

**PRESS RELEASE**

**Postponement of the proposed dividend distribution – Ordinary Shareholders' Meeting**

*Milan, 28<sup>th</sup> January 2021.*

Banca Farmafactoring S.p.A. (“**BFF**” or the “**Bank**”), following up on the [press release of 22<sup>th</sup> December 2020](#), through which the Bank had, *inter alia*, (i) called the ordinary Shareholders' Meeting on 28<sup>th</sup> January 2021 to resolve on the allocation of the 2019 individual profit equal to €12.4 million, awaiting the outcome of the interlocutions with the Bank of Italy (“**Bol**”), aimed at clarifying some aspects of the Bol's recommendation of 16<sup>th</sup> December 2020 on the dividends distribution (“**Bol Recommendation**”), without prejudice to the possibility of revoking the proposed resolution in the event of indications from the Supervisory Authority that conflict with the same proposal, and (ii) announced the possibility to call, on the same date, the Board of Directors' meeting to resolve on the interim dividend of the 2020 individual profit up to €58.5 million, in order to proceed, subject to the aforesaid Shareholders' Meeting resolution and the aforementioned discussions with Bol, with the distribution of the 2019 Cash Dividend of €70.9 million, announces the following.

The Bol has informed BFF to be unable to provide, before the date of the Shareholders' Meeting, a written response to the request made by the Bank on 17<sup>th</sup> December 2020, through which the latter highlighted the following arguments in support of the possibility of proceeding with the distribution:

- the FAQ published by the European Central Bank on 15<sup>th</sup> December 2020 seem to identify the parent companies of the “CRR” group as the subjects of the ECB Recommendation;
- the term “*dividend*” used in the Bol Recommendation refers only to “*cash payments that have the effect of reducing the level and the quality of the Common Equity Tier 1 [...]*”, while the amount of 2019 Cash Dividend has been excluded to date from the calculation of capital requirements (representing a reserve not used for the purposes of the composition of said requirements);
- in the authorisation documents for the acquisition of DEPObank, BFF represented to the Bdl its intention to proceed, starting from 1<sup>st</sup> January 2021, with the distribution of an amount equal to at least €70.9 million, and the confirmation of the current dividend policy. Given the numerous discussions, that took place during the filing, on the Group's current and future capital, BFF also represented to the Bdl that it also believes, consequently, that the condition of “*critically verifying in advance its own capital soundness and the related self-financing capacity*” has been verified, given that Bol and ECB approved the acquisition.

In the light of the above, in order to ensure in any case the adoption of a prudent approach,

inspired by the principles of compliance with supervisory regulations – and also in light of the approaches that, according to the Bank’s knowledge, the less significant Italian credit institutions are taking – pending a written feedback from Bol and/or the publication of interpretative criteria that provide clarifications also in relation to the scope of application of the Bol Recommendation, BFF’s Board of Directors has met today and resolved to give a mandate to the Chairman, during the ordinary Shareholders’ Meeting of today, 28<sup>th</sup> January 2021, to refrain from putting to vote the proposed resolution on 2019 profits distribution, and it has confirmed the commitment to distribute the 2019 Cash Dividend as soon as possible, in compliance with the regulator’s indications.

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It should also be noted that:

- the extraordinary Shareholders’ Meeting of the Bank, already called today, Thursday, 28<sup>th</sup> January 2021, at 10:00am, in a single call, at the registered office in Milan – Via Domenichino n. 5, will be held regularly;
- with regard to the proxies and the sub-delegations containing the voting instructions already conferred to the exclusive Designated Representative Computershare S.p.A., no change to the voting instructions will be necessary.

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This press release is available on-line on BFF Group’s website [www.bffgroup.com](http://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 12.0% Group CET1 ratio at the end of September 2020. [www.bffgroup.com](http://www.bffgroup.com)

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