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Oggetto : THE BOARD OF DIRECTORS
APPROVES THE CONSOLIDATED FIRST
HALF FINANCIAL RESULTS AS OF JUNE
30, 2017

Testo del comunicato

Vedi allegato.

Press Release

THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED FIRST HALF FINANCIAL RESULTS AS OF JUNE 30, 2017

Main consolidated results as of June 30, 2017 are compared with the Carve-Out Aggregate results as of June 30, 2016. The Carve-Out Aggregate results are intended to represent the historical financial performance of the servicing business and the effect of the acquisition of Italfondiaro in order to make the results comparable to the new economic position of the doBank Group.

- **Gross Revenues: €104.8 million, +15%** compared to €91.0 million;
- **Net Revenues: €95.6 million, +15%** compared to €82.9 million;
- **Ebitda: €30.3 million, +13%** compared to €26.8 million;
- **Ebitda Margin: 29%**, unchanged compared to the same period of 2016;
- **Net Result: €19.7 million, +34%** compared to €14.6 million;
- **Positive Net Financial position of €12 million** - adjusted for delayed payments received from the customers in July – compared to €29.5 million as at December 31, 2016;
- **CET1: 24%**, compared to 21%.

Portfolio Under Management

- **Gross Book value of assets under management (GBV): €79.5 billion**, compared to €83.3 billion;
- **Collections: €888 million, +37%** compared to €650 million.

Verona - August 2, 2017 – The Board of Directors of doBank S.p.A. (the “**Company**” or “**doBank**”) today approved the Consolidated First Half Financial Results at June 30, 2017. The document also includes a comparison of the income statement for the first half of 2017 with the Carve-Out Aggregate results as of June 30, 2016 in order to allow comparability at the same level of consolidation.

Andrea Mangoni, Chief Executive Officer of doBank, commented: *“In the first half of the year, doBank continued along its growth trajectory in line with the path indicated for its first quarter results, recording gross revenues increase by 15% and high profitability, with an EBITDA margin of 29%, despite the seasonality of its activities and extraordinary IT projects, which characterized the first part of the year. We continue to enjoy strong cash generation and a solid financial position.*

It has been a very intense time for our Group that has reached an important milestone with its debut on the Italian Stock Exchange on July 14th. Today, we are even more solid and ready to exploit the interesting growth prospects of a significantly sizeable market.”

As of June 30, 2017, doBank totaled Gross Revenues of €104.8 million, up by 15% compared to the Carve-Out Aggregate results of €91.0 million in the same period of the previous year.

In particular, **Servicing Revenues** – the Group's core business - of € 95.8 million, has increased by 14% with respect to €84.3 million at June 30, 2016, considering the improved results in terms of higher collections achieved by both doBank and Italfondiaro and also thanks to the new assets managed of €3.6 billion onboarded during the first semester 2017. **Revenues from ancillary products and minor activities**, which represent an important area of growth for the Group's strategy, increased by 32% compared to €6.7 million in the first half 2016, thanks to the contribution of business information services, administrative services and due diligence, as well as new services supplied to the Group's captive customers and to increased collaborations with them. **Net Revenues** of the first half 2017 totaled €95.6 million, +15% compared to €82.9 million in the same period 2016.

EBITDA for 1H17 was €30.3 million showing an improvement of 13% compared to the Carve-Out Aggregate results for the same period at € 26.8 million, with an EBITDA margin at 29% unchanged compared to the first half 2016

Operating costs amounted to €65.3 million with respect to €56.0 million in the same period 2016, affected by investments and extraordinary costs, mainly in IT for €5 million which will reduce in the second half of the year, as well as increased staff costs due to the gradual strengthening of the top management, consistent with the Group's structural changes that have occurred up to now. This cost dynamic was partially offset by savings achieved in Real Estate and SG&A, where we foresee further positive development in the second half of the year.

Net income (losses) from investments recorded in the period a capital gain of €1.5 million due to the closing in April 2017 of the sale of Gextrain line with the Group's strategy and accounted previously under the equity investment method.

Net result at June 30, 2017 was €19.7 million up by 34% compared to €14.6 million at June 30, 2016 as a consequence of the improvements indicated above.

Net Working Capital amounted to €87 million compared respectively to €79.3 million and the **Net Financial Position was positive** for €12 million at June 30, 2017, adjusted for payments received from the customers in July, compared to €29.5 million at December 31, 2016.

Tax Assets amounted €108.6 million in the period of reference, determined mainly from the use of the tax credit offsetting indirect taxes of €28.4 million (VAT and withholding tax).

CET1 ratio was 24% compared to 21% as of June 30, 2016 with an improvement mainly related to the increase in Own Funds.

Managed Portfolio

During the first half of 2017 **Assets Under Management (GBV) at June 30, 2017 were €79.5 billion**, compared to €83.3 billion, including the effect of new volumes under management of € 3.6 billion and subtracting the effect of collections, derecognitions and sales/transfer of portfolios.

At June 30, 2017, collections **amounted to € 888 million up by 37%** compared to €650 million as a result of the the greater effectiveness of the servicing platform coupled with the ability to take advantage of the mild improvement in the economic scenario.

SIGNIFICANT EVENTS IN THE FIRST HALF 2017

During the first half of 2017 the parent company doBank continued in the internal re-organisation activities with the intention of centralising into the parent company management, coordination, guidance and control functions. It also approved, in January, the new Corporate Governance project which provides for simplified Governance of the doBank and its subsidiaries, according to a principle of proportionality, and a stronger role of management and coordination of doBank in its capacity as parent company of the Group.

In the first quarter of 2017 doSolutions S.p.A. was set up, by contribution and demerger of the respective business units of doBank and Italfondario. doSolutions has become the Group's new technological hub, specialised in information technology, organisational support, back-office and logistic services in favour of the Group. During the period doBank also completed the migration of the IT platform from the provider UBIS of the UniCredit Group to an internal platform.

From March 2017 the merger between the Group's two real estate companies, Italfondario RE and doRealEstate, came into effect; this is aimed at integrating in a single unit the ancillary Real Estate services related to credit recovery.

In April, the company Gextra S.r.l. was sold to third parties. In the Financial Statements at December 31, 2016 Gextra was classified as an asset held for sale under the terms of IFRS 5.

In the second quarter of 2017 doBank acquired 5% of the notes of the two securitisation vehicles Mercuzio and Romeo, transferees of the portfolio owned by doBank, in line with its co-investment strategy.

SIGNIFICANT SUBSEQUENT EVENTS

On July 14, 2017 doBank made its debut on the Milan Stock Exchange with its first day of listing, timing-wise in advance compared to the initial plans given the strong interest raised by Italian and foreign institutional investors. The IPO was presented through a series of roadshows in the main European and American financial centers.

The offer price of the shares was €9.00 per share, thus determining a capitalisation of approximately €704 million net of treasury shares. 38.2 million shares were placed (47.7% of the share capital) after the greenshoe option and including 6.2 million shares for which the shareholder AVIO S.à r.l. exercised the increase option.

On July 31, 2017, doBank Group completed the signing of the servicing contracts with the two securitisation vehicles Fino 1 Securitization S.r.l. and Fino 2 Securitization S.r.l. The signing of these contracts is part of the so-called Project Fino, which provides for a securitisation under the terms of Italian Law 130/1999 of a portfolio

of non-performing loans owned by the UniCredit group for a total gross amount of approximately € 17.7 billion¹ (at June 30, 2016). With the signing of these contracts doBank maintains the management of the entire portfolio originally managed on behalf of UniCredit. This portfolio was already largely managed by doBank at the end of 2016, and it was further increased in January 2017 by approximately € 2.7 billion of gross book value.

The majority of the notes of the two vehicles (50.1%) was acquired by funds affiliated to Fortress, while UniCredit holds the remaining portion (49.9%).

As part of Project Fino, the doBank Group will also carry-out the new activities of Master Servicer and Corporate Servicer Provider. The contracts also envisage that doBank will provide to the vehicles Ancillary Services (mainly master legal services, commercial information and property appraisals), through its subsidiaries (doRealEstate and IBIS) and division Judicial Support, with the objective of increasing revenues from these activities.

BUSINESS OUTLOOK

For financial year 2017 the Group expects a scenario of growth in collections and higher operating efficiency on the basis of the contribution of both Servicing and Ancillary Products and Minor Activities, as well as it expects to complete the extraordinary IT projects and the Italfondiaro integration, with the aim of maintaining high operating cash generation in terms of EBITDA-Capex.

Conference Call in Webcast

The results at June 30, 2017 will be illustrated tomorrow, **Thursday August 3, at 12:00** during a conference call in audio-webcast held by the Group's Top Management.

The conference call can be followed in webcast mode connecting to the website www.dobank.com or through the following URL: <http://services.choruscall.eu/links/dobank170803.html>.

In alternative to webcast mode it will be possible to take part in the conference call calling one of the following numbers:

ITALY:	+39 02 805 88 11
UK:	+ 44 121 281 8003
USA:	+1 718 7058794

The presentation illustrated by the Top Management will be available from the start of the conference call on the website www.dobank.com in the section "Investor Relations / Other Presentations and Documents".

¹ These gross non-performing loans decreased to about € 16.2 billion at June 30, 2017 due to recovery activity.

Certification of the Corporate Accounting Documents Officer

Pursuant to Article 154 bis, Section 2, of the Uniform Financial Code, the Corporate Accounting Documents Officer, Mr Mauro Goatin, declares that the accounting information contained in this document is consistent with the data in the supporting documents and the Group's books of accounts and other accounting records.

The Half-Yearly Consolidated Financial Report at June 30, 2017 will be made available to the public, at the Company's Headquarters and at Borsa Italiana, as well as on the website www.dobank.com "Investor Relations / Financial Statements and Reports" within the legal deadlines.

The doBank Group

doBank, listed on the Electronic Equity Market (Mercato Telematico Azionario) organised and managed by Borsa Italiana S.p.A., is a leader, among independent servicers, in the business of managing primarily non-performing loans for banks and public and private financial institutions, with a loan portfolio under management of €81 billion (in terms of gross book value) at December 31, 2016, corresponding to more than half the volume of non-performing loans entrusted to external management in the Italian independent servicing market and approximately one third of the total volume of non-performing loans of the same market. The Gross Revenues of the doBank Group at December 31, 2016, as resulting from the Pro-Forma Consolidated Statements, were approximately €206.2 million and consisted for 93% of Servicing Revenues, for 4% of Revenues from ancillary products and for the remaining 3% of Revenues deriving from minor banking activities.

Contacts

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CONDENSED CONSOLIDATED INCOME STATEMENT

(€/000)

CONDENSED CONSOLIDATED INCOME STATEMENT	FIRST HALF YEAR				CHANGE		
	2017	2016		AMOUNT	%	1HY 2016	%
		CARVE-OUT	AGGREGATE				
Servicing revenues	95,816	84,287	11,529	14%	63,878	50%	
o/w Banks	89,242	77,538	11,704	15%	63,878	40%	
o/w Investors	6,574	6,749	(175)	-3%	-	n.s.	
Co-investment revenues	159	14	145	n.s.	14	n.s.	
Ancillary and other revenues	8,798	6,654	2,144	32%	1,728	n.s.	
Gross Revenues	104,773	90,955	13,818	15%	65,620	60%	
Outsourcing fees	(9,184)	(8,091)	(1,093)	14%	(7,016)	31%	
Net revenues	95,589	82,864	12,725	15%	58,604	63%	
Staff expenses	(40,686)	(37,307)	(3,379)	9%	(20,775)	96%	
Administrative expenses	(24,582)	(18,737)	(5,845)	31%	(11,944)	106%	
o/w IT	(12,362)	(5,775)	(6,587)	114%	(3,953)	n.s.	
o/w Real Estate	(4,047)	(4,589)	542	-12%	(2,651)	53%	
o/w SG&A	(8,173)	(8,373)	200	-2%	(5,340)	53%	
Operating expenses	(65,268)	(56,044)	(9,224)	16%	(32,719)	99%	
EBITDA	30,321	26,820	3,501	13%	25,885	17%	
EBITDA Margin	29%	29%	-1%	-2%	39%	-27%	
Impairment/Write-backs on property, plant, equipment and intangible assets	(837)	(825)	(12)	1%	(47)	n.s.	
Net Provisions for risks and charges	(1,179)	(1,079)	(100)	9%	(359)	n.s.	
Net Write-downs of loans	220	3	217	n.s.	6,211	-96%	
Net income (losses) from investments	1,494	-	1,494	n.s.	-	n.s.	
EBIT	30,019	24,919	5,100	20%	31,690	-5%	
Net financial interest and commission	(68)	(66)	(2)	3%	(281)	-76%	
EBT	29,951	24,853	5,098	21%	31,409	-5%	
Income tax for the period	(9,903)	(10,209)	306	-3%	(13,904)	-29%	
Profit (loss) from group of assets sold and held for sale net of tax	(390)	-	(390)	n.s.	-	n.s.	
Net Profit (Loss) for the period	19,658	14,644	5,014	34%	17,505	12%	
Minorities	-	-	-	n.s.	-	n.s.	
Net Profit (Loss) attributable to the Group before PPA	19,658	14,644	5,014	34%	17,505	12%	
Economic effects of "Purchase Price Allocation"	-	-	-	n.s.	-	n.s.	
Goodwill impairment	-	-	-	n.s.	-	n.s.	
Net Profit (Loss) attributable to the Group	19,658	14,644	5,014	34%	17,505	12%	
Dividend per share	0.25	0.22	0.03	12%	0.19	34%	

(€/000)

CONDENSED CONSOLIDATED INCOME STATEMENT	2Q				CHANGE		
	2017	2016		AMOUNT	%	2Q 2016	%
		CARVE-OUT	AGGREGATE				
Servicing revenues	54,095	49,735	4,360	9%	37,124	46%	
o/w Banks	50,788	46,087	4,701	10%	37,124	37%	
o/w Investors	3,307	3,648	(341)	-9%	-	n.s.	
Co-investment revenues	159	8	151	n.s.	8	n.s.	
Ancillary and other revenues	5,346	3,073	2,273	74%	(392)	n.s.	
Gross Revenues	59,600	52,816	6,784	13%	36,740	62%	
Outsourcing fees	(5,063)	(4,077)	(986)	24%	(3,577)	42%	
Net revenues	54,537	48,739	5,798	12%	33,163	64%	
Staff expenses	(21,194)	(19,103)	(2,091)	11%	(10,634)	99%	
Administrative expenses	(12,884)	(9,658)	(3,226)	33%	(4,936)	n.s.	
o/w IT	(6,055)	(2,864)	(3,191)	111%	(1,963)	n.s.	
o/w Real Estate	(1,938)	(2,364)	426	-18%	(1,377)	41%	
o/w SG&A	(4,891)	(4,430)	(461)	10%	(1,596)	n.s.	
Operating expenses	(34,078)	(28,761)	(5,317)	18%	(15,570)	119%	
EBITDA	20,459	19,978	481	2%	17,593	16%	
EBITDA Margin	34%	38%	-3%	-9%	48%	-28%	
Impairment/Write-backs on property, plant, equipment and intangible assets	(331)	(209)	(122)	58%	(23)	n.s.	
Net Provisions for risks and charges	(1,044)	(741)	(303)	41%	(14)	n.s.	
Net Write-downs of loans	150	2	148	n.s.	4,394	-97%	
Net income (losses) from investments	1,494	-	1,494	n.s.	-	n.s.	
EBIT	20,728	19,030	1,698	9%	21,950	-6%	
Net financial interest and commission	(22)	(37)	15	-41%	(133)	-83%	
EBT	20,706	18,993	1,713	9%	21,817	-5%	
Income tax for the period	(6,330)	(7,636)	1,306	-17%	(10,503)	-40%	
Profit (loss) from group of assets sold and held for sale net of tax	(49)	-	(49)	n.s.	-	n.s.	
Net Profit (Loss) for the period	14,327	11,357	2,970	26%	11,314	27%	
Minorities	-	-	-	n.s.	-	n.s.	
Net Profit (Loss) attributable to the Group before PPA	14,327	11,357	2,970	26%	11,314	27%	
Economic effects of "Purchase Price Allocation"	-	-	-	n.s.	-	n.s.	
Goodwill impairment	-	-	-	n.s.	-	n.s.	
Net Profit (Loss) attributable to the Group	14,327	11,357	2,970	26%	11,314	27%	
Dividend per share	0.18	0.14	0.04	27%	0.15	26%	

MAIN CONSOLIDATED BALANCE SHEET ITEMS

(€/000)

MAIN CONSOLIDATED BALANCE SHEET ITEMS	6/30/2017	12/31/2016	Change	
			€	%
TOTAL ASSETS	286,077	328,434	(42,357)	-13%
LOANS AND RECEIVABLES WITH BANKS	14,865	52,575	(37,710)	-72%
LOANS AND RECEIVABLES WITH CUSTOMERS	2,881	10,820	(7,939)	-73%
TAX ASSETS	108,578	143,030	(34,452)	-24%
OTHER ASSETS	146,593	114,103	32,490	28%
DEPOSITS FROM BANKS	13,115	13,076	39	0%
DEPOSITS FROM CUSTOMERS	10,920	11,060	(140)	-1%
OTHER LIABILITIES	50,073	55,986	(5,913)	-11%
SHAREHOLDERS' EQUITY	177,967	210,744	(32,777)	-16%
OWN FUNDS	120,177	106,945	13,232	12%
RWA	507,540	519,347	(11,807)	-2%
CET1 CAPITAL RATIO	23.68%	20.59%	3%	15%
TOTAL CAPITAL RATIO	23.68%	20.59%	3%	15%

KPIs

(€/000)

KEY PERFORMANCE INDICATORS	1HY 2017	1HY 2016 CARVE-OUT AGGREGATE	FY 2016 PRO-FORMA ¹	1HY 2016
Gross Book Value - in millions of Euro -	79,507	83,272	80,901	43,817
Collections of the period- in millions of Euro -	888	650	1,694	463
Collections of the period / GBV	1.1%	0.8%	2.1%	1.1%
Staff FTE / Total FTE	42.2%	40.6%	37.8%	44.4%
Collections of the period / Servicing FTE	1,326	972	2,229	1,351
Cost/Income ratio	68.3%	67.6%	65.9%	55.8%
EBITDA	30,321	26,820	64,307	25,885
EBT	29,951	24,853	64,222	31,409
EBITDA Margin	28.9%	29.5%	31.2%	39.4%
EBT Margin	28.6%	27.3%	31.1%	47.9%
ROE	10.1%	8.4%	21.8%	10.4%
EBITDA - Capex	28,176	23,662	62,645	23,400
Net Working Capital	107,036	84,083	79,320	56,405
Net Financial Position	(8,108)	(4,472)	29,459	(4,140)

¹ Pro-Forma produced in accordance with the Consob Communication no. DEM/1052803 of 2001. For further insights, please refer to the Registration Document published on the website www.dobank.com. For Net Working Capital and Net Financial Position, data derive from the Consolidated Financial Statements as at 12/31/2016 of the doBank Group

Fine Comunicato n.1967-8

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