

**CONSOLIDATED
NON-FINANCIAL
STATEMENT
ITALIAN LEGISLATIVE DECREE
No. 254/2016 AS AT
DECEMBER 31, 2018**

SERVICING | LENDING | SOLUTIONS

doBank
Servicing | Lending | Solutions

CONSOLIDATED NON-FINANCIAL STATEMENT PREPARED PURSUANT TO ARTICLES 3 AND 4 OF LEGISLATIVE DECREE No. 254/2016 AS AT DECEMBER 31, 2018

Registered office and headquarters: Piazzetta Monte, 1 – 37121 Verona

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

Bank registered in the Italian Financial Institutions Register - ABI Code: 10639

Parent Company of the Banking Group doBank registered on the Banking Group Register - Code 10639

Registered on the Company Register of Verona, Tax ID No. 00390840239 and VAT registration No. 02659940239

Member of the National Interbank Deposit Guarantee Fund

www.dobank.com

CONSOLIDATED NON- FINANCIAL STATEMENT PREPARED PURSUANT TO ARTICLES 3 AND 4 OF LEGISLATIVE DECREE No. 254/2016 AS AT DECEMBER 31, 2018

	2
1. LETTERA TO STAKEHOLDERS FROM THE CEO	5
2. HIGHLIGHTS	7
3. METHODOLOGICAL NOTE	7
4. DOBANK AND SUSTAINABILITY	8
4.1 doBank: mission, vision and operational model	8
4.2 Strategic goals and created value.....	10
4.3 Materiality analysis and stakeholders	13
4.4 Generated, distributed and retained economic value	17
4.5 Approach to sustainability	18
5. ORGANIZATIONAL MODEL, GOVERNANCE AND PREVENTION OF CORRUPTION	20
5.1 231 Model and Whistleblowing.....	20
5.2 Code of Ethics and internal regulations.....	22
5.3 Prevention of corruption.....	22
5.4 Anti-money laundering.....	23
5.5 Formazione AML e Modello 231	24
6. GOVERNANCE AND RISK MANAGEMENT.....	24
6.1 Risk identification and management	24
6.2 Main risks linked to non-financial aspects.....	27
7. HUMAN RESOURCES	31
7.1 Information on employees and other workers.....	31
7.2 Staff training and development	34
7.3 Performance appraisal and skills assessment	35
7.4 Respect for human rights and diversity	36
7.5 Employee incentives and remuneration.....	39
7.6 Benefits and company welfare	40
7.7 Employee health, safety and welfare	40
7.8 Internal communication.....	42
8. CLIENTS AND LOAN RECOVERY ACTIVITIES BY THE EXTERNAL NETWORK.....	43
8.1 High quality service levels for banks and investors	43
8.2 Benefits resulting from investments in data quality	45
8.3 Qualitative standards and acceptable conduct of the external loan recovery network....	45
8.4 Complaints.....	47
9. SUPPLY CHAIN.....	48
10. COMMUNITY AND THE REGION	49
10.1 CSR Initiatives.....	50
10.2 Membership of industry associations	52
11. ENVIRONMENT	52
11.1 Consumables.....	53
11.2 Consumption of energy and emissions	54

11.3	Waste	56
11.4	Indirect impacts: technological innovation and operational efficiency	57
11.5	Other initiatives.....	58
12	GRI CONTENT INDEX	59
13.	REPORT OF THE AUDIT FIRM	61

1. LETTERA TO STAKEHOLDERS FROM THE CEO

Supported by the commitment of the Board, the doBank Group intends to pursue the integration process of its financial-economic and socio-environmental approaches.

doBank furthers the sustainable development continuously on a daily basis in line with its strategic goals: it contributes to the restoration and protection of financial stability of the Italian banking system and as from 2018 the Greek banking system, performing loan recovery activities. In order to facilitate, insofar as possible, the identification of rapid, efficient and cost-effective solutions, reducing the potential social impacts, doBank Group continues to offer services which make it possible to manage - as from the initial phases - the recovery process, including first contact and negotiation with the debtors of its own clients.

2018 was a particularly important year for the integration processes, aimed by way of priority at reorganizing the Group and harmonizing the various corporate identities. The impacts of this action enhanced the level of the safeguards on aspects linked to sustainability. The reorganization process concerned various aspects, such as organizational and logistical streamlining of the headquarters, the drafting and launch of a policy for selecting and qualifying the suppliers which more efficiently complies with the sustainability criteria, the optimization of internal policies and rules, the review and standardization of the policies and processes relating to HR management.

With the highest level of specialization, diversified and complementary expertise acquired over the course of more than 18 years in the sector, doBank is the traditional partner of leading financial institutions and national and international investors. doBank considers Corporate social responsibility to be an integral part of its corporate identity, with the conviction that the ability to generate value and growth over the long-term is ensured not only by the economic-financial results, but also by the ability to develop an ethical, social, and environmental sustainability culture.

The Group is heedful of the aspects of diversity and inclusion and adopts responsible conduct vis-à-vis its employees and the various entities in the area in which it operates, generating participation over time.

2018 was a year of significant goals achieved, with new mandate agreements on the Italian market and for the first time also on the European market. The Group continues within a growth trend both in terms of collections and revenues, it is able to limit the overall level of the costs and, partly thanks to the streamlining results linked to the technological investments, has been in a position to benefit from an improvement in the operating results, thereby achieving an EBITDA margin of 35%, (36% excluding the non-recurrent charges) and two-figure progressive growth in net profit.

At the end of 2018, doBank announced an agreement for the acquisition of Altamira Asset Management, a leading company within the market of real estate asset and credit management active in Spain, Portugal, Greece and Cyprus. The transaction, whose closing is envisaged by the end of the first half of 2019, will permit doBank to become leader in the promising South European market of credit management services and to significantly increase its product and client diversification, representing a one-stop-shop for the most important international investors.

2019 therefore sees the Group engaged in continuing to develop the Servicing activities in the main markets of South Europe and in the integration with Altamira, the latter a process which due to its strategic and size-related importance will lead doBank to review its mid-term business plan after the conclusion of the acquisition process.

Chief Executive Officer

Andrea Mangoni

2. HIGHLIGHTS

Content	Parameter	Unit of Measure	2018	2017
Human resources	Total employees	no.	1,288	1,231
	Average annual hours of training	hrs	11.2	15.0
	Women/total employees	%	59%	59%
	Recruitments 2018	no.	123	68
Economic/	Intermediation margin	€/000	189,298	177,768
Social	Assets under management	€/000	82,177,075	76,702,476
	Collections	€/000	1,961,177	1,836,292
	Generated economic value	€/000	217,641	199,517
	Redistributed economic value	€/000	154,878	169,690
Environment	Renewable energy consumption on total	%	55%	80%

3. METHODOLOGICAL NOTE

The doBank Group (hereinafter also "doBank" or the "Group") continues with the annual reporting of its performances within the sustainability spheres, so as to highlight the results achieved in the development of its activities with a view to creation of value over the long-term.

doBank's Consolidated Non-Financial Statement (hereinafter also "NFS") has been drawn up in compliance with Articles 3 and 4 of Italian Legislative Decree No. 254/2016 (hereinafter also the "Decree") implementing Directive No. 2014/95/EU, and the related Consob implementing Regulation adopted by means of Resolution No. 20267 dated January 18, 2018, containing the information relating to environmental, social aspects, those concerning the personnel, respect for human rights and the fight against corruption, useful for ensuring the comprehension of the activities carried out by doBank, its performance, its results and the impact produced by the same.

The Non-Financial Statement has been drawn up in accordance with the GRI-Referenced option envisaged by the Global Reporting Initiative Sustainability Reporting Standards (hereinafter the GRI Standards), using said reporting standards in accordance with the Reporting Principles defined by the "GRI Standards: 101 Foundation". In particular, this document makes reference to the "Topic specific standards" listed in the table in section 12.

The performance indicators used are those envisaged by the adopted reporting standards, representative of the various sphere of sustainability and consistent with the activities carried out and the impacts produced by the same. Specifically, the choice of these indicators was made on the basis of the materiality analysis and the aspects referred to by Italian Legislative Decree No. 254/2016. The quantitative information in relation to which estimates were resorted to, are directly indicated in this document.

Unless specified otherwise, the scope of reporting of the data and the qualitative and quantitative information contained in the doBank Consolidated Non-Financial Statement refers to the performance of the Parent Company doBank S.p.A. and its subsidiaries, consolidated line-by-line, as per the result of the Group consolidated financial statements for the year ended as at December 31, 2018.

In particular, the preparation of the NFS considered the following general principles of the GRI

Standards: materiality, stakeholder inclusiveness, sustainability context and completeness. As required by the GRI Standards, the materiality of the information was defined through a materiality analysis, as illustrated in the related section.

The Group aims to progressively expand the content and indicators of the sustainability report. In this regard, doBank is committed to further extending dialogue and engagement activities with stakeholders, with the specific objective of identifying the material aspects.

In order to avoid redundancy and repetition of other published documents which have already been prepared and contain the same information, references have been incorporated into this document. The GRI Content Index table given in section 12 of this Document specifies which qualitative content and quantitative indices are included in this report and which are incorporated through references to another public document in which they occur.

The preparation process of the NFS involved the managers of various company departments in order to identify the content, the adopted policies, the implemented projects and the relative performance indicators.

Pursuant to the Decree, the statutory auditor EY S.p.A. verified the preparation of the NFS by the directors of doBank. Pursuant to Article 3, section 10 of the Decree, the NFS was subject to specific attestation for conformity to the requirements of the Decree by RIA Grant Thornton S.p.A., as set out in the annex to this Document.

For the purpose providing a complete and in-depth overview of the performances of the Group, and as what is more envisaged by the GRI Standards and by the Decree, the published data is presented in comparative form.

The reporting period is the financial year 2018, which corresponds to the calendar year.

Contacts: investorrelations@dobank.com

4. DOBANK AND SUSTAINABILITY

4.1 doBank: mission, vision and operational model

In terms of total assets under management, doBank is leader on the Italian and Greek markets for the servicing of predominantly non-performing loans for public and private banks and financial institutions.

The doBank Group represents the main independent servicer for the management of non-performing loans in Italy, NPL and UTP, with a Gross Book Value (GBV) of €82 billion as at December 31, 2018, a value which represents over 30% of the volume of externally managed NPLs and more than a quarter of the non-performing assets of the Italian financial system. Since 2018 doBank has also been active in the promising Greek servicing market, with an initial mandate to manage a portfolio of around €2 billion entrusted by four local systemic banks.

The doBank Group received as from 2008, the maximum Special Servicer ratings from Fitch Ratings (RSS1-/CSS1) and Standard & Poor's (Strong). As from August 1, 2017 Fitch Ratings assigned doBank the Master Servicer Rating (RMS2/CMS2/ABMS2).

The **mission** of doBank is to create value for banks and investors and contribute to the growth of the country, encouraging the sustainable development of the financial system. By means of diversified strategies defined in close collaboration with the client, doBank seeks out-of-court debt collection solutions where possible in order to guarantee prompt recovery, maximize

profitability and optimize the cost-performance ratio.

The **strategic vision** of doBank is to pursue an innovative approach to loan management. Thanks to the highest levels of specialization and diversified and complementary expertise acquired through solid partnerships with the leading Italian banking institutions and international investors, doBank is able to anticipate changes to the market and simplify processes, acting as a problem solver for clients and contributing to the development of solutions for the financial system.

The long-standing operational experience of doBank throughout Italy has enabled the Group to construct a vast and extensive knowledge heritage that represents a clear and sustainable competitive advantage. This information is collected through direct loan management activities - by asset managers and the companies and departments in charge of ancillary products - and indirect loan management activities through the network of external consultants, lawyers and professionals; the collected data, duly structured, represents the basis of the Group's technological infrastructure used to clearly analyze each practice and make decisions in a rapid and efficient manner to maximize value for the client.

As at December 31, 2018, the doBank Group can rely on a structure of 1,288 employees (98% of which in Italy and 2% in Greece), including 773 Asset Managers, who operate in 22 offices, of which 21 throughout Italy and a foreign office in Athens, Greece; furthermore, the Group has access to a network of external consultants including 1,033 lawyers and 369 professionals with extensive experience in their respective fields, as well as 74 debt collection companies. This network guarantees extensive coverage across Italy (the doBank Group is present in all 140 Italian courts) and enables the Group to benefit from an in-depth understanding of judicial processes, the dynamics of local real estate markets and other market factors that may be fundamental to an effective loan collection process.

doBank offers an efficient **operational model to banks and investors** which can be customized to the client's needs. The model is based on 4 key factors: experience, long-term track record, systems and operations, and professional resources.

Experience

doBank offers banks and investors a full range of integrated, highly specialized services thanks to consolidated experience gained in the non-performing loans market and the development of strategic Partnerships.

Strong & Long Dated Track Record

doBank offers an excellent operating model, an excellent track record that covers the entire loan life-cycle, top ratings at European level and a solid market reputation. We are able to offer a specialized consultancy service aimed at identifying the most appropriate recovery strategy using a scalable and modular management platform.

System and operations

doBank uses an IT system with a database developed in the course of over 18 years of activity designed specifically to manage high loan volumes, optimizing business processes and streamlining the credit management process. We design specialized reports aimed at improving the precision of the management monitoring process.

Professional resources

As leader in the field of loan management, a focus on professional resources is one of the distinctive characteristics of doBank. Optimizing our workforce and developing the professional skills of our employees are essential elements of doBank's approach to business. The Group benefits from an experienced management team and highly qualified collaborators, whose skills and competencies are constantly updated thanks to a continuous training programme delivered through a range of platforms: e-learning, learning-by-doing and classroom-based training sessions. The centralized structure was designed to manage high operating volumes, with the aim of achieving maximum efficiency and speed in operational and decision-making processes.

Corporate form and Shareholders

doBank S.p.A. is a public liability company. For further details on the Group structure, reference should be made to the dedicated section "Group Structure" in the Consolidated Reports and Accounts as at December 31, 2018.

The share capital of the Bank is composed of 80,000,000 ordinary shares, including 1,554,353 treasury shares. As at December 31, 2018, based on the notices issued by CONSOB regarding major shareholdings, the Shareholding structure of doBank is composed as follows:

Shareholders	% held
1. Avio S.a.r.l. (*)	50.10%
2. Jupiter Asset Management Limited	7.71%
3. Other investors	40.25%
4. doBank S.p.A. (treasury shares)	1.94%
Total	100.00%

(*) Attributable to SoftBank Group Corp.

4.2 Strategic goals and created value

doBank stands out in the panorama of independent servicers thanks to the broad range of services offered, acting as a sole reference (one-stop shop) for Banking Clients and Investor Clients for the management of predominantly non-performing loans and all related specialized services.

The Group offers recovery and collection services, including the management of all phases of the loan life-cycle, from initial contact with the debtor to out-of-court negotiation or judicial loan recovery proceedings. The Group provides these services through a flexible model based on different loan management protocols depending on the scale and location of the loan, the availability of guarantees underlying the loan and other characteristics. Thanks to the management of less complex and smaller loans through standardized procedures and the management of larger loans through personalized procedures, the Group is able to offer a high level of operational efficiency.

Within the Servicing activities, doBank also sees to the administration, management and recovery of the debt in and out-of-court on behalf of and under the mandate of third parties, on performing loan, UTP (unlikely-to-pay) and non-performing loan (NPLs, Bad Loans) portfolios.

Furthermore, the Group provides an integrated range of Ancillary Products which are fundamental to achieving the best possible result for creditors. These products, which would otherwise be outsourced by the credit owner, include:

- business information services, provided through the doData technological platform

(former Italfondario Business Information Services) for gathering and processing commercial data regarding debtors;

- assistance in the valuation, management and sale of real estate assets;
- coordination and/or preliminary activities for judicial loan recovery, thanks to the Internal Judicial Management unit;

In relation to credit owned by SPVs pursuant to Law No. 130/1999, the Group has provided assistance in structuring and implementing for roughly sixty securitizations, including some of the largest securitization transactions of non-performing loans carried out in Italy in the last 18 years.

In this context, the Group provides Master Servicing and Special Servicing services as well as consultancy services in relation to the structure and composition of the SPVs holding the non-performing loans. This service is of particular interest to investors who carry out securitization transactions pursuant to Law no. 130/1999 to acquire non-performing loans and is becoming increasingly useful to banks who intend to use the recently introduced GACS governmental guarantee scheme.

In this regard, doBank has indirectly invested in non-performing loan portfolios in collaboration with financial investors and intends to continue to consider similar co-investment opportunities in cases where:

- 1) co-investment may increase the possibility of obtaining profitable Servicing contracts with banks and financial investors and
- 2) the investments offer attractive returns. These investments are carried out by subscription to minority positions in securities issued by securitization vehicles governed by Law no. 130/1999.

In fact, thanks to its long history and excellent track record in the Servicing sector, doBank possesses the prerequisites to assess co-investment opportunities in non-performing loan portfolios disinvested from the banking sector. In assessing such investment opportunities, the doBank Group follows specific guidelines to:

- carry out instrumental investments aimed at the attainment of Servicing/Due Diligence contracts in relation to the portfolio in collaboration with institutional investors;
- prioritize large-scale portfolios with predictable cash flow profiles;
- acquire tranches of securities (senior, mezzanine, junior) across the entire securitization structure.

These activities, aimed exclusively at the attainment of Servicing contracts, represent an important opportunity for the doBank Group to increase its financial profits, align its interests with those of its clients, continue to maintain a robust financial position and limit the commitment of capital in this type of activity ("capital light" model).

The doBank Group also sees to Due Diligence services on behalf of its clients in the context of possible purchase transactions of non-performing loan portfolios. In particular, the Group currently provides such services with regard to the non-performing loan transactions carried out in Italy and Greece by leading specialized investors.

In conclusion, the Group prepares data room environments and provides other services for the transfer of non-performing loan portfolios carried out by Banks.

By way of confirmation of its leadership role on the Italian market, the doBank Group during 2018 progressively launched the take-over and management of new loan portfolios for a significant amount, amounting to over €13 billion including:

- 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;
- non-performing loans originated by Cassa di Risparmio di Rimini, Cassa di Risparmio di Cesena e di San Miniato (operation Berenice), entrusted by the Italian Recovery Fund;
- non-performing loans originated by the MPS Group, whose mandate was acquired by the

- Italian Recovery Fund;
- loans originated by Banca Popolare Agricola di Ragusa, forming the subject matter of a securitization transaction assisted by GACS;
- loans originated by the UniCredit Group, together with portfolios of a minor entity.

The Group has also reached agreements with the Iccrea banking Group and Banca Carige for the management of loans which will commence in the first quarter of 2019.

In 2018, doBank for the first time extended its activities outside the Italian market.

In July 2018, doBank entered into an agreement with four Greek systemic banks, Alpha Bank, National Bank of Greece, Eurobank and Piraeus Bank, in light of which the doBank Group obtained the appointment to manage a portfolios of NPLs with a value of around €1.8 billion in GBV. The agreement represents the first management contract obtained by the Group within the promising Greek market and is handled by the local branch, doBank Hella of Athens.

Proceeding with the realization of the objectives of the 2018-2020 Business Plan which, besides organic growth, envisages the development of doBank within the markets of Southern Europe also by means of M&A, at the end of 2018 doBank entered into an agreement for the acquisition of 85% of Altamira Asset Management S.A., a leading company in Southern Europe within the market of real estate assets and credit management present in Spain, Cyprus, Portugal and Greece and Cyprus. The holding forming the subject matter of the agreement may be increased to 100% if Banco Santander S.A., holder of the remaining 15% of the share capital of Altamira, should exercise the joint-sales right envisaged by pre-existing agreements. The finalization of the transaction is dependent on the occurrence of certain conditions in line with the market practices and is envisaged within the first half of 2019.

2018 also saw an important corporate reorganization process which will see doBank, in 2019 - subordinate to the prescribed legal authorizations - take on the form of a servicing company disciplined by Article 115 of the T.U.L.P.S. (Consolidated Text of Laws on Public Security), thereby ceasing its nature of banking group. The aim of this process is to render the Group's structure more consistent with the business mix of doBank, essentially addressing servicing activities.

doBank offers a Data Quality service which includes data control and remediation activities to provide a certified database which can be applied in future rating and securitization processes. In this way, the quality of the data indirectly contributes to obtaining a higher rating from the securitizations made.

In order to maximize the benefits offered by the broad scope of information at its disposal, the Group uses a proprietary IT platform and database in order to track and monitor all non-performing loans under management by the Group. The Group considers that its database is the largest of its kind in Italy and contains detailed information regarding the entire process of loan collection managed by the Issuer and by Italfondiaro in the last 18 years, with approximately 6.5 million data entries regarding debtors and their respective loan guarantees. The IT infrastructure of the Group, which includes a sophisticated search function based on loan stratification, enables the Group to assess each loan, comparing it with a loan pool presenting similar characteristics in terms of location, guarantees, judicial proceedings, debtor profile, enforcement time scales, recovery levels and other factors. Thanks to the analysis of the data at its disposal and the flexibility of the technology used, the Group has access to a powerful tool able to (i) establish the optimum management strategy for the loans under management; (ii) predict likely cash flows and loan recovery times; and (iii) provide assistance in the subscription of loan portfolios subject to sale or securitization by banks on behalf of potential investors. Furthermore, this system offers clients of the Group access to online reporting systems which enable clients to easily access the data relating to their portfolios and other important information.

The strategic objectives of doBank are in line with its ambitions to contribute to the sustainable

development of the Italian credit system. Through its activities, doBank contributes to the recovery and protection of stable financial conditions, acting as one of the leading players in the Italian credit industry in the process to progressively reduce the level of non-performing loans and streamline and modernize the recovery process.

4.3 Materiality analysis and stakeholders

In 2018, the doBank Group up-dated the materiality analysis with the aim of identifying issues relevant to the Group and its stakeholders, or rather those aspects which significantly influence the capacity to create value over the short, medium and long term.

Material aspects are those which represent the significant financial, environmental and social impacts of the organization or which may substantially influence the assessments and decisions of stakeholders. Such aspects are important considerations in the management of risks and the business strategy and represent the basis of non-financial reporting.

The following **stakeholder categories** have been identified: shareholders/market, employees, companies and professionals representing the external Servicing network, banks and other clients, debtors to whom the loan recovery activities refer, the community and the region.

The materiality analysis carried out by doBank was performed as follows:

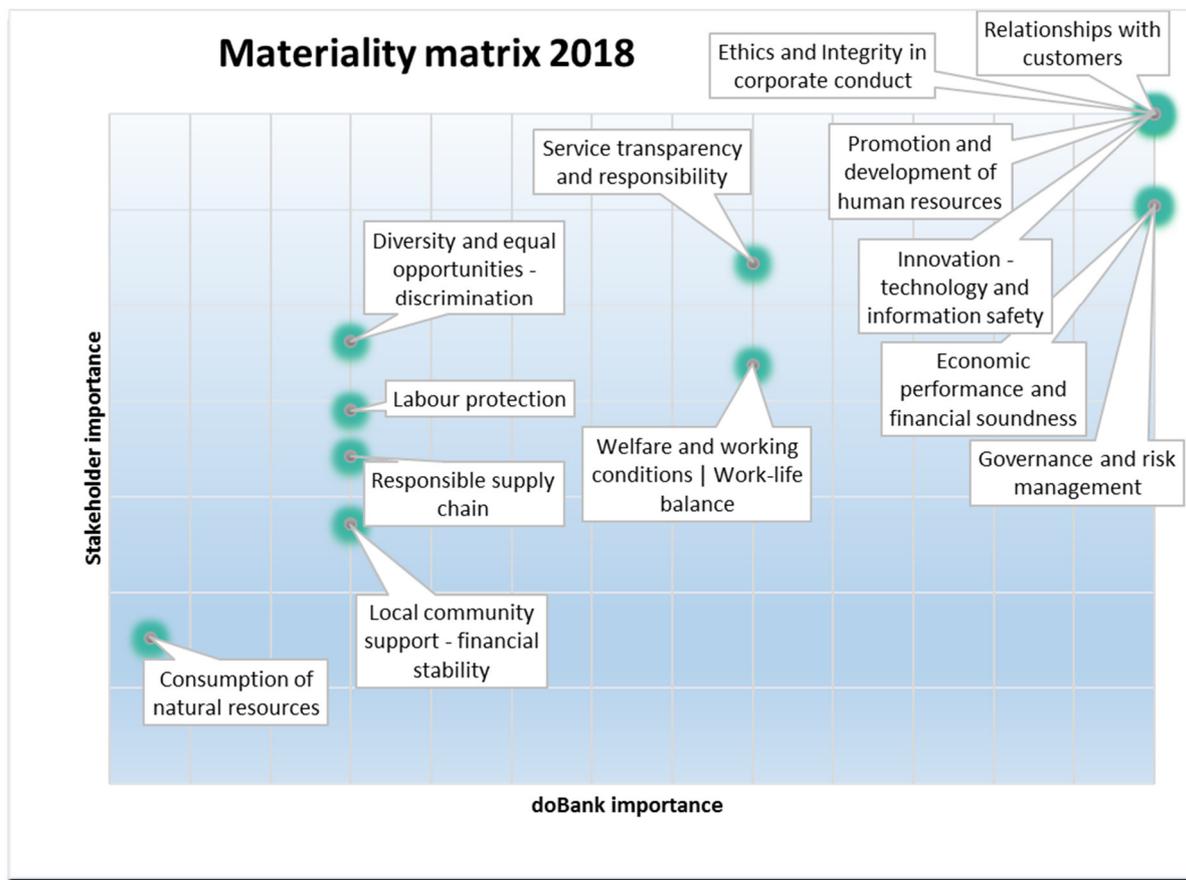
- Sector-based benchmarking analysis. In this regard, reference was made to the ABI Document "Linee guida sull'applicazione in banca degli Indicatori Ambiente del GRI (Global Reporting Initiative)" (Guidelines on the application of the Environmental Indicators of the GRI in Banks) and the analysis of the Sustainability Reports and the Non-financial Statements published by a restricted group of specific Italian and foreign peers;
- Assessment of the material aspects by doBank Management;
- Internal Survey intended for all the employees of the Italian companies of the doBank Group and related collation of feedback for the evaluation of the material aspects. The same survey was directed at an initial sample of suppliers.

This process led to an analysis and subsequent up-date of the 17 significant aspects identified at the time of the drafting of the 2017 NFS, so as to achieve a list of 13 material aspects, as per the following table. The material aspects, inherent to the various dimensions of the sustainability, have been divided up with reference to the sphere envisaged by Italian Legislative Decree No. 254/2016.

Material aspects	Reference scope ex Legislative Decree 254/2016					Chapter NFS 2018
	Environment	Social	Personnel	Respect of human rights	Fight against active and passive corruption	
1 Welfare and working conditions Work-life balance			x	x		7. Human resources
2 Ethics and Integrity in corporate conduct		x			x	5. Organisational model, governance and prevention of corruption
3 Economic performance and financial soundness		x				4. doBank and sustainability
4 Governance and risk management	x	x	x	x	x	6. Governance and risk management
5 Labour protection			x			7. Human resources
6 Service transparency and responsibility		x			x	8. Clients and loan recovery activities by the external network
7 Relationships with customers		x			x	8. Clients and loan recovery activities by the external network
8 Diversity and equal opportunities - discrimination			x	x		7. Human resources
9 Promotion and development of human resources			x			7. Human resources
10 Responsible supply chain	x	x				9. Supply chain
11 Consumption of natural resources	x					11. Environment
12 Local community support - financial stability		x				9. Supply chain
13 Innovation - technology and information safety	x	x				11. Environment

The materiality matrix, presented below, represents the summary of the process, and was updated from the previous year as a result of the materiality analyses. The graphic representation of the materiality matrix provides an overview of the most significant issues.

Array of significant topics



The environmental aspects linked to energy, water consumption and the emissions of polluting gases were of little significance in both the dimensions considered and consequently in the 2018 NFS they are understood as dealt with marginally.

With reference to the stakeholders' engagement launched in 2018, with regard to 2019 doBank intends to continue with the analysis into the feasibility of involving an increasingly greater number of stakeholders, with the purpose of further improving the dialogue with the same, the comprehension and the reporting of their expectations.

The current stakeholder engagement system

Financial community - market

doBank promotes a continuous dialogue with the financial community through international roadshows, ad hoc meetings, industry conferences and conference calls upon publication of the financial results and with individual investors. These meetings are attended by members of the top management team and the "Investor Relations" department, with the latter overseeing market relations through a multitude of channels on a daily basis. In this context, the content of the "Investor Relations" section of the Group website and relations with rating agencies, both in terms of the Group's ratings (as Master Servicer and Special Servicer) and in relation to the award of ratings to portfolios subject to the provisions of Law No. 130/99 on company-owned loan securitizations, stand out. doBank is committed to complying with market best practices in terms of punctuality, correctness and transparency in the provision of information to investors, taking into consideration their different characteristics. In fact, as well as institutional investors and professional managers in the case of investment, communication

activities are also aimed at retail savers or investors and the public in general. For these stakeholders, different channels have been identified for the dialogue and the disclosure of relevant information, such as the explanatory sections of the financial report, the website and the investor relations inbox. Furthermore, the presentations and audio files of the quarterly conferences held with analysts and investors are made available to the general public, in order to avoid any inconsistencies in information. Finally, all stakeholders are offered the opportunity to subscribe to the mailing list via the online form in order to receive press releases, while updated statistics on the share performance and main technical indicators are published on the website.

Clients

To effectively monitor the adequacy of service levels, doBank engages in constant and systematic contact and dialogue with clients (banks and investors). In this respect, it should be noted that the three main clients of the doBank Group are the UniCredit Group, the Intesa Sanpaolo Group and other funds managed by Fortress. The contracts signed with UniCredit and Intesa Sanpaolo both stipulate the contractual obligation to meet predefined quality standards and service levels.

The contracts with UniCredit and Intesa Sanpaolo envisage the observance of predefined quality standards and service levels. In 2017, besides the direct mandate, with reference to the UniCredit Group, there was also the management of the loans relating to the securitization carried out by the UniCredit Group through the securitization vehicles Fino 1 Securitization S.r.l. and Fino 2 S.r.l., whose contractual conditions include the protection and monitoring of service levels in line with those provided by the existing contract with UniCredit. Furthermore, with reference to the Servicing contracts with funds managed by Fortress, monitoring mechanisms are in place to ensure that the qualitative service standards provided by the relative contractual agreements are met, as they are for the contracts with the Italian Recovery Fund.

To this end, a series of quantitative KPI indicators are regularly monitored to measure compliance with the required service standards. These include, but are not limited to, performance indicators with regard to expected targets, indicators of movement of positions in terms of payment collection and the prompt transmission of data streams.

Employees

The principles of transparency, independence and integrity form the basis for the relations between the competent company departments and trade unions. The Bank applies the national legislation on union rights (Freedom of Association Agreement of November 25, 2015) and has scheduled the preparation of an internal Corporate Feasibility plan. Relations with trade unions are based on a constructive dialectic, without any discrimination or difference in treatment, in order to promote a climate of mutual trust and a productive dialogue aimed at implementing appropriate and, where possible, cooperative union relations. In this regard, in order to strengthen relations between the company and employee representatives, special analysis committees are currently being established which will aim to identify the best solutions for the standardized treatment of all employees in terms of professional development, health policies and work-life balance.

Employee membership to political parties is not in any way related to their role in the Company. The Bank abstains from any direct or indirect pressure from political figures and does not permit the release of direct or indirect contributions of a monetary nature or in any other form to political parties, movements, committees and political and union organizations, nor their representatives.

The community and debtors

With reference to the community, understood as the public interest and the protection of the stability of the credit system, carried out through the efficiency of recovery processes of non-performing loans and the respect of the debtors subject to the recovery activities, doBank is an opinion leader and participates in the main public interbank and institutional debates.

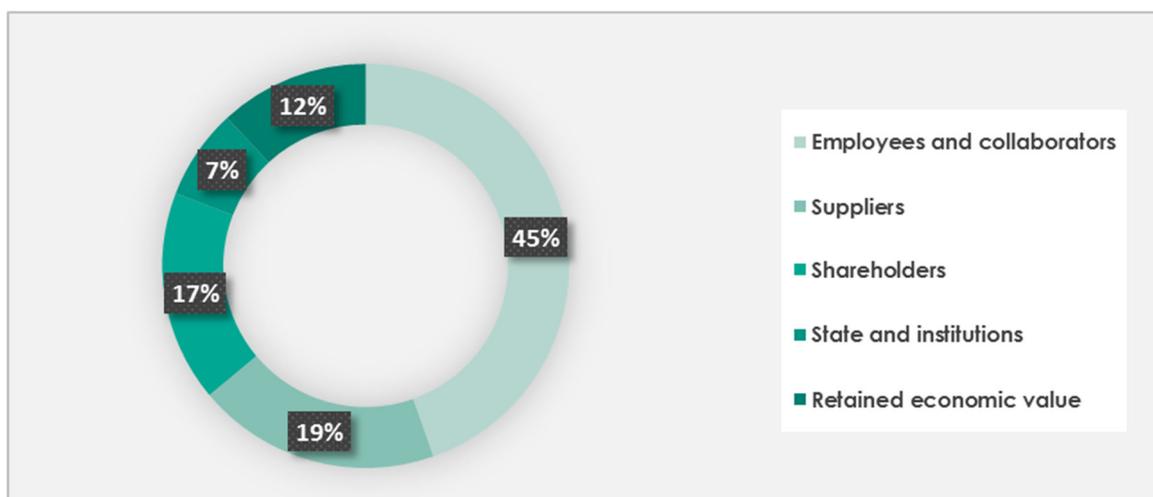
External lawyers in charge of debt recovery

The Parent Company doBank has implemented a rating system for the performance quality of external lawyers, through a specific IT support. Each professional can through this system compare their quality levels with those of a reference benchmark. The results of the rating process are transmitted on a confidential and personalized basis. A similar monitoring process is in place for the Italfondario (then also "ITF") network, through the use of internal reporting.

4.4 Generated, distributed and retained economic value

This table shows the calculation for the determination and distribution of added value according to the criteria established by the ABI. The calculation progressively combines the items in the income statement prepared according to Bank of Italy Circular 262, with the aim of highlighting the generation process of added value and its distribution to stakeholders.

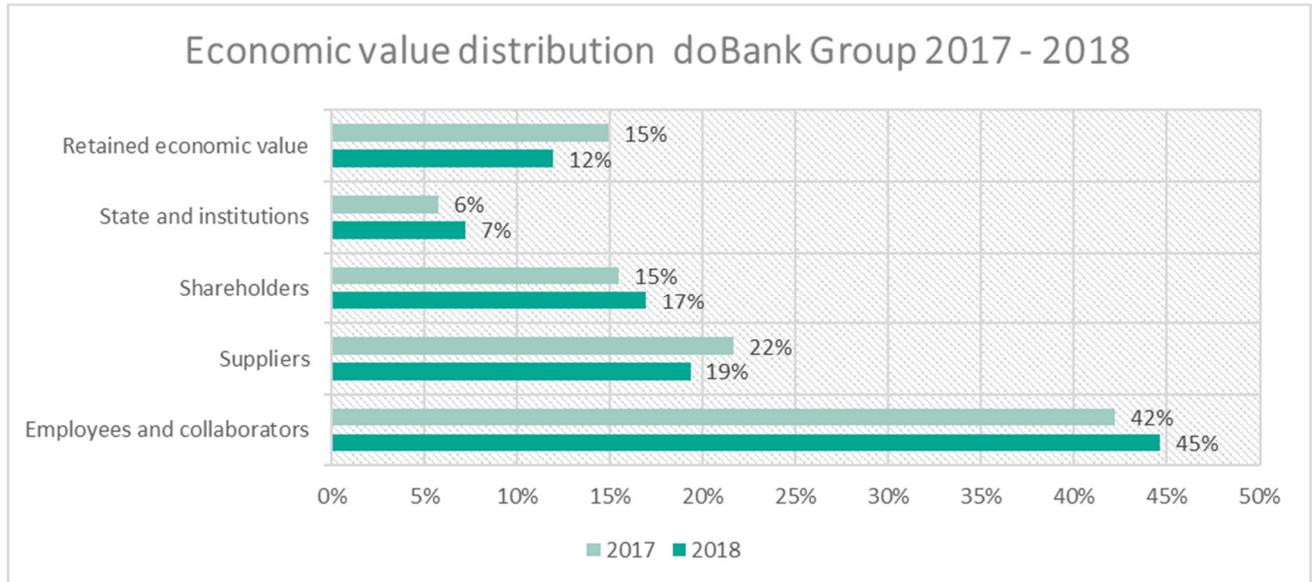
Retained economic value distribution (Thousand of Eur)	2018	2017
Generated economic value	217,641	199,517
Distributed economic value	(191,715)	(169,791)
Employees and collaborators	(97,091)	(84,171)
Suppliers	(42,056)	(43,234)
Shareholders	(36,837)	(30,907)
State and institutions	(15,731)	(11,479)
Retained economic value	(25,926)	(29,726)



The increase in generated economic value reflects the positive dynamic of core revenues, and in particular the contribution of the commission. For further details with regard to the items in the income statement upon which the calculation is based, reference should be made to the section of the Report on Operations of the 2018 Consolidated Financial Statements as at

December 31, 2018.

For 2018, on March 12, 2019 the Board of Directors resolved to propose to the Shareholders' Meeting the distribution of a portion of the accrued profit, equal to 70% of the consolidated net profit, excluding non-current charges.



4.5 Approach to sustainability

The Communication Department supports the Chief Executive Officer in the management of internal and external corporate communications to all stakeholders and develops the Corporate Social Responsibility Plan. This strengthens the Group's image as an entity focused on ethical behavior and also social and environmental sustainability.

Furthermore, the Bank is currently focused on activities to reorganize and restructure the Group, a process which has direct impacts on increasing the management of issues regarding the environment, sustainability, employees and the specific areas provided in Decree No. 254/2016.

The following projects for implementation are of particular note:

- **Materiality analysis - Stakeholder engagement**
 - As already indicated, doBank launched a study into the methods for achieving a more extensive process for engaging the stakeholders, expressly aimed at the identification of the material aspects. The purpose of this was to further improving the dialogue with the same, the comprehension and the reporting of their expectations.
- **Environment and organizational efficiency**
 - *Supply of electricity:* In line with the matters achieved last year, the doBank Procurement unit will take steps, during 2019, to call a tender for the renegotiation of the services linked to the supply of electricity. The tender will affect the entire real estate complex under management and, further to the will of the doBank Group, will be structured in requesting the suppliers for offers both for the sole supply of electricity and for the supply of "Green Energy" (or renewable energy);
 - *Technological platform:* As regards the technological platform, both management and accounting, integration of the two systems in use by doBank and ITF and the

two processes in a single platform will continue on a consistent basis with the guidelines of the Strategic Plan;

- *Users' desktop - hardware*: with regard to the sphere relating to reporting, an important upgrade will be made both from a technological standpoint and for the functional sphere for an evolution of the methods for the fruition of the data by the users;
- *Head Offices*: with reference to the project linked to the completion of the plan for the gradual transfer of the offices included in the UniCredit properties and continuation of the rationalization of the offices, in 2018 the former Turin Unicredit offices were left so as to pass on to new premises located in the same city. During 2019, doBank is assessing the appropriateness of continuing with the process for the optimization of the other offices;
- *Supplies of consumables*: during 2018, a new Outline Agreement was entered into for the supply of stationery. Despite the absence of specific operating policies in this connection, the new agreement also envisages the supply of recycled paper;
- *Reporting / GRI Standard process*: a process was launched in 2018 for the gathering and handling of data, in order to improve the reporting of the indicators envisaged by the internal and external GRI standards (Energy, Gas, Water, Waste) across all Group properties. These activities made it possible to considerably reduce the estimated data.

- **Corruption/AML/231 Organizational Model**

- In 2018, the control measures envisaged in the 231 Model, which were fully implemented in 2017 for doBank and Italfondionario, become fully operational;
- During 2019, the Group has scheduled the definition and development of its Anti-corruption Programme, on a consistent basis with the strategic objectives of the Group.

- **Suppliers (social and environmental aspects and the supply chain)**

- During the second part of 2018, a new process was launched for the selection and qualification of the suppliers and the consequent monitoring activities. The qualification process envisages the pre-qualification and subsequent qualification of the Supplier, by means of an assessment based on general requirements (Ethical/Legal, Economic/Financial), and technical/organizational requisites linked to the various categories of goods and services offered by the Supplier. The status of the qualified supplier is monitored and possibly confirmed, by means of the updating and checking of the information/documents, together with the performances expressed in the execution of the supply activities. The Vendor Management activities, which envisage the process in End to End mode, from the onboarding of the suppliers to the monitoring and checking of the performances, is currently in the implementation stage, and is estimated to be fully up and running by the last quarter of 2019. All the activities which make up the process, will be handled by an IT tool currently being assessed;
- A data repository is expected to be implemented in 2019 to collate all documentation relating to contractual documents and certificates requested from suppliers on the subject of the environmental and human rights respect.

- **Staff**

- During 2018, activities continued for the review of the HR processes, aiming to define shared and transparent rules and management policies on various topics (benefits, staff training, presence and absence management, etc.) and the HR policies/rules with regard to the various aspects of interest for the employees such as attendance management, benefits, etc., were published on the company portal;

- 2018 saw the launch of a project to define a more structured performance evaluation model, with the assignment of targets and self-assessment procedures for individual resources;
 - The Work Commissions with the trade union organizations were established during 2018 so as to define the professional and career paths, as well as to evaluate the skills;
 - A gradual process of harmonization was launched in 2018 with regard to second level provisions for the Group Work-life Balance.
- **Diversity and Equal opportunities**
 - As what is more envisaged by the legislation regarding listed companies, doBank ensures gender equality at Board level (a fifth of the members, pursuant to Article 2 of Italian Law No. 120/2011). 2018 saw the appointment of two women directors, one of which handed in her resignation just before year end. The Board of Directors co-opted a new women director and the appointment was confirmed by the General Shareholders' Meeting on March 5, 2019;
 - doBank has extended the application of the best practices in this connection at Group level, with the aim of developing gender diversity, ensuring equal opportunities. Two colleagues were appointed in 2018 to the positions of CFO of the Parent Company and Sole Director of the subsidiary doData;
 - During 2018, doBank S.p.A. provided an annual contribution for each child between the ages of 4 and 12 for all employees employed at professional or managerial level. This contribution was extended to newly-employed workers as well, with simultaneous opening of a welfare account.
 - **Customers and debtors subject to recovery actions (data security):**
 - Constant investment in the soundness of the technological solutions adopted and constant monitoring of the functioning with the aim of successfully dealing with the main challenges laid down by the related legislation innovations for the market context.

5. ORGANIZATIONAL MODEL, GOVERNANCE AND PREVENTION OF CORRUPTION

For an illustration of the organizational and management model of the doBank Group pursuant to Italian Legislative Decree No. 231/2001, reference should be made to the "Organizational, Management and Control Model pursuant to Decree No. 231" and the "Code of Ethics" documents available in the "Governance" section of the company website: www.dobank.com.

The section details certain selected information regarding the essential elements of the organizational and management model, specifically the 231 Model and the Code of Ethics.

5.1 231 Model and Whistleblowing

Italian Legislative Decree No. 231/2001 introduced into Italian Law administrative responsibility for entities, where "entity" refers to corporate entities, share capital companies, partnerships and associations, including those without corporate status. doBank S.p.A. and Italfondionario adopted the Organizational and Control Model pursuant to Decree No. 231 in July 2016 and August 2016 respectively. The 231 Model was then extended to the companies doRealEstate in July 2017 and finally to IBIS and doSolutions, which approved the model in December 2017.

In implementation of the provisions of Legislative Decree No. 231/2001 and in line with statutory regulations, the Board of Directors appoints the Supervisory Committee, which is entrusted with supervising the implementation and observation of the 231 Model and its renewal. The Supervisory Committee, which operates continuously, supervises the functioning of and

compliance with the Models and monitors and assesses the implementation of preventive measures, reporting periodically to the Board of Directors and the Board of Statutory Auditors.

In line with the principles of Legislative Decree No. 231/2001, the 231 Models of the Group envisage a whistleblowing procedure for violations of the Model, including anonymously, directly to the Supervisory Committee or to the line manager who then promptly notifies the Supervisory Committee.

The Supervisory Committee acts to protect whistleblowers from any form of retribution, discrimination, penalty or any other consequence deriving from the whistleblowing, undertaking to respect the confidentiality of their identity unless otherwise prescribed by legal obligations or to protect the rights of the Company or the parties accused falsely and/or in bad faith.

The Supervisory Committee carries out its own control activities through the analysis of the systematic data streams transmitted periodically by the following units: Internal Audit, Compliance and Human Resources, the Employer/Client pursuant to Legislative Decree No. 81/2008, as well as the Managers of other Organizational Departments not listed among the Company Departments above.

The Supervisory Committee also supervises communication and training activities, making use of the relevant departments, which are tasked with developing the initiatives for raising awareness and promoting understanding of the Model, the content of Legislative Decree no. 231/2001 and the impact of legislation on the company activities. The departments also implement staff training programmes and raise staff awareness regarding compliance with the key principles of the Model, promoting and coordinating initiatives aimed at furthering the knowledge and understanding of the Model by all parties operating on behalf of the Group.

A whistleblowing system for illicit conduct pursuant to the whistleblowing provisions is in place within doBank, enabling employees and the external network to report inappropriate conduct.

Illicit conduct refers to behavior that may damage or prejudice the bank or its employees, including in terms of reputation, and includes:

- breaches of banking regulations, as defined by Article 10 of the Consolidated Banking Act (this includes but is not limited to: abusive collection of savings, fraudulent and false internal banking, market manipulation, violation of rules to protect banking supervision, etc.);
- criminal offences, if related to crimes committed by employees in the course of their duties (including but not limited to: corruption, theft, extortion, internal fraud, counterfeiting, usury, etc.);
- irregularities in the fulfilment of administrative, accounting and fiscal obligations;
- irregularities with regard to anti-money laundering;
- breaches to the privacy code;
- breaches to the Code of Conduct;
- breaches to internal regulations;
- cases of potential conflict of interest;
- facilitation of any of the cases listed above.

doBank has implemented a dedicated online whistleblowing platform available on the website of the Bank to enable employees to report any anomalies. This whistleblowing management system guarantees the privacy and protection of the personal data of the whistleblower. Alternatively, employees may report illicit conduct using a paper form. It is noted that no cases of whistleblowing occurred in the period covered by this Statement nor in previous years.

5.2 Code of Ethics and internal regulations

The doBank Group implements a series of regulations, rules, procedures and organizational provisions that are integrated into the principles of the Code of Ethics, aimed at ensuring the respect of company strategies, improving the efficacy and efficiency of company processes, protecting the value of the business, protecting against loss, promoting reliability, integrating accounting and management information and finally ensuring full compliance with external Laws and Regulations, including Supervisory instructions.

In July 2016 doBank adopted the Group Code of Ethics, which defines the ethical principles, duties and responsibilities that the Bank assumes with regards to all parties who collaborate with doBank to achieve the company's objectives. This aims to ensure that the conduct of all parties is always based on principles of correctness, collaboration, loyalty, transparency and mutual respect, as well as avoiding cases of any unsuitable conduct. The Code of Ethics is directed at all internal parties of the Bank and the Group, as well as external parties who, by virtue of contractual relationships, collaborate with the Bank in the course of their activities. In particular, when selecting its commercial partners doBank and other Group companies ensure that the ethical principles applied by the potential partners are in line with the Code of Ethics, contributing to the Group's leadership in this field.

5.3 Prevention of corruption

The doBank Group protects against the risks of corruption through the risk management and control system in place in the context of the aforementioned 231 Model applicable in Italy. With regard to the external scope, we hereby reveal that possible implementations aimed at extending and enhancing the current controls are being evaluated.

The Group has scheduled the definition and development of its Anti-corruption Programme for 2019, on a consistent basis with the strategic objectives of the Group.

Within the sphere of the activities carried out in 2018, it is highlighted that the Company has implemented its own internal regulatory framework in this connection taking steps to issue specific procedures relating to the handling of:

- **Gifts:** the doBank Group does not permit the acceptance from or the offer of gifts by internal, external or other parties, if the same: i) may be interpreted as exceeding the normal commercial or courtesy practices relating to business relationships, or as a means used for the purpose of obtaining favorable treatment in the performance of any practice and/or activity which can be linked to the Group companies; ii) exceed a modest value, or are linked to specific requests, or in any event are such as to compromise the independence of judgement and the operating correctness of one of the two parties; iii) are represented by cash or assets readily convertible into cash.
- **Sponsorships and partnerships:** as a general rule, the sponsorship and partnership initiatives are aimed at promoting the name of the doBank Group and the related products and services and must be carried out:
 - on a consistent basis with the principles and values of the Group;
 - in compliance with the local regulations and the laws;
 - limiting oneself to favoring those events which offer a guarantee of quality, originality and efficacy.

Therefore, particular attention will have to be paid to selecting projects capable of conveying messages in line with the image and reputation of the Group, adopting the

necessary precautions so as to avoid any possible conflict of interest of a personal or corporate nature.

- **Donations and Charitable acts:** The doBank Group permits the disbursement of donations and charitable acts, whether they involve cash or goods, made exclusively in true charitable spirit:
 - in favor of bodies and association openly non-profit making and with due articles and memorandum of association;
 - of elevated cultural and charitable value.

In the selection of the potential beneficiaries, who are classified in relation to the purposes they pursue and the areas in which they operate, the Group limits excessive concentration of disbursements for donations or charitable acts to the same bodies and associations, also taking into consideration the initiatives carried out in previous years and ensuring a suitable rotation of beneficiaries.

In conclusion, the Group does not permit initiatives for donations or charitable acts if they may lead to an expectation of obtaining or maintaining a consideration or benefit of any kind.

5.4 Anti-money laundering

In line with the provisions of current law, the doBank Group has established the Anti-money laundering department as a permanent and independent structure, whose role is to prevent and combat the occurrence of fraudulent or criminal transactions.

In the context of company management and in line with current legislation, doBank implements a series of activities aimed at providing full knowledge of the client, tracking financial transactions and identifying suspicious transactions.

In parallel to these obligations, legislation envisages the implementation of first, second and third level controls on measures to prevent and combat the risk of money laundering and terrorist financing, as well as suitable training for staff of recipient Group Companies aimed at raising awareness of prevention and risk management of money laundering and terrorist financing. Particular focus was given in 2018 to training sessions on the anti-money laundering system aimed at all doBank Asset Management personnel and the subsidiary Italfondario.

The risk management model for money laundering and terrorist financing of recipient Group Companies is based on the principles of:

- *proportionality*, understood as the application of legislative provisions based on the nature of the activity, the type of services performed, the operational complexity and the size of the Group as a whole and the individual companies belonging to it;
- *independence*, understood as the direct access to the Strategic Supervisory Body and the Control Body. Independence is defined in the context of the mandate through which the Board of Directors, having consulted the Board of Statutory Auditors, approves the constitution of the Anti-money laundering (AML) Department, defining its role, context, jurisdiction, responsibilities and prerogatives through this Regulation;
- *authority*, understood as the free access of the Manager of the AML Department and its representatives to all Company activities, as well as any information relevant to the performance of its duties, including by way of direct contact with employees;
- *autonomy and adequacy of resources*, understood as the availability of human, technical and economic resources, of a direct or indirect nature, able to prevent situations of undue subjection with regards to operating departments, taking into account the operational and

organizational complexity and size of the intermediary, as well as the nature of the activity carried out;

- *distribution*, understood as the expansion of the regulatory scope of the risks of money laundering and terrorist financing to all company activities, and in particular to where the risk is generated.

5.5 Formazione AML e Modello 231

Anti-money laundering and the organizational and management model represent the key training priorities for 2018.

In particular:

- 761 resources benefited from AML training, belonging to the companies doBank, Italfondario and doSolutions (the total participants represent 94% of those invited and 59% of total Group employees);
- 542 resources were trained with regard to the 231 Model, belonging to the companies Italfondario, doSolutions, doRealEstate, doData and doBank (the total participants represent 92% of those invited and 42% of total Group employees).

Training of anti-money laundering legislation is provided for external professionals and debt collection companies. During 2018, external professionals who attended these courses numbered 361 out of the 484 invited, while 58 out of 71 debt collection companies attended.

6. GOVERNANCE AND RISK MANAGEMENT

6.1 Risk identification and management

In line with the best market practices, the doBank Group has equipped itself with an Internal Controls System aimed at constantly overseeing the main risks associated with the Group's activities, for the purpose of being able to ensure a running of the company which is sound, correct and consistent with the pre-established performance objectives and those for safeguarding the company assets in their entirety.

The Parent company doBank has disciplined the overall governance and risk management structure at Group level within the internal regulatory system and in the documents associated with the same, inclusive of the Group Risk Appetite Framework, up-dated constantly in relation to the evolutions of the strategic provisions¹.

The Risk Management Unit, with the aid of the other structures involved for the individual spheres of responsibility, continually carry out accurate activities for the identification of the risks to which the Group is exposed on a current and forecast basis, with reference to a careful assessment of the elements characterizing the operations and the reference context.

These activities have the aim of identifying, in a structured manner, all the risks which could hinder or limit the Group in the full achievement of its strategic objectives and which could have a significant impact on the capital or on the profits and, therefore, to be subjected to measurement and assessment.

The Parent company carries out an initial identification of the risks starting off from the list of the minimum risks identified by the supervisory legislation² and extending it with the additional significant risks emerging from the analysis of the business model and the reference markets in

¹For further detailed elements associated with the risk management processes, please see the matters indicated within the Notes to the Financial Statements Section E in the 2018 Consolidated Reports and Accounts, and the specific section of the Disclosure to the general public by the Bodies – Pillar III as at December 31, 2018.

²Circular No. 285/2013, First Section, Title IV, Chapter 3, Enclosure A.

which the various Group companies operate, the strategic prospects, the operating formalities and the characteristics of the loans and the sources of financing. For the purpose of identifying the significant risks, a "Gross Risk" analysis approach is adopted, or rather in the risk identification phase the individual safeguards or techniques aimed at mitigating them are not considered.

The Parent Company proceeds with the definition of the map of the risks by means of the assessment of the importance of all the risks previously identified. A risk is defined as significant if at least one of the following conditions is observed:

- the risk, irrespective of the controls and the mitigation safeguards existing or envisaged, derives from the current operations and leads or may lead to causing economic impacts for the Group;
- the risk, irrespective of the controls and the mitigation safeguards possibly envisaged, derives or may derive from the future company strategy at Business Plan level or from changes in the related legislative context, and could lead to causing economic impacts for the Group.

The assessment activities, carried out for the purpose of ensuring a complete process for the identification of the risks is performed on all the Legal Entities of the doBank Group and is formalized within the sphere of the drafting of the annual ICAAP report.

The map of the significant risks is subject to discussion with the second level Business Control Units of the Group (Risk Management, Compliance, Anti-money Laundering, Manager in Charge) as well as the third level ones (Internal Audit), which take steps to define a common taxonomy for the purpose of strengthening the level of integration of the same, permitting the spreading of a common language in the management of the risks at all levels of the Group.

The Compliance and Anti-money Laundering Unit is obliged to see to the recognition, monitoring and control of the risk of non-compliance with the rules, providing advice and support to the operating and business structures as well as preparing the necessary periodic disclosure for the company bodies.

The process for the management, monitoring and assessment of the risk of non-compliance of the Group based on a risk-based approach, is characterized by a significant pervasiveness in the company activities. It is made up of the following phases:

- definition of the guiding principles and the method rules for the management and assessment of the risk of non-compliance;
- planning of the activities, via which the Compliance and Anti-money Laundering Unit identifies the periodic goals to be reached, the realization formalities, the related timescale and frequency of the controls on a consistent basis with the applicable legislation, as well as an estimate of the resources to be used;
- on-going monitoring of the external legislation;
- consulting and assistance for the Company Bodies and the other Group structures;
- training, for the purpose of spreading a business culture characterized by principles of honesty, correctness and observance of the spirit of the regulations;
- risk assessment, activities aimed at the assessment of the level of suitability of the business processes, the systems and the organizational set-ups for mitigating the risk of non-compliance with the applicable legislation;
- second level verification/control activities;
- monitoring of the remediation plans, for the purpose of checking - on an on-going basis - the correct progress of the action identified by Management in response to the shortfalls identified by the Compliance and Anti-money Laundering Unit;
- reporting, by means of the forwarding and receipt of suitable information flows, in relation to the activities carried out regarding the management of the non-compliance risk.

Within the system of Internal Controls, the Anti-money Laundering Unit oversees the risk on money laundering and terrorism funding, carrying out the following macro-activities:

- ensuring the efficient overseeing of the activities and the processes aimed at controlling the money laundering and terrorism funding risk, by means of checking - on an on-going basis - the consistency of the company procedures with the external and self-regulation rules concerning money laundering and terrorism funding;
- accomplishing the activities for internal assessment of the money laundering and terrorism funding risks;
- handling the process for the assessment of the suspect transactions regarding anti-money laundering and anti-terrorism, for the purpose of any reporting and transmission of the same to the Financial Information Unit (U.I.F.);
- carrying out the transmission of the aggregate data on a monthly basis (S.AR.A);
- performing periodic checks for the purpose of certifying the reliability of the information system populating the Single Computer Archive (AUI) and the suitability of the internal procedures;
- promptly communicating the aspects and the violations of the compliance considered to be of particular significance to the Company Bodies;
- providing advice and assistance for the Company Bodies and the other Group structures in the cases of doubt with regard to the interpretation of the external regulations and the application of the internal ones;
- supporting the various structures involved in the definition and the disbursement of specific training programmes;
- in the Internal Capital Adequacy Assessment Process (ICAAP), providing the information useful for the assessment of the money-laundering and terrorism funding risk within the sphere of the non-compliance risk.

Within the sphere of the internal controls system of the doBank Group, the Parent Company's Internal Audit Unit is assigned the direct management of the internal audit activities, with a view to third level control, both on behalf of the Parent Company and the Subsidiary Companies, without prejudice to the competence and the responsibilities of the Company Bodies of the latter. The activities of the Unit are aimed at periodically assessing the completeness, the functioning, the suitability and the reliability in terms of efficiency and effectiveness of the Internal Controls System, including those on the IT system (ICT audit).

For the purpose of acquitting the duties and the responsibilities envisaged by the Supervisory legislation and the internal provisions, the Unit has in particular the objective of:

- ensuring constant and independent supervisory action on the due performance of the operations and the processes of the Parent Company and the Subsidiaries, with the objective of preventing or detecting the arising of anomalous and risky conduct or situations;
- periodically assessing the completeness, adequacy, functioning and reliability of the organizational structure and the other components of the internal controls system;
- carrying out the controls (third level), also by means of *in situ* checks (both care of the Group companies and care of their foreign branches/offices) or remote controls, with regard to the regular performance of the company operations and the evolution of the risks, including the outsourced activities, also identifying any violations of the procedures and the regulations;
- monitoring the compliance of the activities of all the company levels with the rules;
- assessing the effectiveness of the process for defining the Risk Appetite Framework (RAF) with reference to the roles and responsibilities of the Company Bodies and the operating units involved, the internal consistency of the overall scheme and the compliance of the company operations with the RAF;
- checking the correct and accurate exercise of the delegated powers and the full and correct use of the available information within the sphere of the various company activities;
- checking the suitability and correct functioning of the processes and the methods for assessing the business activities, in particular the financial instruments;
- checking the suitability of the 2nd level control units and the related processes for the identification, measurement and control of the risks, also with reference to the

- observance of the legislative requirements envisaged by the Supervisory Authorities. Within this sphere, with particular regard to the Risk control Unit, it assesses: i) the organization, powers and responsibilities of the risk control unit, also with reference to the quality and the adequacy of the resources assigned to the same; ii) the appropriateness of the hypotheses used in the sensitivity and scenario analysis and in the stress tests; iii) the alignment with the best practices common in the sector;
- checking the suitability, overall reliability and security of the IT system as well as the operational continuity plan and the related up-dating process, ensuring assessments on the main technological risks which can be identified and on the overall management of the Group IT risk;
 - checking the regularity of the various applications, infrastructures and management processes of the Group, including any outsourced components, also by means of checks (also of the operational continuity plans) care of third party suppliers and key suppliers, annually preparing the report on the important outsourced operating functions;
 - carrying out *ad hoc* measures upon the specific request of the Company Bodies and/or the Supervisory Authorities and assessment duties also with regard to specific irregularities;
 - annually drawing up the report on the evaluation of the adequacy and compliance of the remuneration practices and policies adopted by the Bank with the current legislative provisions and well as the report on the review of the ICAAP process;
 - checking, in relation to the servicing activities, the adequacy and the functioning of the process for managing and monitoring the performance of the securitized assets, as well as that for checking the compliance of the transaction with the law and the information prospectus;
 - monitoring the effective implementation of the Action Plans and checking the removal of the detected anomalies;
 - participating, where necessary, in the company work groups on project aspects (e.g. new products, channels, systems, processes, etc.), also for the purpose of pointing out elements useful for the correct design of the controls system;
 - seeing to the adoption, in collaboration with the other control units, of initiatives aimed at facilitating the co-ordination and exchange of information so as to ensure an overall and integrated view of the system of internal controls;
 - ensuring support for senior company management when furthering and divulging a suitable and sound culture of the controls within the Group;
 - ensuring prompt and systematic disclosure to the company governance Bodies on the state of the system of controls and the results of the activities carried out.

With specific reference to risks of a non-financial nature, on January 25, 2019 the Risks Committee was assigned the examination and supervision of the doBank Group's NFS. Furthermore, it will support the assessments and decisions of the Board of Directors relating to the approval of the disclosure concerning risks, generated or suffered, associated with socio-environmental matters which derive from the business activities, from its commercial dealings or services, included in the supply and sub-contracting chains.

6.2 Main risks linked to non-financial aspects

The identified scope of risks suffered and generated associated with the non-financial aspects of the doBank Group follows, along with a summary of the related handling methods:

Type of risk	Risk profile	Management procedures
Outsourced activities	The Group outsources the execution of several operating activities. These outsourcings involve carrying out operating tasks and exchange of information with parties external to the company and must be managed according to criteria such as to minimize the operating risks that may result therefrom.	doBank, in compliance with the banking supervisory regulations, has created and is strengthening a process for the management and monitoring of outsourcers which allows for assessing their performance, identifying any emerging risks and managing the different circumstances and situations.
Regulatory compliance	The risk of being subject to legal or administrative sanctions, relevant financial losses or damages to the reputation as a consequence of a breach of mandatory provisions (laws, regulations) or self-governance rules (e.g. Articles of Association, Codes of Conduct, self-governance codes).	The process for the management, monitoring and assessment of the non-compliance risk of the Group, based on a risk-based approach, is composed of the following steps: definition of the guiding principles and methodological rules, annual planning of activities, monitoring of external regulations, risk assessment, second level audits/controls, monitoring of remediation plans, reporting.
Business continuity	Business continuity must also be guaranteed when in the presence of exceptional circumstances following emergencies or natural disasters. Therefore this implies the need to set up countermeasures in order to best address the operating risks resulting from any interruption of the operations, thus guaranteeing the continuity and the functioning of the support IT systems.	The Group, in line with the provisions of the laws, has adopted a Policy for the Management of Business Continuity and a BC and Disaster Recovery Plan which define the exact countermeasures to apply to the management of any emergency and/or natural disaster. The plans are annually tested and are subject to a continuous improvement process in order to maximise their efficacy in the presence of unpredictable events.
Governance	Risk to which the Companies are exposed about incurring an administrative liability for unlawful activities resulting from offences, as specifically set forth in the Decree, perpetrated by natural persons who operate in the name and on behalf of a Body, and in any event, in its interest.	The Group, in order to adopt a risk management system in the area of administrative liabilities of the bodies, has adopted a Model 231 for each Company. The effective and concrete implementation of the Models is ensured by Supervisory Bodies, appointed by all the companies; these bodies carry out their control activities also through an analysis of regular and systematic information flows, provided by several corporate functions according to the Model and the decision protocols which constitute an integral part thereof.
Market Abuse	This refers to those cases when the investors who have invested their resources in financial markets, are unexpectedly subject to the negative consequences of the behaviour of other subjects who use, at their own or other people's advantage some information not accessible to the public or who have disclosed false and misleading information or have manipulated the mechanism for determining the price of financial instruments.	doBank has adopted an internal regulatory framework, consistent with the applicable EC and Italian regulations in order to govern (i) the process for the identification, management and processing of Relevant and/or Insider Information (as defined here) concerning the Company, as well as (ii) the processes and the practices to adopt for communication, both within and outside of the Insider Information scope. The internal procedures guarantee compliance with the confidentiality and privacy of the Relevant or Insider Information in order to avoid that the disclosure of documents and information concerning the Company and/or the Subsidiaries may occur in a selective form, or in a delayed, incomplete or inadequate form or in any way such as to provoke information asymmetries.

Type of risk	Risk profile	Management procedure
Non-discrimination	The generation of discriminatory behaviours in the areas of employment and professions is considered at a sub-level of the operating risk.	The Code of Ethics of doBank governs the values of the Group aimed at respect for human rights and protection of diversity. These figures are incorporated and reflected in the processes that control the Resource & Transformation Function, with particular reference to the process, for the search and selection of Personnel, through which equal opportunities are guaranteed. In addition, the Group favours and promotes non-discriminatory behaviours through internal communications and organised corporate initiatives based on the principles of inclusion and empowerment of diversities.
Prevention of corruption	The operating model of the doBank Group acts, in the processes exposed to the risk of corruption in its different forms and methods, according to the activities that characterise them. The main operating environment that are potentially at risk refer to: – specific processes related to the core business; – cross-department business areas, including the management of freebies, donations and charitable activities, sponsorships and partnerships, and acquisition of goods and services.	The Group has created an internal regulatory body (i.e. policies and procedures) aimed at defining principles, roles and responsibility, identifying the organisational instruments and mechanisms to be implemented for managing corruption risk, as well as governing specific processes, such as the management of freebies, donations and charitable activities, sponsorships and partnerships and third parties managements; in addition the so-called Greece Country Overview, containing an analysis of the local Greek laws in the area of the fight against corruption especially applicable to the Greek branch, has been drawn up. Finally, the Group has adopted an " <u>Anti Corruption program</u> " which represents the control framework and the management of the risk of corruption as well as the implementation of a risk assessment activity.
Reputation	Risk of a decline in profits, or capital, resulting from a negative perception of the Intermediary by the customers, counter-parties, shareholders, investors or Supervisory Authorities, across all relevant subject matters and the Group's bodies. The reputational risk is defined as a risk " <u>stemming from other types of risks</u> " or of a " <u>second level</u> " since it is consequent to an event that is primarily to be referred to under operating risks, including IT and compliance risks.	In consideration of the transverse nature of this type of risk which affects all the structures of the Group, the Group carries out a Risk Self Assessment activity taking into consideration all factors, both internal or external, that may cause reputational damage to the Group, assessing them in terms of average frequency of occurrence and related impact. In addition, some special control units are set up, aimed at mitigating the exposure of the Group to this type of risk, defined within the scope of the Risk Assessment activities, carried out for compliance and ICT purposes.
IT Security	A non-suitable level of the Management of IT Security may negatively affect the completeness, integrity and confidentiality of data, essential for the management of the core activities of the Group, determining risky situations with operating impacts both on the business and on the different stakeholders.	The Group has built, for this reason, a system that governs security and that is composed of different Guiding Policies (doBank) and, at an operating level, of operating procedures, processes and systems (doSol) aimed at defining standards of behaviour for the monitoring of risky situations, for the correction of vulnerabilities and the use, with full security, of IT systems and architectures.

Type of risk	Risk profile	Management procedure
Topics related to personnel management	The health and safety of the employees of the Group, their remuneration, training and performance assessment, are considered within the scope of operating risk. Risk events concerning occupational safety, for instance exposure to physical factors and incorrect use of video terminals, fall under the category of offences as set forth in the Model 231/2001.	The Group uses a Safety model and organisational chart that provides for the application of Law 81, centered on the Parent Company, with the cooperation of an external specialised company that provides the RSPP service. The regulatory framework, the Safety organisational chart and DVR are published on the corporate Intranet in a section accessible to all the Personnel of the Group and the information is constantly updated, especially as regards the appointments of key roles such as Safety Designated Personnel and Managers. The training managers within the Group, who are also centralised at the Parent Company and governed by a specific procedure, provide for the annual identification of training needs, for both the mandatory training and technical-professional training. The training plan is formulated once a year and is submitted to FBA in order to be able to use the funded training. The process for performance assessment of the Group Personnel is governed by a structured process in compliance with the provisions of the National Collective Labour Agreement.
Personal Data Protection	This risk may result from the processing of personal data and consists of a descriptive scenario of an event and the related consequences for the rights and the freedom of the interested parties.	The Privacy Model of doBank, consistent with the GDPR, provides for: - the " <u>Organisational Model</u> ", which describes the roles and the responsibilities of the subjects involved in the management of Personal Data and the implementation of the related protection measures - the " <u>Personal Data Management Model</u> " which outlines the main obligations set forth by the law for the correct governance of the processing of Personal Data. doBank has adopted a specific method for assessing the functional privacy risk in order to implement principles of Data Protection by Design and by Default and in a case deemed as necessary, to carry out a Data Protection Impact Assessment (DPIA).

7. HUMAN RESOURCES

The management of employees at Group level is the responsibility of the Resources&Transformation department, which:

- ensures an effective and efficient management of resources;
- guarantees the organizational evolution and development of human capital in line with business strategies and requirements;
- oversees relations with Trade Unions;
- promotes and supports cultural change and the strengthening of the technical and managerial skills, ensuring a positive working environment that optimizes the potential of each resource;
- oversees activities regarding health and safety in the workplace, in line with current regulatory provisions.

In the course of its duties, the Resources&Transformation department defines policies and guidelines on:

- employee remuneration and incentives, in compliance with the principle of internal/external fairness and the provisions of the Supervisory Authorities and Group policies;
- selection, training, management and development of all Group staff, in line with the strategies defined by top management;
- management of staff administration processes, in line with legal provisions, contracts, agreements and union agreements;
- relations with trade unions.

The organizational changes implemented in 2016 with the creation of the doBank Banking Group gave rise to a process of reorganization characterized by a focus on the management of human resources. In 2017, internal procedures were implemented at Group level regarding the management of benefits, the implementation of incentive schemes, selection activities and the management of contractual relations, etc.

In line with the Strategic Plan of the Group, the company is continuing the activities to define HR core processes in order to standardize the regulations and policies relative to the management of resources on significant themes.

During 2018, activities continued for the review of the HR processes, aiming to define shared and transparent rules and management policies on various topics (benefits, staff training, presence and absence management, etc.) and the HR policies/rules with regard to the various aspects of interest for the employees such as attendance management, benefits, etc., were published on the company portal.

7.1 Information on employees and other workers

At the publication date of this report, the doBank Group consists of 1,288 (head counts) employees, 59% of which are women, as in 2017; clerks represents the largest professional category (56%).

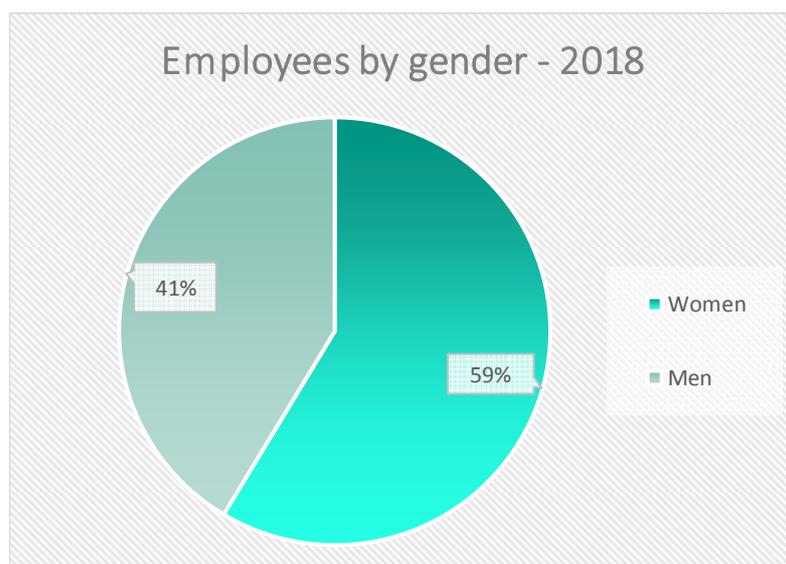
The majority of employees (65%) are aged between 30 and 50, while 94% of employees are employed on full-time contracts.

98% of the Group's employees operate care of the Italian premises and 2% abroad, care of the Greek branch, established during the year.

The average age of doBank Group employees is 45.

Employees by gender are represented as follows:





Employee category	2018			2017		
	Women	Men	Total	Women	Men	Total
Executives	10	30	40	10	22	32
Managers	255	272	527	234	255	489
Employees	490	231	721	482	228	710
Total	755	533	1,288	726	505	1,231
Total employees by age						
<= 29 years	28	28	56	25	22	47
30 - 50 years	536	303	839	540	301	841
>= 51 years	191	202	393	161	182	343
Total	755	533	1,288	726	505	1,231
Composition by contract type						
Total number of permanent contracts	704	511	1,215	704	496	1,200
Total number of fixed-term or temporary contracts	51	22	73	22	9	31
Total	755	533	1,288	726	505	1,231
Composition by type of employment						
Full-time employment as defined by Italian law	657	531	1,188	684	505	1,189
Part-time employment as defined by Italian law	98	2	100	42	-	42
Total	755	533	1,288	726	505	1,231
Composition by role/sector						
NPL - personnel employed in the Group's core processes (Credit Management)	453	293	746	485	296	781
Non NPL - personnel belonging to the core process support functions	302	240	542	241	209	450
Total	755	533	1,288	726	505	1,231

The category of employees refers to the CCNL, where "Managers" refers to the directors and to "Employees", the professional areas.

Employees subdivided by location of operational activity	2018			2017		
	Women	Men	Total	Women	Men	Total
ROME	386	292	678	371	272	643
MILAN	126	80	206	125	80	205
VERONA	89	59	148	91	61	152
BARI	17	22	39	14	23	37
NAPLES	25	12	37	26	12	38
PALERMO	10	13	23	10	13	23
BOLOGNA	15	4	19	15	4	19
TURIN	9	10	19	9	10	19
CATANIA	10	3	13	10	4	14
PARMA	9	3	12	9	5	14
PADUA	9	3	12	10	3	13
CAGLIARI	7	5	12	7	5	12
BRESCIA	6	2	8	6	2	8
MESSINA	4	3	7	4	4	8
LECCE	5	2	7	5	2	7
FLORENCE	4	3	7	4	3	7
PERUGIA	6	1	7	6	1	7
REGGIO CALABRIA	3	2	5	4	1	5
Total Italy	740	519	1,259	726	505	1,231
ATHENS (GREECE)	15	14	29	-	-	-
Total Group	755	533	1,288	726	505	1,231

Recruitments and contract terminations by gender	2018			2017		
	Women	Men	Total	Women	Men	Total
Recruitments						
<= 29 years	17	17	34	10	9	19
30 - 50 years	42	42	84	24	22	46
>= 51 years	1	4	5	-	3	3
Total	60	63	123	34	34	68
Contract terminations						
<= 29 years	4	6	10	13	6	19
30 - 50 years	37	36	73	12	26	38
>= 51 years	4	8	12	2	7	9
Total	45	50	95	27	39	66
Voluntary redundancies (not including retirement)	43	42	85	25	30	55
Retirement	2	8	10	2	4	6
End of contract	-	-	-	-	5	5
Total	45	50	95	27	39	66

Turnover (1)	6%	9%	7%	4%	8%	5%
---------------------	-----------	-----------	-----------	-----------	-----------	-----------

(1) calculated as the ratio between the number of terminated contracts by category against total employees by category at the date of this report

The doBank Group applies the Credit National Collective Labor Agreement (CCNL) to all Group companies with the exception of the subsidiary doData, formerly IBIS, to which the Commercial National Collective Labor Agreement applies. Approximately 50% of Group employees are members of a trade union.

7.2 Staff training and development

Within the scope of responsibilities of the Resources&Transformation department, the Talent Management unit is responsible for staff training at Group level. In particular:

- supports the definition of staff training policies, with reference to the development of managerial and professional skills and in line with the strategic aims of the Parent Company;
- detects the need for managerial, technical, behavioral and obligatory training;
- is responsible for the planning, management and organization of training initiatives to develop managerial and professional skills relevant to the entire Group, as well as the definition of initiatives to support strategic and organizational transformation;
- oversees the management of funding procedures for training courses through specific sector/company funds;
- ensures the quality and efficacy of the training programmes.

Continuous professional development is an essential tool in promoting the development and growth of company staff. doBank recognizes the importance of identifying training needs and tailoring the content of the Training Programmes to suit the size and market position of the Group.

The process of detecting the needs and disbursement of the relating training activities is formalized in a specific internal Organizational Procedure and entirely handled by the Talent Management unit, which also ensures the periodic reporting to both the control units and the rating companies. Particular attention is paid to the use of loans made available by the reference Fund (FBA) so as to permit the reimbursement - as far as possible - of the costs incurred for the training disbursed both via Company Plans and via Individual Plans.

The training programmes offered by doBank are designed to support the implementation of the Strategic Plan of the Group and the underlying Business Model. The primary objectives are to promote integration and optimize market leadership, ensure service quality and improve the efficiency and efficacy of operational processes. As a priority, courses are aimed at resources operating in core company processes, namely the Management Credit Area, but focus is also given to the provision of specialized training to staff and company control departments centralized within the Parent Company for the purpose of the on-going up-date on the legislative changes and on the market innovations.

During 2018, training was provided to the entire doBank Group, with particular focus on:

- technical professional refresher training (47% of the total course hours provided);
- legislative refresher training on Privacy, AML, Compliance, 231/01, Work Safety (42% of the total course hours provided);
- the development of soft skills (managerial training for 1% of the total course hours provided);
- other aspects (English language, diversity, etc., for the remaining 10%).

A summary table is presented below of the hours of training provided to the Group staff in 2018, by gender and by role:

Training hours by gender and by role	2018			2017		
	Women	Men	Total	Women	Men	Total
Top Management	157	321	478	227	216	443
Middle Management	1,475	1,378	2,853	594	758	1,351
Staff	6,446	4,700	11,146	10,851	5,893	16,744

Number of attendees to training courses subdivided by role	2018			2017		
	Women	Men	Total	Women	Men	Total
Top Management	10	30	40	11	22	33
Middle Management	63	91	154	61	98	159
Staff	682	412	1,094	654	385	1,039

Average training hours by employee, role and gender	2018			2017		
	Women	Men	Total	Women	Men	Total
Top Management	16	11	12	21	9	13
Middle Management	23	15	19	10	7	8
Staff	9	11	10	17	15	16

The classification by role is based on the role covered in the Group (Middle Management includes just the employees with qualification as Middle Manager who are responsible for resources; the remaining Middle Managers are included in the item Staff).

The minor number of training hours registered with respect to the previous year is due to a minor disbursement of on-line training hours (mass).

7.3 Performance appraisal and skills assessment

With regard to the assessment of employee performance, the Talent Management unit carries out activities aimed at:

- supporting the definition and updating of the tools, models and methodologies employed in the assessment of skills and potential, with a view to optimizing human capital;
- designing and managing professional development systems, the professional family map, skills development models and development courses;
- managing employer branding activities aimed at promoting the reputation of the Group and organizing initiatives to attract top graduates through relations with universities.

In 2018, a skills assessment system was launched, intended for all the company staff of the doBank Group, more fully structured with respect to that adopted for 2017 (which envisaged the assessment of just 3 transversal skills for all the roles, with ranking of 4 levels). The new system distinguishes 3 areas of competence (Business, Staff, Business Staff) and 2 roles (Resource managers, Non-resource managers - professional), each with 6 skills subject to assessment, separated into different types (e.g. managerial, implementational, relational skills, etc.). The assessments are expressed in both comment and numeric value form, with a scale of values ranging from 1 to 4 and various weights for each area.

The individual assessment, carried out by the two individuals hierarchically responsible for the Assessed Party on an annual basis and with an intermediate feedback step, is ensured for all the Group's staff (percentage of employees who receive assessments: 100%); including the Greek Branch.

The Work Commissions with the trade union organizations were established during 2018 so as to define the professional and career paths, as well as to evaluate the skills.

A new tool was also implemented for the computerized management of the skill assessment process, adopted already in 2019 for the assessments relating to the year before.

Career advancement	2018		2017	
	Women	Men	Women	Men
Executives	0%	1%	1%	2%
Managers	18%	18%	16%	13%
Employees	45%	18%	43%	25%
Total	63%	37%	60%	40%

7.4 Respect for human rights and diversity

The importance of respecting human rights forms the foundation of all conduct adopted and promoted by doBank. The Group Code of Ethics regulates the respect of human rights by extending the scope of the procedures to third parties with whom the Bank maintains contractual relations.

The doBank Group promotes an inclusive business culture, does not tolerate any form of discrimination and promotes a working environment where diversity and personal and cultural characteristics are respected and valued.

With regard to the inclusion of persons with disabilities in the Group, doBank manages its corporate diversity in line with the regulations and practices provided by applicable law. At the date of publication of this report, specific exceptions and agreements that justify the percentages given below were in place:

- doBank: No. 29 disabled persons, equal to 4.8%;
- doSolutions: No. 7 disabled persons, equal to 4.9%;
- Italfondario: No. 4 disabled persons, equal to 1%.

In 2018, in line with the two previous financial years, no relevant cases of discrimination or Human Rights violations were reported. Any cases of this nature would be managed by the Resources&Transformation department; to date, it has not been deemed necessary to implement a specific procedure for the management of such cases.

With regard to diversity, the Group handled various activities, including:

- the "salva-mamme" project in favor of parenthood and supporting mothers during the entire maternity period;
- the compliance in the capacity of Subscribing Partners with the "Valore D" association, an association of businesses which furthers diversity, talent and leadership; the doBank staff regularly participate in mentorship programmes, theme-based courses and seminars, organized by the Association;
- a Diversity & Inclusion Committee, made up of 14 resources of various units and companies of the Group, which has the purpose of spreading the culture of diversity and inclusion in-house;
- the possibility of part-time employment to provide increased flexibility with regard to the work-life balance while respecting the company's technical and organizational needs.

The best practices currently applied to individual companies will be extended at Group level as well, with the aim of optimizing gender diversity. Two colleagues were appointed in 2018 to the positions of CFO of the Parent Company and Sole Director of the subsidiary doData.

At the meeting of March 8, 2018, the Board of Directors approved the orientation document "Orientation on the optimal qualitative and quantitative composition of the Board of Directors", which presents the results of the preliminary analysis carried out by the Board of Directors (supported by the Appointments Committee) with regards to its own qualitative and

quantitative composition and its suitability for the correct performance of its assigned roles, focusing in particular on compliance with the Supervisory Provisions on Corporate Governance.

During 2018, doBank S.p.A. provided an annual contribution for each child between the ages of 4 and 12 for all employees employed at professional or managerial level. This contribution was extended to newly-employed workers as well, with simultaneous opening of a welfare account.

On the subject of Equal Opportunities, doBank has established an internal job market aimed at facilitating internal intragroup mobility in order to optimize internal resources.

With a view to strengthening Group integration, in 2017 the process - continued also in 2018 - was started, aimed at unifying the offices in cities with more than one office employing personnel of the different corporate entities which have since merged into doBank.

A gradual process of harmonization was launched in 2018 with regard to second level provisions for the Group Work-life Balance.

doBank has access to a centralized database that processes the personal and professional data of each employee and enables the preparation of a quarterly report on staff mobility which is presented to the Board of Directors. doBank submits to the ABI an annual report for each Group Company in regard to the characteristics of its workforce, and a biennial report on gender equality.

Ratio between remuneration and basic salary women/men	2018		2017	
	Gross Annual Salary	Remuneration	Gross Annual Salary	Remuneration
Executives	102%	118%	101%	91%
Managers	87%	86%	87%	83%
Employees	103%	101%	95%	93%

Remuneration refers to Gross Annual Salary plus any additional recognition paid to the employee

The gross annual salary for women and men shows an improvement compared with 2017, which presented an essential alignment between salaries.

Profile of members of the Board of Directors	2018		2017	
	no.	%	no.	%
Gender				
Women	1	12%	-	-
Men	7	88%	9	100%
Age				
<= 29 years	-	-	-	-
30-50 years	3	38%	4	44%
>= 51 years	5	62%	5	56%

2018 saw the appointment of two women directors, one of which handed in her resignation just before year end. The Board of Directors co-opted a new woman director and the appointment was confirmed by the General Shareholders' Meeting on March 5, 2019.

Top Management Profile	2018		2017	
	no.	%	no.	%
Executives 30 - 50 years				
Women	6	14%	6	19%
Men	15	38%	12	38%
Total	21	52%	18	56%
Executives > = 51 years				
Women	4	10%	4	13%
Men	15	38%	10	31%
Total	19	48%	14	44%
Total Executives	40	100%	32	100%
Managers < = 29 years				
Women	-	0%	-	0%
Men	2	0%	1	0%
Total	2	0%	1	0%
Managers 30-50 years				
Women	132	25%	127	26%
Men	115	22%	116	24%
Total	247	47%	243	50%
Managers >= 51 years				
Women	123	25%	107	22%
Men	155	32%	138	28%
Total	278	53%	245	50%
Total Managers	527	100%	489	100%

Employees < = 29 years	2018		2017	
	no.	%	no.	%
Women	28	4%	25	4%
Men	25	3%	21	3%
Total	53	7%	46	6%
Employees 30-50 years	2017		2017	
	no.	%	no.	%
Women	398	56%	407	57%
Men	174	24%	173	24%
Total	572	80%	580	82%
Employees >= 51 years	2018		2017	
	no.	%	no.	%
Women	64	9%	50	7%
Men	32	4%	34	5%
Total	96	13%	84	12%
Total Employees	721	101%	710	100%

7.5 Employee incentives and remuneration

The remuneration procedure of the doBank Group is implemented by the Board of Directors through the Remuneration Committee, which presents advice, guidance and proposals to the Board of Directors of the Parent Company with regard to the adequacy of the remuneration and incentive plans and policies, as well as their implications in terms of recruitment and risk management.

For more information, reference should be made to the "Remuneration Committee Regulation" available for consultation on the "Governance" section of the company website www.dobank.com.

To this end, the Parent Company has identified various distinct and specific variable remuneration policies for different company departments and roles:

- **"Management By Objectives" (MBO) incentive system:** a structured incentive scheme based on individual objectives in line with the strategic and business plans and the organizational position of the employee; the Key Resources, identified within the sphere of the Key Personnel, are assigned an MBO incentive system in which the opportunity of variable remuneration is assigned for 50% in cash and the remaining 50% in doBank S.p.A. shares.
- **incentive scheme for Managers:** a structured incentive scheme for management personnel based on predefined business goals (fixed at individual, team and/or structure level);
- **company productivity bonus (Added Value Pro Capita" or "VAP"):** a variable bonus paid to employees in recognition of their productivity/commitment during the year, as defined by the National Collective Labor Agreement (CCNL) whose conditions and criteria are established on an annual basis in the context of supplementary company negotiations;

- **merit bonus:** variable component paid based upon the performances and merits achieved by employees (with the exclusion of the beneficiaries of the MBO System and the Incentive system for managers) and recognized by the hierarchical manager. That variable component may be paid up to a pre-defined maximum limit per employee - in respect of the Bonus Pool limits – and it is subject to achieving the gates;
- **outstanding bonus:** variable component of an exceptional nature aimed at rewarding the achievement of particularly worthy performances which can be paid to employees, with the exception of Key Personnel, even when failing to achieve the gates.
- **Bonuses linked to specific contexts:** variable component aimed at guiding the network of Managers (excluding the Key Personnel) towards the period objectives. The bonuses can be in cash or in kind. The acknowledgement of the bonuses linked to the Contexts will be subordinate to the adoption of conduct compliant with the external and internal regulations.
- Other forms of extraordinary variable remuneration may also be offered, such as entry bonuses, buy-outs and retention bonuses.

7.6 Benefits and company welfare

Benefits - which are not performance-based - are types of remuneration offered through individual agreements or second-level contracts aimed at increasing employee motivation and loyalty. The main benefits currently offered to employees, in addition to those provided for by the National Collective Labor Agreement (where applicable), in line with internal regulations applicable from time to time, are:

- allocation of a car for mixed use;
- allocation of accommodation through sublets, free-use loans or payroll contributions;
- pension contributions to the supplementary Pension Fund;
- health insurance policy;
- insurance policy covering professional and extra-work related accident and injury.

In line with the provisions of the CCNL, doBank also offers study grants to the children of employees. Furthermore, it allows the use of study permits even beyond the provisions of the contract; the relevant notification.

The Company also promotes a healthy work-life balance and provides highly flexible working hours at Company level, as well as permitting individual flexible arrangements in cases of particular needs.

7.7 Employee health, safety and welfare

In 2018 the Risk Assessment Document (DVR), prepared pursuant to Legislative Decree No. 81/2008 and applicable at Group level, was renewed.

One of the roles of the Resources&Transformation department is to oversee the activities related to health and safety in the workplace, aimed at ensuring that safety levels in operational areas remain in line with regulatory provisions. In particular, it is the Safety structure which:

- oversees activities regarding health and safety in the workplace;
- prepares and implements, after consultation with the Prevention and Protection Service Manager and in line with the Health and Safety in the Workplace System, risk management monitoring activities on the subject of employee health and safety, in line with the policies adopted in implementation of legal provisions and offering support to other company departments;
- implements obligatory training and information programmes relative to health and

safety in the workplace, as required by law and in coordination with the Talent Management Office.

doBank considers the management of health and safety to be of primary importance in order to guarantee privacy, integrity, availability of information, use of resources, physical protection of employees, clients and their values and the protection of health and safety in the workplace. In order to constantly monitor that activities within doBank conform to health and safety provisions, the rules of corporate governance, the internal controls system, the powers and delegation system in line with Article 16 of Legislative Decree No. 81/2008 and the Code of Ethics have been defined.

The fundamental principles for the definition of the company health and safety policy are:

- to promote the health and physical integrity of employees, in line with the definition of health provided by the World Health Organization, which incorporates employee welfare, through the provision of high quality working environments, equipment and procedures;
- to assess "risk factors" and "risk conditions";
- to adopt a precautionary approach based on the provisions of Article 15 of Legislative Decree no. 81/2008 and Article 2087 of the Italian Civil Code which promotes corporate systems that aim to improve employee welfare.

The main health and safety risks related to the activities of the doBank Group can be identified as those in the tertiary sector (working environment, facilities, use of equipment/objects/tools, storage of objects and materials, electrical systems, fire, etc.). The "Assessment Criteria" and "Prevention and Protection Measures" for each of these are defined in the Risk Assessment Document, which sets out the measures to be adopted in order to prevent the occurrence of harmful events relating to the relative risks.

In line with the principles described above, the objectives of the health and safety in the workplace action plan are:

- to develop effective risk analysis and assessment methods which enable the identification of effective preventive measures;
- to identify all risks in the working environment, with particular focus on the possible impacts on vulnerable groups of employees;
- to participate in the creation of organizational procedures for the systematic management of all risks in order to guarantee the improvement of safety levels and good practice over time;
- to work in collaboration with the HR Department, one of the most important components of the entire company management system, whose values and skills determine the success of health and safety policies;
- to improve the effectiveness of risk mitigation measures through: (i) the precise identification of organizational procedures and responsibilities connected to the assigned duties and (ii) the appointment of specific roles to each department and each employee as part of the general organizational plan for the prevention of risks.

Accidents and absenteeism by gender	2018			2017		
	Women	Men	Total	Women	Men	Total
Number of accidents at work	1	2	3	2	-	2
Number of accidents in transit	11	4	15	10	5	15
Total accidents	12	6	18	12	5	17
Accident rate	7	3	10	6	3	9
Severity index	0.07	0.04	0.11	0.10	0.04	0.14
No. of deaths	-	-	-	-	-	-
Absenteeism rate %⁽¹⁾	1.16	2.61	3.77	2.87	1.40	4.27

⁽¹⁾ (Days of absence/working hours) x 100

Accidents and absenteeism by region	2018			
	North	Centre	South and Islands	Total
Number of accidents at work	-	2	1	3
Number of accidents in transit	8	6	1	15
Total accidents	8	8	2	18
Accident rate	4.44	4.44	1.11	10
Severity index	0.05	0.05	0.01	0.11
No. of deaths	-	-	-	-
Absenteeism rate %⁽¹⁾	1.09	2.26	0.42	3.77

⁽¹⁾ (Days of absence/working hours) x 100

The GRI Standard 403 Occupational Health and Safety was up-dated during 2018 by the GRI – Global Reporting Initiative. The new version of the GRI 403 reporting standard, which on a mandatory basis will enter into force as from 2021, placed significant emphasis on the measures for preventing accidents, injuries and occupational diseases, on a consistent basis with the most up-to-date systems managing these aspects. The reporting scope will also include not only the employees of the organization, but also the workers who are not employees who however carry out their activities under the control of the organization and/or in a “workplace” controlled by the organization.

The implications associated with the management methods and the collation of the data required on occupational accident and diseases relating to workers who are not employees, is being assessed by the doBank Group.

7.8 Internal communication

doBank considers Corporate Social Responsibility to be an integral part of its corporate identity.

The Communication Department has developed an internal communication plan aimed at promoting an ethically and environmentally sustainable business culture so as to spread the shared values among its stakeholders.

NEWSLETTER AND INTRANET

doBank drafts a monthly **Newsletter** addressing all the collaborators of the Group in order to share the main company projects, activities and events. The Newsletter contains a column dedicated to Corporate Social Responsibility (hereinafter also "CSR"), in order to raise awareness of and divulge between all the collaborators the initiatives supported by the Company.

The Communications Department is responsible for producing the content for the CSR column which represents a valid channel so as to share new contents and up-date existing projects each month.

A section dedicated to CSR has also been developed within the company **Intranet**, which describes the numerous initiatives undertaken.

8. CLIENTS AND LOAN RECOVERY ACTIVITIES BY THE EXTERNAL NETWORK

8.1 High quality service levels for banks and investors

In its pursuit of its profitability and competitiveness objectives, the doBank Group maintains a constant focus on professional ethics and the principles of ethical conduct and transparency towards commercial partners.

The doBank Group, in particular, carries out servicing activities and provides ancillary commercial, real estate and legal products and services as well as engages in other minor banking activities which relate to the management, purchase and sale of non-performing loans.

Companies of the doBank Group which carry out servicing activities sign mandate agreements for the management and collection of loans with variable durations (1 to 10 years) with the main clients of the Group.

The doBank Group's client base can be divided into two main categories that reflect the type of activity carried out:

- 1) Banking Clients, representing 27% of the GBV, for whom the Group mainly carries out "Collection and Recovery" activities; and
- 2) Investor Clients, representing 73% of the GBV, for whom the doBank carries out "Collection and Recovery" activities as well as "Due Diligence" and "Structuring" activities.

Distribution of the portfolio for "Business Lines" by region, size and sector	Unit of Measure	2018	2017
Regional distribution of the portfolio			
North	€/000	35,697,722	36,114,133
Centre	€/000	21,448,217	17,673,060
South and Islands	€/000	25,031,137	22,915,283
Total	€/000	82,177,075	76,702,476
Distribution of the portfolio by size and type of client and debtors			
		2018	2017
Banks	€/000	22,041,163	28,076,843
Investors	€/000	60,135,913	48,625,633
Total	€/000	82,177,075	76,702,476
Private clients	€/000	22,652,566	23,207,428
Businesses	€/000	59,524,509	53,495,047
Total	€/000	82,177,075	76,702,476

8.2 Benefits resulting from investments in data quality

As stated in paragraph 4, "doBank and sustainability", the Data Quality department of the Group has been operational for approximately two and a half years.

The department's mission is:

- to participate in the process to optimize and streamline data-driven processes to improve business performance and guarantee compliance with applicable regulations;
- to monitor and guarantee data quality, with particular reference to the data originating from the business and related processes stored in the company databank, in order to provide reliable databases for the preparation of reports;
- to develop products which generate value from the information assets of the Group.

Thanks to the constant monitoring of KQIs (Key Quality Indicators) and targeted campaigns aimed at progressively improving the databases available to the collectors of the various portfolios under management, the focus on data quality represents one of the strategic pillars of the client-focused approach. The benefits of this approach can be seen by the reduction in recovery times and the increased efficiency of the relative processes.

8.3 Qualitative standards and acceptable conduct of the external loan recovery network

The principles of correctness and integrity form the basis for the development and monitoring of external resources, who are invited to carry out loan recovery activities according to the standards of conduct indicated in the Group Code of Ethics. The external network comprises debt collection companies (then also "SRC"), external professionals (then also "PE") and external lawyers (then also "LE"). Collaborators of the external loan recovery network are subject to constant quality controls and assessments to determine the suspension or continuation of the collaboration with the doBank Group.

External professionals and debt collection companies

The External Consultant Network (ECN) Unit of the doBank Group is responsible for the search, selection, administrative and contractual management, retention, development and monitoring of the external network (External Professionals and Debt Collection Companies).

Prior to the approval of a debt recovery company, surveys are carried out at the legal office potential partners in order to establish the adequacy of the working environment and meet the collaborators and employees.

In the course of its activities, the ECN Unit implements a monitoring system aimed at selecting the best partners (External Professionals and Debt Collection Companies) according to a series of parameters, including:

- performance efficiency;
- management quality of assigned roles;
- accuracy in the implementation of the management system.

This process is used to award a total score, which distinguishes between physical and legal entities in order to provide a more balanced and coherent assessment.

In the management of client relations, as stated by the Code of Ethics applicable to debt collection companies, the Debt Recovery Company evaluates the agreed positions and acquires any other information or documentation necessary both to identify the best approach to achieve an out-of-court settlement and to provide clients with any possible

clarification or advice on their position. At the same time, in its capacity of "Data Controller" pursuant to the Data Protection Agreement, the Debt Recovery Company respects the confidentiality of information in its activities to collect, process and store client data, adopting any necessary precautions and avoiding any unauthorized disclosure in compliance with the law and the contractual agreements held with the banking clients.

External lawyers

External lawyers play a primary role in the judicial management of non-performing loans, both in terms of the management of assignments in any essential judicial proceedings aimed at loan recovery, and more generally in terms of possible forms of collaboration and assistance with the same aim.

All lawyers must sign the "Operational Agreement" which defines the principles of correctness and ethics with which the lawyer must comply during the performance of their duties.

The doBank Operational Agreement expressly envisages the obligation on behalf of the external lawyer to digitalize all documentation relative to their assigned duties, with an evident saving in terms of printed material and related environmental advantages. In the same way, doBank has implemented a cumulative electronic invoicing system (whereby a single invoice is submitted for each mandate irrespective of the number of entries that this contains), with evident savings in printed paper and related environmental benefits.

Another obligation expressly ratified by the doBank Operational Agreement is the exclusive use of the "Ex Parte Creditoris" computer system (hereinafter abbreviated as "EPC"), which since it is web-based can be used anywhere with related environmental impacts.

Furthermore, for over a year the doBank ELN has used a digital document signing system, with the duly signed documents sent via certified email address; this has resulted in a clear reduction in costs and environmental advantages through the reduced use of paper. The Operational Agreement signed by the Lawyers in conclusion refers to principles of correctness and ethics with which the lawyer must comply during the performance of their duties. Reference is made to the code of ethics adopted by the Group. The Agreement aspires to principles of equal pay, health, safety and business ethics. Prior to the allocation of new roles, new lawyers attend a training and information course on the management system, the manual for which is always accessible to all lawyers through the Consolidated Document of External Lawyers (TULE), along with the description of the doBank management and business model.

The Parent Company doBank has also implemented a network analysis tool based on a ratings system. This innovative approach, which represents the first structured experiment in Italy and one of only a few in Europe, uses a ratings system based on the introduction of three new contexts:

- operation;
- management;
- relations.

Specifically, the system uses new indicators which include:

- the monitoring of logins to the EPC management system;
- the number of favorable settlements obtained in recognized proceedings;
- the level of proactivity of the lawyer based on the assessment of proposals for judicial settlements submitted to the EPC and approved;
- the timings of each lawyer in real estate enforcement proceedings.

The criteria defined to determine ratings aim to provide each professional with a comparative analysis between individual quality levels and reference benchmarks (national benchmarks for each factor), comparing optimum reference parameters with different rating components.

The Parent Company has also implemented an IT system designed to enable users to understand the ratings system and the individual factors. The results of the analysis are submitted confidentially and on an individual basis to each lawyer as a further incentive to improve personal performance.

Prior to the allocation of new roles, new lawyers attend a training and information course on the management system, the manual for which is always accessible to all lawyers through the Consolidated Document of External Lawyers (TULE), along with the description of the doBank management and business model.

With regard to the portfolios managed via the Ifams/EPC CRE operating systems (former Italfondiaro S.p.A. scope), the performances of lawyers are assessed by the Asset Managers through the internal IFAMS system. A grade is given for each of the following aspects:

- accuracy of deeds and findings;
- punctuality;
- proactivity;
- availability.

The ratings generated for each lawyer are included in an internal report and monitored by the External Legal Network of Italfondiaro (then also "ELN-ITF").

In cases of misalignment with company standards, ELN-ITF intervenes directly or reports inefficiencies to the Principal Bank (in the case of lawyers registered to the Register managed by the Principal Bank).

In more serious cases, the lawyer may be suspended from the allocation of new duties; the suspension is approved by internal resolution in the case of lawyers managed directly by the ITF and by the Bank in the case of lawyers managed by the Principals.

To monitor the level of implementation of the data in the Lawyers Portal - EPC by lawyers, ELN-ITF receives a daily report which indicates the percentage completion of the acceptance form of the allocated positions.

Prior to the provision of access permissions to the Portal and the assignment of new duties, training on the use of the software and the operational guidelines is provided to the new lawyer.

Privacy and data security

doSolutions, as the Group's ICT outsourcer, launched a process in 2018 aimed at reviewing all the processes and systems for the management of the IT security, on a consistent basis with the guidelines outlined by the ICT Governance & Innovation Group unit and in line with the sector standards and the new GDPR legislation. The ICT structures of doSolutions pursue a roadmap for the implementation of technical measures for the logical perimeter security, for the control of the accesses, for monitoring and logging the activities accessing the platforms and the infrastructures, and the protection of the data and the databases.

8.4 Complaints

The percentage of complaints is in line with the managed portfolio and has maintained a consistent trend over the years. Compared with the number of practices managed by the Group, the percentage of complaints is around 0.03%, resulting in a negligible number of complaints. The complaints received are shown below:

Banking complaints	Unit of Measure	2018	2017
Total complaints received	no.	1,815	1,896
Complaints managed by doBank/ITF	no.	1,152	1,330
Complaints transferred to other banks	no.	663	566
Total complaints closed as at 12/31	no.	1,201	1,270
Average processing time for complaints (days)	no.	38	37
Disbursements*	€	220	-

* Disbursement made by the principal

Compared with 2017, the number of complaints received in 2018 fell by around 4% and in 2018, the first outlay, delegated to the principal, was noted.

The number of complaints is consistent with the nature of the loans under management which are non-performing loans, sometime long-dated and predominantly judicially managed. Interaction with clients takes place in line with existing regulations, responding to the complaints submitted by the same within the given time frames.

It should be emphasized that doBank only provides for the management of complaints relating to its business. Complaints forwarded to other banks relate to the business of other banks.

With regard to the complaints received by doBank on the subject of privacy in the 2 years shown, all regarded the request to delete personal data held in the archives of the Bank.

9. SUPPLY CHAIN

In the context of the progressive reorganization of the operational departments of the doBank Group, the "Supply Chain" department responsible for the selection and control of suppliers is currently engaged in a project to strengthen and standardize departmental procedures.

In fact, as regards doBank it should be noted that the supplier selection process has been subject to external management by UniCredit Business Integrated Solutions (a UniCredit Group Company), which has conducted supplier selection negotiations and tenders on behalf of doBank. In mid-2018, a process was launched for the selection and qualification of the suppliers and the consequent monitoring activities, which it is envisaged will be fully up and running by mid-2019 specifically in relation the monitoring part.

The current process envisaged that suppliers are identified based on specific categories relating to the requested supplies or services. Each Company that shows interest in negotiations is subject to preliminary checks of the Italian Chamber of Commerce records. To date, all service supply contracts contain clauses that stipulate the obligation of the supplier to respect:

- the regulations and rights of workers engaged in the provision of services and in particular the provisions of the relative national collective labor agreements;
- regulations regarding pension contributions, accident prevention and health and safety in the workplace.

All suppliers are required to comply with the Code of Ethics through the documented acknowledgement of the same and the inclusion of a contractual clause that requires the contractor to comply with the principles contained therein.

Furthermore, doBank requires assurances regarding suppliers' means, including financial means, corporate structure, know-how, service levels and quality systems, which must be such to fulfil the requirements of the supply service.

The certification of a supplier is necessary for the assignment of a supply contract: an uncertified supplier invited to take part in the tender must complete the certification process during the tender and in any case before the assignment of the supply contract. The certification is valid for one year and its renewal date is monitored by a warning system on the Suppliers' Database.

Following the selection phase, an ex post evaluation is carried out in order to improve the quality, reduce the costs and risks of the supply and promote the constant improvement of partnership relations with suppliers. Accordingly the Procurement unit, when necessary, sees to the up-dating of the information contained in the Suppliers' Register on the basis of specific checks (economic-financial key aspects, erroneous billing, reporting of the CdC/CdR, etc.). These up-dates can activate a checking process on the qualification conditions of the supplier and the maintenance in the Register.

With regard to the environmental and social aspects, the current supplier qualification process envisages the collation of the following information:

- *Social aspects*: management systems concerning social responsibility compliant with the SA 8000 standard. The following points were also introduced: Impediments to participation of tenders, pending criminal charges, disqualifications pursuant to 231 model, compliance with Italian Law No. 68/99 (promotion of the work inclusion and integration of differently abled individuals), contribution payment regularity and code of ethics;
- *Environmental aspects*: disclosure request with regard to the certification of the ISO 14001 environmental management systems.

Currently, the information required is preparatory to the qualification of a supplier. Specifically, among the qualification requirements, compliance with the sustainability principles referring to the SA 8000 and ISO 14001 standards is requested. As things stand, non-compliance does not block the inclusion of the supplier in the qualification process. Which requirements/certification to be made mandatory are being assessed. This documentation will be collected in a structured manner within the Suppliers' Register in a dedicated section.

doBank is currently involved in activities preparatory to the issue of a new expenditure process which envisages, in full observance of the transparency, the choice of the suppliers through the tenders which consider, in addition to the economic aspect, the organizational model of the companies involved, the territorial distribution and the initiatives carried out in terms of environmental and human right respect.

A data repository is expected to be implemented in 2019 to collate all documentation relating to contractual documents and certificates requested from suppliers on the subject of the environmental and human rights respect.

The Group avails itself of suppliers almost entirely located in Italy with regard to the Italian offices and local suppliers with regard to the Greek branch.

10. COMMUNITY AND THE REGION

doBank adopts responsible conduct vis-à-vis the employees and the community. The Group is committed to social and environmental issues, contributing to the development of a culture of ethical and social sustainability which it promotes to its stakeholders.

To this end, the Communication department envisages, in its communications strategy, a plan

of activities and initiatives on the theme of Corporate Social Responsibility, as an expression of the commitment of doBank vis-à-vis community and supporting the various businesses in the region.

10.1 CSR Initiatives

SAVE THE CHILDREN

From 2016, as part of its Corporate Social Responsibility policy, the doBank Group has supported the projects organized by **Save the Children** and has exclusively supported the **Spazio Mamme** campaign to finance the Mothers' Support Facility in Torre Maura in Rome.

The Mothers' Support Centre aims to improve the living conditions of mothers and children who live in socially disadvantaged situations or deprivation in the municipality of Rome. The facility is located in one of the so-called "Punti Luce" of Save the Children in Italy and is a meeting point where families and their children can find tangible assistance such as food and nutritional help, physiological support and dedicated educational and personalized support programmes.

Thanks to the important work carried out by Save the Children, mothers are helped to provide better care for their children and manage their finances in order to help the family to escape deprived living conditions.

Thanks to the support of the doBank Group, the Torre Maura facility in 2018 managed to:

- accommodate 282 adults, mainly mothers
- accommodate 238 children, who participated in the various activities proposed
- help 17 families in looking for employment.

In order to develop the Partnership, doBank decided to organize a periodic site visit to the Mothers' Support Centre together with an Employees Engagement initiative, which was attended by employees from all the Group companies. The visit in fact provided the possibility to all the employees involved of seeing close up the work that the Association manages to continue every day, to listen to the experiences of a number of mothers and to participate in Social Team Building activities. During the Social Team Building the participants solidly contributed towards work for the requalification of the areas of the Centre.

In 2018 doBank also launched a company voluntary work venture among its employees, "**Volunteer for Save the Children**". Employees-volunteers with specific professional skills were selected (HR, Legal, Communication) for the realization of training encounters care of the Centre on various aspects:

- work interview and creation of a CV
- management of the household budget
- IT literacy
- employment rights and duties.

The Payroll Giving programme "**A coffee for Save the Children**" continued in 2018 in continuity with the previous years, a project which permits the employees to allocate a free amount, directly from their monthly pay, to support Save the Children projects.

In collaboration with the Association, the "**Children in the Office Day**" was also organized at the Rome and Milan offices, an initiative which permits the children to get to know and explore Mum and Dad's workplace and at the same time participate in a project dedicated to the aspect of diversity and inclusion.

In conclusion, since 2016 and with regard to its Christmas greetings, the doBank Group chooses to comply with **Wish List** and realizes E-Christmas cards in partnership with Save the Children.

The Wish List envisages donating the corporate gifts budget to the projects of the Association. With regard to 2018, doBank has chosen to acquire the School Quotes and ensure many children the opportunity of initial education as a fundamental right for all minors.

AISM (Italian Multiple Sclerosis Society)

As a partner of **AISM**, the Italian Multiple Sclerosis Society, doBank promotes fund-raising activities to further the study and research of this serious disease. AISM is the only organization in Italy which focuses on every aspect of Multiple Sclerosis, supporting Italian scientific research and providing care and assistance to people affected by the disease through regional centers.

The doBank Group supports the **Giornata della Gardenia** and **Mela di AISM** campaigns, hosting volunteers from the Association at its own offices. The collected funds support the numerous AISM programmes and scientific research projects aimed at the care and development of services for youngsters affected by Multiple Sclerosis.

Thanks to the participation and generosity of all the colleagues, at the time of the La Mela di AISM 2018 around €3,300 was collected, 10% more compared to 2017; during La Gardenia di AISM 2018 more than €4,000 was collected, a good 35% more than in 2017.

The initiative was divulged to all the workers by means of various internal communications channels.

AIRC (Italian Cancer Research Association)

doBank is a Partner of **AIRC**, the Italian Cancer Research Association, which aims to support oncological research and the sharing of scientific information through fund-raising activities. Since its foundation, AIRC has been committed to providing a constant source of funding for cancer research in Italy, with particular attention given to young researchers, as well as promoting public awareness-raising and information initiatives. The doBank Group supports the **Cioccolatini della Ricerca** initiative.

The initiative was divulged to all the workers by means of various internal communications channels.

VALORE D

doBank is a Supporting Partner of **Valore D**, the first Association created in Italy for furthering diversity and inclusion within Businesses.

Valore D intends to turn to account all the elements which differentiate the employees (age, gender, nationality, religion, working experiences), with the purpose of creating a work environment in which the wealth of ideas, the numerous backgrounds and the diverse prospects can be integrated and generate value.

By means of Valore D, the doBank Group furthers an inclusive organization capable of overcoming prejudices of any kind and develops a culture capable of turning to account all the resources.

In order to strengthen participation in the Association, as from 2018 doBank set up the **Diversity Inclusion Committee**, a mixed work group created to develop internal initiatives aimed at stimulating the culture of diversity and inclusion by means of discussion and sharing of needs. A place for feedback which supports the persons to express their potential, irrespective of the generations, the status and the various dimensions in which the diversity is expressed.

The members of the Committee, made up of employees who represent the various company targets in terms of geographic localization and company membership, are identified as Ambassadors with the task of facilitating the diffusion of the new projects on the subjects of:

- Gender Diversity and Inclusion;
- Work life balance;
- Female leadership;
- Sustainability and innovation

HOPEN ONLUS FOUNDATION (NON-PROFIT MAKING ASSOCIATION FOR SOCIAL WORK)

In 2018 doBank chose to support the **Hopen Onlus Foundation**, an organization involved in favor of children and youngsters affected by rare genetic illnesses.

Worldwide, there are around 350 million individuals affected by rare genetic illnesses and in Italy it is estimated that more than 1 million children under the age of 16 years are affected: 60% wait on average 2 years to receive a diagnosis while 40% remain undiagnosed.

The Hopen Foundations offers support to the families in the difficult process which they must face and its mission is to further the autonomy and independence of the kids, focusing on social integration and furthering the approach to the world of employment working on 4 fronts:

- clinical orientation;
- legal facilitation and assistance services;
- support and assistance for the patient;
- socio-recreational activities.

doBank supports the Hopen Foundation so as to contribute towards the realization of the numerous projects conceived by the organization. In 2018, with the contribution of doBank a minibus was purchased dedicated to the transportation of the children and furthering the participation in socio-recreational activities which take place care of the various structures in Rome (sporting activities, creative workshops and courses for approaching the world of employment), which by means of the new vehicle can be easily reached by all.

“BIMBI IN UFFICIO” IN COLLABORATION WITH SAVE THE CHILDREN

The doBank Group supports the **“Bimbi in Ufficio con mamma e papà”** Day, the initiative promoted by Corriere della Sera which invites parents to bring their children to work.

As a Partner of Save the Children, for the Bimbi in Ufficio Day in 2018 doBank developed a format dedicated in collaboration with the Association entitled **“Different but the same: the power of the Group”**.

The project on the theme of diversity had the objective of raising the awareness of the children with regard to the recognition and respect of the differences of the individual and of promoting the value of diversity and inclusion as elements of strength and success of the group.

The method used by the Save the Children trainers during the day were based on the pedagogy of human rights: the children were involved in the activities by means of the languages of music, food and figurative art using participative and inclusive educational instruments and techniques.

10.2 Membership of industry associations

The doBank Group is currently a member of the following industry associations:

11. ABI - Italian Banking Association;
12. National Interbank Deposit Guarantee Fund;
13. CBI (Customer to Business Interaction) Consortium;
14. Conciliatore Bancario Finanziario.

11 ENVIRONMENT

In view of the business and operational model of the doBank Group, direct and indirect

environmental impacts refer to energy and water consumption, the use of consumables and waste management.

These issues are considered in procedures for the purchase and management of real estate and offices, which are the responsibility of the Procurement & Facility company unit.

The doBank Group saw the launch for 2017 of a regional reorganization project for the bank aimed at rationalizing the business premises also in line with other Group companies. The co-existence in the same banking sector of doBank offices formerly UCCMB and ITF was ascertained, therefore the decision was made to close certain premises (Catania, Milan and Bari) and transfer the workforce to a single property.

In 2018 the Group left the buildings on via del Lavoro in Bologna to move on Galleria Ugo Bassi, care of Crea System.

11.1 Consumables

With reference to the environmental impacts linked to the use of consumables, the policy applied by doBank envisages activities aimed at reducing the use of paper and streamlining usage processes. doBank has implemented this initiative through an internal communication campaign, raising awareness among employees and requesting their collaboration in order to promote a proactive approach to the correct use of printers, energy and water resources.

The digitalization of the processes

The Group promotes sustainable business, including through targeted initiatives aimed at reducing the environmental impact of its own activities, primarily through policies aimed at digitalizing business processes.

With reference to the external network of legal debt recoverers, it should be noted that contractual obligations have been established through the operational agreement that regulates the collaboration. This agreement envisages the obligation on behalf of the lawyer to digitalize all documentation relative to their assigned duties, with an evident saving in terms of printed material and related environmental advantages.

Another obligation expressly stated in the operational agreement and which translates in the minor consumption of resources, is the exclusive use of the web-based EPC system; this system can be accessed remotely from any location, reducing the need for users to be physically present in professional offices to access the system and therefore reducing the number of journeys.

Likewise, doBank's External Legal Network (hereinafter also "ELN") has since 2017 used a digital document signing system, with the duly signed documents sent via certified email address.

In recent years, a reduction in the exchange of paper documents and, at the same time, an increase in the use of electronic documents has been recorded: this has been achieved through the EPC messaging system, the sending of information by certified email and digital invoicing via the Portal. After their engagement, external lawyers must attend a training course offered by the department regarding the EPC Portal, whose use is imperative to the performance of their roles.

In the same way, doBank has implemented a cumulative electronic invoicing system (whereby a single invoice is submitted for each mandate irrespective of the number of entries that this contains), with evident savings in printed paper and related environmental benefits.

Materials

Materials used by weight or volume	Unit of Measure	2018	2017
Total weight of materials used	kg	46,623	35,192
Paper	kg	46,400	34,980

Materials used by weight or volume	Unit of Measure	2018	2017
Total weight of materials used	kg	223	212
Toner[1]	kg	223	212

[1] The data was obtained by multiplying the unit weight of each type of toner by the number of toner cartridges used in the year. It also contains regenerated toner.

Since the end of 2016 doBank has reduced the purchase of paper from 80 g/m² to 75 g/m². All purchased paper bears the FSC environmental quality standard mark, which guarantees that the materials used are sourced from responsibly managed forests.

During 2018, a new Outline Agreement was entered into for the supply of stationery. Despite the absence of formal operating policies in this connection, the new agreement also envisages the supply of recycled paper;

In order to reduce the use of paper and toner, all multifunction printers have been configured in order that documents are printed only when the user enters a personal PIN code into the printer. Furthermore, printers are configured to print double-sided and in black and white as default.

11.2 Consumption of energy and emissions

The energy consumption of the Group is predominantly linked to the use of heating and air-conditioning systems, the operation of the data-center and the server rooms and the office lighting systems.

The doBank Group attaches great importance to the Group's sustainability profile in terms of energy consumption and is aiming to ensure the supply of green energy, or energy produced from renewable sources.

The objective of the Group to improve its energy sustainability profile and transition to green energy has three main components:

- generation of renewable energy;
- efficiency and energy saving, and
- environmental impact, or rather the minimization of pollution.

In line with the matters achieved last year, the doBank Procurement unit will take steps, during 2019, to call a tender for the renegotiation of the services linked to the supply of electricity. The tender will affect the entire real estate complex under management and, further to the will of the doBank Group, will be structured in requesting the suppliers for offers both for the sole supply of electricity and for the supply of "Green Energy" (or Energy from renewable sources).

The analysis carried out on the basis of the real estate perimeter currently in use by the doBank Group involved a significant activity in order to obtain data. The process that led to the determination of the data required the use of minimal estimates with respect to the previous

year for the definition of current consumption, with particular reference to natural gas (around 5%) and to the consumption of electricity (around 1%).

Certain rental contracts signed with counterparties regulate the management of utilities, which are paid in advance by the lessor and re-invoiced as an aggregate figure to the tenant (lease charges and accessories). In other cases where the leasing contract exclusively refers to the lease of the building, exact usage figures have been obtained from the utility supply contracts stipulated by doBank directly with suppliers.

Energy consumption in the organisation	Unit of Measure	2018	2017
Consumption of natural gas			
natural gas	GJ	9,021	8,697
Electricity used			
Electricity purchased	GJ	9,010	9,102
of which from renewable sources (purchased)	GJ	4,982	7,259
% renewable of total	%	55%	80%
Energy intensity			
Consumption of direct energy / average no. of employees			
Consumption of natural gas			
natural gas	GJ	7.25	7.08
Electricity used			
Electricity purchased	GJ	7.24	7.41
of which from renewable sources (purchased)	GJ	4.00	5.91

The average number of employees came to 1,244.

The table shows the values using the same unit of measurement (gigajoule). In the 2017 NFS the table showed the consumption of the natural gas in Scm and that of electricity in kWh.

The consumption of electricity from renewable sources regards the offices for which the energy is purchased from RePower (Rome Carucci, Bari, Milan, Naples, Catania, Padua, Parma, Reggio Calabria, Cagliari). Likewise the UniCredit offices (Florence/Lecce/Messina/Perugia and Brescia), as well as for the Turin Regus offices and with exclusion of Rome Flaminio, Palermo, Milan Conservatorio, Verona. As already mentioned, doBank's objective is to call a tender for the renegotiation of a single supplier on a national scale, requesting bids which include the option of energy from renewable sources.

The gas consumption figures indicated in the table have been calculated on the basis of the bills received or from data indicated by the owners of the properties. The incidence of renewable energy decreased with respect to the previous year due to the reorganization of several operating premises which purchased energy from renewable sources.

The scope of the data relating to electricity concerned the properties present in the following venues: Rome, Verona, Milan, Naples, Bari, Padua, Catania, Cagliari, Reggio Calabria. With regard to the offices which fall within the UniCredit sphere (Brescia, Florence, Lecce, Messina, Perugia) account was taken of the data provided by the owner taken from the energy bills. With regard to the Parma offices and the Temporary offices of Palermo, Bologna, and Turin the calculation of the consumption was obtained in proportion to the total consumption of the properties to which the effective space occupied by doBank belong. The calculation of just the Turin office was subject to estimates considering the square meters occupied.

With regard to natural gas, the calculation of the consumption was point specific for the offices

belonging to the scope of doBank and Italfondinario (Verona, Rome, Milan and Parma) and for those belonging to the Unicredit scope (Brescia, Florence, Lecce, Messina, Perugia, Turin). Regarding the consumption of gas for the temporary offices in Bologna and Palermo, the value of the total volumes of the premises was placed in proportion to just the square meters occupied by doBank. There was no consumption of gas for all the other offices.

The objective of the Group to improve its energy sustainability profile and transition to green energy has three main components:

- generation of renewable energy;
- efficiency and energy saving, and
- environmental impact, or rather the minimisation of pollution.

The following table presents the data relating to emissions (Scope 1 - Direct Emissions, and Scope 2 - Indirect Emissions linked to Energy Usage). It is noted that the figure relating to other indirect emissions (Scope 3) which, due to the sector in which doBank operates and its relative business model, principally refers to fuel-related emissions by employees and collaborators in the relevant region, is not currently available. The possibility of starting a process aimed at collecting and quantifying these indicators is being evaluated.

Emissions	Unit of Measure	2018	2017
Direct emissions			
Natural gas	† CO ₂ e	456,350	439,995
Indirect emissions			
Electricity purchased from the grid	† CO ₂ e	369,873	169,224
Intensity of greenhouse gas emissions			
GHG emissions / average no. of employees			
Direct emissions	† CO ₂ e	366.84	358.30
Indirect emissions	† CO ₂ e	297.33	137.80
Conversion factors			
Natural Gas Emission Factor - Source: DEFRA	kgCO ₂ e/kWh	0.1842	0.1842
Italy Mixed Electricity Emission Factor - Source: ISPRA	kgCO ₂ e/kWh	0.3306	0.3306

11.3 Waste

With regard to the waste management policy, in 2018 doBank entrusted these activities to third parties and other cleaning contractors. With regard to the respective sites, doBank is in possession of the relative forms provided by the cleaning firm Superlinda certifying the correct disposal of generated waste.

Waste	Unit of Measure	2018	2017
Total waste produced	kg	260	21,637
Of which hazardous ⁽¹⁾	kg	1	577
Of which non-hazardous ⁽²⁾	kg	259	21,060

(1) The 2017 datum was affected by the inclusion of the toner in the hazardous waste, whereas 2018 included only fluorescent tubes and other waste containing mercury;

(2) This figure refers predominantly to paper for packaging. 2017 was affected by the production of waste following the reorganization of the Group and because of an erroneous inclusion of the toner in this category.

Waste disposal methods

With regard to the collection of data regarding the management of internal waste, it is noted that at certain sites a separate waste collection service is in place and therefore it is not necessary for the disposal of such waste to be certified using the relative form. For buildings/offices within the UniCredit perimeter, the waste service is regulated by contracts signed directly by UniCredit with suppliers. In general, UniCredit repays the related fee to the tenant (doBank).

In consideration of the collection methods and the fact that the waste in question is paper, it should be noted that the majority of this is recycled.

doBank, close to environmental issues, has also taken steps to implement a separated waste policy and issued dedicated recycling bins for paper/cardboard, plastic/metal/glass and organic waste to all company offices in Italy.

11.4 Indirect impacts: technological innovation and operational efficiency

The Group continues with the process aimed at implementing a shared operational and technological platform in order to improve operational efficiency and achieve significant economies of scale. The implementation of this platform is part of the strategy of the Group aimed at reducing costs and improving operative leverage.

The Issuer had already established the Group service company, doSolutions, for the provision of non-core support services (including IT, logistics and back-office services) to the various companies of the Group and this has already allowed the Group to benefit from economies of scale and renegotiate certain out-sourced service contracts with a direct impact on the operational and financial performance of the Group.

The activities for migration of the Group activities to doSolutions having concluded, the next phase is the rationalization of the systems passing on to identify the best practices with respect to the target operational and management model for the achievement of the objectives defined in the Strategic Plan.

At present, doBank and Italfondario still use partially different technological platforms both with regard to Core Business and IT Operations, but the activities for the adoption of a single and integrated model rely on the investments in the IT sector. The Group expects that the use of a single platform - reference target for the operational objectives - will provide additional and significant improvements in operational efficiency.

The project to maximize the efficiency of the operational structure is carried out in two key ways:

- technological innovation and the use of operational platforms aimed at strengthening the operational leverage of the Group and manage a higher number of loans per area;

- streamlining of the engagement and delivery processes for the IT and Operations structures by means of the reduction of the distance with respect to the needs of the internal and external stakeholders of the Group;
- overseeing of the handling of the suppliers and constant monitoring, with a view to checking the end-to-end activities, the delivery of the solutions supporting the operating efficiency;
- other cost reductions relating to the renegotiation of supply contracts.

11.5 Other initiatives

LIFEGATE - Zero Impact® Web

Although the use of new technologies has already done much to reduce CO₂ emissions, the internet nonetheless creates pollution.

doBank, in line with its Corporate Social Responsibility policy, subscribes with all the websites of the Group companies to **Zero Impact® Web**, a Lifegate project which enables the reduction of environmental impacts caused by use of the internet. In this way, the Group offsets carbon dioxide emissions relating to visits to its website by contributing to the creation and protection of growing forests. This initiative has enabled the creation and protection of approximately 1,384 m² of growing woodland in the Park of Ticino, equating to 3,456 kg of CO₂.

The Partnership with Lifegate represents the tangible commitment of doBank to a reforestation project aimed at combating global warming.

PIAZZETTA MONTE 1

To protect the environment, reduce paper consumption and save materials with high environmental impacts (such as toners and printer cartridges), doBank has launched the digital version of the publication **Piazzetta Monte 1**, a quarterly magazine on the non-performing loans market edited by doBank.

EVENTS

The Communication department for the organization of internal and external events is entrusted to certified Partners who guarantee high quality standards. For example, catering which uses organic and km⁰ produce or the production of devices using environmentally certified materials.

12 GRI CONTENT INDEX

GRI Standards	Description	Location of disclosure (document)	Location of disclosure (paragraph of document)
101	Foundation	NFS 2018	3. Methodological note, page 7
102-1	Name of the organization	NFS 2018	Cover sheet, page 2
102-2	Primary brands, products, and/or services	NFS 2018	4.2 Strategic goals and created value, page 10
102-3	Location of organization's headquarters	NFS 2018	Cover sheet, page 2
102-4	Number of countries where the organization operates	NFS 2018	7.1 Characteristics of the workforce, page 31
102-5	Nature of ownership and legal form	NFS 2018	4.1 doBank: mission, vision and operational model, page 8
102-6	Markets served	NFS 2018	4.2 Strategic goals and created value, page 10
102-7	Scale of the organization	NFS 2018	2. Highlights, page 7
102-8	Information on employees and other workers	NFS 2018	7.1 Characteristics of the workforce, page 31
102-9	Description of the organization's supply chain	NFS 2018	9. Supply chain, page 48
102-11	Precautionary approach to risk management	Consolidated Reports and Accounts as at December 31, 2018	Notes to the Financial Statements Section E
102-12	Adoption of external economic, environmental and social codes and initiatives	Organizational, management and control model pursuant to Decree No. 231/2001 - Code of Ethics	
102-13	Membership of associations or organizations	NFS 2018	10.2 Membership of industry associations, page 52
102-14	Statement of the Chief Executive Officer	NFS 2018	1. Letter to stakeholders from the CEO, page 5
102-15	Description of key impacts, risks and opportunities	NFS 2018	Letter to stakeholders from the CEO, page 5; 6.1 Risk identification and management, page 24
102-16	Values, principles, standards, and norms of behavior	NFS 2018	5.2 Code of ethics and internal regulations, page 22
102-17	Internal and external mechanisms for advice about ethical and lawful behavior, and organizational integrity	NFS 2018	5.2 Code of ethics and internal regulations, page 22
102-18	Governance structure	Articles of Association and Report on Corporate Governance	
102-19	Delegating authority for economic, environmental and social topics	NFS 2018	4.3 Materiality analysis and stakeholders, page 13
102-20	Executive-level responsibility for economic, environmental, and social topics	NFS 2018	4.3 Materiality analysis and stakeholders, page 13
102-21	Consulting stakeholders on economic, environmental, and social topics	NFS 2018	4.3 Materiality analysis and stakeholders, page 13
102-22	Composition of the highest Governance body	Articles of Association and Report on Corporate Governance	
102-23	Chair of the highest governance body	Articles of Association	
102-24	Nominating and selecting the highest governance body	Regulation of the appointments committee	

102-25	Conflicts of interest	Procedure of the doBank Group for the management of related-party transactions and conflicts of interest	
102-26	Role of highest governance body in setting purpose, values, and strategy	NFS 2018	4.3 Materiality analysis and stakeholders, page 13
102-30	Effectiveness of the risk management process	NFS 2018	6.1 Risk identification and management, page 24
102-40	List of stakeholder groups engaged by the organization	NFS 2018	4.3 Materiality analysis and stakeholders, page 13
102-41	Employees covered by collective bargaining agreements	NFS 2018	7.1 Characteristics of the workforce, page 31
102-42	Identifying and selecting stakeholders	NFS 2018	4.3 Materiality analysis and stakeholders, page 13
102-43	Approach to stakeholder engagement	NFS 2018	4.3 Materiality analysis and stakeholders, page 13
102-44	Key topics and concerns raised through stakeholder engagement	NFS 2018	4.3 Materiality analysis and stakeholders, page 13
102-45	Entities included in the consolidated financial statements	NFS 2018	3. Methodological note, page 7
102-46	Defining report content	NFS 2018	3. Methodological note, page 7
102-47	List of material topics	NFS 2018	4.3 Materiality analysis and stakeholders, page 13
102-49	Significant changes from previous reporting periods in the list of material topics and topic	NFS 2018	4.5 Approach to sustainability, page 18
102-50	Reporting period	NFS 2018	3. Methodological note, page 7
102-52	Reporting cycle	NFS 2018	3. Methodological note, page 7
102-53	Contact point for questions regarding the report or its contents	NFS 2018	3. Methodological note, page 7
102-55	GRI content index	NFS 2018	12. GRI Content Index page, 59
102-56	External assurance	NFS 2018	13. Report of the audit firm, page 61
103-1	Management approach: Environment	NFS 2018	The entire document
103-2	Management approach: responsibility of provided services	NFS 2018	The entire document
201-1	Direct economic value generated and distributed	NFS 2018	4.4 Generated, distributed and retained economic value, page 17
204-1	Proportion of spending on local suppliers	NFS 2018	9. Supply chain, page 48
205-1	Percentage and total number of operations assessed for risks related to corruption	NFS 2018	5.3 Prevention of corruption, page 22
205-2	Percentage of employees trained in organization's anti-corruption policies and procedures	NFS 2018	5.5 AML and 231 Model Training, page 24
G4-FS6 (G4 Sector Disclosure – Financial Services)	Different business lines, subdivided by location, size (e.g. micro, SME, large) and client sector	NFS 2018	8.1 High quality service levels for banks and investors, page 42
301-1	Materials used by weight or volume	NFS 2018	11.1 Consumables, page 53
301-2	Recycled materials used	NFS 2018	11.1 Consumables, page 53
301-3	Products regenerated and related packaging materials	NFS 2018	11.1 Consumables, page 53

302-1	Energy consumption within the organization	NFS 2018	11.2 Consumption of energy and emissions, page 54
302-2	Indirect consumption of energy	NFS 2018	11.2 Consumption of energy and emissions, page 54
302-3	Energy intensity	NFS 2018	11.2 Consumption of energy and emissions, page 54
305-1	Direct (Scope 1) GHG emissions	NFS 2018	11.2 Consumption of energy and emissions, page 54
305-2	Indirect (Scope 2) GHG emissions	NFS 2018	11.2 Consumption of energy and emissions, page 54
305-4	GHG emissions intensity	NFS 2018	11.2 Consumption of energy and emissions, page 54
305-5	Reduction in GHG emissions	NFS 2018	11.2 Consumption of energy and emissions, page 54
306-2	Total weight of waste by type and disposal method	NFS 2018	11.3 Waste, page 56
401-1	Number and rate of new employee hires and employee turnover by age group, gender and region	NFS 2018	7.1 Characteristics of the workforce, page 31
401-2	Employee benefits	NFS 2018	7.3 Performance appraisal and skills assessment, page 35
403-1	Representation of the workers in health and safety committees, made up of workers and management	NFS 2018	7.7 Employee incentives and remuneration, page 39
403-2	Accidents in the workplace, occupational diseases, absenteeism and work-associated deaths	NFS 2018	7.7 Employee incentives and remuneration, page 39
403-3	Staff exposed to high incidence or high risk of occupational diseases	NFS 2018	7.7 Employee incentives and remuneration, page 39
404-1	Average annual hours of training per head	NFS 2018	7.2 Staff training and development, page 34
404-2	Programmes for the handling of the skills and assistance for transition	NFS 2018	7.3 Performance appraisal and skills assessment, page 35
404-3	Percentage of employees who regularly receive assessments of the services and career development	NFS 2018	7.3 Performance appraisal and skills assessment, page 35
405-1	Composition of the governance bodies and the staff by indicators of diversity	NFS 2018	7.4 Respect for human rights and diversity, page 36
405-2	Report on the basic salary and the remuneration of women with respect to men	NFS 2018	7.5 Employee incentives and remuneration, page 39
412-2	Training of employees on policies or procedures pertaining to human rights	NFS 2018	5.5 AML and 231 Model Training, page 24
414-1	New suppliers subject to checks in accordance with social criteria	NFS 2018	9. Supply chain, page 48
414-2	Negative social impacts in the supply chain and action undertaken	NFS 2018	9. Supply chain, page 48
418-1	Documented complaints relating to violations of privacy and loss of client data	NFS 2018	8.4. Complaints, page 47
419-1	Non-compliance of laws and regulations in the social and economic area	NFS 2018	5.2 Code of ethics and internal regulations, page 22

13. REPORT OF THE AUDIT FIRM

Independent auditors' report on the consolidated non-financial statement pursuant to Article 3, Par. 10 of Legislative Decree No. 254/2016 and to Article 5 of Consob Regulation No. 20267

Ria Grant Thornton S.p.A.
Via San Donato, 197
40127 Bologna

T +39 051 6045911
F +39 051 6045999

(Translation from the original Italian text)

To the Board of Directors of
doBank S.p.A.

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation no. 20267/2018, we have performed a limited assurance engagement on the Consolidated Non-Financial Statement of doBank S.p.A. and its subsidiaries (hereinafter "the Group") for the year ended December 31, 2018 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 12, 2019 (hereinafter the "NFS").

Responsibilities of Directors and Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with the requirements of articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued in 2016 by GRI - Global Reporting Initiative (the "GRI Standards"), selected as specified in the section 12 of the NFS (the "GRI – Referenced" option), identified by them as reporting standards.

The Directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to guarantee that the preparation of the NFS is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for identifying the contents of the NFS within the matters mentioned in article 3, paragraph 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The Directors are also responsible for defining the Group's management and organization business model, as well as, with reference to the matters identified and reported in the NFS, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior. Our audit firm applies the *International Standard on Quality Control 1 (ISQC Italia 1)* and, as a result, maintains a quality control system that includes documented policies and procedures

Società di revisione ed organizzazione contabile Sede Legale: Corso Vercelli n.40 - 20145 Milano - Iscrizione al registro delle imprese di Milano Codice Fiscale e P.IVA n.02342440399 - R.E.A. 1965420. Registro dei revisori legali n.157902 già iscritta all'Albo Speciale delle società di revisione tenuto dalla CONSOB al n. 49 Capitale Sociale: € 1.832.610,00 interamente versato Uffici: Ancona-Bari-Bologna-Firenze-Genova-Milano-Napoli- Padova-Palermo-Perugia-Pescara-Pordenone-Rimini-Roma-Torino-Trento-Verona.

Grant Thornton refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Ria Grant Thornton spa is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions.

www.ria-grantthornton.it



regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the base of the procedures performed, a conclusion about the compliance of the NFS with the requirements of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued in 2016 by GRI - Global Reporting Initiative (the "GRI Standards"), selected as specified in the section 12 of the NFS (the "GRI – Referenced" option). Our work has been performed in accordance with the principle of "*International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements.

This standard requires the planning and execution of work to obtain a limited assurance that the NFS is free from material misstatements. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("*reasonable assurance engagement*") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the NFS are based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the NFS, documents analysis, recalculations and other procedures to obtain evidences considered appropriate.

In particular we performed the following procedures:

1. analysis of the relevant topics in relation to the activities and characteristics of the Group reported in the NFS, to assess the reasonableness of the selection process applied in accordance with the provisions of article 3 of the Decree and considering the reporting standard applied;
2. analysis and evaluation of the criteria for identifying the consolidation area, to evaluate its compliance with the provisions of the Decree;
3. comparison of the economic and financial data and information included in the NFS with those included in the doBank Group's consolidated financial statements;
4. understanding of the following aspects:
 - group's management and organization business model, with reference to the management of the topics indicated in article 3 of the Decree;
 - policies adopted by the Group related to the matters indicated in article 3 of the Decree, results achieved and related key performance indicators;
 - main risks, generated or suffered related to the matters indicated in the article 3 of the Decree.

Regarding these aspects, we obtained the documentation supporting the information contained in the NFS and performed the procedures described in item 5. a) below;

5. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the NFS.
In particular, we conducted interviews and discussions with the management of doBank S.p.A. and with the personnel of Italfondario S.p.A. and doSolutions S.p.A. and we performed limited documentary evidence procedures, to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the NFS.

Furthermore, at group level, for significant information, considering the Group activities and characteristics:

- at Group level:

- a) with reference to the qualitative information included in the NFS, and in particular to the business model, policies implemented and main risks, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
 - b) with reference to quantitative information, we performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- for doBank S.p.A., which we selected based on its activity, its contribution to the performance indicators at consolidated level and its location, we carried out site visits during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that NFS of doBank Group for the year ended December 31, 2018 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the “Global Reporting Initiative Sustainability Reporting Standards” issued in 2016 by GRI - Global Reporting Initiative (the “GRI Standards”), selected as specified in the section 12 of the NFS (the “GRI – Referenced” option).

Bologna, March 25, 2019

Ria Grant Thornton S.p.A.

Signed by

Silvia Fiesoli
Partner

This report has been translated into the English language solely for the convenience of international readers.