

**CONSOLIDATED
NON-FINANCIAL
STATEMENT
LEGISLATIVE DECREE
254/2016 AS AT
DECEMBER 31, 2017**

SERVICING | LENDING | SOLUTIONS

doBank
Servicing | Lending | Solutions

CONSOLIDATED NON-FINANCIAL STATEMENT PREPARED PURSUANT TO ARTICLES 3 AND 4 OF LEGISLATIVE DECREE NO. 254 AS AT DECEMBER 31, 2017

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

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

Bank registered on 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

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1. LETTER TO STAKEHOLDERS FROM THE CEO

With the publication of the first consolidated non-financial statement, doBank aims to provide comprehensive and transparent information regarding its past and current actions in terms of sustainability, as provided by Italian Legislative Decree no. 254/2016.

Supported by the commitment of the Board, doBank aims to increase the integration of its financial-economic and socio-environmental approaches.

doBank Group is the leading Italian operator for the management of non-performing loans and is a strategic partner for banks and investors for the integrated management of every phase of performing and non-performing loan life-cycles. The activities of doBank aim to facilitate the gradual reduction of the levels of non-performing loans, while at the same time focusing on debtors through processes to improve efficiency and modernise the management of loan recovery.

The contribution of doBank to the promotion of sustainable development is continuously in line with its strategic goals: through its operation, doBank contributes to the restoration and protection of financial stability of the Italian banking system and individual debtors and promotes loan recovery activities towards the latter.

The doBank Group is active throughout Italy and offers services to enable the management of the initial phases of the recovery process, including first contact and negotiation with the debtors of its own clients, in order to facilitate, to the extent possible, the identification of rapid, efficient and cost-effective solutions. To this end, the doBank Group favours out-of-court agreements for the recovery of loans entrusted to its management while also being able to support its clients in any judicial proceedings.

Thanks to the highest levels of specialisation and diversified and complementary expertise acquired through various partnerships with the leading Italian banking institutions over its 17 years of activity, doBank is able to anticipate changes to the market and simplify processes, acting as a problem solver for banking clients and contributing to the development of solutions for the national banking system.

doBank supports the community and various institutions in the region in which it operates through numerous socio-environmental initiatives. Moreover, doBank supports sport, an important element for social cohesion and integration that reflects the values of doBank: commitment, competitiveness, dynamism and respect.

In 2017, the Group signed important new mandate agreements, registered a significant increase in collections and revenues and maintained overall costs at a stable level, thanks in part to the improvements in efficiency linked to technological investments, enabling an improvement in operating margins with an EBITDA margin of 33% and a double-digit increase in profits.

In 2018 the Group is continuing to pursue the development of Servicing activities in line with the Business Plan approved in February 2017 - due to be updated at the end of the first six months of 2018 - which focused on improving collections, growing managed credit and developing ancillary products.



Equally, the Bank is currently focused on activities to reorganise and restructure the Group, a process which has direct impacts on increasing the management of sustainability issues, particularly in terms of the environment, employees and the specific areas provided in Decree no. 254/2016.

Chief Executive Officer

Andrea Mangoni



2. HIGHLIGHTS

Content	Parameter	Unit of Measure	2017
Human resources	Total employees	no.	1,231
	Average annual hours of training	hrs	15
	Women/total employees	%	59%
	Recruitments 2017	no.	68
Economic/	Intermediation margin	€/000	177,768
Social	Assets under management	€/000	76,702,476
	Collections	€/000	1,836,292
	Generated economic value	€/000	199,517
	Redistributed economic value	€/000	169,690
Environment	Total waste for disposal	Kg	21,637

3. INTRODUCTION

With this first non-financial statement ("NFS") the doBank Group communicates to stakeholders its socio-environmental approach and policies and describes the results achieved in the development of its activities in terms of long-term sustainability and the creation of value. This document has been prepared pursuant to the Legislative Decree no. 254 of December 30, 2016 (hereinafter "the Decree") and related Consob implementation Regulation adopted with resolution no. 20267 of January 18, 2018.

As provided by the Decree, the NFS presents the information regarding the main risks related to socio-environmental themes that derive from the business of the doBank Group, the organisational and management model adopted by the Group, the policies implemented by the Group to manage the impact of non-financial entrepreneurial activities and the results achieved through the implementation of these policies. The information provided in the NFS aims to provide an understanding of the activities of the doBank Group, its progress, its results and the impact of the same on the non-financial themes indicated by the Decree. Since the 2017 financial year, doBank issues a consolidated NFS on an annual basis.

The preparation of the NFS acknowledges the definitions and reporting criteria issued by the Global Reporting Initiative ("GRI"). As provided by the Decree, the NFS is prepared according to an independent reporting methodology. In particular, reference was made to the standards specified in the "GRI Content Index" provided in Section 11 of this Document. The decision to adopt this independent reporting methodology was based on assessments regarding the relevance and materiality of the issues to be included in the Declaration, also taking into account operational aspects mostly related to the availability of the information for this first wording of the document by doBank.

Indicators were selected on the basis of a targeted analysis of the "Consolidated Set of GRI Sustainably Reporting Standards 2016" with the aim of fulfilling the non-financial reporting obligations provided by the Decree while also focusing the content on material themes and available information.

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 section 11 below.

In order to ensure the accuracy of the reported information, priority was given to the inclusion of directly measurable values. The use of estimates, where required, is expressly indicated.

The Group aims to progressively expand the content and indicators of the sustainability report. Moreover, doBank is committed to further extending dialogue and engagement activities with stakeholders.

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 11 of this Document specifies which qualitative content and quantitative indices are included in this report and which are incorporated through references to the 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.

The doBank Group was established following the merger of two of the largest independent servicers in Italy, UniCredit Credit Management Bank S.p.A. (further in this document also "UCCMB" and now doBank S.p.A.) and Italfondionario (further in this document also "ITF"); this circumstance determined that comparable quantitative information for the financial years preceding 2017 was not immediately available for the current scope of the Group. In the first wording, doBank consequently utilised the possibility granted by the Decree not to present the quantitative data for previous financial years.

Unless otherwise specified, the information relates to the consolidation scope of the consolidated financial statements of the doBank Group, described in the Reports and Consolidated Financial Statements as at December 31, 2017 in Part A (Accounting policies) of the Consolidated Notes, Section 3 - Scope and method of consolidation.

The reporting period is the financial year 2017, which corresponds to the calendar year.

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4. DOBANK AND SUSTAINABILITY

4.1 doBank: mission, vision and operational model

In terms of total assets under management, doBank is the largest Italian servicer of predominantly non-performing loans for public and private banks and financial institutions.

After the acquisition of Italfondionario in 2016, the doBank Group represents the main independent servicer for the management of non-performing loans with a Gross Book Value (GBV) of €77 billion as at December 31, 2017, a value which represents over 40% of the volume of externally managed NPLs and approximately a third of gross NPLs on the Italian market.



Since 2008, doBank and Italfondario have received the highest rating of any other Italian servicer by Fitch Ratings (RSS1-/CSS1) and Standard & Poor's (Strong). On August 1, 2017 Fitch Ratings assigned doBank the Master Servicer Rating (RMS2/CMS2/ABMS2).

The position of leadership held by the doBank Group has been achieved thanks to the creation of consolidated relations with some of the leading institutional investors and most important Italian banks, taking part in the main disposals of non-performing portfolios and/or outsourcing of non-performing loans in Italy over the last 17 years.

The **mission** of doBank is to create value for banks and investors and contribute to the growth of the country. doBank implements diversified strategies defined in close collaboration with the client to seek out-of-court solutions where possible in order to guarantee prompt recovery, maximise profitability and optimise the cost-performance ratio.

The strategic **vision** of doBank is to pursue an innovative approach to loan management. Thanks to the highest levels of specialisation and diversified and complementary expertise acquired through various partnerships with the leading Italian banking institutions, doBank is able to anticipate changes to the market and simplify processes, acting as a problem solver for banking clients and contributing to the development of solutions for the national banking 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 analyse each practice and take decisions in a rapid and efficient manner to maximise value for the client. As at December 31, 2017, the doBank Group can rely on a structure of 1,231 employees, including 781 Asset Managers, who operate throughout Italy in 21 regional offices; furthermore, the Group has access to a network of 1,829 external consultants including 1,115 lawyers and 636 professionals such as chartered accountants, notaries and financial agents with extensive experience in their respective fields, as well as 78 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. The network of external consultants also enables the Group to gain an in-depth understanding of the decisions of the various courts; moreover, the information collected in this way forms the basis of the Group's recovery strategies.

doBank offers an efficient **operational model** to banks and investors which can be customised to the client's needs. The model is based on four 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 specialised 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 specialised 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 17 years of activity designed specifically to manage high loan volumes, optimising business processes and streamlining the credit management process. We design specialised reports aimed at improving the precision of the management monitoring process.

Professional resources

As an undisputed leader in the field of loan management, a focus on professional resources is one of the distinctive characteristics of doBank. Optimising 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 centralised 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.

The share capital of the Bank is composed of 80,000,000 ordinary shares, including 1,750,000 treasury shares. As at December 31, 2017, 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	40.00%
4. doBank S.p.A. (treasury shares)	2.19%
Total	100.00%

(*) Société à responsabilité limitée - Luxembourg

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 specialised 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 standardised procedures and the management of larger loans through personalised procedures, the Group is able to offer a high level of operational efficiency.



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 technological platform of Italfondario Business Information Services (IBIS) for gathering and processing commercial data regarding debtors;
- assistance in the valuation, management and sale of real estate assets, provided by doReal Estate;
- coordination and/or preliminary activities for judicial loan recovery through the "doLegal" service.

In relation to credit owned by SPVs pursuant to Law no. 130/1999, the Group has provided assistance in structuring and implementing over 40 securitisations, including some of the largest securitisation transactions of non-performing loans carried out in Italy in the last 17 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 securitisation 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. Furthermore, the Group has provided assistance in structuring and implementing over 40 securitisations, including some of the largest securitisation transactions of non-performing loans carried out in Italy in the last 17 years.

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:

- (i) co-investment may increase the possibility of obtaining profitable Servicing contracts with banks and financial investors and
- (ii) the investments offer attractive returns. These investments are carried out by subscription to minority positions in securities issued by securitisation 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 investments instrumental to the attainment of Servicing/Due Diligence contracts in relation to the portfolio in collaboration with institutional investors;
- prioritise large-scale portfolios with predictable cash flow profiles;
- acquire tranches of securities (senior, mezzanine, junior) across the entire securitisation 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).

In 2016 the doBank Group invested a total of €8.4 million in co-investment activities and expects to invest in the next future, amounts greater than 2016 in proportional shares through the various tranches of securities, provided that the investment is instrumental to the finalisation of Servicing contracts. In 2017, the Group signed a binding agreement for an investment of € 30 million in the Italian Recovery Fund (formerly Atlante II) and made the first monetary payment in this regard of €15.2 million.

Finally, the doBank Group provides 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 by Fortress and other Investor Clients in Italy. Furthermore, the Group prepares data room



environments and provides other services for the sale of non-performing loan portfolios carried out by Banks.

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 securitisation processes. In this way, the quality of the data indirectly contributes to obtaining a higher rating from the securitizations made.

In order to maximise 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 Italfondario in the last 17 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 securitisation 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 modernise the recovery process.

4.3 Principal risks

The following table shows the main generated or encountered risks relating to the environment, social issues, staff, respect for human rights and the prevention of active and passive corruption which are relevant to the activities and characteristics of the doBank Group.



	The Group's business	Type of risk	Description
Revenues	Loan recovery and Servicing	- Operational risk - Reputational risk - Legal and compliance risk - Financial and credit risk	Refer to the following documents ("Investor Relations" section of the website www.dobank.com): - Reports and Consolidated Financial Statements as at 31 December 2017 (Part E, Notes to the Consolidated Financial Statements); - Disclosure by Institutions as at 31 December 2017
	Direct investments	- Operational risk - Reputational risk - Legal and compliance risk - Financial and credit risk	Refer to the following documents ("Investor Relations" section of the website www.dobank.com): - Reports and Consolidated Financial Statements as at 31 December 2017 (Part E, Notes to the Consolidated Financial Statements); - Disclosure by Institutions as at 31 December 2017
Costs	Investments in human resources: - employees; - external network	- Operational risk - Reputational risk - Social risk	Refer to paragraph 6 (Human Resources) and 7 (Clients and loan recovery actions of the external network) of this document
	Investments in Group operative structures	- Operational risk - Reputational risk - Environmental risk	Refer to paragraph 10 (Environment) of this document
	Purchases of goods or services for the performance of daily operations	- Environmental and social risk	Refer to paragraph 9 (Supply chain) and 10 (Environment) of this document

The aforementioned risks are defined as follows:

Type of risk	Description
Operational risk	The risk of losses due to errors, breaches, interruptions or damages caused by internal processes, personnel or systems or external events Includes the risk of non-compliance with qualitative standards in the provision of services to banking and investor clients;
Reputational risk	The risk associated with a negative perception of the bank by clients, counterparties, shareholders, investors or supervisory authorities, which could impact negatively on commercial relations and access to other funding sources;
Legal and compliance risk	The risk of incurring sanctions, losses or reputational damage due to non-compliance with laws, regulations or rulings of supervisory authorities or self-regulation standards such as articles of association and codes of conduct;
Environmental and social risk	The risk of financial or reputational losses related to negative environmental or social impacts linked to specific activities or sectors;
Financial and credit risks	- Market risk: risk of losses linked to changes to market variables;
	- Liquidity risk: risk that the bank is not able to fulfil its payment obligations;
	- Interest rate risk: the potential impact of the variation in interest rates on the value of assets, liabilities and off-balance sheet items or the interest income of the bank;
	- Credit and counterparty risk: risk of losses linked to the possibility that a debtor, a counterparty or an issuer of a financial bond is not able to repay the interest and/or capital owed (Default Risk).
Other emerging risks	New risk categories such as IT-related risk, or the risk of incurring financial, reputational or market share losses through the use of IT and communications technologies.

4.4 Materiality analysis and stakeholders

In 2017 the doBank Group conducted a materiality analysis with the aim of identifying issues relevant to the Group and its stakeholders which significantly influence the capacity to create value in the short, medium and long term.

Material aspects are those which represent the significant financial, environmental and social impacts of the organisation 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 for the first annual report was conducted in two phases. The first phase aimed to identify the relevant themes for the Group, including through a sector benchmark 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 data published to date on a voluntary basis by a limited group of specific peers. During this phase, the relevance to doBank of each theme was classified as "High" or "Medium".

The second phase consisted of an internal assessment by the management team of the doBank Group, which aimed to identify the priorities afforded by stakeholders to the themes identified in the first phase. Feedback was collected from a pool of employees, including the managers of the departments in charge of non-financial reporting and certain figures reporting directly to Top Management.

It is noted that in 2018, doBank is assessing the feasibility of implementing a more structured engagement process with the aim of progressively involving a greater number of stakeholders of the Bank.



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Relevance for stakeholders	4		<ul style="list-style-type: none"> • Welfare and working conditions • Ethics and integration in business activities • Financial performance • Business strategy and risk management
	3	<ul style="list-style-type: none"> • Responsible supply chain • Energy consumption • Contribution to local and regional communities • Environmental impact • Responsible products and services • Innovation and technology 	<ul style="list-style-type: none"> • Creation and protection of employment • Human rights and transparency in the provision of services • Customer satisfaction • Diversity • Optimisation of human resources
	2	<ul style="list-style-type: none"> • Water usage • Level of greenhouse gas emissions 	
	1		
		Medium	High

Relevance for doBank

(*) Key: Ranking of relevance for stakeholders:

4 = it is essential to manage the theme;

3 = it is necessary or useful to consider the theme;

2 = the theme should be considered but is not a priority;

1 = the theme is not relevant or should not be considered.

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 securitisations, should also be noted. 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 distribution of relevant information, such as the explanatory sections of the financial report, the website and the investor relations inbox. Furthermore, all the presentations and audio files of the quarterly conferences held with analysts and investors are made available to all stakeholders 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 regular 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. To this end, a series of quantitative KPI indicators are regularly monitored to measure compliance with the required service standards.

In 2017, the existing contract with UniCredit was integrated with the management of the loans relating to the securitisation carried out by the UniCredit Group through the securitisation vehicles Fino 1 Securitization S.r.l. and Fino2 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. Finally, 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.

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 standardised 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 organisations, 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 ITF network, through the use of internal reporting.

4.5 Generated, distributed and retained economic value

(€/000)

Items	12/31/2017	12/31/2016
10 Interest income and similar revenues	740	235
20 Interest expense and similar charges	(274)	(485)
40 Fee and commission income	195,435	159,053
50 Fee and commission expense	(18,132)	(17,296)
100 Gains (losses) on disposal or repurchase of:	-	241
b) Available-for-sale financial assets	-	241
110 Net gains (losses) on financial assets and liabilities designated at fair value	(1)	-
130 Net losses/recoveries on impairment of:	1,601	3,198
a) Loans	1,601	3,333
d) Other financial transactions	-	(135)
220 Other operating income/expenses	19,044	16,337
270 Gains (losses) on disposal of investments	1,494	7,651
310 Profit (loss) after tax tax from discontinued operations	(390)	(350)
A. Total generated economic value	199,517	168,584
180b Other administrative expenses net of indirect taxes	(43,234)	(34,469)
Economic value distributed to suppliers	(43,234)	(34,469)
180a Staff expenses	(84,171)	(58,638)
Economic value distributed to employees and collaborators	(84,171)	(58,638)
Profit allocated to shareholders	(30,806)	(52,330)
Economic value distributed to shareholders	(30,806)	(52,330)
180b Other administrative expenses: indirect taxes and duties	(405)	(4,731)
290 Income tax for the year from continuing operations	(11,074)	(7,627)
Economic value distributed to central and regional administrations	(11,479)	(12,358)
B. Total distributed economic value	(169,690)	(157,795)
C. Total retained economic value from the Group	29,827	10,789



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.

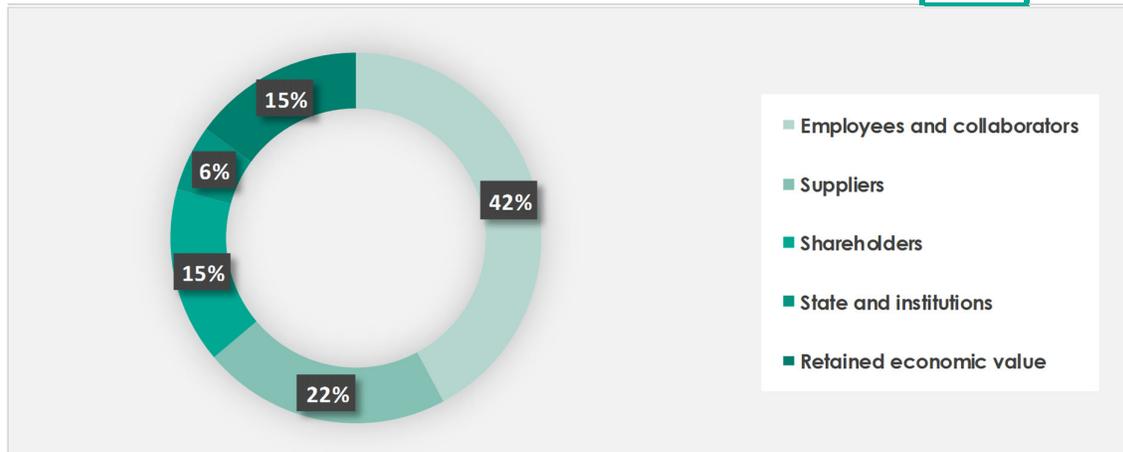
The increase in generated economic value reflects the growth of core revenues and value of commissions.

As regards the items in the income statement upon which the calculation is based, reference should be made to the comments provided in the Report on Operations of the 2017 Consolidated Financial Statements.

In 2016, the economic value distributed to shareholders represented the distribution of the entire profit. For 2017, on March 13, 2018 the Board of Directors resolved to propose to the Shareholders' Meeting the distribution of 70% of the accrued profit.

Finally, the Economic value retained in 2017 increased due to the allocation of a portion of the residual profit to reserves, in comparison to the fully distributed profit in 2016.

2017 retained economic value distribution	Thousand of Euro	%
Generated economic value	199,517	100%
Distributed economic value	(169,690)	85%
Employees and collaborators	(84,171)	42%
Suppliers	(43,234)	22%
Shareholders	(30,806)	15%
State and institutions	(11,479)	6%
Retained economic value	29,827	15%



4.6 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 behaviour and environmental sustainability.

Furthermore, the Bank is currently focused on activities to reorganise 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 in 2018 are of particular note:



- **Materiality analysis:**
 - doBank is assessing the feasibility of implementing a structured engagement process with the aim of progressively involving a greater number of the stakeholders of the Bank.

- **Environment and organizational efficiency:**
 - the organisation of a tender invitation by the Purchasing Office for the electricity supply service contract focused on the use of green energy;
 - a project to centralise the management of all user desktops, representing a further reduction in the hardware present at the data centre on Via Mario Carucci. The project aims to consolidate the hardware at the data centre; as regards the technological platform integration of the two systems in use by doBank and ITF and the two processes in a single platform;
 - plan completion for the gradual release of the offices included in the UniCredit properties and continuation of the rationalization of the offices;
 - the introduction onto the order list of recycled paper since 2018;
 - the gathering and handling of data in order to improve the reporting of the indicators provided by internal and external GRI standards (Energy, Gas, Water, Waste) across all Group properties.

- **Corruption/AML/Organisational Model 231:**
 - in the second half of 2017, the 231 Model was adopted by IBIS, doSolutions and doRealEstate. In 2018, the control measures envisaged therein, which were fully implemented in 2017 at doBank and Italfondario, will be fully operational;
 - the Group is defining a policy aimed at strengthening regulatory compliance and control measures on the subject of anti-corruption;
 - the extension of the training programme on the prevention of corruption and the 231 Model offered to doBank employees in 2017 to other Group companies.

- **Suppliers (social and environmental aspects and the supply chain):**
 - issue of a new expenditure process which provides for a choice of suppliers in full respect of transparency, through the tenders issuing that is considering, in addition to the economic aspect, the organizations of the companies involved, the territorial distribution and the initiatives carried out in terms of respect environmental and human right respect;
 - proceeding the evolutionary process relative to supplier selection and monitoring procedures will continue with an integrated focus on the themes of environmental sustainability and human rights;
 - implementation of a data repository will be implemented to collate all documentation relating to contractual documents and certificates requested from suppliers on the subject of the environment and human rights.

- **Staff:**
 - preparation of the Annual Training Programme of the Group from 2018;
 - introduction of specialist training courses for the Control Departments;
 - 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 project to review HR procedures continues, aiming to define shared and transparent rules and management policies on various topics (benefits, staff training, presence and absence management, etc.);
 - a project is envisaged to standardise all second level benefits across all Group Companies (meal vouchers, healthcare plans, etc.).



- **Diversity:**
 - as a listed company, doBank is subject to the regulations of the Consolidated Law on Finance; furthermore, since July 14, 2017 doBank has been subject to the obligation to ensure gender equality in all corporate bodies, applicable for the first time as regards the forthcoming renewal of the Board of Directors and the Board of Statutory Auditors; the minimum mandatory gender quota applicable to doBank is one fifth of the members of corporate bodies, as provided by Article 2 of Law no. 120/2011;
 - the best practices currently applied to individual companies will be extended at Group level, with the aim of optimising gender diversity;
 - an annual contribution for children between the ages of 4 and 12 is provided for doBank employees;
 - launch of a project to define a Group competency model to support the various HR management processes (i.e. selection, appraisal, development, training, etc.) and a project focused on position weighting and benchmarking.

- **Customers and debtors subject to recovery actions (data security):**
 - establishment of the Security Operation Center to monitor the IT system from a security point of view.

5 ORGANISATIONAL MODEL, GOVERNANCE AND PREVENTION OF CORRUPTION

For a full illustration of the organisational and management model of the doBank Group pursuant to Legislative Decree no. 231/2001, reference should be made to paragraph 6.1.6 of the Registration Document.

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

To view the complete content, reference should be made to the “Organisational, 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.

5.1 231 Model and Whistleblowing

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 Italfondario adopted the Organisational 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 to 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 Internal Audit, Compliance and Human Resources Departments and the Employer/Client pursuant to Legislative Decree no. 81/2008, as well as the Managers of other Organisational 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, enabling employees and the external network to report inappropriate conduct.

Illicit conduct refers to behaviour 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 organisational 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. It should be noted that as regards the foreign perimeter, the Group is not yet operational abroad.

In 2018 the Group will define a framework aimed at strengthening regulatory compliance and control measures on the subject of anti-corruption. To this end, analyses are currently in progress to assess the possibility of strengthening regulatory and internal anti-corruption controls, with the aim of ensuring the adoption of rules and processes standardised at Group level with regard to the conduct of employees and representatives.

In the context of these activities, a survey of the following has been carried out:

- principal international legislation on anti-corruption (global legislative framework); and
- the international reference standards for the development of the risk control systems in question, provided by leading anti-corruption organisations (Wolfsberg Group, Transparency, etc).

These analyses have led to the identification of the main organisational elements and controls that legislators have deemed fundamental to the definition of an appropriate anti-corruption policy. Each of these elements was then used to assess the Anti-Corruption Programmes adopted by a panel of peers from leading entities which have implemented advanced Anti-corruption systems. A comparative study was carried out of the Anti-Corruption systems of 11 leading peers across four sectors, including Banking (5), Energy (3), Manufacturing (2) and Special-Purpose Companies (1).

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 2017 to the updating of the anti-money laundering system aimed at all doBank Asset Management personnel.

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 organisational 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.

For more details, refer to paragraph 6.1.10.3 of the Registration Document.

5.5 AML and 231 Model Training

As described in the paragraph below, in terms of staff training initiatives in 2017, anti-money laundering, compliance and the organisational and management model represented the key priorities.

In 2017, employees who received training on the subject of AML (50% of the Group) and the 231 Model (62% of all Group employees) represent almost the entire doBank workforce to which the training initiative was aimed. The annual training plan for 2018 on the subject of the 231 Model includes classroom-based training sessions for 550 employees, extending the perimeter to doBank subsidiaries.

Training of anti-money laundering legislation is provided for external professionals and debt collection companies. In 2017, external professionals who attended these courses numbered 450 out of the 530 invited, while 85 out of 90 debt collection companies attended.

6 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 organisational evolution and development of human capital in line



- with business strategies and requirements;
- oversees relations with Trade Unions;
- promotes and supports managerial and cultural change, ensuring a positive working environment that optimises 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 organisational changes implemented in 2016 with the creation of the doBank Banking Group gave rise to a process of reorganisation characterised 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.

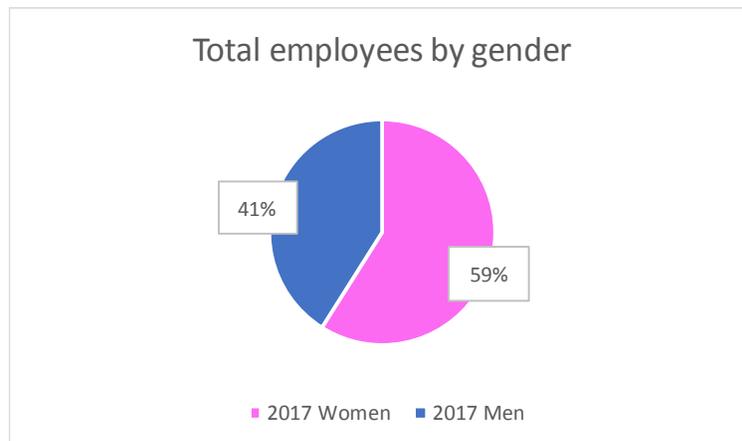
In line with the Strategic Plan of the Group, in 2018 the company is continuing the activities to define HR core processes in order to standardise the regulations and policies relative to the management of resources on significant themes.

6.1 Characteristics of the workforce

At the publication date of this report, the doBank Group consists of 1,231 (head counts) employees, 59% of which are women and with clerks representing the largest professional category (58%). The majority of employees (68%) are aged between 30 and 50, while 97% of employees are employed on full-time contracts.

The average age of doBank Group employees is 45.

Employees by gender are represented as follows:



	2017		Total
	Women	Men	
Total employees by gender	726	505	1,231

Employee category	2017		Total
	Women	Men	
Executives	10	22	32
Managers	234	255	489
Employees	482	228	710
Total	726	505	1,231
Total employees by age	-	-	-
<= 29 years	25	22	47
30 - 50 years	540	301	841
>= 51 years	161	182	343
Total	726	505	1,231
Composition by contract type	-	-	-
Total number of permanent contracts	704	496	1,200
Total number of fixed-term or temporary contracts	22	9	31
Total	726	505	1,231
Composition by type of employment	-	-	-
Full-time employment as defined by Italian law	684	505	1,189
Part-time employment as defined by Italian law	42	-	42
Total	726	505	1,231
Composition by role/sector	-	-	-
NPL - personnel employed in the Group's core processes (Credit Management)	485	296	781
Non NPL - personnel belonging to the core process support functions	241	209	450
Total	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	2017		
	Women	Men	Total
ROME	371	272	643
MILAN	125	80	205
VERONA	91	61	152
NAPLES	26	12	38
BARI	14	23	37
PALERMO	10	13	23
BOLOGNA	15	4	19
TURIN	9	10	19
CATANIA	10	4	14
PARMA	9	5	14
PADUA	10	3	13
CAGLIARI	7	5	12
BRESCIA	6	2	8
MESSINA	4	4	8
LECCE	5	2	7
FLORENCE	4	3	7
PERUGIA	6	1	7
REGGIO CALABRIA	4	1	5
Total	726	505	1,231

Recruitments and contract terminations by gender	2017		
	Women	Men	Total
Recruitments			
<= 29 years	10	9	19
30 - 50 years	24	22	46
>= 51 years	-	3	3
Total	34	34	68
Contract terminations			
<= 29 years	13	6	19
30 - 50 years	12	26	38
>= 51 years	2	7	9
Total	27	39	66
Voluntary redundancies (not including retirement)	25	30	55
Retirement	2	4	6
End of contract	-	5	5
Total	27	39	66

Turnover (1)	4%	8%	5%
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(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 Labour Agreement (CCNL) to all Group companies with the exception of the subsidiary IBIS, to which the Commercial National Collective Labour Agreement applies.

Approximately 50% of Group employees are members of a trade union.



6.2 Staff training and development

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

- 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, behavioural and obligatory training and plans and organises the relative initiatives;
- is responsible for the planning, management and organisation of training initiatives to develop managerial and professional skills relevant to the Group/Group Companies, as well as the definition of initiatives to support strategic and organisational 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 recognises the importance of identifying training needs and tailoring the content of the Training Programmes to suit the size and market position of the Group.

An internal procedure is currently being defined to regulate the preparation process of the Annual Training Plan, from analysing the needs of each department to providing training sessions and issuing internal and external reports (to stakeholders, rating agencies, internal control departments, etc.). Furthermore, in order to ensure a broad range of training opportunities, the Group signs up to tenders published by the relevant fund (Fondo Banche Assicurazioni - FBA) in order to access funding for the partial reimbursement of training costs (Company and Personal Training Programmes).

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 optimise 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 Credit Area of the Parent Company and Italfondario, but focus is also given to the provision of specialised training to staff and company control departments centralised at the Parent Company.

In terms of the training content, in 2017 particular focus was given to:

- updating the AML material aimed at all doBank Asset Management personnel (NPL profiles of employees dedicated for managing NPLs connected to core credit management processes) and resources at company control and staff departments centralised at the Parent Company;
- the development of specialist skills on the subject of Compliance, through a professional programme aimed at the entire Compliance & Anti-money laundering control department;
- the distribution of information regarding the doBank Organisational and Management Model through classroom-based training sessions offered to the entire workforce of the Parent Company.

Professional development and the optimisation of individual skills have always been fundamental elements of the training initiatives offered to company resources. In the years prior to the formation of the doBank Group, the companies which later merged into the current organisation benefited from training initiatives implemented as part of their respective Annual Business Plans. In this respect, resources originating from UniCredit completed online training



courses on obligatory themes, while those of Italfondario and its subsidiaries were offered technical and managerial training programmes funded by the FBA.

In 2017, in a context of continuous transformation and in preparation for the formation of the Annual Training Plan of the Group, training activities launched by individual companies (mainly doBank and Italfondario) were continued. The preparation of the Annual Training Plan is scheduled for 2018.

The training criteria for 2018 principally revolve around the following themes:

- obligatory training (231 Model, AML);
- technical and specialised training (legal affairs, IT refresher courses, professional programmes for company control departments, etc.);
- advanced managerial skills (transversal skills and soft skills);
- diversity management (aimed at new parents);
- language skills.

With a view to promoting continuity with the training courses provided in the past, certain courses planned for 2018 will continue the programmes previously launched by ITF and doBank.

Average training hours per employee per year

Training hours by gender and by role	2017		Total
	Women	Men	
Top Management	227	190	417
Middle Management	594	718	1,311
Staff and apprentices	10,848	5,863	16,711

Number of attendees to training courses subdivided by role

Number of attendees to training courses subdivided by role	2017		Total
	Women	Men	
Top Management	11	22	33
Middle Management	61	98	159
Staff and apprentices	654	385	1,039

Average training hours by employee, role and gender

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

The classification by role is based on the role covered in the Group.

The average number of training hours per employee was impacted by the company reorganisation which took place in the last year.



6.3 Performance appraisal and skills assessment

With regard to the assessment of employee performance, the Talent Management Office 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 optimising 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 organising initiatives to attract top graduates through relations with Universities.

In 2015 and 2016, the companies which now belong to the doBank Group maintained relations with different Universities, applied diverse assessment criteria and adopted different systems. In 2017, with a view to promoting continuity with the past and in preparation of the implementation of a consolidated and shared assessment system, the doBank system in use prior to the takeover of Italfondinario was used. This system is based on an individual appraisal system shared across all Group companies, which envisages the assessment of three transversal skills for all roles, ranked according to four levels.

Individual appraisals are carried out by the line manager on an annual basis for all resources (with the exception for employees in long-term absentees). The implementation of a more structured appraisal system is currently being assessed, with the assignment of goals in the first half of the year and periodic evaluations and self-assessments of skills by the employee.

Career advancement	2017	
	Women	Men
Executives	1%	2%
Managers	16%	13%
Employees	43%	25%
Total	60%	40%

In order to improve Group integration and strengthen the business culture, the implementation of a skills model is currently being assessed and in 2018 a project is launching to measure position weighting and benchmarking.

6.4 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. 28 disabled persons, equal to 5%;



- doSolutions: no. 5 disabled persons, equal to 3%;
- Italfondario: no. 4 disabled persons, equal to 1%.

In 2017, 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.

On the subject of diversity, the "salva-mamme" project and the membership of doBank in the association "Valore D", the first business association in Italy to promote diversity, talent and female leadership, are of particular note. Furthermore, doBank offers its employees the possibility of part-time employment to provide increased flexibility with regard to the work-life balance while respecting the company's technical and organisational needs.

In this regard, each Group Company has signed agreements - which where possible will be standardised at Group level from 2018 - aimed at supporting the professional careers of female employees.

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.

This orientation document also considers the diversity provisions of the Policy that regulates the composition of corporate bodies, approved by the Board of Directors on November 9, 2017 and deemed applicable to the company with regards to the composition of the administrative and control bodies in relation to gender and the required career path of company representatives. In this regard, the Board of Directors prioritised the existence of these characteristics regardless of the age of the Representative.

These policies, with particular reference to gender diversity, will be applied for the first time with the renewal of appointments at the Shareholders' Meeting for the approval of the Financial Statements as at December 31, 2017.

The upcoming renewal for doBank is the first mandate pursuant to Law no. 120 of July 12, 2011 which required listed companies to allocate a certain quota of members of the Board of Directors to the least-represented gender.

Taking into account the provisions of Article 2 of the aforementioned Law, the outgoing Board has recommended that at least one fifth of the new administrative body be reserved for the least-represented gender.

doBank S.p.A. provides an annual contribution for each child between the ages of 4 and 12 for all employees employed at professional or managerial level.

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

With a view to strengthening Group integration, in 2017 the offices in cities with more than one office employing personnel of the different corporate entities which have since merged into doBank were unified. Furthermore, a project is envisaged in 2018 to standardise all second level benefits across all Group Companies (meal vouchers, healthcare plans, etc.).

doBank has access to a centralised 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	Gross Annual Salary	Remuneration
Executives	101%	91%
Managers	87%	83%
Employees	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 a substantial alignment between salaries.

Profile of members of the Board of Directors	2017	
Gender	no.	%
Women	-	-
Men	9	100%
Age		
<= 29 years	-	-
30-50 years	4	44%
>= 51 years	5	56%

Profile of Top Management	2017	
Executives 30 - 50 years	no.	%
Women	6	19%
Men	12	38%
Total	18	56%

Executives > = 51 years		
Women	4	13%
Men	10	31%
Total	14	44%

Total Executives	32	100%
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Managers <= 29 years	2017	
	no.	%
Women	-	0%
Men	1	0%
Total	1	0%

Managers 30-50 years	no.	%
Women	127	26%
Men	116	24%
Total	243	50%

Managers >= 51 years	no.	%
Women	107	22%
Men	138	28%
Total	245	50%

Total Managers	489	100%
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Employees <= 29 years	2017	
	no.	%
Women	25	4%
Men	21	3%
Total	46	6%

Employees 30-50 years	2017	
	no.	%
Women	407	57%
Men	173	24%
Total	580	82%

Employees >= 51 years	2017	
	no.	%
Women	50	7%
Men	34	5%
Total	84	12%

Total Employees	710	100%
------------------------	------------	-------------



Valore D

doBank is a Supporting Member of the Valore D Association, which aims to promote diversity and inclusion in corporate environments. Each month, the Talent Management Office selects resources from all Group Companies to participate in events organised by Valore D, including mentorship programmes, courses, seminars and opportunities to share best practices. The initiatives are aimed at stimulating reflection and supporting cultural change at Company level to promote a climate of respect and inclusion and create an innovative organisation that overcomes all kinds of prejudice to offer a truly inclusive environment.

6.5 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:

- **incentive scheme: "Management By Objectives" (MBO):** a structured incentive scheme based on individual objectives in line with the strategic and business plans and the organisational position of the employee;
- **incentive scheme based on share performance:** an incentive scheme linked to the company listing and based on share value;
- **incentive scheme for Managers:** a structured incentive scheme for management personnel based on predefined business and personal goals;
- **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 Labour Agreement (CCNL) whose conditions and criteria are established on an annual basis in the context of supplementary company negotiations;
- **merit bonus:** a variable bonus based on individual performance and merit achieved by company personnel and recognised by the line manager;
- **outstanding bonus:** a variable bonus aimed to reward exceptional performance by an employee. Other forms of extraordinary variable remuneration may also be offered, such as entry bonuses, buy-outs and retention bonuses.

6.6 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 Labour 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;
- non-work-related insurance.

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 particular cases.

6.7 Employee health, safety and welfare

In 2017 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, the Facility&Safety Office:

- 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 at 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 Organisation, 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 organisational 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 organisational 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 organisational plan for the prevention of risks.

Accidents and absenteeism by gender	2017		Total
	Women	Men	
Number of accidents at work	2	-	2
Number of accidents in transit	10	5	15
Total accidents	12	5	17
Accident rate	6	3	9
Severity index	0.10	0.04	0.14
No. of deaths	-	-	-
Absenteeism rate ⁽¹⁾	2.87	1.40	4.27

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

6.8 Internal communication

The Communication Department has developed internal communication channels aimed at promoting an ethically and environmentally sustainable business culture.

NEWSLETTER AND INTRANET

Each month, the doBank Group publishes an online company newsletter with over 20 columns, including a feature dedicated to Corporate Social Responsibility (then also "CSR") which aims to promote a shared business culture at Group level.

The Department is responsible for producing the content for the CSR column. The monthly column is an effective channel for sharing articles and themed content, providing updates on current projects and introducing new initiatives.

The Group also has a company Intranet system, the Group section of which features a dedicated Corporate Social Responsibility section that provides information on current projects.



7 CLIENTS AND LOAN RECOVERY ACTIVITIES BY THE EXTERNAL NETWORK

7.1 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, as illustrated in the previous paragraphs, carries out Servicing activities and provides ancillary commercial, real estate and legal products and services as well as engaging 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:

(i) Banking Clients, representing 37% of the GBV, for whom the Group mainly carries out "Collection and Recovery" activities; and

(ii) Investor Clients, representing 63% of the GBV, for whom the doBank carries out "Collection and Recovery" activities as well as "Due Diligence" and "Structuring" activities.

Percentage of the portfolio for "Business Lines" by region, size and sector		Unit of Measure	2017	2016
Regional distribution of the portfolio				
North	€/000	36,114,133	37,272,251	
Centre	€/000	17,673,060	18,838,810	
South and Islands	€/000	22,915,283	24,790,435	
Total	€/000	76,702,476	80,901,495	
Distribution of the portfolio by size and type of client and debtors			2017	2016
Banks	€/000	28,076,843	48,940,867	
Investors	€/000	48,625,633	31,960,628	
Total	€/000	76,702,476	80,901,495	
Private clients	€/000	23,207,428	26,187,038	
Businesses	€/000	53,495,047	54,714,458	
Total	€/000	76,702,476	80,901,495	

7.2 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 one year and a half.

The department's mission is:



- to participate in the process to optimise 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.

7.3 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) Team 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 Team 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 Legislative Decree no. 196/2003, 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 unauthorised 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 its duties.

In order to constantly monitor the effective management of assignments as well as the level of reliability and correct conduct of the external network, a process has been implemented to detect any anomalies in terms of operation, management and relations which may have a negative impact and/or lead to potential operational risks. These reports are made via the "Ex Parte Creditoris" management system (hereinafter "EPC") for the coordination of loan recovery activities.

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 favourable settlements obtained in recognised 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.

For the subsidiary Italfondario S.p.A., 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 Italfondario (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

The Architecture and Security department, in conjunction with the Group ICT Governance & Innovation department and in synergy with the Infrastructure department, regulates and manages the computer security processes in Group infrastructure and software.

A process is in progress to implement the SOC (Security Operation Centre) aimed at monitoring the security of the IT system. The system is scheduled for completion in 2018.

Network, access and privacy management systems are already in place, while access management software with administrative powers to make changes to the IT system have been implemented. Finally, the database data masking software has already been installed.

7.4 Low number of 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 0.05%, resulting in a negligible number of complaints.

The Bank complaints received are shown below:

Banking complaints	Unit of Measure	2017	2016
Total complaints received	no.	1,896	2,554
Complaints managed by doBank/ITF	no.	1,330	1,329
Complaints transferred to other banks	no.	566	1,975
Total complaints closed as at 12/31/2017 (included any outstanding complaints from 2016)	no.	1,270	1,403
Average processing time for complaints in 2017 (days)	no.	37	55
Disbursements	€	-	-

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 emphasised 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.

All complaints received by doBank on the subject of privacy in 2017 regarded the request to delete personal data held in the archives of the Bank and ITF. In 2016 only one complaint was



made. All complaints are currently closed without any disbursement.

8 COMMUNITY AND THE REGION

doBank 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 has implemented a plan of activities and initiatives on the theme of Corporate Social Responsibility, expressing the commitment of the Group to support the community and various businesses in the region.

8.1 CSR Initiatives

SAVE THE CHILDREN

From 2016, as part of their Corporate Social Responsibility policy doBank and Italfondario have contributed to projects organised by Save the Children and have chosen to support the "Illuminiamo il Futuro" 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 mothers and their children can find tangible assistance such as food and nutritional help, physiological support and dedicated educational and personalised support programmes. The aim is to help mothers to provide better care for their children and manage their finances in order to help the family to escape deprived living conditions. All funds raised, along with the important work carried out by Save the Children every day, help to improve the living conditions of approximately 300 children.

To further support the value of this project, doBank organised a site visit to the Mothers' Support Centre which was attended by a group of around 20 doBank and Group Company employees. The visit offered participants the opportunity to see first-hand how the Association uses the funds donated by doBank, listening to the testimonials of some of the mothers who recounted their personal experiences.

Furthermore, since 2016 the doBank Group has made a Christmas donation to Save the Children and has signed up to the Wish List, which donates the corporate gifts budget to the projects of the Association. In 2017 the E-card version of the Wish-List was selected, which included a link to a digital animated card. The donation chosen by the Group includes funds to buy books for the Reading Areas of the "Punti Luce".

AI SM (Italian Multiple Sclerosis Society)

As a partner of AI SM, the Italian Multiple Sclerosis Society, doBank promotes fund-raising activities to further the study and research of this serious disease. AI SM is the only organisation 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 centres.

The doBank Group supports the Giornata della Gardenia and Mela di AI SM campaigns, hosting volunteers from the Association at its own offices in Rome, Milan and Verona. The collected funds support the numerous AI SM programmes and advanced scientific research projects.

Thanks to the participation and generosity of our colleagues at the La Mela di AI SM 2017 event, the funds raised were used to support research projects aimed at developing new treatments



and services for young people affected by Multiple Sclerosis.

At the La Gardenia di AISM 2017 event, more than 380 gardenias were distributed and the money raised was used to fund scientific research projects aimed at finding a cure for Paediatric Multiple Sclerosis. The initiatives were supported by ad hoc information campaigns.

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. For many years, the doBank Group has supported the Cioccolatini della Ricerca initiative. In 2017, this commitment was extended to the Rome, Milan and Verona offices. The initiative was supported by ad hoc information campaigns.

"BIMBI IN UFFICIO" IN COLLABORATION WITH AIRC

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 AIRC, for the Bimbi in Ufficio Day in 2017 doBank developed a format dedicated in collaboration with the Association with the goal of promoting well-being, prevention and scientific research.

Various educational workshops were offered to help children to grow into responsible adults able to make healthy choices, exploring themes such healthy lifestyles, healthy eating and exercise.

The workshops which took place throughout the day were:

- healthy eating and seasonal food - We are (also) what we eat;
- exercise - Move more to live well;
- prevention and research - Health starts here.

Informative meetings were carried out with AIRC researchers to share the enthusiasm, motivation and results linked to their important work.

8.2 Membership of industry associations

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

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

9 SUPPLY CHAIN

In the context of the progressive reorganisation 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 standardise 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. The supplier selection and monitoring process will be managed internally by the doBank Purchasing department for all Companies of the doBank Group.



The current process provides for 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 labour 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 purchasing procedure implemented since 2018 is also characterised by a greater focus on the management and supervision of the supplier certification process: only parties who possess the legal, economic, financial and ethical prerequisites in line with the company standards defined by doBank are admitted onto the Supplier database and invited to participate in sourcing procedures. 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. To this end, the evaluation process is launched in the course of the validity of the contract(s), involving the cost centre of the supplier and the relevant responsibility centre in charge of assessing supplier services, which issues an assessment by way of the monitoring form.

A focus on sustainability, the environment, social responsibility and human rights is one of the fundamental elements of the supplier selection and control process. doBank is currently engaged in a preliminary activity aimed at the implementation of a new expenditure process which envisages the selection of suppliers in respect of the principles of transparency through tender invitations which will consider the financial context, the organisational model of the relative companies, regional distribution and initiatives carried out in the fields of the environment and human rights.

Plans include the implementation of a data repository to collate all documentation relating to contractual documents and certificates requested from suppliers on the subject of the environment and human rights.



Regional distribution of suppliers

(€/000)

Regional distribution of suppliers	2017	
	Turnover	%
North	34,502	56%
Centre	18,298	30%
South and Islands	7,669	12%
Abroad	1,302	2%
Total	61,771	100%

In line with the offices of the Group, the suppliers of the Group are located throughout Italy. As such, we consider our chosen suppliers to be local contractors.

10 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 General Services Organisational Unit and in particular the two Purchasing and Facility&Safety Offices.

The foundation of the new doBank Group, which merged CCMB and ITF, which was already operating in Italy, involved an analysis of the real estate perimeter. In view of the above, in 2017 a regional reorganisation project was launched aimed at rationalising the business premises in line with other Group companies.

A study was launched to assess the possibility of grouping the workforces originating from UCCMB and ITF (Catania, Milan, Bari) in a single office, both of which were located on the same square. At the same time, a plan was defined (and is still ongoing) for the gradual release of the offices located on UniCredit premises and which enabled the release of the UniCredit offices in Rome, Verona, Palermo, Bologna and Naples in 2017.

In order to improve the quality and scope of reporting of quantitative indicators on metrics, in the coming years doBank will continue to structure a process of data collection and monitoring, in order to achieve a reporting system that shows consumption (Energy, Gas, Water, Waste produced) relating to the entire real estate perimeter of the doBank Group. In this context, a periodic (six-monthly) request is making to the landlord of the property to produce a report on the consumption incurred and waste produced by type, so as to be able to monitor this data during the year and to facilitate accessibility to the data during the next preparation of the Consolidated Non-Financial Statement.

10.1 Consumables

With reference to the environmental impacts linked to the use of consumables, doBank has launched a project aimed at reducing the use of paper materials 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 Group promotes sustainable business, including through targeted initiatives aimed at reducing the environmental impact of its own activities, primarily through policies aimed at digitalising 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 digitalise 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 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 office to access the system and therefore reducing the number of journeys, with a positive environmental impact.

Furthermore, for over a year the doBank External Legal Network (then also "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.

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 used by weight or volume	Unit of Measure	2017
Total weight of materials used	kg	35,445
Paper	kg	34,980

Materials used by weight or volume	Unit of Measure	2017
Total weight of materials used	kg	465
Toner[1]	kg	465

[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 is emphasised that the value of toner refers to offices which are not under the leasing network of UBIS (UniCredit Business Integrated Solutions, a UniCredit group company), equating to approximately 75% of the real estate surface area of the Group.



Given the recent establishment of the Bank (November 2015) and the Group, and the frequent control and assessment activities, formalised policies for the purchase of recycled paper have not yet been implemented. Nonetheless, 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.

At present, the paper suppliers' order list does not offer the option of recycled paper; however, even in the absence of an operational policy in this regard, recycled paper is due to be included on the list from early 2018.

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.

10.2 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 centre and the server rooms and the office lighting systems.

The doBank Group attaches great importance to the Group's sustainability profile in terms in 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 minimisation of pollution.

The current energy supply profile reflects the existing contractual situation in place prior to the creation of the doBank Group. In the context of the rationalisation project following the creation of the new Group, a call to tender is issuing by the Purchasing Department for the electricity supply service contract. The tender will extend to the entire real estate in use by the Group and will consider the three factors listed above as qualifying elements for the selection of the supplier.

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 estimates (for about 30%). For the definition of current consumption, with particular reference to natural gas. Specifically, it concerned the average consumption per square meter of available data.

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	2017
Consumption of natural gas		
natural gas	Sm3	220,749
Electricity used		
Electricity purchased	kWh	2,528,374
of which from renewable sources (purchased)	kWh	2,016,504
% renewable of total	%	80%
Energy intensity		
Consumption of direct energy / average no. of employees		
Consumption of natural gas		
natural gas	Sm3	179.76
Electricity used		
Electricity purchased	kWh	2,058.94
of which from renewable sources (purchased)	kWh	1,642.10

Note

average number of employees

1228

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

10.3 Waste

As regards the waste management policy, in 2017 doBank entrusted waste management to third parties (S.Eco services in Verona) and other cleaning contractors. doBank is in possession of the relative forms certifying the correct disposal of generated waste for each of its sites, in order to guarantee a correct mapping and consequent traceability of the recycling process of generated waste.

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 service is regulated by contracts signed directly by UniCredit (through the aforementioned UBIS) with suppliers. In general, UniCredit repays the fees for this service to the tenant (doBank).

Waste	Unit of Measure	2017
Total waste produced ⁽¹⁾	kg	21,637
Of which hazardous ⁽²⁾	kg	577
Of which non-hazardous ⁽³⁾	kg	21,060

(1) It is emphasised that this value refers to offices which are not under the leasing network of UBIS (UniCredit Business Integrated Solutions, a UniCredit Group Company), covering approximately 75% of the real estate surface area of the Group;

(2) The category mainly includes toner;

(3) This figure refers predominantly to paper.

Waste disposal methods. 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.



Furthermore, it should be noted that doBank has implemented a separated waste policy and issued dedicated recycling bins for paper/cardboard, plastic/metal/glass and organic waste to all company offices in Italy.

10.4 Indirect impacts: technological innovation, operational efficiency and cost reduction

Following the acquisition of Italfondinario in October 2016, the Group began to implement 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 has established a Group service company, doSolutions, for the provision of non-core services (including IT, logistics and back-office services) to the various companies of the Group.

The creation of doSolutions has enabled the Group to achieve economies of scale and renegotiate various out-sourcing contracts with a direct impact on the operational and financial performance of the Group. The migration of the Group's activities to doSolutions has been completed.

At present, doBank and Italfondinario currently use different technological platforms for Application Management and IT Operations. The Group intends to integrate the two systems and processes into a single platform, capitalising on the investments made in the IT sector in 2016 and 2017. The Group expects the use of a single platform to provide a significant improvement in operational efficiency.

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

- the creation of doSolutions, a service company for the provision of non-core support services (including IT, logistics and back-office services) to the various companies of the Group, enabling 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;
- 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;
- other cost reductions relating to the renegotiation of supply contracts.

Furthermore, it should be noted that the Group is currently rationalising the use of real estate and other administrative costs, with the aim of reducing costs and increasing operational efficiency. These initiatives include the rationalisation of the Group's offices and the transfer into more functional building units regulated by leasing contracts with more favourable financial conditions such as the renegotiation of administrative management contracts. Such investments would increase the efficiency of the operating structure and enable a considerable reduction in costs, some of which have already been contracted, of €8.7 million per year (of which €5.6 million relates to the IT platform, €1.8 million to business process outsourcing (BPO) and €1.3 million to real estate) over the next two years.

10.5 Other initiatives

LIFEGATE - Zero Impact Web



Although the use of new technologies has helped to reduce CO2 emissions, the internet nonetheless creates pollution. According to a Greenpeace report of March 2010 which analyzes the “cloud computing” – the information technology cloud available online – to the current rate of growth, in 2020 data centres and telecommunications systems will consume approximately 2,000 billion kilowatt hours of electricity, almost three times the current value. As such, as part of another initiative implemented by the Group in line with its commitments, all the websites of the doBank Group have subscribed 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 1,153.3 m2 of growing woodland in the Park of Ticino, equating to 2,888 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

In order to improve its profile with regard to the use of materials with high environmental impacts such as toners and printer cartridges, doBank has launched the online publication Piazzetta Monte 1, the first quarterly magazine on the non-performing loans market edited by doBank. The magazine aims to provide industry operators with a tool that offers a clear and detailed analysis of the important legal and financial issues surrounding the management of outstanding debt.

EVENTS

The internal and external events department relies on certified Partners who guarantee high quality standards, such as catering which uses organic and high-quality produce or the production of devices using environmentally certified materials.



11 GRI CONTENT INDEX

GRI Standards	Description	Location of disclosure (document)	Location of disclosure (paragraph of document)	Reason for omission (if applicable)
GENERAL INFORMATION				
101	Foundation	NFS 2017	3. Introduction	
102-1	Name of the organisation	NFS 2017	Cover sheet	
102-2	Primary brands, products, and/or services	Registration document	Chapter 6	
102-3	Location of organisation's headquarters	Registration document	Paragraph 8.1.2	
102-4	Number of countries where the organisation operates	Registration document	Paragraph 8.1.2	
102-5	Nature of ownership and legal form	NFS 2017	4.1- doBank: mission, vision and operational model	
102-6	Markets served	Registration document	Chapter 6	
102-7	Scale of the organisation	NFS 2017	2. Highlights	
102-8	Information on employees and other workers	NFS 2017	6.1 Characteristics of the workforce	
102-9	Description of the organisation's supply chain	NFS 2017	9. Supply chain	
102-11	Precautionary approach to risk management	Consolidated Reports and Accounts as at December 31, 2017	Notes to the Financial Statements Section E	
102-12	Adoption of external economic, environmental and social codes and initiatives	Organisational, management and control model pursuant to Decree no. 231 Code of Ethics	The entire document	
102-13	Membership of associations or organisations	NFS 2017	8.2 Membership of industry associations	
102-14	Statement of the Chief Executive Officer	NFS 2017	1. Letter to stakeholders from the CEO	
102-15	Description of key impacts, risks and opportunities	NFS 2017	1. Letter to stakeholders from the CEO, 4.2 Principal risks	
102-16	Values, principles, standards, and norms of behaviour	NFS 2017	5. Organisational model, governance and prevention of corruption	
102-17	Internal and external mechanisms for advice about ethical and lawful behaviour, and organisational integrity	NFS 2017	5. Organisational model, governance and prevention of corruption	
102-18	Governance structure	Articles of Association	The entire document	
102-19	Delegating authority for economic, environmental and	NFS 2017	4. doBank and sustainability	



	social topics			
102-20	Executive-level responsibility for economic, environmental, and social topics	NFS 2017	4. doBank and sustainability	
102-21	Consulting stakeholders on economic, environmental, and social topics	NFS 2017	4. doBank and sustainability	
102-23	Chair of the highest governance body	Articles of Association	The entire document	
102-24	Nominating and selecting the highest governance body	Regulation of the appointments committee	The entire document	
102-25	Conflicts of interest	Procedure of the doBank Group for the management of related-party transactions and conflicts of interest	The entire document	
102-26	Role of highest governance body in setting purpose, values, and strategy	NFS 2017	4. doBank and sustainability	
102-40	List of stakeholder groups engaged by the organisation	NFS 2017	4. doBank and sustainability	
102-41	Employees covered by collective bargaining agreements	NFS 2017	6. Human resources	
102-42	Identifying and selecting stakeholders	NFS 2017	4. doBank and sustainability	
102-43	Approach to stakeholder engagement	NFS 2017	4. doBank and sustainability	
102-44	Key topics and concerns raised through stakeholder engagement	NFS 2017	4. doBank and sustainability	
102-45	Entities included in the consolidated financial statements	NFS 2017	3. Introduction	
102-46	Defining report content	NFS 2017	3. Introduction	
102-47	List of material topics	NFS 2017	4. doBank and sustainability	
102-48	Restatements of information	Information not provided		This document is the first Non-Financial Statement; as such there are no amendments to previous versions.
102-49	Significant changes from previous reporting periods in the list of material topics and topic Boundaries	Information not provided		This document is the first Non-Financial Statement; as such there are no amendments to previous versions.
102-50	Reporting period	NFS 2017	3. Introduction	
102-52	Reporting cycle	NFS 2017	3. Introduction	
102-53	Contact point for questions regarding	NFS 2017	3. Introduction	



	the report or its contents			
102-55	GRI content index	NFS 2017	11. GRI Content Index	
102-56	External assurance	NFS 2017	12. Report of the audit firm	
103	Management approach: Human resources and human rights	NFS 2017	6. Human resources	
103	Management approach: Environment	NFS 2017	10. Environment	
103	Management approach: responsibility of provided services	NFS 2017	7. Clients and loan recovery activities by the external network	
103-2	Received, analysed and resolved complaints regarding working conditions	Information not provided		No complaints were made in this regard during the reporting period.
FINANCIAL INFORMATION (PERFORMANCE, SUPPLY, ANTI-CORRUPTION)				
201-1	Direct economic value generated and distributed	NFS 2017	4.5 - Generated, distributed and retained economic value	
204-1	Proportion of spending on local suppliers	NFS 2017	9. Supply chain	
205-1	Percentage and total number of operations assessed for risks related to corruption	NFS 2017	5. Organisational model, governance and prevention of corruption	
205-2	Percentage of employees trained in organisation's anti-corruption policies and procedures	NFS 2017	5. Organisational model, governance and prevention of corruption	
205-3	Actions taken in response to incidents of corruption	Information not provided		No acts of corruption were recorded in the reporting period.
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes	Information not provided		No legal actions relating to anti-competitive behaviour, anti-trust or monopoly practices were recorded in the reporting period.
G4-FS6	Different business lines, subdivided by location, size (e.g. micro, SME, large) and client sector	NFS 2017	7. Clients and loan recovery activities by the external network	
ENVIRONMENTAL INFORMATION				
301-1	Materials used by weight or volume	NFS 2017	10. Environment	
302-1	Energy consumption within the organisation	NFS 2017	10. Environment	
302-3	Energy intensity	NFS 2017	10. Environment	
305-1	Direct (Scope 1) GHG emissions	NFS 2017	10. Environment	
305-2	Indirect (Scope 2) GHG emissions	NFS 2017	10. Environment	
305-4	GHG emissions intensity	NFS 2017	10. Environment	
306-2	Total weight of waste	NFS 2017	10. Environment	



	by type and disposal method			
307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws or regulations	Information not provided		No cases of this nature were recorded in the reporting period.
SOCIAL INFORMATION				
401-1	Number and rate of new employee hires and employee turnover by age group, gender and region	NFS 2017	6. Human resources	

12 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

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(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, 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, 2017 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 13, 2018 (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 independent reporting methodology indicated in the paragraph "Introduction" of NFS identified by them as an independent reporting methodology.

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

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.

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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 of the independent reporting methodology. 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:
 - o group's management and organization business model, with reference to the management of the topics indicated in article 3 of the Decree;
 - o policies adopted by the Group related to the matters indicated in article 3 of the Decree, results achieved and related key performance indicators;
 - o 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, 2017 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the independent reporting methodology indicated in "Introduction".

Other Matter

The comparative information presented in the NFS for the year ended December 31, 2016 have not been examined.

Bologna, March 28, 2018

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.