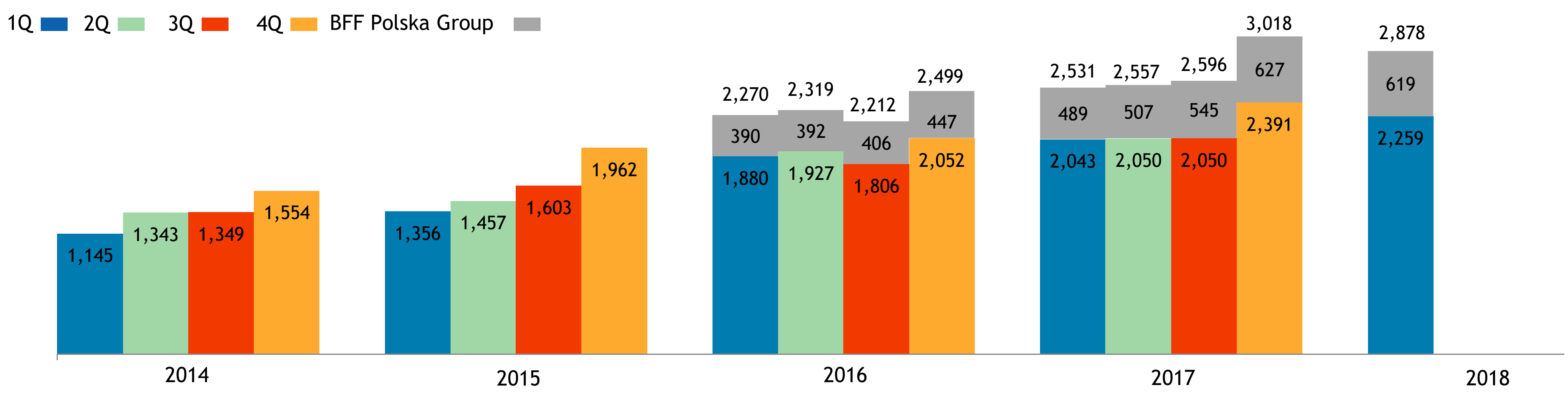
€/000	31/03/2018 Gross	Provision	Net
Net non performing - total	40,957	(21,266)	19,691
Net unlikely to pay	13,483	(3,580)	9,904
Net past due	87,145	(410)	86,735
Total net impaired assets	141,585	(25,256)	116,329

€/000	31/12/2017 Gross	Provision	Net
Net non performing - total	39,587	(21,412)	18,175
Net unlikely to pay	10,370	(3,610)	6,760
Net past due	69,935	(140)	69,794
Total net impaired assets	119,892	(25,162)	94,730

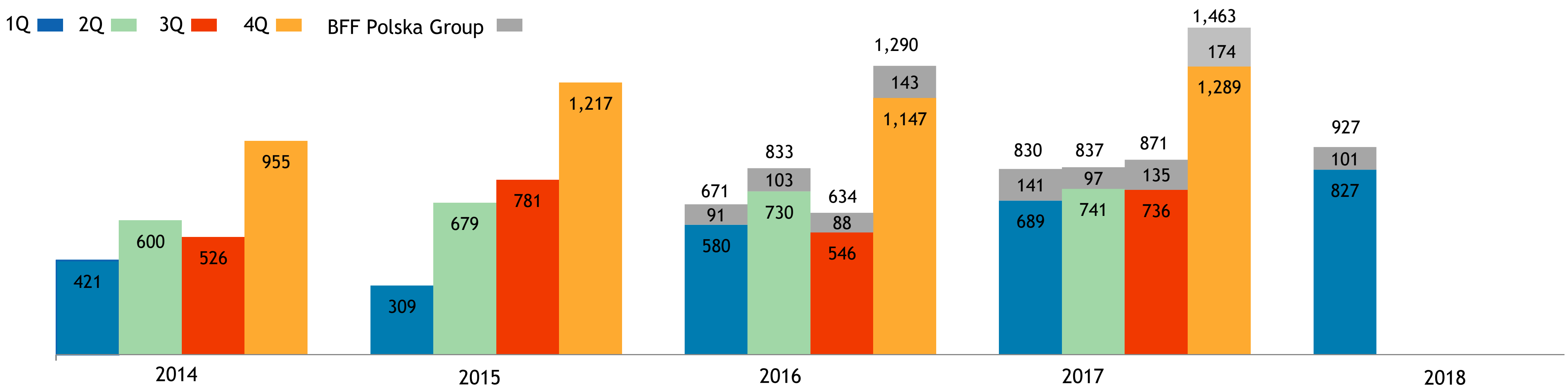
€/000	31/03/2017 Gross	Provision	Net
Net non performing - total	31,902	(19,104)	12,798
Net unlikely to pay	5,584	(1,013)	4,571
Net past due	45,153	(60)	45,093
Total net impaired assets	82,640	(20,177)	62,463

Traditional Business Subject to Seasonality, with Peak in Q4

Loans Evolution by Quarter(1) (€m)



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



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