

Press Release

THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED INTERIM REPORT AS AT SEPTEMBER 30, 2017

Main consolidated results as at September 30, 2017 compared with the Carve-Out Aggregate results as at September 30, 2016. The Carve-Out Aggregate primarily reflects the historical financial performance of the servicing business and the pro-forma consolidation of Italfondinario in order to ensure the results are comparable to the new economic structure of the doBank Group.

- **Gross revenues: €145.2 million, +4%** compared with €140.2 million;
- **Net revenues: €133.9 million, +5%** compared with €127.6 million;
- **EBITDA: €41.7 million, +4%** compared with €40.1 million;
- **EBITDA margin: 29%**, unchanged on the same period of 2016;
- **Net profit: €26.9 million, +16%** compared with €23.2 million;
- **Net financial position a positive €25.4 million**, in line with the €26.3 million posted as at September 30, 2016;
- **CET1: 24%**, compared with 21% as at December 31, 2016.

Portfolio under management

- **Gross book value of assets under management (GBV) amounted to €78.9 billion**, compared with €82.3 billion;
- **Collections amounted to €1,234 million, +18%** compared with €1,042 million.

Verona, November 9, 2017 – The Board of Directors of doBank S.p.A. (the “**Company**” or “**doBank**”) today approved the Consolidated Interim Report as at September 30, 2017. In the interim report on operations, the document includes a comparison of the income statement for the first nine months of 2017 with the Carve-Out Aggregate results as of September 30, 2016 in order to enable a comparison on a like-for-like basis with the same scope of consolidation.

Andrea Mangoni, Chief Executive Officer of doBank, remarked: *“In the first nine months of 2017, doBank continued along its growth trajectory in line with the results achieved in the same period of 2016, confirming the Group’s growth trend in collections, revenues, EBITDA and net profit despite the seasonality of our activities and extraordinary IT projects. We continue to enjoy strong cash generation and a positive financial position. doBank is satisfied to have reached a preliminary agreement to act as special servicer managing bad loans of about €8 billion (in terms of GBV) as part of the planned assignment and securitisation of a portfolio of bad loans with an original value of about €26 billion originated by the MPS Group, equal to about 30% of the total GBV of the operation, with a more-than-proportionate expected return compared with the allocation of the total portfolio. The doBank Group’s servicing activities are expected to begin in the first quarter of 2018. The award of the special servicer engagement is an important opportunity for doBank to accelerate implementation of its Business Plan for next year”.*

As at September 30, 2017, doBank had **gross revenues** of €145.2 million, an increase of 4% on the Carve-Out Aggregate total of €140.2 million in the same period of the previous year.

More specifically, **servicing revenues**, generated by the Group’s core business, amounted to €133.6 million, up 4% compared with the €128.7 million posted at September 30, 2016, reflecting the improvement in collections

achieved by both doBank and Italfondinario, partly attenuated by a slight decline in average fees due to the collection mix and a reduction in management fees and revenues from indemnities on portfolios sold. **Revenues from co-investment and from ancillary products and minor activities** totalled €11.6 million, an increase of 1% compared with the first nine months of 2016, when they amounted to €11.5 million. The rise was attributable to business information activities, administrative servicing and other activities, as well as the increase in co-investment profits. **Net revenues** at September 30, 2017 amounted to €133.9 million, up 5% compared with the same period of 2016 when they totalled €127.6 million, reflecting a decline in fee and commission expense.

EBITDA as at September 30, 2017 was equal to €41.7 million, up 4% compared with the Carve-Out Aggregate in the first nine months of 2016 (€40.1 million), with an EBITDA margin of 29%, unchanged on the same period of 2016.

Operating expenses totalled €92.2 million, compared with €87.5 million in the same period of 2016, reflecting investments and non-recurring costs, largely in IT, of €5 million and an increase of 3% in staff expenses as a result of the gradual strengthening of top management, consistent with the structural changes in the Group, and the introduction of a new incentive mechanism following the listing. These increases were partially offset by savings in real estate costs and other overheads.

Net income (losses) from investments as at September 30 amounted to €1.9 million, including the net result on the sale of Gextra and the positive impact of the equity valuation of the investment in BCC Gestione Crediti, in line with Group strategy.

Net profit as at September 30, 2017 was equal to €26.9 million, up 16% compared with the €23.2 million posted as at September 30, 2016, reflecting the improvements reported above.

Net working capital amounted to €83.6 million, compared with €79.3 million as at December 31, 2016 and the **net financial position is positive** of €25.4 million as at September 30, 2017, compared with €26.3 million as at September 30, 2016 and improved from 2Q17. doBank also finalised its project to consolidate the Parent Company's credit lines, agreeing new 3-year bank facilities on improved terms and conditions.

Tax assets amounted to €98.2 million at the end of the period, mainly reflecting the use of tax credits to offset indirect taxes in the amount of €143.0 million (VAT and withholding tax).

The CET1 ratio was equal to 24%, compared with 21% as at December 31, 2016, with the improvement mainly associated with the increase in own funds.

Portfolio under management

Assets Under Management (GBV) at September 30, 2017 were equal to €78.9 billion, compared with €82.3 billion, including the effect of new amounts under management totalling €2.7 billion, net of collections, cancellations and portfolio sales.

As at September 30, 2017 collections on loans under management **totalled €1,234 million**, up 18% compared with the €1,042 million posted a year earlier assuming Italfondinario net collections in 2016 or +12% assuming Italfondinario gross collections, thanks to the greater effectiveness of management activities and the capacity to exploit an improvement in general economic conditions. Collections in the third quarter were affected by the onboarding of the FINO portfolio to the two underlying securitisation vehicles.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

On **October 17, 2017** doBank announced that it had executed a term sheet under which the doBank Group could be engaged to manage, as a special servicer, bad loans with a GBV of about €8 billion as part of a proposed assignment and securitisation of a portfolio of bad loans with an original value of about €26 billion originated by the MPS Group. Under the engagement, the doBank Group would manage about 30% of the total GBV of the transaction, with a more-than-proportionate return compared with the allocation of the total portfolio. The execution of the servicing contracts, which is conditional on the completion of the transaction and the successful outcome of the negotiations between the parties, is scheduled to take place in conjunction with the issue of the notes in the above securitisation by the end of the year, with the doBank Group's servicing activities to begin in the first quarter of 2018. The award of the special servicer engagement is an important opportunity for doBank to accelerate implementation of its Business Plan for the year.

On **October 17, 2017**, the Board of Directors of doBank SpA approved the signing of a binding commitment letter for the investment of €30 million in Atlante II Fund operated by Quaestio SGR, which specialises entirely in investing in the junior and mezzanine tranches of securitisations of impaired loans, in line with doBank's co-investment strategy. The investment is conditional on completion of the rescue of Cassa di Risparmio di Rimini, Cassa di Risparmio di Cesena and Cassa di Risparmio di San Miniato as well as the signing of the final contractual documentation.

In October, the Judicial Management Division finalised an agreement with UniCredit for the provision of legal support for a portfolio under management on behalf of UniCredit.

OUTLOOK

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

Webcast conference call

The results as at September 30, 2017 will be presented on Friday, November 10 **at 11:00** in a conference call in audio-webcast format held by the Group's top management.

The conference call can be followed via webcast by connecting to the bank's website at www.dobank.com or the following URL: <http://services.choruscall.eu/links/dobank171110.html>.

As an alternative to the webcast, it will be possible to participate in the conference call by calling one of the following numbers:

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

The presentation by top management will be available as from the start of the conference call on the www.dobank.com site in the "Investor Relations/Financial Statements and Reports" section.

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.

The Consolidated Interim Report as at September 30, 2017 will be made available to the public at the Company's headquarters and at Borsa Italiana, as well as on the website www.dobank.com in the Investor Relations / Financial Statements and Reports” section within the statutory deadlines.

Disclaimer

This press release contains forward-looking information on Group events and results, based on the industry current expectations, estimates and projections and on its management current views. By its very nature, such information entails risks and uncertainties as it depends on the occurrence of future events. Actual results might significantly differ from those announced due to multiple factors, including: global economic trends, competitive scenarios and political, economic and regulatory developments in Italy.

Note that the financial information relating to doBank's third quarter 2017 contained in this document is drawn from the doBank Consolidated Interim Report as of September 30, 2017. This Interim Report is not subject to audit.

doBank S.p.A.

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

Contacts

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CONSOLIDATED INCOME STATEMENT

(€/000)

Condensed consolidated income statement	First nine months		Change		First nine months	Change
	2017	2016 ⁽¹⁾	Amount	%	2016	%
Servicing revenues	133,605	128,724	4,881	4%	95,965	39%
Co-investment revenues	418	23	395	n.s.	23	n.s.
Ancillary and other revenues	11,223	11,485	(262)	(2)%	1,760	n.s.
Gross Revenues	145,246	140,232	5,014	4%	97,748	49%
Outsourcing fees	(11,394)	(12,632)	1,238	(10)%	(11,104)	3%
Net revenues	133,852	127,600	6,252	5%	86,644	54%
Staff expenses	(58,985)	(57,247)	(1,738)	3%	(32,098)	84%
Administrative expenses	(33,166)	(30,286)	(2,880)	10%	(18,509)	79%
Operating expenses	(92,151)	(87,533)	(4,618)	5%	(50,607)	82%
EBITDA	41,701	40,067	1,634	4%	36,037	16%
EBITDA Margin	29%	29%	0%	0%	37%	(22)%
Impairment/Write-backs on property, plant, equipment and intangible assets	(1,618)	(1,285)	(333)	26%	(68)	n.s.
Net Provisions for risks and charges	(1,189)	(1,307)	118	(9)%	(185)	n.s.
Net Write-downs of loans	210	(19)	229	n.s.	8,086	(97)%
Net income (losses) from investments	1,901	205	1,696	n.s.	7,651	(75)%
EBIT	41,005	37,661	3,344	9%	51,521	(20)%
Net financial interest and commission	(145)	(128)	(17)	13%	(433)	(67)%
EBT	40,860	37,533	3,327	9%	51,088	(20)%
Income tax for the period	(13,556)	(14,339)	783	(5)%	(17,256)	(21)%
Profit (loss) from group of assets sold and held for sale net of tax	(390)	-	(390)	n.s.	-	n.s.
Net Profit (Loss) for the period	26,914	23,194	3,720	16%	33,832	(20)%
Minorities	-	-	-	n.s.	-	n.s.
Net Profit (Loss) attributable to the Group before PPA	26,914	23,194	3,720	16%	33,832	(20)%
Economic effects of "Purchase Price Allocation"	-	-	-	n.s.	-	n.s.
Goodwill impairment	-	-	-	n.s.	-	n.s.
Net Profit (Loss) attributable to the Group	26,914	23,194	3,720	16%	33,832	(20)%
Dividend per share	0.34	0.30	0.05	16%	0	(20)%

⁽¹⁾ Carve-Out Aggregate

CONSOLIDATED BALANCE SHEET HIGHLIGHTS

(€/000)

Key data of the consolidated balance sheet	09/30/2017	12/31/2016	Change	
			€	%
Loans and receivables with banks	31,112	52,575	(21,463)	(41)%
Tax assets	98,244	143,030	(44,786)	(31)%
Other assets	121,856	114,103	7,753	7%
Total assets	268,123	328,434	(60,311)	(18)%
Other liabilities	41,494	55,986	(14,492)	(26)%
Provision for risks and charges	22,031	25,371	(3,340)	(13)%
Shareholders' equity	186,201	210,744	(24,543)	(12)%

KPIs

(€/000)

Key performance indicators	09/30/2017	09/30/2016	12/31/2016	09/30/2016
		Carve-Out Aggregate	Pro-Forma ⁽¹⁾	
Gross Book Value (Eop) - in millions of Euro -	78,863	82,282	80,901	42,680
Collections for the period- in millions of Euro -	1,234	1,042	1,694	739
Collections for the period/GBV (EoP)	1.6%	1.3%	2.1%	1.7%
Staff FTE/Total FTE	34%	34%	38%	43%
Collections for the period/Servicing FTE	1,603	1,395	2,229	2,045
Cost/Income ratio	69%	69%	66%	58%
EBITDA	41,701	40,067	64,307	36,037
EBT	40,860	37,533	64,222	51,088
EBITDA Margin	29%	29%	31%	37%
EBT Margin	28%	27%	31%	52%
ROE	14%	13%	22%	19%
EBITDA – Capex	38,673	36,664	62,645	33,552
Net Working Capital	83,622	77,483	79,320	47,676
Net Financial Position of cash/(debt)	25,446	26,280	29,459	24,910

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