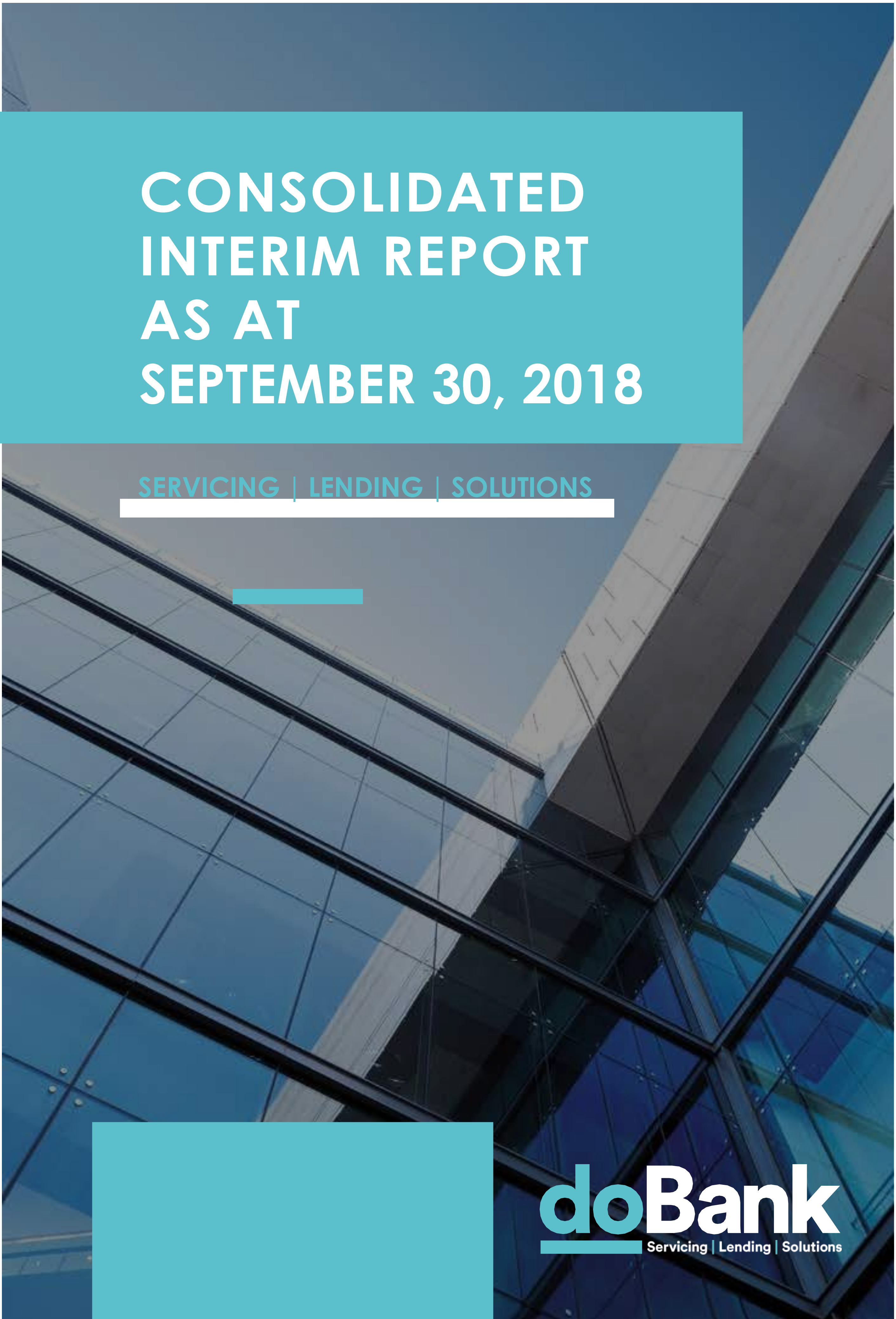
CONSOLIDATED INTERIM REPORT AS AT SEPTEMBER 30, 2018

SERVICING | LENDING | SOLUTIONS



doBank
Servicing | Lending | Solutions

CONSOLIDATED INTERIM REPORT AS AT SEPTEMBER 30, 2018

Registered office: Piazzetta Monte, 1 – 37121 Verona

Share capital €41,280,000.00 fully paid-up

Bank registered in the Register of Banks ABI code no. 10639

Parent Company of the doBank Banking Group registered in the Register of Banking Groups – code no. 10639

Registered in the Company Register of Verona, Tax ID no. 00390840239 and VAT registration no. 2659940239

Member of the National Interbank Deposit Guarantee Fund

www.dobank.com

CONTENTS

GOVERNING AND CONTROL BODIES

BOARD OF DIRECTORS

Chairman	Giovanni Castellaneta (2)
CEO	Andrea Mangoni
Directors	Francesco Colasanti (6)
	Emanuela Da Rin
	Giovanni Battista Dagnino (3) (2)
	Nunzio Guglielmino (4) (5)
	Giovanni Lo Storto (1) (6)
	Giuseppe Ranieri

BOARD OF STATUTORY AUDITORS

Chairwoman	Chiara Molon (7)
Standing Auditors	Francesco Mariano Bonifacio (8)
	Nicola Lorito (8)
Alternate Auditors	Sonia Peron
	Roberta Senni

AUDIT FIRM	**EY S.p.A.**
Financial Reporting Officer	**Mauro Goatin**

At the date this Consolidated Interim Report was approved

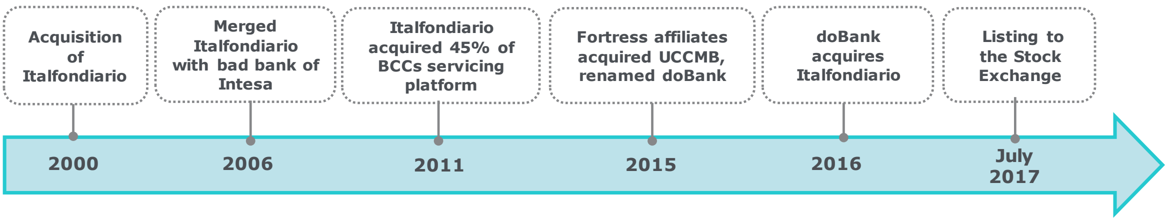
Notes
(1) Chairman Appointments Committee
(2) Member Appointments Committee
(3) Chairman Risk and Operations with Affiliated Persons Committee
(4) Member Risk and Operations with Affiliated Persons Committee
(5) Chairman Remuneration Committee
(6) Member Remuneration Committee
(7) Chairman Supervisory Committee, pursuant to Legislative Decree 231/2001
(8) Member Supervisory Committee, pursuant to Legislative Decree 231/2001

GROUP STRUCTURE

The following chart shows the composition of the doBank Group at September 30, 2018:

doBank was formed in 2015 from the acquisition, under the leadership of Fortress, of Italy's two largest independent servicers.

In 2016, doBank acquired 100% of Italfondiario, one of Italy's leading managers of performing and non-performing receivables on an outsourcing basis: the doBank Group was born, a market leader with more than 18 years of experience in the sector in Italy.



NOTE TO THE CONSOLIDATED INTERIM REPORT

Basis of preparation

The Consolidated Interim Report as at September 30, 2018, has been prepared on a voluntary basis in order to ensure continuity with the previous quarterly report as at March 31, 2018, as Legislative Decree 25/2016 implementing Directive 2013/50/EU eliminated the requirement for periodic financial reporting in addition to the half-year and annual reports.

The financial statements in this Consolidated Interim Report have been prepared in compliance with the applicable IAS/IFRS, from which no departures have been made.
The document has not been prepared in accordance with the international accounting standard applicable to interim reporting (IAS 34 – Interim Financial Reporting) in view of the fact that the doBank Group applies that standard in the preparation of its Consolidated Half-Year Report and not to its quarterly reporting.

Consistent with the previous periodic reports, the Consolidated Interim Report as at September 30, 2018 has been prepared in thousands of euros – unless otherwise indicated – and includes the reclassified financial statements, as well as the consolidated financial statements prepared in compliance with the 5° update of Bank of Italy Circular 262/2005.
These latter, in addition to amounts for the period under review, present the corresponding comparative figures as at September 30,, 2017 for the income statement and the cash flow statement and as at December 31, 2017 for the balance sheet.
Those comparative figures have been reclassified and represented in accordance with the new schedules introduced with the 5th update of Circular 262.

The Consolidated Interim Report as at September 30, 2018 has been prepared on a going-concern basis in compliance with the provisions of IAS 1, and on an accrual basis in accordance with the principles of the relevance and materiality of accounting information, the prevalence of economic substance over legal form and with a view to facilitating consistency with future presentations.

Scope and method of consolidation

As at September 30, 2018, the Group comprises the Parent Company doBank S.p.A., the wholly-owned subsidiaries doRealEstate S.p.A., Italfondiario S.p.A., doData S.r.l. (former IBIS S.r.l.), doSolutions S.p.A. and New Bank SC S.p.A. not yet operational.

During the third quarter, Italfondiario S.p.A.'s 45% interest in BCC Gestione Crediti S.p.A. was sold, with the recognition of a gain of €0.9 million.

The methods used to account for the subsidiaries (line-by-line consolidation) and the associate (equity-method accounting) are the same as those adopted for the 2017 Annual Report of the doBank Group, which readers are invited to consult.

The financial statements of the Parent Company and the other companies used to prepare the Interim Report are those prepared as at September 30, 2018. Where necessary, the financial statements of consolidated companies that may have been prepared on the basis of different accounting policies have been adjusted to ensure their consistency with the Group's accounting policies.

Accounting policies

In application of Legislative Decree 38 of February 25, 2005, this Consolidated Interim Report as at September 30, 2018 has been prepared in accordance with the accounting standards issued by the International Accounting Standards Board (IASB), including SIC and IFRIC interpretations, endorsed by the European Commission, as provided for in Regulation (EU) no. 1606 of July 19, 2002.

The accounting policies adopted in these condensed interim consolidated financial statements at September 30, 2018 for the recognition, measurement and derecognition of assets and liabilities and the recognition of costs and revenues have been updated from those adopted in the preparation of the consolidated financial statements as at December 31, 2017 following the entry into force as from January 1, 2018, of the new international accounting standards IFRS 9 – "Financial Instruments" and IFRS 15 – "Revenue from Contracts with Customers".

Effects of first-time adoption of IFRS 9 – Financial Instruments

On November 29, 2016, Regulation (EU) no. 2016/2067 was published in the *Official Journal of the European Union*, introducing the new international accounting standard IFRS 9 Financial Instruments. Starting from January 1, 2018, this standard replaces IAS 39, which, for financial statements for the year ending December 31, 2017, governed the classification and measurement of financial instruments.

The new standard introduces a model under which the classification of financial assets is guided, on the one hand, by the contractual characteristics of the cash flows of the instrument itself (SPPI criterion - solely payments of principal and interest) and, on the other hand, by the management intent (business model) with which the instrument is held.

The new provisions on financial assets replace the four classes envisaged under IAS 39 with the following categories determined on the basis of the two drivers indicated above:

- Financial assets measured at fair value through profit or loss;
- Financial assets measured at fair value through other comprehensive income.
- Financial assets measured at amortised cost;

Financial assets can be recognised at amortised cost or at fair value through other comprehensive income only if they pass the test on the contractual characteristics of the instrument's cash flows (SPPI test).

Equity securities are always measured at fair value through profit or loss unless the entity irrevocably elects, at initial recognition, for shares not held for trading to present changes in value in an equity reserve that will never be transferred to profit or loss, even if the financial instrument is transferred (no recycling).

With regard to the provisions on impairment, the criterion of incurred losses has been replaced with that of expected losses, moving forward the recognition of write-downs in profit or loss from the time of impairment to an earlier moment, i.e. the time of a significant increase in the credit risk and requiring in any case a write-down corresponding to the expected loss at 12 months on the entire performing portfolio without a sign of any significant increase in risk. In particular, IFRS 9 requires the recognition of expected losses according to an impairment method divided into three stages of impairment:

- 12-month expected loss (stage 1): this applies to all exposures in the absence of a significant increase in credit risk;
- lifetime expected loss (stage 2 and stage 3): this applies to performing financial assets when there has been a significant increase in credit risk (stage 2) and to impaired financial assets (stage 3) regardless of whether it is recognised on an individual or collective basis.

In 2017 the Group undertook a specific project with an initial assessment phase to identify the main gaps, a design phase aimed at identifying the steps necessary for the conversion to the new accounting standard and, finally, an implementation phase that was completed in the first quarter of 2018.

The entire project was developed with the direct involvement of the Administration, Finance

and Control and Risk Management Functions in the definition of the guidelines and the policies preparatory to the implementation of IFRS 9, which were submitted for approval to the Board of Directors. Considering the pervasive impacts of IFRS 9, other Group units were also involved in the project within the framework of thematic working groups (mainly business units like the Banking Function and organisational and IT units).
The following provides a summary of the effects of the new presentation of the comparative balances at December 31, 2017 for the balance sheet and at September 30, 2017 for the income statement, and the impact of the first-time adoption of IFRS 9 on the consolidated shareholders' equity of the doBank Group at January 1, 2018.

New presentation of comparative figures

In line with the transitional rules for IFRS 9, the Group has not restated the comparative figures as at 31 December 2017 for the balance sheet and at September 30, 2017 for the income statement and therefore all the periodic comparative values are measured in accordance with the accounting standards used for the preparation of the 2017 consolidated financial statements.
For the sole purpose of enabling a uniform comparison of data for the period, the balance sheet and income statement layouts have therefore been reclassified and newly presented in items consistent with the composition of those items for 2018 and with the balance sheet and income statement schedules provided for in the 5th update of Bank of Italy Circular 262, as detailed below.

The portfolio of financial assets measured at fair value through other comprehensive income includes debt securities (BOTs) of €1 million, which are characterised by cash flows consisting solely of repayments of principal and interest and are held exclusively for the purpose of compliance with the regulatory Liquidity Coverage Ratio (LCR) requirement. These securities were previously classified as assets available for sale (AFS).

The portfolio of financial assets measured at fair value through profit or loss includes the remaining and more substantial assets previously classified in the AFS portfolio. This includes (i) the units of the Italian Recovery Fund (former Atlante II) in the amount of €15.2 million, whose cash flows generated by the sale of units do not represent solely payments of principal and interest; (ii) ABSs issued in the Romeo SPV and Mercuzio Securitization securitisations in the amount of €7.7 million, which did not pass the SPPI test, and (iii) the equity security represented by the participating financial instrument in Nomisma S.p.A. in the amount of €43 thousand, for which the Group has not exercised the "OCI option".

The portfolio of financial assets measured at amortised cost corresponds to the IFRS 9 portfolio denominated "Hold to collect" (HTC), which is held for long-term investment purposes and consists of all the assets previously classified under loans and receivables with banks (€49.4 million) and loans and receivables with customers (€2.9 million) that are held for long-term investment purposes and have passed the SPPI test

Statement reconciling the Financial Statements as 2017 Reports and Accounts and IFRS 9 Financial Statements (5th Circular 262 update) as at December 31, 2017 for Balance Sheet and September 30, 2017 for Income Statement (reclassification of IAS 39 balances).

(€/000)

IAS 39 - 4th Circular 262 update		STOCKS			IFRS 9 - 5th Circular 262 update	
Assets		**12/31/2017**	**Impacts of classification**	**12/31/2017 RESTATED**	**Assets**	
10	Cash and cash equiv alents	21	-	21	10	Cash and cash equiv alents
n.a.		-	22,998	22,998	20	Financial assets measured at fair v alue through profit or loss c) Other financial assets mandatorily measured at fair v alue through profit or loss
40	Financial assets held for trading	24,001	(22,998)	1,003	30	Financial assets measured at fair v alue through comprehensiv e income
60	Loans and receiv ables with banks	49,449	-	49,449	40	Financial assets measured at amortised cost a) Loans and receiv ables with banks
70	Loans and receiv ables with customers	2,853	-	2,853	40	Financial assets measured at amortised cost b) Loans and receiv ables with customers
100	Equity inv estments	2,879	-	2,879	70	Equity inv estments
120	Property, plant and equipment	1,819	953	2,772	90	Property, plant and equipment
130	Intangible assets	4,506	-	4,506	100	Intangible assets
140	Tax assets	94,187	-	94,187	110	Tax assets
150	Non-current assets and disposal groups held for sale	10	-	10	120	Non-current assets and disposal groups held for sale
160	Other assets	117,775	(953)	116,822	130	Other assets
	Total assets	**297,500**	**-**	**297,500**		

IAS 39 - 4th Circular 262 update		STOCKS			IFRS 9 - 5th Circular 262 update	
Liabilities and shareholders' equity		**12/31/2017**	**Impacts of classification**	**12/31/2017 RESTATED**	**Liabilities and shareholders' equity**	
20	Due to customers	12,106	-	12,106	10	Financial liabilities measured at amortised cost b) Due to customers
80	Tax liabilities	3,852	-	3,852	60	Tax liabilities
	a) current	*3,405*	*427*	*3,832*		*a) current*
	b) deferred	*447*	*(427)*	*20*		*b) deferred*
100	Other liabilities	37,906	-	37,906	80	Other liabilities
110	Employee termination benefits	10,360	-	10,360	90	Employee termination benefits
120	Prov isions for risks and charges	26,579	-	26,579	100	Prov isions for risks and charges
140	Valuation reserv es	1,350	(1,125)	225	120	Valuation reserv es
170	Reserv es	119,350	1,125	120,475	150	Reserv es
190	Share capital	41,280	-	41,280	170	Share capital
200	Treasury shares (-)	(277)	-	(277)	180	Treasury shares (-)
220	Net profit (loss) for the period (+/-)	44,994	-	44,994	200	Net profit (loss) for the period (+/-)
	Total liabilities and shareholders' equity	**297,500**	**-**	**297,500**		

Income statement

(€/000)

IAS 39 - 4th Circular 262 update		STOCKS			IFRS 9 - 5th Circular 262 update	
		9/30/2017	Impacts of classification	9/30/2017 RESTATED		
10	Interest income and similar revenues	473	-	473	10	Interest income and similar revenues
20	Interest expense and similar charges	(167)	-	(167)	20	Interest expense and similar charges
30	**Net interest income**	**306**	**-**	**306**	**30**	**Net interest income**
40	Fee and commission income	132,624	-	132,624	40	Fee and commission income
50	Fee and commission expense	(11,406)	-	(11,406)	50	Fee and commission expense
60	**Net fee and commission income**	**121,218**	**-**	**121,218**	**60**	**Net fee and commission income**
n.a		-	8	8	100	Gains (losses) on disposal and repurchase of: b) Financial assets measured at fair value through comprehensive income
110	Gains and losses on financial assets/liabilities at fair value through profit or loss	5	(8)	(3)	110	Gains and losses on financial assets/liabilities at fair value through profit or loss: b) Other financial assets mandatorily measured at fair value
120	**Gross income**	**121,529**	**-**	**121,529**	**120**	**Gross income**
130	Net losses/recoveries on impairment: a) Loans	38	-	38	130	Net losses/recoveries on impairment for credit risk: a) Financial assets measured at amortised cost
140	Net profit from financial activities	121,567	-	121,567	150	Net profit from financial activities
170	**Net profit from financial and insurance activities**	**121,567**	**-**	**121,567**	**180**	**Net profit from financial and insurance activities**
180	Administrative costs:	(93,185)	-	(93,185)	190	Administrative costs:
	a) Staff expense	(58,985)	-	(58,985)		a) Staff expense
	b) Other administrative expense	(34,200)	-	(34,200)		b) Other administrative expense
190	Net provisions for risks and charges	(1,187)	-	(1,187)	200	Net provisions for risks and charges b) Other net provisions
200	Impairment/write-backs on property, plant and equipment	(263)	-	(263)	210	Impairment/write-backs on property, plant and equipment
210	Impairment/write-backs on intangible assets	(1,149)	-	(1,149)	220	Impairment/write-backs on intangible assets
220	Other operating expense and income	13,175	-	13,175	230	Other operating expense and income
230	**Operating costs**	**(82,609)**	**-**	**(82,609)**	**240**	**Operating costs**
240	Profit (Loss) of equity investments	407	-	407	250	Profit (Loss) of equity investments
270	Gains (losses) on disposal of investments	1,494	-	1,494	280	Gains (losses) on disposal of investments
280	**Profit (loss) before tax from continuing operations**	**40,859**	**-**	**40,859**	**290**	**Profit (loss) before tax from continuing operations**
290	Income tax expense from continuing operations	(13,555)	-	(13,555)	300	Income tax expense from continuing operations
300	**Profit (loss) after tax from continuing operations**	**27,304**	**-**	**27,304**	**310**	**Profit (loss) after tax from continuing operations**
310	Profit (loss) after tax from discontinued operations	(390)	-	(390)	320	Profit (loss) after tax from discontinued operations
320	Net profit (loss) for the year	26,914	-	26,914	330	Net profit (loss) for the year
340	**Profit (loss) for the year attributable to shareholders of the Parent Company**	**26,914**	-	**26,914**	**350**	**Profit (loss) for the year attributable to shareholders of the Parent Company**

First Time Adoption – FTA

The effects of the adoption of IFRS 9 associated with the application of the new impairment criterion and the effects of the measurement of financial assets are shown below as a consequence of the performance of the SPPI test and the identification of the business model. These effects, which impact both the amount and the composition of shareholders' equity, mainly reflect:

- the obligation to recalculate writedowns of the financial assets in the portfolio using the "expected credit losses" approach rather than the previous "incurred credit losses" model. More specifically, with regard to performing exposures, the increase/decrease in writedowns reflected:
    - the classification in Stage 2 of part of a portfolio with a consequent "lifetime" ECL adjustment;
    - the application of writedowns to portfolios previously not subject to impairment (loans and receivables with banks, government securities);
- the need to reclassify certain financial assets in the portfolio based on the combined result of the two classification drivers provided for under the standard, i.e. the business model on the basis of which these instruments are held and the contractual characteristics of the associated cash flows (SPPI test).

The overall effect of the above was a reduction in the Group's consolidated shareholders' equity of €21 thousand.
The most significant tax impact, equal to €427 thousand, is due to the reversal of the taxation on the valuation reserve of ABS securities on the current tax fund, which fair value change from January 1, 2018 is through profit or loss and no longer comprehensive income.

Statements reconciling the Balance Sheet as at December 31, 2017 (ex IAS 39) and the Balance Sheet at January 1, 2018 (IFRS 9)

(€/000)

IFRS 9 - 5th Circular 262 update Assets	AMOUNTS AT 12/31/2017 RESTATED (A)	Impact of transition to IFRS 9 (B)	AMOUNTS AT 01/01/2018 (C) = (A) + (B)
10 Cash and cash equiv alents	21	-	21
20 c) Other financial assets mandatorily measured at fair v alue through profit or loss	22,998	2	23,000
30 Financial assets measured at fair v alue through comprehensiv e income	1,003	-	1,003
40 Financial assets measured at amortised cost a) Loans and receiv ables with banks	49,449	(1)	49,448
40 Financial assets measured at amortised cost a) Loans and receiv ables with customers	2,853	16	2,869
70 Equity inv estments	2,879	-	2,879
90 Property, plant and equipment	1,819	953	2,772
100 Intangible assets	4,506	-	4,506
110 Tax assets	94,187	-	94,187
120 Non-current assets and disposal groups held for sale	10	-	10
130 Other assets	117,775	(988)	116,787
Total assets	**297,500**	**(18)**	**297,482**

IFRS 9 - 5th Circular 262 update Liabilities and shareholders' equity	AMOUNTS AT 12/31/2017 RESTATED (A)	Impact of transition to IFRS 9 (B)	AMOUNTS AT 01/01/2018 (C) = (A) + (B)
10 Financial liabilities measured at amortised cost b) Due to customers	12,106	-	12,106
60 Tax liabilities	3,852	-	3,852
a) current	*3,405*	*427*	*3,832*
b) deferred	*447*	*(427)*	*20*
80 Other liabilities	37,906	-	37,906
90 Employee termination benefits	10,360	-	10,360
100 Prov isions for risks and charges a) Commitments and guarantees issued	-	3	3
100 Prov isions for risks and charges b) Other prov isions	26,579	-	26,579
120 Valuation reserv es	1,350	(1,125)	225
150 Reserv es	119,350	1,104	120,454
170 Share capital	41,280	-	41,280
180 Treasury shares (-)	(277)	-	(277)
200 Net profit (loss) for the period (+/-)	44,994	-	44,994
Total liabilities and shareholders' equity	**297,500**	**(18)**	**297,482**

Statement reconciling IAS 39 shareholders' equity and IFRS 9 shareholders' equity

(€/000)

	01/01/2018 Impact of transition to IFRS 9
Shareholders' equity IAS 39	**206,697**
CLASSIFICATION AND MEASUREMENT	**2**
Adjustment of the carrying amount of financial assets due to change in business model	2
Adjustment to fair value of financial assets due to failure of SPPI test	-
Reclassification from valuation reserves to retained earning:	-
- net change in valuation reserves due to the application of new classification rules and measurement	(1,125)
- net change in retained earnings due to the application of new classification rules and measurement	1,125
IMPAIRMENT	**(23)**
Application of the new impairment model (ECL) to loans and receivables measured at amortised cost	**(19)**
- performing (Stage 1 and stage 2)	(19)
- non-performing (Stage 3)	-
Application of the new impairment model (ECL) to guarantees granted and commitments (irrevocable and revocable) to disburse funds	(3)
Application of the new impairment model (ECL) to debt securities at amortised cost	(1)
Reclassification from valuation reserves to retained earnings:	
- net change in valuation reserves for impairment of financial assets measured at fair value through comprehensive income	-
- net change in retained earnings for impairment of financial assets measured at fair value through	-
Taxation impact	-
Attribution of IFRS 9 transition impact to non-controlling interests	-
Total IFRS 9 transition impact	**(21)**
Shareholder's equity IFRS 9	**206,676**

First Time Adoption of IFRS 15 – Revenue from Contracts with Customer

IFRS 15 establishes a new revenue recognition model that applies to all contracts with customers with the exception of those that fall within the scope of application of other IAS/IFRS such as leases, insurance contracts and financial instruments.
The assessment conducted at the Group level found that the application of the new standard had essentially no quantitative impact or process effects.

INTERIM REPORT ON OPERATIONS

Introduction

The summary results and the performance and financial indicators are based on the accounting data. They are used by management to monitor performance and for management reporting purposes. They are also consistent with measurement metrics commonly adopted in the sector, ensuring the comparability of the figures presented.

The Group's business

The doBank Group is a leader in Italy in the management of primarily non-performing loans for banks, investors and public and private financial institutions (Servicing), with a portfolio under management of about €83.5 billion (Gross Book Value) at the end of September 2018 (€76.7 billion at the end of 2017). doBank is also present in the promising Greek market for servicing non-performing loans and currently manages a portfolio worth about €1.8 billion under an engagement from four local systemic banks. The doBank Group also provides ancillary commercial, real estate and legal products and services (Ancillary Products) as well as engaging in other minor banking activities, which mainly regard the management, purchase and sale of non-performing loans.

Within the Group, doBank and its subsidiary Italfondiario perform Special and Master Servicing activities, while Ancillary Products connected with recovery activities are offered through other companies (doData and doRealEstate) or internal units (Judicial Management).

Within the Servicing business, the services offered by the doBank Group include, among others:

- "Collection and Recovery": services comprising all loan administration, management and recovery activities, utilising in court and out-of-court recovery processes for and on behalf of third parties with regard to portfolios of performing, unlikely-to-pay (UTP) and non-performing loans (NPL, bad loans);

- "Due Diligence": services including the collection and organisation of information in data room environments as well as the analysis and assessment of loan portfolios for the preparation of business plans for collection and recovery activities;

- "Structuring": services including structuring securitisation transactions under Law 130/1999 as well as performing the role of authorized entity in securitisation transactions;

- "Co-investment": activities of co-investment in loan portfolios in partnership with major financial investors, where such activities are instrumental in obtaining servicing contracts. This business involves taking minority positions in securities issued by securitisation vehicles governed by Law 130/1999.

The Ancillary Products connected with recovery activities include, among others, the collection, processing and provision of commercial, real estate and legal information relating to debtors as well as the provision of legal services. Among the minor activities, the Group also offers selected banking products, primarily linked to its Servicing activities, such as granting mortgage loans, mainly in foreclosure auctions, and managing deposit accounts for selected clients, which together are designated Ancillary Products and Other

Minor Activities.

Both doBank and Italfondiario, in their capacity as special servicers, have been rated “RSS1-/CSS1-“ by Fitch Ratings, and “Strong” by Standard & Poor’s. The Servicer Ratings assigned to doBank and Italfondiario are the highest of those assigned to Italian operators in the sector. In addition, these ratings were assigned to doBank and Italfondiario back in 2008, before any other operator in the industry in Italy. In 2017, doBank was also assigned a Master Servicer rating of “RMS2/CMS2/ABMS2” by Fitch Ratings.

The doBank Group has long been a major partner of leading Italian and foreign financial institutions and institutional investors. The Group’s customer base, which has further diversified in the last 2 years, can be divided into two main categories that reflect the type of activity carried out: (i) Banks, for which the Group mainly performs “Collection and Recovery” activities and (ii) Investors, for which doBank also carries out “Due Diligence” and “Structuring” activities as well as “Collection and Recovery”. doBank offers both groups of customers the entire range of Ancillary Products connected with Recovery activities.

The Group has begun a corporate reorganisation that will increase the specialisation of the operating companies. Among other changes, the new Group structure provides for the formation of an operating company (whose name is still under discussion) specialised in special services activities and real estate services, with the centralisation of master servicing and Group cash management activities with Italfondiario.

Group highlights

(€/000)

Key data of the consolidated income statement	First nine months		Change	
	2018	2017	Amount	%
Gross Revenues	161,923	145,681	16,242	11%
Net Revenues	145,915	132,381	13,534	10%
Operating expenses	(91,522)	(90,679)	(843)	1%
EBITDA	54,393	41,702	12,691	30%
EBITDA Margin	34%	29%	5%	17%
EBT	54,598	40,860	13,738	34%
EBT Margin	34%	28%	6%	20%
Net Profit (Loss) attributable to the Group	34,764	26,914	7,850	29%

(€/000)

Key data of the consolidated balance sheet	9/30/2018	12/31/2017	Change	
			€	%
Cash and liquid securities	49,483	50,364	(881)	(2)%
Financial assets	39,245	25,960	13,285	51%
Trade receivables	98,551	99,337	(786)	(1)%
Tax assets	93,595	103,941	(10,346)	(10)%
Total assets	300,858	297,500	3,358	1%
Financial liabilities	11,982	11,759	223	2%
Trade payables	15,865	21,072	(5,207)	(25)%
Other liabilities	18,089	14,928	3,161	21%
Provisions for risks and charges	18,838	26,579	(7,741)	(29)%
Shareholders' equity	214,532	206,697	7,835	4%

(€/000)

Regulatory Indicators - C.B.A.	9/30/2018	12/31/2017	Change		9/30/2018
			€	%	CRR Group
Own Funds	157,800	141,535	16,265	11%	142,086
RWA	541,408	535,492	5,916	1%	581,242
CET 1 capital ratio	29.15%	26.43%	2.72%	10%	24.45%
Total capital ratio	29.15%	26.43%	2.72%	10%	24.45%

In order to facilitate an understanding of the doBank Group's performance and financial position, a number of alternative performance metrics ("Key Performance Indicators" or "KPIs") have been identified by the Group. They are summarised in the following table.

(€/000)

Key performance indicators	9/30/2018	9/30/2017	12/31/2017
Gross Book Value (Eop) - in millions of Euro -	83,549	78,863	76,703
Collections for the period - in millions of Euro -	1,334	1,234	1,836
Collections for the Last Twelve Months (LTM) - in millions of Euro -	1,936	1,913	1,836
LTM Collections/GBV (EoP)	2.3%	2.4%	2.4%
LTM Collections Stock/GBV Stock (EoP)	2.5%	2.5%	2.4%
Staff FTE/Total FTE	36%	34%	37%
LTM Collections/Servicing FTE	2,600	2,485	2,510
Cost/Income ratio	63%	68%	64%
EBITDA	54,393	41,702	70,102
EBT	54,598	40,860	68,134
EBITDA Margin	34%	29%	33%
EBT Margin	34%	28%	32%
EBITDA – Capex	51,143	37,890	63,545
Net Working Capital	82,686	83,622	78,265
Net Financial Position of cash/(debt)	37,501	25,446	38,605

Key

Gross Book Value (EoP): Indicates the book value of the loans under management at the end of the reference period, gross of any potential write-downs due to expected loan losses.

Collections for the period: used to calculate commissions for the purpose of determining revenues from the servicing business, they illustrate the Group's ability to extract value from the portfolio under management.

Collections for last 12 months (LTM): collections in the twelve months prior to the reference date. The aggregate is used in interim periods to enable a like-for-like comparison with the annual figure.

LTM collections/GBV (Gross Book Value): the ratio between total gross LTM collections and the period-end GBV of the total portfolio under management. This indicator represents another metric to analyse collections for the period and LTM in absolute terms, calculated in relation to the effectiveness rate of collections, i.e. the yield of the portfolio under management in terms of annual collections and, consequently, commission income from management activities.

LTM collections Stock/GBV Stock (Gross Book Value): the ratio between total gross LTM collections on the portfolio at the start of the reference year and the end-period GBV of that portfolio. Compared with the previous indicator LTM collections/GBV, this metric represents the effectiveness rate of recoveries normalised for the entry of new portfolios during the reference year.

Staff FTE/Total FTE: the ratio between the number of employees who perform support activities and the total number of full-time employees of the Group. The indicator illustrates the efficiency of the operating structure and the focus on management activities.

LTM collections/Servicing FTE: the ratio between total LTM collections and the number of employees who perform servicing activities. The indicator provides an indication of the collection efficiency rate, i.e. the yield of each individual employee specialised in servicing activities in terms of annual collections on the portfolio under management.

Cost/Income ratio: calculated as the ratio between operating expenses and total operating revenues presented in the reclassified Income Statement. It is one of the main indicators of the Group's operating efficiency: the lower the value of the indicator, the greater the efficiency of the Group.

EBITDA and **EBT:** together with other relative profitability indicators, they highlight changes in operating performance and provide useful information regarding the Group's economic performance.

EBITDA Margin and **EBT Margin**: obtained by dividing EBITDA and EBT by **Gross Revenues**.

EBITDA – Capex: calculated as EBITDA net of investments in fixed capital (including property, plant and equipment and intangible assets) ("Capex"). Together with other relative profitability indicators, it highlights changes in operating performance and provides an indication on the Group's ability to generate cash. As from 2018, Capex also includes leasehold improvements. Accordingly the figure for 2017 has been adjusted in accordance with this approach.

Net Working Capital: this is represented by receivables for fees invoiced and accruing, net of payables to suppliers for invoices accounted for and falling due in the period.

Net Financial Position: this is calculated as the sum of cash, cash equivalents and highly-liquid securities, net of amounts due to banks for loans and due to customers for the current accounts opened with the Group.

GROUP RESULTS AT SEPTEMBER 30, 2018

Performance

The following table presents the reclassified consolidated income statement as at September 30, 2018 with comparative figures as at September 30, 2017.

(€/000)

Condensed consolidated income statement	First nine months		Change	
	2018	2017	Amount	%
Servicing revenues	144,172	132,112	12,060	9%
o/w Banks	*93,007*	*114,866*	*(21,859)*	*(19)%*
o/w Investors	*51,165*	*17,246*	*33,919*	*n.s.*
Co-investment revenues	714	418	296	71%
Ancillary and other revenues	17,037	13,151	3,886	30%
Gross Revenues	**161,923**	**145,681**	**16,242**	**11%**
Outsourcing fees	(16,008)	(13,300)	(2,708)	20%
Net revenues	**145,915**	**132,381**	**13,534**	**10%**
Staff expenses	(68,092)	(58,808)	(9,284)	16%
Administrative expenses	(23,430)	(31,871)	8,441	(26)%
o/w IT	*(9,323)*	*(14,047)*	*4,724*	*(34)%*
o/w Real Estate	*(6,169)*	*(5,836)*	*(333)*	*6%*
o/w SG&A	*(7,938)*	*(11,988)*	*4,050*	*(34)%*
Operating expenses	**(91,522)**	**(90,679)**	**(843)**	**1%**
EBITDA	**54,393**	**41,702**	**12,691**	**30%**
EBITDA Margin	34%	29%	5%	17%
Impairment/Write-backs on property, plant, equipment and intangible assets	(1,797)	(1,619)	(178)	11%
Net Provisions for risks and charges	148	(1,189)	1,337	(112)%
Net Write-downs of loans	450	210	240	114%
Net income (losses) from investments	917	1,901	(984)	(52)%
EBIT	**54,111**	**41,005**	**13,106**	**32%**
Net financial interest and commissions	487	(145)	632	n.s.
EBT	**54,598**	**40,860**	**13,738**	**34%**
Income tax for the year	(19,834)	(13,556)	(6,278)	46%
Profit (loss) from group of assets sold and held for sale net of tax	-	(390)	390	(100)%
Net Profit (Loss) for the period	**34,764**	**26,914**	**7,850**	**29%**
Earnings per share	**0.44**	**0.34**	**0.10**	**29%**

The formation of EBITDA

EBITDA amounted to €54.4 million, an increase of €12.7 million on the first nine months of 2017 (+30%), equal to 34% of revenues, an improvement of about 5 percentage points compared with 29% of 2017. The growth in EBITDA accelerated sharply in the third quarter of the year (+78% on the third quarter of 2017). The factors driving this trend include the positive impact of the new contracts onboarded in 2018 and differences in the seasonal distribution of collections compared with 2017, when collections were more highly concentrated in the first half of the year.

(€/000)

Net revenues	First nine months		Change	
	2018	2017	Amount	%
Servicing revenues	144,172	132,112	12,060	9%
o/w Banks	*93,007*	*114,866*	*(21,859)*	*(19)%*
o/w Investors	*51,165*	*17,246*	*33,919*	*n.s.*
Co-investment revenues	714	418	*296*	*71%*
Ancillary and other revenues	17,037	13,151	*3,886*	*30%*
Gross Revenues	**161,923**	**145,681**	**16,242**	**11%**
Outsourcing fees	(16,008)	(13,300)	*(2,708)*	*20%*
Net revenues	**145,915**	**132,381**	**13,534**	***10%***

The improvement in EBITDA was driven by the performance of gross revenues, which in the third quarter of 2018 amounted to €161.9 million, an increase of 11% compared with September 30, 2017. The significant increase in the Investors segment and the contraction in the Banks segment (-19%), in line with expectations, reflected the inclusion, beginning the third quarter of 2017, of revenues from the Fino 1 and Fino 2 Securitisation portfolios originated by UniCredit, which had already been managed in part by the Group under an MSA.

Servicing revenues amounted to €144.2 million, an increase of 9% on the same period of the previous year, a pronounced improvement on the contraction of 1% registered at the end of June 2018. The gain reflected an expansion in the volume of recoveries and the consequent increase in performance fees, an increase in revenues from portfolio transfer indemnities and a rise in revenues from base fees.
Collections as a ratio of end-period Gross Book Value (expressed by the indicator "LTM Collections/GBV (EoP)") in the last 12 months amounted to 2.3%, compared with 2.4% for the first nine months of 2017 (an improvement on the 2.1% posted at the end of June 2018). The slight decline, in line with expectations, was associated with the developments noted in the onboarding of new management contracts, which occurred only gradually over the course of the first nine months of 2018 quarter and is not net fully reflected in collections for the period. Excluding new management contracts, the "LTM Collections/GBV (EoP)" would be 2.5%, an increase on the 2.4% posted at December 31, 2017 and June 30, 2018.

Revenues from co-investment at the end of the third quarter of 2018 also performed well, benefitting from revenues from the ABSs of the Romeo SPV and Mercuzio Securitisation securitisations. An additional major contribution also came from **revenues from ancillary products and minor activities,** which are generated primarily by business information services, due diligence activities and administrative servicing. They represented 10.5% of total gross revenues (the corresponding figure at September 30, 2017 was 9%), an increase of 30% compared with the same period of 2017.
Fee and commission expense rose by 20% on 2017, essentially reflecting the increase in recoveries during the period.

(€/000)

Operating expenses	First nine months		Change	
	2018	2017	Amount	%
Staff expenses	(68,092)	(58,808)	*(9,284)*	*16%*
Administrative expenses	(23,430)	(31,871)	*8,441*	*(26)%*
o/w IT	*(9,323)*	*(14,047)*	*4,724*	*(34)%*
o/w Real Estate	*(6,169)*	*(5,836)*	*(333)*	*6%*
o/w SG&A	*(7,938)*	*(11,988)*	*4,050*	*(34)%*
Operating expenses	**(91,522)**	**(90,679)**	***(843)***	***1%***

Operating expenses increased by 1% on the same period of 2017, a much smaller increase than that in revenues, underscoring the operating leverage the Group enjoys thanks to the scalability of its management platform.

More specifically, **staff expenses,** which represent 74% of total operating expenses, reflected both an increase in average cost as a result of the strengthening of top management and the effect of the new incentive mechanism introduced following the listing, which is based on performance targets and has a large variable component.
Offsetting the rise in staff expenses, **administrative costs** amounted to €23.4 million, compared with €31.9 million at September 30, 2017, a contraction of 26%, mainly attributable to a reduction in IT costs, which went from €14.0 million to €9.3 million as a result of the insourcing of a number of previously outsourced processes and of the termination of certain projects under way in 2017. The period also saw a decrease in other overheads (-34%), tied to the digitisation and automation of certain back-office activities and the one-off impact of costs recognized in 2017 in connection with the listing on the Milan stock exchange.

The formation of EBIT and EBT

Group **EBIT** amounted to €54.1 million, compared with €41.0 million at September 30, 2017 (+32%), while **EBT** was slightly higher at €54.6 million, compared with €40.9 million in the same period of 2017 (+34%), as detailed in the following table.

(€/000)

EBIT and EBT	First nine months		Change	
	2018	2017	Amount	%
EBITDA	**54,393**	**41,702**	**12,691**	**30%**
Impairment/Write-backs on property, plant, equipment and intangible assets	(1,797)	(1,619)	*(178)*	*11%*
Net Provisions for risks and charges	148	(1,189)	*1,337*	*(112)%*
Net Write-downs of loans	450	210	*240*	*114%*
Net income (losses) from investments	917	1,901	*(984)*	*(52)%*
EBIT	**54,111**	**41,005**	**13,106**	**32%**
Net financial interest and commissions	487	(145)	*632*	*n.s.*
EBT	**54,598**	**40,860**	**13,738**	**34%**

Net impairment/write-backs on property, plant and equipment and intangible assets mainly regarded amortisation of software licences. The aggregate increased by 11% compared with 2017, reflecting the technology investments of the Group as part of the upgrading of the IT platform and the standardisation of the information system at all Group companies.

Net provisions for risks and charges were a positive €148 thousand, compared with the negative €1.2 million posted at the end of September 2017. The figure at September 30, 2018 benefitted from the reversal of excess provisions following the settlement of a number of positions.

During the third quarter, Italfondiario S.p.A.'s 45% interest in BCC Gestione Crediti S.p.A. was sold, with the recognition of a gain of €0.9 million, included in the item **Net income (losses) from investments**.

The formation of net profit for the period

(€/000)

Net result for the period	First nine months		Change	
	2018	2017	Amount	%
EBT	**54,598**	**40,860**	**13,738**	**34%**
Income tax for the year	(19,834)	(13,556)	*(6,278)*	*46%*
Profit (loss) from group of assets sold and held for sale net of tax	-	(390)	*390*	*(100)%*
Net Profit (Loss) attributable to the Group	**34,764**	**26,914**	**7,850**	**29%**
Earnings per share (in Euro)	**0.44**	**0.34**	**0.10**	**29%**

Net profit for the period, which in the absence of profit attributable to non-controlling interests pertains entirely to the shareholders of the Parent Company, amounted to €34.8 million, compared with €26.9 million at September 30, 2017, an increase of 29% This reflected the impact in 2017 of the loss from assets held for sale of €390 thousand. The effective income tax rate was equal to 36% of EBT, and reflected the provision for the period for the DTA charge.

Segment Reporting

The doBank Group's business model can be analysed in two main dimensions:

- Customers;
- Business Lines.

The doBank Group's customer base can be broken down into two main categories: Banks and Investors. The business lines represent the aggregation of products/services offered by the Group, and fall into two categories: Servicing and Ancillary Products and Minor Activities.

Based on these criteria, the following table reports the revenues and EBITDA of the business segments.

(€/000)

Condensed consolidated income statement	First nine months 2018						
	Banks	Investors	Total Servicing	%	Ancillary & other	%	Total
Servicing revenues	93,007	51,165	144,172		-		144,172
o/w Banks	*93,007*	-	*93,007*		-		*93,007*
o/w Investors	-	*51,165*	*51,165*		-		*51,165*
Co-investment revenues	-	-	-		714		714
Ancillary and other revenues	-	-	-		17,037		17,037
Gross Revenues	**93,007**	**51,165**	**144,172**	**89%**	**17,751**	**11%**	**161,923**
Outsourcing fees	(9,311)	(3,135)	(12,446)		(3,562)		(16,008)
Net revenues	**83,696**	**48,030**	**131,726**	**90%**	**14,189**	**10%**	**145,915**
Staff expenses	(40,250)	(22,142)	(62,392)		(5,700)		(68,092)
Administrative expenses	(13,491)	(7,422)	(20,913)		(2,517)		(23,430)
o/w IT	*(5,351)*	*(2,944)*	*(8,295)*		*(1,028)*		*(9,323)*
o/w Real Estate	*(3,521)*	*(1,937)*	*(5,458)*		*(711)*		*(6,169)*
o/w SG&A	*(4,619)*	*(2,541)*	*(7,160)*		*(778)*		*(7,938)*
Operating expenses	**(53,741)**	**(29,564)**	**(83,305)**		**(8,217)**		**(91,522)**
EBITDA	**29,955**	**18,466**	**48,421**	**89%**	**5,972**	**11%**	**54,393**
EBITDA Margin	**32%**	**36%**	**34%**		**34%**		**34%**
EBITDA Contribution	**55%**	**34%**	**89%**		**11%**		**100%**

In the first none months of 2018 the gross revenues (€144.2 million) and EBITDA (€48.4 million) of the **Servicing** segment represent about 90% of their respective totals. As from the third quarter of 2017, the Fino portfolio was reclassified from the Banks segment to the Investors segment in conjunction with the change in the majority ownership of the portfolio. As a result of this reclassification and the contribution of the new business of Italfondiario (MPS, Berenice and REV), the revenues of the Investors segment expanded from €17.9 million in the first nine months of 2017 to €51.2 million the same period this year.

Ancillary products and minor activities posted an EBITDA Margin of 34%, in line with the EBIDTA of the Servicing segment. The contribution to total EBITDA rose from 7% last year to 11%, thanks to the introduction of new business (Judicial) and organic growth in other ancillary activities (due diligence, administrative servicing, business information). Minor activities include the revenues of the Greek branch in the amount of €1.5 million.

Group financial position

Introduction

Beginning with this Interim Report, the balance sheet figures have been reclassified from a management perspective, which is more in line with the representation of the reclassified income statement and the net financial position of the Group.
In the Financial Statements section, in accordance with the same presentation approach for the income statement, we have included a reconciliation between the management balance sheet and the regulatory balance sheet provided for in the applicable Bank of Italy Circular 262/2005.

(€/000)

Condensed balance sheet	9/30/2018	12/31/2017	Change	
			€	%
Cash and liquid securities	49,483	50,364	(881)	(2)%
Financial assets	39,245	25,960	13,285	51%
Equity inv estments	-	2,879	(2,879)	(100)%
Tangible assets	2,927	2,772	155	6%
Intangible assets	7,064	6,041	1,023	17%
Tax assets	93,595	103,941	(10,346)	(10)%
Trade receiv ables	98,551	99,337	(786)	(1)%
Assets on disposal	10	10	-	n.s.
Other assets	9,983	6,196	3,787	61%
Total assets	**300,858**	**297,500**	**3,358**	**1%**
Financial liabilities: due to customers	11,982	11,759	223	2%
Trade payables	15,865	21,072	(5,207)	(25)%
Tax Liabilities	11,523	6,105	5,418	89%
Employee Termination Benefits	10,029	10,360	(331)	(3)%
Prov ision for risks and charges	18,838	26,579	(7,741)	(29)%
Other liabilities	18,089	14,928	3,161	21%
Total Liabilities	**86,326**	**90,803**	**(4,477)**	**(5)%**
Share capital	41,280	41,280	-	n.s.
Reserv es	138,734	120,700	18,034	15%
Treasury shares	(246)	(277)	31	(11)%
Result for the period	34,764	44,994	(10,230)	(23)%
Total shareholders' equity	**214,532**	**206,697**	**7,835**	**4%**
Total liabilities and shareholders' equity	**300,858**	**297,500**	**3,358**	**1%**

Cash and liquid securities include the items reported in the following table. The aggregate is broadly unchanged on December 31, 2017, an especially positive development considering that dividends of €30.9 million were paid as well as other substantial outlays for operating activities and financial investments.
That item, together with **Financial liabilities: due to customers**, is a component of the **net financial position** for the period, developments in which are detailed in a specific section below.

(€/000)

Cash and liquid securities	9/30/2018	12/31/2017	Change €	Change %
Cash	17	21	(4)	(19)%
Financial assets at amortised cost - L&R with banks:				
current accounts and demand deposits	48,472	49,340	(868)	(2)%
Financial assets at fair v alue through other comprehensiv e income:				
liquid securities	994	1,003	(9)	(1)%
Total	**49,483**	**50,364**	**(881)**	**(2)%**

Financial assets at September 30, 2018 increased by €13.3 million compared with December 31, 2017, and break down as shown in the following table.

(€/000)

Financial assets	9/30/2018	12/31/2017	Change €	Change %
At fair value through profit or loss				
Debt securities	7,618	7,734	(116)	(1)%
CIUs	28,303	15,222	13,081	86%
Equity instruments	47	42	5	12%
Total	**35,968**	**22,998**	**12,970**	**56%**
At amortized cost				
L&R with banks other than current accounts and demand deposits	107	109	(2)	(2)%
L&R with customers	3,170	2,853	317	11%
Total	**3,277**	**2,962**	**315**	**11%**

The most significant divergence from the balances at December 31, 2017 is in the category of financial assets measured at fair value through profit or loss, which increased as a result of the amount paid in respect of units subscribed in the Italian Recovery Fund, the residual commitment for which at September 30, 2018 amounted to €1.5 million.

Equity investments were nil at September 30, 2018 following the sale in the third quarter of the interest of 45% of BCC Gestione Crediti, which generated a gain of €0.9 million.

Tax assets and liabilities at September 30, 2018 are reported in the following table:

(€/000)

Tax assets	9/30/2018	12/31/2017	Change €	Change %
Current tax assets				
Paid in adv ance	1,937	165	1,772	n.s.
Tax credits	127	-	127	n.s.
Total	**2,064**	**165**	**1,899**	**n.s.**
Deferred tax assets				
Write-down on loans	55,441	55,582	(141)	(0)%
Tax losses carried forward in the future	22,815	29,933	(7,118)	(24)%
Other assets / liabilities	169	286	(117)	(41)%
Prov isions	5,918	8,218	(2,300)	(28)%
Other items	4	3	1	33%
Total	**84,347**	**94,022**	**(9,675)**	**(10)%**
Other tax credits	**7,184**	**9,754**	**(2,570)**	**(26)%**
Total tax assets	**93,595**	**103,941**	**(10,346)**	**(10)%**

Deferred tax assets decreased by €9.7 million (-10%), essentially reflecting the reversal of assets on prior-year tax losses (€7.1 million) against taxable income for the period, as well as the reversal of a number of provisions to the provision for risks and charges.

(€/000)

Tax liabilities	9/30/2018	12/31/2017	Change €	Change %
Current tax liabilities				
Taxes for the period	11,711	15,232	(3,521)	(23)%
Net payments on account	(2,771)	(11,827)	9,056	(77)%
Total	**8,940**	**3,405**	**5,535**	**n.s.**
Deferred tax liabilities	**20**	**447**	**(427)**	**(96)%**
Other tax debits	**2,563**	**2,253**	**310**	**14%**
Total tax liabilities	**11,523**	**6,105**	**5,418**	**89%**

As shown in the following table, **provisions for risks and charges** decreased by a total of €7.7 million from their balance at the end of 2017, reflecting the reversal of excess provisions following the settlement of disputes and a reduction in provisions for staff expenses, which include provisions to finance MBO bonuses to be paid in future years on the basis of existing remuneration policies.
The residual component of provisions for risks includes provisions for disputes for which no litigation is currently under way.

(€/000)

Provision for risks and charges	9/30/2018	12/31/2017	Change €	Change %
Legal disputes	7,936	10,313	(2,377)	(23)%
Staff expenses	7,321	8,839	(1,518)	(17)%
Other	3,581	7,427	(3,846)	(52)%
Total	**18,838**	**26,579**	**(7,741)**	**(29)%**

Net Working Capital

The following table shows a breakdown of net working capital as at September 30, 2018, December 31, 2017 and September 30, 2017.

(€/000)

Net working capital	9/30/2018	12/31/2017	9/30/2017
Trade receiv ables	98,551	99,337	103,912
Trade payables	(15,865)	(21,072)	(20,290)
Total	**82,686**	**78,265**	**83,622**

The aggregate amounted to €82.7 million at the end of the period, above the figure at December 31, 2017 (+6%) and slightly below that for the end of the third quarter of 2017 (-1%), despite the increase in revenues. The improvement was mainly associated with the shift of the portfolio towards the Investor customer segment, which has a more favourable working capital cycle.

Net Financial Position

The following table shows a breakdown of the net financial position, which was positive in all the periods presented.

(€/000)

Net financial position	9/30/2018	12/31/2017	9/30/2017
A Cash	17	21	25
B Current bank accounts	48,472	49,340	30,989
C Liquid securities	994	1,003	1,001
D Liquidity (A)+(B)+(C)	**49,483**	**50,364**	**32,015**
E Current bank debts	-	-	(48)
F Deposits from customers	(11,982)	(11,759)	(6,521)
G Other current financial debts	-	-	-
H Net current financial position (D)+(E)+(F)+(G)	**37,501**	**38,605**	**25,446**
I Non-current bank debts	-	-	-
J Other non-current financial debts	-	-	-
K Net financial position (H)+(I)+(J)	**37,501**	**38,605**	**25,446**

The net financial position at September 30, 2018 was significantly positive (+47% on September 30, 2017 and essentially in line with the value at the end of 2017), especially bearing in mind the outlay of €30.9 million in respect of the distribution of dividends and the payment of about €13 million in respect of an additional financial investment in units of the Italian Recovery Fund.

Operating Cash Flow

Cash generating capacity is detailed in the following table, which shows operating cash flow for the period compared with the same period of 2017.

(€/000)

Cash Flow	9/30/2018	9/30/2017
EBITDA	54,393	41,702
Capex	(3,250)	(3,812)
EBITDA-Capex	**51,143**	**37,890**
as % of EBITDA	94%	91%
Adjustment for accrual on share-based incentive system payments	3,835	1,001
Changes in NWC	(4,421)	(4,302)
Changes in other assets/liabilities	(6,464)	11,770
Operating Cash Flow	**44,093**	**46,359**
Tax paid (IRES/IRAP)	(5,582)	(475)
Free Cash Flow	**38,511**	**45,884**
(Investments)/divestments in financial assets	(11,318)	739
Equity (investments)/divestments	2,610	1,694
Dividend paid	(30,907)	(52,330)
Net Cash Flow of the period	**(1,104)**	**(4,013)**
Net financial Position - Beginning of period	38,605	29,459
Net financial Position - End of period	37,501	25,446
Change in Net Financial Position	**(1,104)**	**(4,013)**

Net cash flow in the first nine months of 2018 was equal to only negative 2% of EBITDA (10% at September 30, 2017), with broad balance between the liquidity generated by EBITDA and by disinvestments and outlays for dividends, operating activities, taxes and additional investments in non-current assets and financial assets.
Within operating cash flow, the change in other assets/liabilities went from generating cash of €11.7 million as at September 30, 2017 to absorbing cash of €6.5 million at the end of September 2018. This was essentially due to the financial benefit of the use of tax credits that terminated at the end of 2017. The Group's residual tax assets at September 30, 2018 amounted to €93.6 million, of which €55.4 million in respect of loan writedowns that can be used as from 2021.
The stability achieved in cash generation was made possible by the shift in the customer mix towards the Investor customer segment as well as by the progressive optimisation of finance operations, including supplier payments.

Shareholders’ equity and capital ratios

Consolidated shareholders’ equity as at September 30, 2018 amounted to €214.5 million, compared with €206.7 million at December 31, 2017. The composition and change in the aggregate compared with the end of the previous year are presented in the following tables.

(€/000)

Equity breakdown	9/30/2018	12/31/2017	Change €	Change %
Share capital	41,280	41,280	-	n.s.
Valuation reserv es	389	1,350	(961)	(71)%
Reserv es	138,345	119,350	18,995	16%
Treasury shares	(246)	(277)	31	(11)%
Net Profit (loss) for the period	34,764	44,994	(10,230)	(23)%
Shareholders' equity	**214,532**	**206,697**	**7,835**	**4%**

(€/000)

Changes in consolidated shareholders' equity	
Shareholders' equity as at December, 31 2017	**206,697**
Changes in opening balance (IFRS 9)	**(21)**
Increases:	**38,763**
Net profit for theperiod	34,764
Changes in v aluation reserv es (+)	164
Share payments	3,835
Decreases:	**(30,907)**
Div idends payed	(30,907)
Changes in v aluation reserv es (-)	-
Shareholders' equity as at September, 30 2018	**214,532**

The change for the period in shareholders’ equity is primarily attributable to the decrease in reserves as a result of the distribution of dividends authorised by the Shareholders’ Meeting of April 19, 2018.

(€/000)

Own Funds and capital adequacy ratios - CRR	9/30/2018	12/31/2017	Change €	Change %
Common equity TIER 1 capital (CET 1)	142,086	169,066	(26,980)	(16)%
Own Funds	**142,086**	**169,066**	**(26,980)**	**(16)%**
Risk Weighted Assets	**581,242**	**566,518**	**14,724**	**3%**
CET 1 capital ratio	24.45%	29.84%	(5.4)%	(18)%
Total capital ratio	**24.45%**	**29.84%**	**(5.4)%**	**(18)%**

The above table reports the value of own funds, risk-weighted assets and consolidated capital ratios as at September 30, 2018 and December 31, 2017, which were calculated on the basis of the regulatory principles set out in Directive 2013/36/EU (CRD IV) and Regulation (EU) 575/2013 (CRR) as transposed in Bank of Italy Circulars no. 285 and no. 286 of December 17, 2013.

As from the first quarter of 2018, with an impact on the figures at December 31, 2017 as well, the scope of consolidation for the purpose of prudential supervision includes the holding company Avio S.à r.l. as the Group parent, which is not consolidated in shareholders’ equity under accounting rules.

The application of those regulatory requirements is subject to transitional arrangements under which the new rules are applied – in most cases – in an increasing proportion until 2019, when full application will begin.

As at September 30, 2018, consolidated own funds amounted to €142.1 million, compared with risk-weighted assets of €581.2 million, most of which (59%) generated by operational risks and, to a lesser extent, credit risk.
As shown in the table, as at September 30, 2018, the doBank Group had a Total Capital Ratio of 24.45%, well above the minimum regulatory requirement for the period of 10.125%. The decrease in CET 1 capital compared with December 31, 2017 (-16%), reflected the consolidation under Avio, in particular the reduction in the computability of non-controlling interests.

For management purposes and to reconcile the figures with the accounting data given in this report, the following table shows Group own funds and capital ratios as calculated under the provisions of the Consolidated Banking Act (T.U.B.), indicating a slight improvement of almost 3 percentage points in the CET1 ratio compared with December 31, 2017.

(€/000)

Own Funds and capital adequacy ratios - C.B.A.	**9/30/2018**	**12/31/2017**	**Change**	
			€	**%**
Common equity TIER 1 capital (CET 1)	157,800	141,535	16,265	11%
Own Funds	**157,800**	**141,535**	**16,265**	**11%**
Risk Weighted Assets	**541,408**	**535,492**	**5,916**	**1%**
CET 1 capital ratio	29.15%	26.43%	2.72%	10%
Total capital ratio	**29.15%**	**26.43%**	**2.72%**	**10%**

Significant events during the period

Presentation of the 2018-2020 Business Plan

At an event held in London on June 19, 2018, transmitted via a live webcast on the company's website, doBank's top management presented the 2018-2020 Business Plan (approved by the Board of Directors on the same date) to Group stakeholders, including analysts, investors, journalists, clients and employees.

The main lines of action set out in the Business Plan include strengthening our market leadership in servicing bad loans and UTPs in Italy, expanding NPL servicing activities in Greece and undertaking a major ICT investment plan and cost reduction campaign.

The targets in the Business Plan envisage average growth in Group gross revenues of between 8% and 9% per year from 2017 to 2020 (CAGR), average growth in Group EBITDA of more than 15% per year from 2017 to 2020 (CAGR), faster growth in earnings per share than the growth in EBITDA over the same period, substantial cash generation and a dividend payout of at least 65% of consolidated ordinary net income.

The press release and the presentation of the 2018-2020 Business Plan are available on the Company's website, www.dobank.com, in the "Investor Relations" section.

Acquisition of servicing contracts and start of management of new portfolios

During the first nine months of the year, the doBank Group gradually began the onboarding and management of substantial new loan portfolios, with a value of more than €12 billion, under new servicing contracts signed from October 2017 onwards.

In February doBank took on the portfolios transferred to the Group by REV Gestione Crediti S.p.A., composed of non-performing loans originated by Banca delle Marche, Banca dell'Etruria e del Lazio, Cassa di Risparmio di Ferrara and Cassa di Risparmio di Chieti, and by the Italian Recovery Fund (formerly Atlante II), as part of the Berenice operation, comprising non-performing loans originated by Cassa di Risparmio di Rimini, Cassa di Risparmio di Cesena and Cassa di Risparmio di San Miniato. In March, the Group began the onboarding of a portfolio of non-performing loans originated by the MPS Group and acquired under a management contract with the Italian Recovery Fund.

The new contracts, for which the initial stage of onboarding and management was completed in June 2018, have been progressively reflected in Group collections as from the third quarter of the year.

On September 6, 2018, Banca Popolare Agricola di Ragusa ("BAPR") announced the finalization of a securitisation of non-performing loans with a gross value of €348.6 million, engaging the doBank Group as Servicer. For the securities in the senior tranche of the securitisation, BAPR has begun the process of obtaining an Italian government guarantee of the securitisation of non-performing loans pursuant to Decree Law 18/2016, as amended (the "GACS" guarantee scheme).

Formation of the doBank Hellas branch

Following completion of the passporting of the banking license, in April 2018, doBank Hellas was registered with the Chamber of Commerce of Athens (Greece), the first foreign branch of the doBank Group. The branch is already operating in the local market, one of Europe's largest for the servicing of non-performing loans, agreeing a management contract with the four main Greek banks (see following section) and continuing to pursue opportunities for growth with customer banks and investors.

Servicing contract with the four leading Greek banks

On July 31, 2018 doBank signed an agreement with the four systemic Greek banks, Alpha Bank, National Bank of Greece, Eurobank and Piraeus Bank, under the terms of which the doBank Group will manage a portfolio of non-performing loans with a gross book value of around €1.8 billion.

The agreement, which was obtained following the successful completion of a competitive call for tenders that saw the participation of 30 of the main servicers in Europe, represents the first management contract obtained by the Group in the promising Greek market. It will be managed by our local branch, doBank Hellas. As planned, during the third quarter of the year, doBank Hellas began the onboarding of the positions involved in the agreement, in preparation for the definition of the business plans and the start of active management of the loans.

Disposal of investment in BCC GeCre

During the third quarter, Italfondiario S.p.A. sold to the Iccrea Banking Group its 45% stake in BCC Gestione Crediti S.p.A. ("BCC GeCre"), a company belonging to the Iccrea Banking Group, for €2.6 million, with the recognition of a gain of € 0.9 million.

The Iccrea Banking Group, which already held a 55% stake in BCC GeCre, had submitted an application to the supervisory authorities to perform the role of Parent Company of the Mutual Banking Group now being formed, pursuant to Article 37-bis of the Consolidated Banking Act, in response to recent developments in the strategic and regulatory requirements of mutual banks in the Italian banking industry. In this changed environment, it was therefore needed to redefine the strategies concerning the investment in BCC GeCre. The sale of the investment was conducted in accordance with the terms and conditions established in the shareholders' agreement between Italfondiario S.p.A. and the Iccrea Banking Group on December 15, 2014 and amended on July 13, 2016.

The sale of the investment in BCC GeCre is in line with the 2018-2020 Business Plan presented in June 2018 by doBank. doBank continues to collaborate closely with the Iccrea Banking Group as a Special and Master Servicer and expects to expand the scope of this collaboration with the award of loan management contracts.

Significant events after the end of the period

New servicing contract: agreement with Iccrea to manage two loan portfolios with a total value of €2.4 billion

After the end of the period doBank had reached an agreement with the Iccrea Banking Group ("Iccrea") for doBank to manage two portfolios of non-performing loans with a total value of about €2.4 billion (gross book value).

More specifically, the agreement regards:

- a portfolio of non-performing loans with a value of about €0.4 billion denominated "Lucrezia". doBank began managing the portfolio in October 2018, acting as Special Servicer;
- a portfolio of non-performing loans with a value of about €2 billion connected with a planned securitisation under Law 130/99, for which Iccrea will begin the process of obtaining an Italian government guarantee of the securitisation of non-performing loans pursuant to Decree Law 18/2016 (the "GACS" guarantee scheme). Iccrea and doBank have reached a preliminary agreement, subject to completion of the GACS process, for doBank to manage the portfolio, acting as Master and Special Servicer.

In line with the objectives of doBank's 2018-2020 Business Plan, both the value and financial terms of the agreement confirm doBank's position as a leader in the Italian loan management market and as a strategic partner of the Iccrea Banking Group.

The Group's new structure: update

As part of the corporate restructuring announced on June 19 this year, which among other things is intended to make the Group's structure more consistent with the business mix of doBank, following the issue of the authorisation of the Bank of Italy pursuant to Article 57 of Legislative Decree 385/1993, the plan for the merger of doRealEstate S.p.A. into doBank S.p.A. and the plan for the partial demerger of Italfondiario S.p.A. into doBank were filed, respectively, with the Company Registers of Rome and Verona, as provided for under Articles 2501-ter and

2506-bis of the Italian Civil Code. The changes will group Special Servicing activities in a single doBank company and Master Servicing activities with Italfondiario.
In line with the guidelines of the 2018-2020 Business Plan, the new Group structure, thanks in part to the corporate transactions just mentioned, will be characterised by greater specialisation of the operating companies and will generate synergies consistent with the integration of the management platforms.

Outlook for operations

In line with the objectives of the 2018-2020 Business Plan, in 2018 the Group intends to continue strengthening its leadership in the credit servicing market.
By obtaining new management contracts with a gross book value of between €15 billion and €17 billion and improving operating efficiency, the Group expects to achieve collections of more than €2 billion and, with the contribution of ancillary services as well, post gross revenues of over €230 million. The growth in revenues will be accompanied by an expansion of our operating margin (ordinary EBITDA margin), substantial cash generation and a dividend payout of at least 65% of ordinary consolidated net income.

Rome, November 9, 2018 The Board of Directors

FINANCIAL STATEMENTS

Consolidated Balance Sheet

(€/000)

Assets		9/30/2018	12/31/2017
10	Cash and cash equivalents	17	21
20	Financial assets measured at fair value through profit or loss	35,968	22,998
	c) Other financial assets mandatorily measured at fair value	35,968	22,998
30	Financial assets measured at fair value through comprehensive income	994	1,003
40	Financial assets measured at amortised cost	51,749	52,302
	a) Loans and receivables with banks	48,579	49,449
	b) Loans and receivables with customers	3,170	2,853
70	Equity investments	-	2,879
90	Property, plant and equipment	2,927	2,772
100	Intangible assets	5,493	4,506
	of which goodwill	-	-
110	Tax assets	86,411	94,187
	a) Current tax assets	2,064	165
	b) Deferred tax assets	84,347	94,022
120	Non-current assets and disposal groups held for sale	10	10
130	Other assets	117,289	116,822
	Total assets	**300,858**	**297,500**

Liabilities and shareholders' equity		9/30/2018	12/31/2017
10	Financial liabilities measured at amortised cost	12,228	12,106
	b) Due to customers	12,228	12,106
60	Tax liabilities	8,960	3,852
	a) Current tax liabilities	8,940	3,405
	b) Deferred tax liabilities	20	447
80	Other liabilities	36,271	37,906
90	Employee termination benefits	10,029	10,360
100	Provisions for risks and charges	18,838	26,579
	a) Commitments and guarantees issued	3	-
	b) Other provisions	18,835	26,579
120	Valuation reserves	389	1,350
150	Reserves	138,345	119,350
170	Share capital	41,280	41,280
180	Treasury shares (-)	(246)	(277)
200	Net profit (loss) for the period (+/-)	34,764	44,994
	Total liabilities and shareholders' equity	**300,858**	**297,500**

Consolidated Income Statement

(€/000)

Items		9/30/2018	9/30/2017
10	Interest income and similar revenues	782	473
	of which: interest income calculated with the effective interest method	-	-
20	Interest expense and similar charges	(12)	(167)
30	**Net interest income**	**770**	**306**
40	Fee and commission income	144,661	132,624
50	Fee and commission expense	(12,514)	(11,406)
60	**Net fee and commission income**	**132,147**	**121,218**
100	Gains (losses) on disposal and repurchase of:	-	8
	b) Financial assets measured at fair value through comprehensive income	-	8
110	Gains and losses on financial assets/liabilities at fair value through profit or loss	627	(3)
	b) Other financial assets mandatorily measured at fair value	627	(3)
120	**Gross income**	**133,544**	**121,529**
130	Net losses/recoveries on impairment for credit risk:	27	38
	a) Financial assets measured at amortised cost	27	38
150	**Net profit from financial activities**	**133,571**	**121,567**
180	**Net profit from financial and insurance activities**	**133,571**	**121,567**
190	Administrative costs:	(99,421)	(93,185)
	a) Staff expense	(70,170)	(58,985)
	b) Other administrative expense	(29,251)	(34,200)
200	Net provisions for risks and charges	1,876	(1,187)
	b) Other net provisions	1,876	(1,187)
210	Impairment/write-backs on property, plant and equipment	(461)	(263)
220	Impairment/write-backs on intangible assets	(1,079)	(1,149)
230	Other operating expense and income	17,758	13,175
240	**Operating costs**	**(81,327)**	**(82,609)**
250	Profit (Loss) of equity investments	917	407
280	Gains (losses) on disposal of investments	-	1,494
290	**Profit (loss) before tax from continuing operations**	**53,161**	**40,859**
300	Income tax expense from continuing operations	(18,397)	(13,555)
310	**Profit (loss) after tax from continuing operations**	**34,764**	**27,304**
320	Profit (loss) after tax from discontinued operations	-	(390)
330	**Net profit (loss) for the period**	**34,764**	**26,914**
350	**Profit (loss) for the period attributable to shareholders of the Parent Company**	**34,764**	**26,914**

Consolidated statement of comprehensive income

(€/000)

Items		9/30/2018	9/30/2017
10.	**Net profit (loss) for the period**	**34,764**	**26,914**
	Other comprehensive income after tax not recyclable to profit or loss	-	-
20.	Equity instruments designated at fair v alue through comprehensiv e income	-	-
30.	Financial liabilities designated at fair v alue through profit or loss (changes in own creditworthiness)	-	-
40.	Hedges of equity instruments designated at fair v alue through comprehensiv e income	-	-
50.	Property, plant and equipment	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	166	(128)
80.	Non-current assets and disposal groups held for sale	-	-
90.	Share of v aluation reserv es of equity accounted inv estments	-	-
	Other comprehensive income after tax recyclable to profit or loss	-	-
100.	Hedges of foreign inv estment	-	-
110.	Exchange differences	-	-
120.	Cash flow hedges	-	-
130.	Hedging instruments (non designated elements)	-	-
140.	Financial assets (other than equity instruments) measured at fair v alue through comprehensiv e income	(2)	-
150.	Non-current assets and disposal groups held for sale	-	-
160.	Share of v aluation reserv es of equity accounted inv estments	-	-
170.	**Total other comprehensive income after tax**	**164**	**(128)**
180.	**Comprehensive income (item 10 + 170)**	**34,928**	**26,786**
190.	Consolidated comprehensiv e income attributable to non-controlling interests	-	-
200.	**Consolidated comprehensive income attributable to shareholders of the Parent Company**	**34,928**	**26,786**

Consolidated statement of changes in shareholders’ equity

(€/000)

				Allocation of profit from previous year		Changes during the year										
							Equity transactions									
	Balance as at 12/31/2017	Changes in opening balance	Balance as at 1/1/2018	Reserves	Dividends and other payouts	Changes in reserves	Issue of new shares	Acquisition of treasury shares	Distribution of extraordinary dividends	Change in equity instruments	Derivatives on own shares	Stock options	Changes in equity investments	Comprehensive income at 9/30/2018	Shareholders' equity pertaining to shareholders of Parent Company as at 9/30/2018	Shareholders' equity pertaining to non-controlling interests as at 9/30/2018
Share capital:																
- ordinary shares	41,280	-	41,280	-	-	-	-	-	-	-	-	-	-	-	41,280	-
- other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserv es:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- from profits	10,476	1,140	11,616	-	-	-	(31)	-	-	-	-	2,408	-	-	13,993	-
- other	108,874	(36)	108,838	14,087	-	-	-	-	-	-	-	1,427	-	-	124,352	-
Valuation reserv es	1,350	(1,125)	225	-	-	-	-	-	-	-	-	-	-	164	389	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	(277)	-	(277)	-	-	-	31	-	-	-	-	-	-	-	(246)	-
Net profit (loss) for the period	44,994	-	44,994	(14,087)	(30,907)	-	-	-	-	-	-	-	-	34,764	34,764	-
Shareholders' equity attributable to shareholders of Parent Company	206,697	(21)	206,676	-	(30,907)	-	-	-	-	-	-	3,835	-	34,928	214,532	-
Shareholders' equity attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Consolidated cash flow statement

(€/000)

Consolidated Cash Flow Statement (indirect method)	9/30/2018	9/30/2017 [1]
A. OPERATING ACTIVITIES		
1. Operations:	**49,774**	**44,770**
- Profit (loss) for the period (+/-)	34,764	26,914
- Capital gains/losses on financial assets held for trading and on other assets/liabilities measured at fair v alue through profit or loss (+/-)	(627)	-
- Net losses/recov eries on cerdit risk(+/-)	(27)	(38)
- Net write-offs/write-backs on property, plant and equipment and intangible assets (+/-)	1,797	1,618
- Prov isions and other income/expenses (+/-)	(1,876)	1,187
- Unpaid taxes and tax credits (+)	12,882	13,295
- Other adjustments (+/-)	2,861	1,794
2. Liquidity generated by/used in financial assets:	**(12,134)**	**62,604**
- Other financial assets mandatorily measured at fair v alue	9	(6,310)
- Financial assets measured at fair v alue through comprehensiv e income	(12,341)	4
- Financial assets measured at amortised cost	663	29,204
- Other assets	(465)	39,706
3. Liquidity generated by/used in financial liabilities:	**(7,559)**	**(51,226)**
- Financial liabilities measured at amortised cost	110	(17,269)
- Other liabilities	(7,669)	(33,957)
Net liquidity generated by/used in operating activities - A (+/-)	**30,081**	**56,148**
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by:	**4,072**	**-**
- Div idends collected on equity inv estments	1,186	-
- Sales of property, plant and equipment	276	-
2. Liquidity used in:	**(3,250)**	**(3,811)**
- Purchases of property, plant and equipment	(1,058)	(2,203)
- Purchases of intangible assets	(2,192)	(1,608)
Net liquidity generated by/used in investment activities - B (+/-)	**822**	**(3,811)**
C. FUNDING ACTIVITIES		
- Distribution of div idends and other	(30,907)	(52,330)
Net liquidity generated by/used in funding activities - C (+/-)	**(30,907)**	**(52,330)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD - D=A+/-B+/-	**(4)**	**7**
RECONCILIATION		
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD - E	**21**	**18**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD - D	**(4)**	**7**
CASH AND CASH EQUIVALENTS: EFFECT OF EXCHANGE RATE VARIATIONS - F	**-**	**-**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD - G=E+/-D+/-F	**17**	**25**

(1) In order to facilitate the compasison of the financial aggregates of two periods, the accruals of invoices to be issued and invoices to be received are no longer detected. This new expositional logic allows a better linking of data with those in the "operating cash flow"

Statement reconciling the condensed consolidated income statement and the statutory consolidated income statement

(€/000)

Statement reconciling the condensed consolidated income statement and the statutory income statement		First nine months 2018	2017
Servicing revenues		**144,172**	**132,112**
40	of which: fee and commission income	144,172	132,112
	o/w Banks	*93,007*	*114,866*
	o/w Investors	*51,165*	*17,246*
Co-investment revenues		**714**	**418**
10	of which: interest income and similar rev enues	714	418
Ancillary and other revenues		**17,037**	**13,151**
10	of which: interest income and similar rev enues	68	55
20	of which: Interest expense and similar charges	(1)	(29)
40	of which: fee and commission income	489	512
230	of which: other operating expense and income	16,481	12,613
Gross Revenues		**161,923**	**145,681**
Fee and commission expense		**(16,008)**	**(13,300)**
50	of which: fee and commission expense	(12,385)	(11,394)
190b	of which administrativ e costs: b) other administrativ e expense	(3,347)	(1,749)
230	of which: other operating expense and income	(276)	(157)
Net revenues		**145,915**	**132,381**
Staff expenses		**(68,092)**	**(58,808)**
190a	of which administrativ e costs: a) staff expense	(68,092)	(58,808)
Administrative expenses		**(23,430)**	**(31,871)**
190a	of which administrativ e costs: a) staff expenses	(484)	(177)
	o/w SG&A	*(484)*	*(177)*
190b	of which administrativ e costs: b) other administrativ e expense	(24,467)	(32,450)
	o/w IT	*(9,323)*	*(14,047)*
	o/w Real Estate	*(6,153)*	*(5,823)*
	o/w SG&A	*(8,991)*	*(12,580)*
230	of which: other operating expense and income	1,521	756
	o/w Real Estate	*(16)*	*(13)*
	o/w SG&A	*1,537*	*769*
Operating expenses		**(91,522)**	**(90,679)**
EBITDA		**54,393**	**41,702**
Impairment/Write-backs on property, plant, equipment and intangible assets		**(1,797)**	**(1,619)**
210	impairment / write-backs on property, plant and equipment	(461)	(263)
220	impairment / write-backs on intangible assets	(1,079)	(1,149)
230	of which: other operating expense and income	(257)	(207)
Net Provisions for risks and charges		**148**	**(1,189)**
190a	of which administrativ e costs: a) staff expenses	(1,594)	-
200	net prov isions for risks and charges	1,876	(1,187)
230	of which: other operating expense and income	(134)	(2)
Net Write-downs of loans		**450**	**210**
130	net losses / recov eries on credit risk	27	38
230	of which: other operating expense and income	423	172
Net income (losses) from investments		**917**	**1,901**
250	profit (loss) of equity inv estments	917	407
280	gains (losses) on disposal of inv estments	-	1,494
EBIT		**54,111**	**41,005**
Net financial interest and commission		**487**	**(145)**
20	of which: Interest expense and similar charges	(11)	(138)
50	of which: fee and commission expense	(129)	(12)
100	gains (losses) on disposal and repurchase	-	8
110	gains and losses on financial assets/liabilities at fair v alue through profit or loss	627	(3)
EBT		**54,598**	**40,860**
Income tax for the period		**(19,834)**	**(13,556)**
190b	of which administrativ e costs: b) other administrativ e expense	(1,437)	(1)
300	income tax expense from continuing operations	(18,397)	(13,555)
Profit (loss) from group of assets sold and held for sale net of tax		**-**	**(390)**
320	profit (loss) after tax from discontinued operations	-	(390)
Net Profit (Loss) for the period		**34,764**	**26,914**

Statement reconciling the condensed consolidated balance sheet and the statutory consolidated balance sheet

(€/000)

Statement reconciling the consolidated operational and statutory balance sheet		30/09/2018	31/12/2017
Cash and liquid securities		**49,483**	**50,364**
10	Cash and cash equiv alents	17	21
30	Financial assets measured at fair v alue through comprehensiv e income	994	1,003
40a	Financial assets measured at amortised cost a) Loans and receiv ables with banks	48,472	49,340
Financial assets		**39,245**	**25,960**
20	Financial assets measured at fair v alue through profit or loss	35,968	22,998
40a	Financial assets measured at amortised cost a) Loans and receiv ables with banks	107	109
40b	Financial assets measured at amortised cost a) Loans and receiv ables with customers	3,170	2,853
Equity investments		**-**	**2,879**
70	Equity inv estments	-	2,879
Tangible assets		**2,927**	**2,772**
90	Property, plant and equipment	2,927	2,772
Intangible assets		**7,064**	**6,041**
100	Intangible assets	5,493	4,506
130	of which: Other assets - improv ements on goods of third party	1,571	1,535
Tax assets		**93,595**	**103,941**
110	Tax assets	86,411	94,187
130	of which: Other assets - tax items	7,184	9,754
Trade receivables		**98,551**	**99,337**
130	of which: Other assets - trade receiv ables for inv oices issued and to be issued	98,551	99,337
Assets on disposal		**10**	**10**
120	Non-current assets and disposal groups held for sale	10	10
Other assets		**9,983**	**6,196**
130	of which: Other assets - accrued income, prepaid expenses and other residual	9,983	6,196
TOTAL ASSETS		**300,858**	**297,500**
Financial liabilities: due to customers		**11,982**	**11,759**
10b	Financial liabilities measured at amortised cost b) due to customers	11,982	11,759
Trade payables		**15,865**	**21,072**
80	of which: Other liabilities - trade payables for inv oices issued and to be issued	15,865	21,072
Tax liabilities		**11,523**	**6,105**
60	Tax liabilities	8,960	3,852
80	of which: Other liabilities - tax items	2,563	2,253
Employee termination benefits		**10,029**	**10,360**
90	Employee termination benefits	10,029	10,360
Provisions for risks and charges		**18,838**	**26,579**
100	Prov isions for risks and charges	18,838	26,579
Other liabilities		**18,089**	**14,928**
80	of which: Other liabilities - debt to personnel and other residual	17,843	14,581
10b	Financial liabilities measured at amortised cost b) due to customers	246	347
TOTAL LIABILITIES		**86,326**	**90,803**
Share capital		**41,280**	**41,280**
170	Share capital	41,280	41,280
Reserves		**138,734**	**120,700**
120	Valuation reserv es	389	1,350
150	Reserv es	138,345	119,350
Trasury shares		**(246)**	**(277)**
180	Treasury shares (-)	(246)	(277)
Net profit (loss) for the period		**34,764**	**44,994**
200	Net profit (loss) for the period (+/-)	34,764	44,994
TOTAL SHAREHOLDERS' EQUITY		**214,532**	**206,697**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**300,858**	**297,500**

CERTIFICATION OF THE FINANCIAL REPORTING OFFICER

Certification pursuant article 154 *BIS*, Section 2, of the Uniform Financial Code

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.

Rome, November 09, 2018

Mauro Goatin

Corporate Accounting
Documents Officer