

PRESS RELEASE

The Board of Directors of BFF approves the Parent Company's draft financial statements and the consolidated financial statements as of 31st December 2019, the proposal for the dividend distribution and calls the Shareholders' Meeting

Milan, 25th February 2020 – The Board of Directors of **Banca Farmafactoring S.p.A.** (“BFF” or the “Bank”), during today’s meeting chaired by Salvatore Messina, approved the draft financial statements of the Parent Company BFF and the consolidated financial statements as of 31st December 2019, confirming the results already disclosed to the market with the press release published on 10th February 2020, published after the Board of Directors’ meeting that approved the FY 2019 consolidated financial accounts.

During today’s meeting, the Board of Directors has approved also the first consolidated non-financial disclosure of BFF Banking Group, accordingly to art. 7 D.lgs. n°254 of December 30th, 2016, prepared on a voluntary basis since the Bank, considering its size, is not required to prepare such disclosure.

At a consolidated level, **BFF Banking Group** (“BFF Group”) closed FY 2019 with a Reported Net Income of €93.2m, compared to €92.2m in FY 2018, despite €3.7m of higher net extraordinary costs, and the negative impact after taxes due to the change in PLN/€ exchange rate (-€0.5m in 2019 vs. positive for €1.9m in 2018). Consolidated Adjusted Net Income in 2019 at a BFF Group level, calculated excluding extraordinary items, is equal to €99.8m, up by 8% compared to 2018 Adjusted Net Income, equal to €91.8m, despite €2.7m of lower net LPs over-recovery.

The Parent Company BFF closed FY 2019 with a Reported Net Income of €65.2m, compared to €73.4m in FY 2018.

In accordance with the dividend policy approved by the Bank’s Board of Directors, which provides the possibility to distribute to the Shareholders the portion of the Group's consolidated net income, generated during the year, in excess of the 15% Total Capital ratio threshold (calculated on the Banking Group perimeter, pursuant to the TUB – “*Testo Unico Bancario*”), the Bank intends to distribute to the Shareholders a total dividend of Euro 70,874,784, against the 2019 Consolidated Net Profit of Euro 93,156,528, as follows:

- for Euro 12,411,405 as dividends on the individual 2019 net profit of Banca Farmafactoring S.p.A. and proposed for the approval by the Shareholders at the Meeting called on 2nd April; and

- for Euro 58,463,379, equal to the total value of the 2019 net profits and reserves distributed by the subsidiary BFF Finance Iberia S.A.U. in favour of Banca Farmafactoring S.p.A. and currently being distributed by BFF Polska S.A., to be resolved, in the forms specified below, by the Board of Directors of BFF scheduled on 8th May 2020, for the approval of the 1Q 2020 results, i.e. once the aforementioned net profits and reserves are accounted in the individual financial statements of Banca Farmafactoring S.p.A..

Therefore, the Board of Directors:

- approved the proposal to distribute to the Shareholders part of Banca Farmafactoring S.p.A.'s 2019 individual profit for an amount equal to Euro 12,411,405, equivalent to a dividend of €0.0727 for each of the 170,602,717 issued shares;
- committed to implement all the actions necessary to allow, in compliance with the provisions of art. 2433-*bis* of the Italian Civil Code, and verified compliance with the individual regulatory capital ratios at the end of March 2020, the distribution of additional Euro 58,463,379 as interim dividends on the Bank's individual profits for the 1Q 2020, i.e. once the 2019 net profits and reserves of the subsidiaries BFF Finance Iberia S.A.U. and BFF Polska S.A. are accounted in the individual financial statements of Banca Farmafactoring S.p.A.

The residual amount of the individual 2019 net profit of Banca Farmafactoring S.p.A. equal to Euro 52,814,344 will be allocated to Class 1 regulatory capital.

Finally, the Board of Directors resolved to call the **Shareholders' Meeting**, both Ordinary and Extraordinary, in a single session on 2nd April 2020.

The financial statements for the year ended on 31st December 2019 and the cash distribution of a dividend of €0.0727 per ordinary share, before taxes, will be submitted to the Ordinary Shareholders' Meeting for approval; the cash dividend payment, if approved by the Shareholders' Meeting, will take place starting from 20th May 2020, with ex-dividend date on 18th May (coupon n° 3) and record date on 19th May.

The **notice of call of Shareholders' Meeting and the documentation** relative to the various agenda's items will be published according to conditions and within the terms provided by the current legislation.

Statement of the Financial Reporting Officer

The Financial Reporting Officer, Carlo Zanni, declares, pursuant to paragraph 2, article 154-*bis*, of the Consolidated Law on Finance ("*Testo Unico della Finanza*"), that the accounting information contained in this press release corresponds to the document results, books and accounting records of the Company.

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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