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PRESS RELEASE

ANNUAL SUPERVISORY REVIEW AND EVALUATION PROCESS (SREP) RESULTS

Milan, 12 March 2017 – BFF Banking Group has received – following the conclusion of the annual supervisory review and evaluation process (SREP) – from the Bank of Italy a notification of the initiation of the administrative procedure concerning capital decision adoption.

The regulatory authority has requested that the Group, pursuant to the CRR, comply with the following minimum capital ratios, each of which including the capital conservation buffer component:

- 6.55% in relation to the Common Equity Tier 1 ratio (CET1 ratio), previously set at 7.3%;
- 8.35% in relation to the Tier 1 Ratio, previously set at 9.8%;
- 10.75% in relation to the Total Capital Ratio (TCR), previously set at 13.0%.

The procedure shall have a 90-day duration, starting from 10 March 2017 (unless such term is suspended or interrupted in accordance with the applicable provisions of the

current legal framework). Within the first half of said 90-day term, the Group may submit statements and documents, which the Bank of Italy may take into consideration for the purposes of a possible amendment of the abovementioned requirements.
The new minimum capital ratio levels shall apply from the date of the first report filed with the regulatory authority following the conclusion of the procedure.

As of 31 December 2016, the CET1, Tier 1 and TCR capital ratios of the Group (as defined under the Italian Consolidated Banking Act) are equal to 16.7%.
These ratios are already net of the distribution of dividends for €72 million, equal to 2016 consolidated net profits.

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BFF Banking Group
BFF Banking Group is the leading player in Europe in the management and non-recourse factoring of receivables towards the Public Administrations. BFF Banking Group operates in Italy, Poland, Czech Republic, Slovakia, Spain and Portugal. In 2016 the Group's consolidated adjusted net profit was Euro 88 million.

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