



# SPAFID CONNECT

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Diffusione presunta

Oggetto : The Board of Directors approves the draft financial statements for 2017

*Testo del comunicato*

Vedi allegato.

## Press release

### THE BOARD OF DIRECTORS APPROVES THE DRAFT FINANCIAL STATEMENTS FOR 2017

**Verona, March 13, 2018** – Confirming the preliminary results disclosed on February 12, 2018, the Board of Directors of doBank S.p.A. (the “**Company**” or “**doBank**”) today approved the draft financial statements, which will be submitted to the approval of the Shareholders’ Meeting, and the consolidated financial statements at December 31, 2017.

Main consolidated results as at December 31, 2017 compared with the pro-forma<sup>1</sup> figures as at December 31, 2016.

**Gross revenues: €213.0 million, +3%** compared with €206.2 million in 2016:

- **Net revenues: €194.9 million, +3%** compared with €188.4 million;
- **EBITDA: €70.1 million, +9%** compared with €64.3 million;
- **EBITDA margin: 33%**, an increase of 2 percentage points compared with 31%;
- **Net profit: €45.0 million, +11%** compared with €40.4 million;
- **Earnings per share: €0.58, +11%** compared with €0.52;
- **Net financial position a positive (cash) €38.6 million**, an improvement on the €29.5 million posted at December 31, 2016;
- **CET1: 26.4%**, compared with 20.6% at December 31, 2016;

#### Portfolio under management

- **Gross book value (GBV) of assets under management amounted to €76.7 billion**, compared with €80.9 billion at December 31, 2016;
- **Collections amounted to €1.84 billion, +8%** compared with €1.69 billion in 2016,<sup>2</sup> in line with the guidance.

The Board of Directors has resolved to propose to the Shareholders’ Meeting the distribution of dividends related to the fiscal year 2017 for **€ 31,496,000**, equal to **€0.394**, before taxes, per each ordinary share<sup>3</sup>, **corresponding to 70% of consolidated net income (70% payout)**.

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<sup>1</sup> The pro-forma 2016 figures have been prepared in conformity with Consob Notice no. DEM/1052803 of 2001 in order to retrospectively reflect the significant effects of the special operations that took place in the second half of 2016, namely (i) the acquisition of 100% of Italfondario, and (ii) the derecognition of the securitised loan portfolio (“Romeo Transaction”) and other minor connected transactions, as though they had taken place as at January 1, 2016.

<sup>2</sup> The growth rate of 8% refers to net collections in 2016 for Italfondario; alternatively, if we consider gross collections in 2016 for Italfondario, the growth rate would be +3%.

<sup>3</sup> For the purpose of calculating the dividend per share, all ordinary shares of doBank as of December 31, 2017 were considered, including treasury shares corresponding to 2,19% of share capital.

At December 31, 2017, doBank had **gross revenues** of €213.0 million, up 3% compared with €206.2 million of the previous year (2016 pro-forma).

More specifically, **servicing revenues**, generated by the Group's core business, amounted to €196.6 million, an increase of 3% compared with the €191.8 million posted in 2016. Contributing to this performance were both the increase in collections and a slight rise in average fees due to the collection mix, factors that more than offset the decline in revenues from base fees associated with the contraction in the average gross portfolio under management and the small decrease in portfolio transfer indemnities.

**Revenues from co-investment** and **revenues from ancillary products and minor activities**, which totalled €16.5 million overall, increased by 14% compared with 2016, when they had amounted to €14.4 million, thanks to the contribution of master servicing activities, administrative, property and business information services, as well as the growth in profits from co-investment.

**Net revenues** at December 31, 2017 amounted to €194.9 million, +3% compared with the €188.4 million registered in 2016. Fee and commission expense totalled €18.1 million compared with €17.8 million in 2016, a slight decline as a percentage of gross revenues.

**EBITDA** at December 31, 2017 amounted to €70.1 million, an increase of 9% compared with 2016 pro-forma, when the figure was €64.3 million. As a percentage of revenues, EBITDA margin rose significantly, from 31% in 2016 to 33% in 2017.

**Operating expenses** were broadly unchanged at €124.8 million, compared with €124.1 million in 2016. The increase in staff expenses, +2% in 2017 compared with the previous year, associated with the strengthening of top management and the introduction of a new incentive mechanism following the listing, was almost entirely offset by savings in other cost areas, including real estate costs and other overheads, confirming the inherent operating leverage in the business.

**Net income (losses) from investments** as at December 31, 2017 amounted to €2.8 million, including the net result on the sale of Gextra and the positive impact of the profit from the investment in BCC Gestione Crediti, which is accounted for using the equity method.

**Net profit at December 31, 2017 amounted to €45.0 million, up 11%** compared with the €40.4 million posted at December 31, 2016.

**Net working capital** amounted to €78.3 million, an improvement compared with the €79.3 million registered at December 31, 2016, attributable to a decrease in trade receivables, despite the higher revenues. The **positive net financial position** (cash) amounted to €38.6 million at December 31, 2017, compared with €29.5 million at the end of 2016 and €25.4 million at September 30, 2017. In 2017 doBank finalised the project to consolidate the Parent Company's credit lines, agreeing new 3-year bank facilities on improved terms and conditions.

**Tax assets** amounted to €94.2 million at the end of 2017, down from the €143.0 million a year earlier, mainly reflecting the use of tax credits to offset indirect taxes (VAT and withholding tax).

The **CET1 ratio** is 26%, compared to 21% as at December 31, 2016, such improvement mainly associated to the increase in own funds. By including in the consolidation perimeter, only for regulatory authorities purposes ("Group CRR"), the parent company Avio S.à.r.l., not consolidated in the Group's accounting net equity, the CET1 ratio as of December 31, 2017 is equal to 31%.

## Portfolio under management

**Assets Under Management (GBV)** at December 31, 2017 **totalled €76.7 billion**, compared with €80.9 billion at the end of 2016, reflecting the effect of new assets under management of €3.0 billion, net of the impact of collections, cancellations and portfolio sales. In the last quarter of 2017, in line with Group expectations, a number of major special servicing agreements for portfolios of non-performing loans were signed. These included the preliminary agreement for the management of around €8 billion (GBV) originated by the MPS Group and the definitive agreement for the management of a portfolio of about €1 billion (GBV) associated with the Berenice operation. On January 24, 2018 a definitive accord was signed with REV S.p.A. for the management as special servicer of a portfolio of non-performing loans of about €2.4 billion (GBV). Considering the value of the new agreements, which is in line with Group expectations, assets under management (GBV) at the end of 2017 would amount to €88.1 billion.

**Collections** on loans under management in 2017 **amounted to €1,836 million, an increase of +8%** compared with €1,694 million (considering net collections for Italfondinario in 2016), or +3% (considering gross collections), thanks to the increased effectiveness of management operations and the capacity to exploit the improvement in economic conditions, despite the contraction of about 5% compared with 2016 in the average portfolio under management (GBV). Collections in 2017 represented 2.4% of assets under management (GBV) at the end of the period, a significant increase on the 2.1% posted in 2016.

## FINANCIAL RESULTS OF doBank S.p.A. SEPARATE FINANCIAL STATEMENTS

The Board of Directors has also approved the financial statements for the fiscal year 2017 of the group parent company doBank S.p.A., which reported net revenues equal to €135,1 million (€125,8 million in 2016), EBITDA equal to €53,0 million (€53,4 million in 2016) and Net Income, after taxes, equal to €33,9 million (€41,0 million in 2016).

## DIVIDEND PROPOSAL

The Board of Directors has resolved to propose to the Shareholders' Meeting the distribution of dividends related to the fiscal year 2017 for **€31,496,000**, equal to **€0.394**, before taxes, per each ordinary share<sup>4</sup>, **corresponding to 70% of consolidated net income (70% payout)**. No dividend will be distributed in relation to treasury shares held by doBank as of the dividend record date. The dividend, pending approval by the Shareholder's Meeting, will be payable as of May 23, 2018 (with coupon detachment on May 21 and record date on May 22).

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

There were no significant events after the end of the period.

## OUTLOOK

For 2018, the Group expects a substantial increase in assets under management (GBV), of which more than €11 billion in the first quarter alone, and an improvement in collection capacity which is expected to significantly increase collections. The Group will continue to benefit from its operating leverage, with a positive impact on EBITDA and cash flow generation in terms of EBITDA-Capex. doBank expects to provide an update of its industrial plan within the first half of 2018.

<sup>4</sup> For the purpose of calculating the dividend per share, all ordinary shares of doBank as of December 31, 2017 were considered, including treasury shares corresponding to 2,19% of share capital.

## OTHER RESOLUTIONS OF THE BOARD OF DIRECTORS

In today's meeting, the Board of Directors has also approved the following:

- The "Dichiarazione Non Finanziaria" as of December 31, 2017, which discloses non-financial indicators as per Italian law D.Lgs 254/2016;
- The Corporate Governance report as per Italian law art. 123-bis of D.lgs 24 February 1998, n. 58

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### **Certification of the financial reporting officer**

Mauro Goatin, in his capacity as the officer responsible for preparing corporate accounting documents, certifies – pursuant to Article 154-bis, paragraph 2, of Legislative Decree 58/1998 (the Consolidated Financial Intermediation Act) – that the accounting information in this press release is consistent with the data in the accounting documentation, books and other accounting records.

All the documents submitted to the approval of the Shareholders' Meeting, including the Annual Financial Report as at December 31, 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](http://www.dobank.com) in the "Investor Relations / Financial Reports and Presentations" and "Governance / Shareholders Meeting" section by the statutory deadlines.

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### **doBank S.p.A.**

doBank, listed on the Electronic Stock Market (*Mercato Telematico Azionario*) organised and operated by Borsa Italiana S.p.A. since July 2017, is the leading player in Italy in the business of managing loans, primarily non-performing. With more than 17 years of experience in the sector and asset under management of Euro 77 billion as of December 31, 2017, the Group is a historical partner to primary Italian and international financial institutions and investors.

With an outstanding operating model the Group manages all stages in the life-cycle of the loans and has received top Servicing Ratings at European level.

In 2017, doBank had gross revenues of about Euro 213 million with an EBITDA margin of 33% and a high level of cash generation.

### **Contacts**

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## CONDENSED CONSOLIDATED INCOME STATEMENT

(€/000)

Condensed consolidated income statement	Year		Change		Year	Change
	2017	2016 PF	Amount	%		
Servicing revenues	196.554	191.754	4.800	3%	160.512	22%
o/w Banks	159.763	169.305	(9.542)	(6)%	149.130	7%
o/w Investors	36.791	22.449	14.342	64%	11.382	n.s.
Co-investment revenues	665	25	640	n.s.	25	n.s.
Ancillary and other revenues	15.796	14.402	1.394	10%	3.672	n.s.
<b>Gross Revenues</b>	<b>213.015</b>	<b>206.181</b>	<b>6.834</b>	<b>3%</b>	<b>164.209</b>	<b>30%</b>
Outsourcing fees	(18.087)	(17.767)	(320)	2%	(17.276)	5%
<b>Net revenues</b>	<b>194.928</b>	<b>188.414</b>	<b>6.514</b>	<b>3%</b>	<b>146.933</b>	<b>33%</b>
Staff expenses	(83.391)	(81.570)	(1.821)	2%	(58.638)	42%
Administrative expenses	(41.435)	(42.537)	1.102	(3)%	(30.279)	37%
o/w IT	(17.784)	(14.253)	(3.531)	25%	(12.444)	43%
o/w Real Estate	(8.086)	(9.114)	1.028	(11)%	(6.340)	28%
o/w SG&A	(15.565)	(19.170)	3.605	(19)%	(11.495)	35%
<b>Operating expenses</b>	<b>(124.826)</b>	<b>(124.107)</b>	<b>(719)</b>	<b>1%</b>	<b>(88.917)</b>	<b>40%</b>
<b>EBITDA</b>	<b>70.102</b>	<b>64.307</b>	<b>5.795</b>	<b>9%</b>	<b>58.016</b>	<b>21%</b>
EBITDA Margin	33%	31%	2%	6%	35%	(7)%
Impairment/Write-backs on property, plant, equipment and intangible assets	(2.284)	(1.720)	(564)	33%	(588)	n.s.
Net Provisions for risks and charges	(4.041)	1.538	(5.579)	n.s.	5.549	n.s.
Net Write-downs of loans	1.776	114	1.662	n.s.	8.186	(78)%
Net income (losses) from investments	2.765	179	2.586	n.s.	7.625	(64)%
<b>EBIT</b>	<b>68.318</b>	<b>64.418</b>	<b>3.900</b>	<b>6%</b>	<b>78.788</b>	<b>(13)%</b>
Net financial interest and commission	(184)	(196)	12	(6)%	(502)	(63)%
<b>EBT</b>	<b>68.134</b>	<b>64.222</b>	<b>3.912</b>	<b>6%</b>	<b>78.286</b>	<b>(13)%</b>
Income tax for the period	(22.750)	(23.550)	800	(3)%	(26.763)	(15)%
Profit (loss) from group of assets sold and held for sale net of tax	(390)	(1.435)	1.045	(73)%	(350)	11%
<b>Net Profit (Loss) for the period</b>	<b>44.994</b>	<b>39.237</b>	<b>5.757</b>	<b>15%</b>	<b>51.173</b>	<b>(12)%</b>
Minorities	-	-	-	n.s.	-	n.s.
<b>Net Profit (Loss) attributable to the Group before PPA</b>	<b>44.994</b>	<b>39.237</b>	<b>5.757</b>	<b>15%</b>	<b>51.173</b>	<b>(12)%</b>
Economic effects of "Purchase Price Allocation"	-	1.157	(1.157)	(100)%	1.157	(100)%
Goodwill impairment	-	-	-	n.s.	-	n.s.
<b>Net Profit (Loss) attributable to the Group</b>	<b>44.994</b>	<b>40.394</b>	<b>4.600</b>	<b>11%</b>	<b>52.330</b>	<b>(14)%</b>
<b>Earnings per share</b>	<b>0,58</b>	<b>0,52</b>	<b>0,06</b>	<b>11%</b>	<b>0,67</b>	<b>(14)%</b>

## CONSOLIDATED BALANCE SHEET

€/000)

Assets	12/31/2017	12/31/2016	Change	
			Amount	%
10 Cash and cash equivalents	21	18	3	17%
40 Available-for-sale financial assets	24.001	1.047	22.954	2192%
60 Loans and receivables with banks	49.449	52.575	(3.126)	-6%
70 Loans and receivables with customers	2.853	10.820	(7.967)	-74%
100 Equity investments	2.879	1.608	1.271	79%
120 Property, plant and equipment	1.819	638	1.181	185%
130 Intangible assets	4.506	2.079	2.427	117%
of which goodwill	-	-	-	n.s.
140 Tax assets	94.187	143.030	(48.843)	-34%
a) Current tax assets	165	37.722	(37.557)	-100%
b) Deferred tax assets	94.022	105.308	(11.286)	-11%
of which pursuant to Law 214/2011	55.406	55.406	-	0%
150 Non-current assets and disposal groups held for sale	10	2.516	(2.506)	-100%
160 Other assets	117.775	114.103	3.672	3%
<b>Total assets</b>	<b>297.500</b>	<b>328.434</b>	<b>(30.934)</b>	<b>-9%</b>

Liabilities and shareholders' equity	12/31/2017	12/31/2016	Change	
			Amount	%
10 Due to banks	-	13.076	(13.076)	ns
20 Due to customers	12.106	11.060	1.046	9%
80 Tax liabilities	3.852	219	3.633	1659%
a) Current tax liabilities	3.405	199	3.206	1611%
b) Deferred tax liabilities	447	20	427	2135%
90 Liabilities associated with non-current assets and disposal groups held for sale	-	1.738	(1.738)	-100%
100 Other liabilities	37.906	55.986	(18.080)	-32%
110 Employee termination benefits	10.360	10.240	120	1%
120 Provisions for risks and charges	26.579	25.371	1.208	5%
a) Pensions and similar obligations	-	-	-	n.s.
b) Other provisions	26.579	25.371	1.208	5%
140 Valuation reserves	1.350	256	-	-
170 Reserves	119.350	117.155	2.195	2%
190 Share capital	41.280	41.280	-	0%
200 Treasury shares (-)	(277)	(277)	-	0%
210 Minorities (+/-)	-	-	-	-
220 Net profit (loss) (+/-)	44.994	52.330	(7.336)	-14%
<b>Total liabilities and shareholders' equity</b>	<b>297.500</b>	<b>328.434</b>	<b>(30.934)</b>	<b>-9%</b>

## KEY PERFORMANCE INDICATORS

(€/000)

Key performance indicators	12/31/2017	12/31/2016 PF	12/31/2016
Gross Book Value (Eop) - <i>in millions of Euro</i> -	76.703	80.901	80.901
Collections for the period- <i>in millions of Euro</i> -	1.836	1.694	1.188
Collections for the period/GBV (EoP)	2,4%	2,1%	1,5%
Staff FTE/Total FTE	44%	40%	40%
Collections for the period/Servicing FTE	2.812	2.368	1.662
Cost/Income ratio	64%	66%	61%
EBITDA	70.102	64.307	58.016
EBT	68.134	64.222	78.286
EBITDA Margin	33%	31%	35%
EBT Margin	32%	31%	48%
ROE	22%	22%	28%
EBITDA – Capex	64.436	62.645	30.748
Net Working Capital	78.265	79.320	79.320
Net Financial Position of cash/(debt)	38.605	29.459	29.459



Fine Comunicato n.1967-12

Numero di Pagine: 9