

doBank S.p.A

"Business Plan 2018-2020"

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MODERATOR: ANDREA MANGONI, CHIEF EXECUTIVE OFFICER
 FABIO BALBINOT, CHIEF SERVICING OFFICER
 CARLO VERNUCCIO, HEAD OF NPL MANAGEMENT
 STATHIS ANDRIANAKIS, DOBANK HELLAS MANAGER
 ANDREA GIOVANELLI, HEAD OF UTP & BANKING
 MANUELA FRANCHI, CHIEF FINANCIAL OFFICER

PRESENTATION 1: STRATEGIC HIGHLIGHTS OF BUSINESS PLAN 2018-2020

ANDREA MANGONI: Good morning. I would like to welcome you on behalf of the management team of doBank to the presentation of our 2018-2020 Business Plan. The first anniversary of our IPO is coming, but we have 18 years of experience in the servicing market. We are entering the age of maturity, an age of maturity which is transformational.

Today we want to present you a transformational project. The project is transformational because from January 2019 we will leave our banking license and doBank will be not a bank anymore. It's a quite important point in our strategy, because we can reduce our regulatory cost and free up our capital, enabling a more aggressive M&A activity and first of all being more aggressive in terms of dividend payment.

Cost reduction and investment are important, because the industry dynamics and the pace of change require a proactive response from doBank, the undisputed leader in the market. A proactive response, both in Italy and in Greece.

Greece for doBank is important; we are in the final exclusive negotiation stage for an important contract with the four systemic banks. We are talking about more or less €2 billion, and because of the final negotiation stage we are a little bit restricted in answering your question on this peculiar project.

Last year's results demonstrate that the vision behind doBank is creating value. We are the leader in the largest NPL market in Europe with €88 billion under management in Italy. We confirm our rating by Standard &

Poor's and Fitch, but first of all we are a "pure play" servicer with an asset light business model.

Our business is focused on the value added component of the NPL value chain and the way we do business is key to protect our premium price position in an aggressive and competitive market. Why we can protect our price position, first of all, because of our technology, our scalable platform. And second, because we work at our best on large, complex, secured portfolios with long recovery tails, and in this kind of portfolios the competition is extremely low.

So we have a highly visible cash flow generation and profitability because our revenues are stable in the long run, thanks to the long term contracts we have with our clients, long term contracts account for 90% of our revenues, and we can leverage on this capital-light fee-based model, to increase our profitability, and leverage on our long term cash flow visibility to pay an interesting dividend policy to our shareholders. As you remember, our cash flow conversion is 92%.

We are on track on the strategic pillars of our IPO plan, on the new servicing contracts, last year we won approximately 15 billion of new mandates, so we were successful in the competitive field, and we have a mixed portfolio today, reducing the counterparty risk because our current portfolio is balanced versus the situation we had at the IPO time.

On efficiency, again we are on track. We increased in a significant way the collections, both per unit and per asset manager. And in terms of ancillary [services], the ancillary represents today 10% of our revenue streams, so we reached a sufficient degree I think of differentiation of our

revenue structure, and again we are on track on our Business Plan objective.

We can tell you the same for our financial targets, because we are above expectations in terms of GBV under management dynamic. We are in line with our expectation in terms of collection and we are on track in terms of profitability and operating leverage.

First of all, we are well above expectation in terms of cash flow generation and dividend payout. Being on track is quite important for the management team of doBank, because our first priority is delivery...day-to-day delivery.

Last year was challenging in terms of operations, because we on-boarded €17 billion from the FINO portfolio, and more or less €12 billion from different contracts, eight of which are from the Monte dei Paschi transaction, so the amount of the on-boarding was quite significant. Despite this kind of pressure on our operational machine, we delivered both in terms of cost reduction and in terms of profitability. In parallel, we built up our branch in Greece, the first international branch of doBank, and Greece, as we elaborate later on during the presentation is a promising market for doBank.

This slide is quite important for us because it confirms the execution capability of our operational machine and of the management team of the company. So we confirm the main characteristics of the positioning of the company. We set these characteristics in the previous Business Plan, but after the results we had last year we confirm our strategy and our positioning. These characteristics are, first of all, the market leadership

and the unparalleled track record and database of the company being market leader, it's important because, in our business, size matters.

The second characteristic is the scalable business model, an IT-driven and scalable business model. The third characteristic is the long-term contract we entered with our clients, and the most important is we are a pure servicer, we are not a purchaser. So our aim is to increase the cash flow with an extremely low volatility in our revenues and zero balance sheet risk.

Today we want to present you the main drivers of our new Business Plan. The first one is the new transformational group structure. As I said before beginning of next year, we will turn from a banking group to a servicing group unlocking our capital for the benefit of dividend payment and capital for M&A.

The second point is to update you on the market opportunity ahead of us, both NPL and UTP. Third point, to describe our operating platform, so today we want to open the box of our NPL factory and review some additional detail on how our business works from an operational standpoint and share an ambitious cost efficiency and ICT investment plan. The cost efficiency plan is quite important because it includes disruptive actions in terms of cost, fixed cost base reduction and ICT is important because we want to be on track on our ICT investment program to confirm the innovation edge.

Lastly, we want to give you and commit ourselves on our 2018-2020 targets. Let's take at this point one-by-one.

The first one is on the transformational project. In May this year, we started with the regulatory and organizational project with the aim to move from a banking group to a pure servicing group.

So we can move from the current regulatory situation towards a simpler regulatory framework and lower regulatory burdens, but the main characteristics of the new group will be on the balance sheet, side because from January next year when hopefully we will have the clearance from the Bank of Italy and the ECB, we can unlock our capital, devote the capital itself to M&A and a more aggressive dividend policy.

M&A is important because thanks to the transformational project, we can compare our situation to the situation of our peers in terms of balance sheet, debt capacity and M&A activity. Finally, the transformational project because of the new corporate structure we will also benefit our tax rate in terms of reduction and the subsequent increase in the free cash flow generation.

In terms of group organization, when we will get the clearance from the regulator, we will reorganize the Group as follows. First of all, the controlling company will be a servicing company and the controlled companies will be doSolutions, our technology backbone, Italfondario, which will be focused on master servicing, as you probably know, master servicing is an important component of our business in which are the leader in Italy, doData, our company responsible for data remediation, data quality and data governance and the so-called new doBank.

doBank will be a full independent legal entity. The focus of the bank will be UTP and financial product related to the UTP business, but with an

asset-light business model and little capital at risk, because again we are and we want to stay capital light with extremely low balance sheet risk.

The benefit from the transformational project are, first of all, the alignment of the corporate structure to the actual business means. So the new corporate structure will be focused on servicing per business.

The second point will be the increased investment capability, as I said before, increased capability in acquisition investments and a more aggressive dividend policy, simplify the regulatory framework, because we will be not a bank anymore, and achieve important operating synergies.

Before reorganizing the whole group, starting from today we have a new organizational structure. The new organizational structure is simpler and leaner. The CEO of the company, myself, will have 4 main reporting lines. The first one is servicing, responsible for the servicing is Fabio Balbinot, which many of you I think already know as Chief Financial Officer of doBank, and his Deputy will be Carlo Vernuccio, directly responsible for the credit management and the NPL factory.

The second reporting line is UTP and banking, and responsible for the business will be Andrea Giovanelli. We created a new reporting line on the operations including ICT, HR and procurement. It is an important decision, because we want to increase far more our efficiency to be extremely lean in terms of cost base. I will cover this position for limited period of time.

Lastly, Manuela Franchi, our former responsible for M&A and Investor Relations is the new Chief Financial Officer of doBank.

Today, we also have with us Stathis Andrianakis, responsible for Bank Hellas.

The second point is on the servicing market dynamic. Compared with a year ago, we saw an acceleration in portfolio sales, both in the NPL business and in the UTP. About NPL, we said that the market is still extremely high 240 billion in the long run, but the market is changing because following the jumbo deals we saw last year, the market today is focused on mid-size GACS transaction and platform sales.

The market is growing and is profitable, so the market itself attracts competitors, competition is increasing. Our main aim is to protect our current position in terms of premium price. We have two different ways to do that. The first one is to leverage on our operational platform, the scalability of our operational platform, reducing the marginal cost per unit of GBV. The second tool is being focused on complex transactions, meaning large portfolios with a relevant component of collateral and long recovery tails. So we are quite positive in terms of perspective in the NPL market in Italy and our position.

The second characteristic of the market will be the important growth in the UTP side of the market itself. Today, with €2 billion of UTP under management, we are by far the leader in the UTP market. Market is still small but we foresee €18 billion for the year-end and €25 billion in the medium run. So today, we are by far the leader in still small market, but we see the market growing and we want to increase our market share and our positioning in the UTP market in Italy.

About Greece, the servicing market in Greece is just starting, but we build up an important footprint with our Greek branch. We have more or less

20 asset managers hired in Greece and our branch is ready to onboard portfolios and is active in commercial terms to capture the important opportunity we see on the Greek market.

Again, on Greece, we are a little bit restricted because we are in the final phase of the negotiation with the 4 systemic banks in Greece. But we strongly believe we can give you some additional positive announcements soon.

The third point is on our operating model. Our operating model is based on people, IT systems and data. People are the first pillar in doBank growth, because in such a competitive market, recruiting and retaining the right people is crucial. We have two main tools to have a highly trained and motivated asset managers' team.

The first one is the incentive scheme. As I said at IPO time, the reward mechanisms are crucial. And our reward model mixes individual and Group targets, with multiple cash payments per year, in line with the peak seasons of the court houses.

The second tool is on training, as I said before, with the highly trained people, so we devote lots of time and resources to train our people both in-class training and on field, so our asset managers' team is first class and it's plug and play, it's a quite important point because again competition is increasing in the market for the asset managers for the Group, in a quite aggressive way and we don't want to increase our cost base, so we have to manage the turnaround and the turnover in our asset manager base, this is why training is quite important.

On the IT capabilities, we are investing to turn our proprietary IT system, the so-called IFAMS, into IFAMS 2.0, with a strong push towards digitalization and process automation.

In parallel, we are investing in our vast database to find the way to improve our collections and our predictive ability. All the CAPEX in ICT will have a near-term payoff because of the cost reduction and the efficiency in place.

Just to give you an example, our main ICT project is the migration of the old platform into one brand-new and state-of-the-art in terms of technology and the expected results of the migration are higher collection efficiency, higher workload by asset manager, so increase in the productivity of the asset management structure, IT cost savings, and back office efficiency because of the automation and the digitalization.

Third point is our cost efficiency plan. Manuela will give you all the details of our cost efficiency plan in a while, but I want to underline the impact of the plan on the outsourcing fees because thanks to the integration of the IT platform, as I said before, the new platform will have an important impact on the external network in terms of right-sizing, so we can reduce the outsourcing fees and most importantly, the ratio of outsourcing fees on gross revenues. So our EBITDA growth will be driven by cost reduction and profitability increase and we foresee an EBITDA CAGR higher than 15% in 2017 to 2020.

Despite being in a growth phase with a lot of important projects in ramp up, the close attention to the cost dynamics and to the cost reduction is a key priority for all the management team of doBank because again, our main priority is delivery.

So the key financial and strategic pillars of our Plan are gross revenues increase, do more with less. Our previous plan was about “do more with the same cost base”, now our priority is “do more with less” because thanks to our ICT investment plan, and thanks to our disruptive action on the fixed cost base, we can reduce the baseline and we want to “do more with less” and maximize cash flow generation and optimize debt capacity in the benefit of profitable investment and dividend payment.

All in all, in figures, our gross revenues will increase 9% CAGR in 2017-2018. The EBITDA CAGR will be higher than 150%, while the EPS CAGR will be higher than the EBITDA CAGR. In terms of cash flow generation, we confirm our aim to increase and stabilize our cash flow generation with a dividend policy of at least 65%, last year we paid 70%, and with leverage up to three times net debt to EBITDA.

So what will doBank be in 2020 and beyond? I think doBank will be a company with growth opportunities, but at the same time high profitability, stable cash flow generation, low volatility on our revenues and extremely low balance sheet risk.

Okay, now I am leaving the floor to Fabio Balbinot, to give you all details on the market situation and the market opportunity we see on the market.

PRESENTATION 2: DEEP DIVE ON MARKET OPPORTUNITY

FABIO BALBINOT: Thank you, Andrea, and good morning to everybody. One of the main messages that we wanted to share with you today is that the European NPL market is ripe with opportunities for doBank. When it comes to the servicing market, it is very important to spot the opportunities very early, and be able to grow together with the market and take the opportunity at early stage. We have done so in Italy 17 years ago when the market was very undeveloped, and this was not as obvious as it is today. We developed since a long way from there and developed our position...our leadership position in the market.

Greece today is not dissimilar to Italy 17 years ago in terms of market. The servicing market is very undeveloped, but it offers already a large scale opportunity that we are about to capture. When we were speaking with at the IPO time, we put geographical expansion in the medium and long-term in our focus. And this was true, we are and we were focused on Italy in our core business. But, at the same time we keep on looking to other jurisdictions to understand the market and be able to act fast when the opportunity comes. The opportunities were there and materialized at the end of last year in Greece and we took it and now we have a first operating foreign branch.

Likewise, Greece and beyond Greece, we are open to look at other geographies, both in mature markets and in early stage markets where we can be the leader of the market when the opportunity is large and when we can bring into the market our expertise and our knowledge. And we can do that not only through an organic growth as we have done in Greece but, as Andrea mentioned, and through the new group structure also through an M&A.

Quickly zooming in on the Italian macro, all the main economic drivers impacting the servicing business are going in a moderate positive direction. The GDP has shown a moderate growth, and the same for employment, despite the fact that the youth unemployment is still a big issue for the Italian system. In both cases, GDP level and unemployment level are definitely worse than the European levels. The real estate market is picking up, both in terms of volume and moderately in terms of prices, and this is giving a tailwind to our collection because most of our collateral is associated with real estate.

Looking at our proprietary database and we monitor every month more than 4,000 auctions on our portfolio, we are also seeing a steep increase in the auctions sold. The auctions sold on the total auctions held reached the 30% ratio during last year which is at the high level of the market comparable to the pre-crisis level in 2007. Macro is important for us, because when the macro is positive we have a boost in collections, but at the same time we have a reduction in the volumes generated by our clients under the flow agreements, the opposite when the cycle has done worse we suffer in terms of collections, but we benefit from higher volumes of NPLs that stabilized our business that is designed to be counter cyclical.

Turning to banks, the Italian banking systems stabilized. Capital has been restored with a 13% capital ratio. The NPL coverage increased to 51%, 56% if you consider the IFRS9 First Time Adoption. And the asset quality improved with an NPL ratio going down from 15% to 13%.

Challenges remain in terms of growth, and the total asset are pretty much stable at lower level compared to the pre-crisis one, and low interest rates

and competition are serious challenges to the profitability of the banks that has improved less than expected.

On the positive side, the default rate has reduced significantly by 1 percentage point in the last year, but it stayed above the pre-crisis level. So banks are in better shape than a year ago, but they are still facing significant challenges in terms of regulation, asset quality and profitability.

On profitability, specifically, Italian banks are definitely below their European peers and US peers. And looking forward, the potential interest rate increase that is expected, while it is going to definitely create some benefit from them, increasing the interest margin more than in any other jurisdiction in Europe, it will post some challenges on their asset quality, since an increase in interest rates is correlated with higher defaults.

On top of that, recently we have seen back the risk associated with the high exposure of the banks to the sovereign [risk], that recently has hit the banks. We see the banks having a better profitability and a stronger capital is positive for us, because this allows the banks to continue their asset quality improvement. We see this trend continuing over time in the next three years and this will grow our reference market.

Looking at the top Italian banks, they have all announced important measures in terms of asset quality. They set ambitious targets and they are trying to expedite the reaching of these target.

They are acting on a two-fold strategy, on one side they are selling portfolios and they accelerating the leveraging. On the other side, banks are working to improve the organic correction of their loans. And they are

doing so through partnerships with specialized investors. So the market is heading our way. We've been pioneers in this type of transactions in 2005 and we've been part of most of the largest transactions entailed in the acquisition on the platform specifically in 2015 with the UniCredit transaction.

We see this trend continuing and we expect in the near term to see some more structured deals where banks not only try to sell their portfolio but at the same time they sell the platform together with long-term outsourcing contracts and they use the proceeds and the profit generated by the platform to offset potential losses generated by the sale of loans.

Let me look at the aggregate market opportunity ahead of us. The current level of NPL on bank's balance sheet reached €240 billion factoring in the MPS deal, for a 13% NPL ratio. As I mentioned, banks are announcing, have announced and are executing a NPL ratio reduction plan and if it will be executed the system will reach an 8% NPL level which means an absolute volume of reduction by €110 billion. At that point, Italian banks will be definitely higher in terms of NPL ratio than the EBA recommendation and significantly higher than their European peers.

We see this as a potential challenge for the banking union and we expect banks will be required to do more. What does it mean for us? It means that to reach the 5% target based on the same stock of loans, banks will need to deleverage a further €50 billion and to reach their European peers, a further €30 billion. So potentially, there is €190 billion opportunity there, so a lot to do for us in the next three years and in the medium term.

How this opportunity will come to us? Through sales of portfolios or securitization either GACS or non-GACS, to platform sales together with

outsourcing contracts, actually we are not seeing in the market outsourcing contracts without a platform sale, at least not relevant ones. And into the secondary market which, as it is typical, there will be an opportunity for us while early stage investors want to exit the market and we have seen this happening in the previous cycle and we've been an active part of this market in 2009-2011.

Regulation is a key element for this industry, especially in Italy and Greece. And we don't see any sign of easing pressure by the European authorities in this respect.

All the European authorities' measures are aimed to force the banks to have a more structured industrialized IT and data-driven approach to their NPL management. At the same time, the ECB recommendations are pushing the Italian banks to reduce their NPLs and to shorten the timing in which the legal component of it is recovered and to push on extrajudicial collections. Both these elements, and Carlo will articulate in a while, are fundamental part of our operating plan and of our operating model.

Final one on regulation, the Italian government took over the GAC scheme that you all know, that created a boost in the market in terms of improving the number of securitizations that have been launched and will be launched. We see this market moving on also despite of the GACS, either if the GACS is renewed or when the GACS will expire at the end of the year we see the securitization market still a tool for banks to deleverage the NPL or for investors to finance them.

Let's have a look to our reference market. This is kind of a unique moment in the market with a massive number of NPLs, both UTP and bad loans owned by banks and investors. The market peaked in 2015 but

above that, we see the market fairly stable at above or close to €300 billion. We see the continued dynamic of changing ownership of these loans from banks to investor, and as I said, this is positive on one side because investors use independent servicers, and on the other side because we see a secondary market improving in the next 3 years.

In terms of the NPL servicing, we see it stabilized in the long term between €240 billion and €260 billion with significant inflows in 2018, but fairly stable at €31 billion and over €20 billion in the 2 years after. If you compare the target that Andrea mentioned of €15 billion with this number, you see this it represents only a fraction of them.

So, to summarize, Italian banks are pushed to deleverage and to meet their NPL reduction targets and they have the capital position and the profitability position in order to be able to do that. We believe they will do more, they will be forced to do more and the servicing market is fairly stable in the future and providing opportunities for doBank. In this context, our strategy on NPL is confirmed and based on 3 main points. The first one, increase the gross book value under management, we have mentioned €15 billion over the course of the next 3 years with the target between €3 billion and €5 billion this year.

Second, we want to continue increasing the collections in absolute terms and increase the efficiency and efficacy of collection reaching a 2.6% collection on gross book value ratio and a €2.8 million collection to asset management ratio, both significant increases versus 2017.

Third, our ancillaries, that will continue to be important to extract more revenues per unit of GBV managed and to provide us with a stable revenue strength.

Let us now move to the UTP market where we are already the market leader in a market which is now very small.

UTP are relevant because they account for €94 billion in terms of gross book value, but more importantly €66 billion in terms of net value on bank's balance sheet, so as such they are more important in terms of impact for the banks debt than bad loans.

In terms of composition, they are very similar, they resemble the NPL except for the fact that we are dealing with a live borrower. They are concentrated on corporate and secured, and the market is overall very concentrated and the top ten banks own more than 80% of the UTP stock, very similarly to the NPLs. In these banks we have seen are for the vast majority our clients.

In terms of management, there are for sure improvement to be done there, look at the figures 60%, more than 60% of the restructuring stay in restructuring phase after four years. And looking recently at 2017, 50% of the UTP that were UTP at the beginning of the year, stay there at year-end, with very minor improvement from UTP to performing.

Following the drastic action that banks have taken on the bad loans, we see this as an area of improvement for our clients. It's more complex to manage the UTP for two reasons and then Andrea will articulate on that, first of all, because they [the banks] have less leverage, because of the common exposure; second because of the low level of provisioning, only 30%, limiting the possibility to sell these loans and to reduce the exposure.

As for the bad loans, also for UTP, the regulatory pressure is important. They are considered on the NPL ratio and on the NPE target that the banks had agreed, and we see an increased attention by our clients to work on this topic. We will provide...and we are providing them with portfolio analysis, with restructuring management and we are supporting them in order to improve their operations.

We see the market increasing after the SGA transaction last year, there are several deals in the market and we are reinforcing our team in order to be prepared to tackle this opportunity. We see the short term pipeline to be characterized by third party mandates with banks, and at the same time we are supporting investors, both on portfolio acquisitions and single name acquisitions, and we expect by 2019 to be able to give you good news on this project.

As Andrea mentioned, such an interesting market both in terms of bad loan and UTP attract competitors, but very few of them has the scale, the experience, the track record and the organization to be really competitive when it comes to winning mandate on a large scale.

We offer our clients, investors and banks, a complete product offer, and we provide them with very low execution risk in the restructured transaction, limiting their operational risk. Furthermore, independence is one important key element that differentiates our offer, the market is going on the opposite side, where investor are buying servicing platforms, while doBank being a public company independently managed has a competitive advantage on this respect.

Another competitive case which is rating, we have been the highest rated company in Europe with a long track record. Rating is important because

it assesses our operational capability, our risk management and IT structure, together with the ability of our people, but more importantly it testifies the performance that we have on historical portfolios that is one of the main criteria that rating agencies are using.

So to summarize, we see the market heading towards us and supporting our growth ambition in the credit management's sector.

Let me now introduce Stathis Andrianakis, which will describe the market. Stathis has a long-dated experience in the consulting and restructuring sector in Greece, and he has run most of the important restructurings that have been done in the country so far, and he joined in January and set-up our operations there.

STATHIS ANDRIANAKIS: Thank you, Fabio. Good morning everyone. I would like to walk you through the Greek market and the opportunities that we see at doBank, and then describe you a bit about our operations in Greece. Although the Greek banking system in the last five to six years or even more has been through a profound restructuring in most of the cases, there are still some issues which remain unresolved, and this is where we think that a good player and a public player in the servicing market could play a particular role.

The role is important because the NPL assets in Greece are quite complex situations, and in some cases they require a lot of effort. They require a lot of manpower which is not necessarily there in the Greek banks. They don't have, most of the Greek banks don't have really the capacity in order to serve these requirements and especially the SMEs which I will describe a bit more later on.

It is important that the servicing sector has undergone several regulatory reforms with the latest framework that being in 2016, and it's a framework that the servicing companies operate today in Greece. You can see from the background that most of the NPL stock lies within the four systemic banks, and this is important because this was the result of the consolidation of the Greek banking system that happened five years back, four to five years back. You can imagine that we are doing restructuring since 2010 having 12 banks on the table, and now we have in the last three years we had four banks on the table or even five. So we are talking about a very concentrated market, and to the large extent the NPEs are composed of NPLs, bad loans similar to the Italian features, but it is very important to leverage our experience from Italy to Greece in that respect.

So as mentioned before, it is one of the important things that has happened during the last three years is that we have seen many changes in the regulatory framework. We have seen changes in the auctions, we have seen changes in the classification of Greek debtors of the creditors upon liquidation, we have seen also very successful launch the e-auction process at the end of the previous year and being compulsory from the February of this year. Nowadays, if someone wants to run an auction, it should be through an e-auction. It cannot be done through the old fashioned way.

It is expected that it will expedite the process in many instances. So we expect that the proceeds from the auctions will be distributed to the creditors, to the owners of the loans sooner, at least when compared to the past. It is also important to mention that nowadays there are two other players in the market, which have been...in a bit more advanced stages than the other players, the NPL servicing players.

We have as we speak 12 NPL servicing licenses, at least according Bank of Greece records, but not many of those have been actually operating. The two players are an internal platform that I mentioned before, is an internal platform of Eurobank one of the systemic banks, and the other is a joint venture between Alpha Bank and Centerbridge, and of course, we have the central liquidator which has been introduced in 2016 to act as a single liquidator for all the bad banks that were setup at that point of time.

So, as we got our operations in Greece, we are very proud that we have managed in this very short period of time to attract a very good talented people. As Andrea mentioned before, we have 20 asset managers as we speak, and overall we are approximately 30 people servicing the loans rights now. We will be towards the end of the year, it will be more than 40 of us. We also...you can imagine that yesterday, we are growing day-by-day. Yesterday, we signed three hiring letters, so it is good news.

We are in a country, we see there is a bigger unemployment rate, but at the same time we feel very happy that we can hire people. The way that our Greek platform is structured and it operates, it's actually similar to Italy and we expect that we will be servicing both NPL and UTP loans, we are providing services such as portfolio services and real-estate management and all those services that we feel that are needed for the clients. And of course, to the extent possible we will be grabbing the opportunity for providing new financing depending, of course, on the market developments.

Going further and describing a bit more the SME common exposure issue. As I said before the consolidation of the Greek banks had some consequences, such as, you found yourself as a systemic bank with the same debtor [as the other banks] but at the same time with different

[seniority] position in collaterals. Of course, this has had to be managed in some way; it has proven to be very difficult to be managed for the SMEs, and the reason being that it has been very costly for the banks. So if you have four banks dealing with an SME it costs almost the same as you deal with the large corporate. And on the large corporate you can make some money but on an SME, if you don't do it, if you don't run it as a syndicated exposure then most probably you will spend more money than you get back. So the net cash flow is negative in most of the cases for the holder of the loan...for the holders of the loans. So this is where doBank can act as a single point of contact, single point of servicing and managing such exposures under a syndicated exposure.

In addition to this, we have seen that even though the banking system on its own would prefer to handle the SMEs on their own, they still don't have the capacity, this is evident from a market that you can see over the last few years that although several transformations has happened, the NPL issue has not been resolved as it should have been expected to be resolved.

So the contract that we are negotiating and that we are in the final negotiations for, actually is in this context that we are describing and that's why we feel very confident that we will manage it very well on the benefit of our clients. Of course, other than the contracts that we are negotiating, we see many other opportunities in the Greek market. We have seen the unsecured portfolios taking the lead in the portfolio transactions in 2017. And now, we see that corporate secured portfolios, they also came in the market for transactions, a recent transaction has been one with Piraeus Bank whereas Bain has agreed to acquire a portfolio of €1.9 billion, a secured corporate portfolio.

At the same time, there is a process currently running for another portfolio for Alpha Bank, again a secured portfolio. There are some other also processes run for Eurobank and we expect that by the end of the year there will be many more portfolios coming out in the market both secured and unsecured, so that this creates new opportunities for servicers who want to be present in the market and want to play a dominant role.

So we expect that by end of 2019, approximately €12 billion of portfolios will be out in the market for sale.

So we can open the first Q&A session.

Q&A SESSION

AZZURRA GUELFİ: Hi, good morning, Azzurra Guelfi from Citigroup. A couple of questions, one is a generic one, so we take the elephant out of the room. The political environment in Italy has been quite volatile and these...

ANDREA MANGONI: Can you speak higher please?

AZZURRA GUELFİ: Yes, the political environment in Italy has been quite volatile lately and this has affected business of the banks and capital of banks. Do you expect that there is any impact in terms of the NPL sale in terms of foreign investors not being interested and then not having to ask for servicing business or do you expect any, let's say, slowdown effect from the political decision on the NPL recovery process? The second question is on the servicing business, we've seen some developments in the market, like the Intrum-Intesa Joint Venture and how do you expect this to affect the competitive environment for you in terms of like having access for more GBV growth? And the, third one if I can is on the dividend, the dividend payout is at 65%, and it would be also probably for the market if you could, and maybe later on will come to have an idea of what is the funds available for M&A and capital distribution because you are not a bank anymore. So that will be helpful. Thank you.

ANDREA MANGONI: On the political situation and the hypothetical impact on our business. We are positive, because first of all our perception is after a quite aggressive approach to the financial issues such as the ECB regulation, the hypothetical option to leave the euro et cetera, et cetera, today, the approach of the national government is more prudent and after the reaction of the market, I think the previous populist approach will quickly come to an end. In our case, the impact on our business considering the current

position of some of the new politicians, I think our position is safe because the aim of the populist party is protect the borrower just for the small loans and the tools probably will be to force the borrower and the creditor to reach an agreement through the judicial procedure.

We have elaborated on this point and Manuela will give you all the details later on, but this component in our portfolio under management is negligible. And in any case our tools, it is to start with the judicial procedure. So in the worse case, the impact for doBank will be not material but we will elaborate later on, on this point.

On the competitive environment, after the Intrum/Intesa transaction, I really believe the combination of Intesa and Intrum will be not a competitor for doBank because it will be extremely difficult for the new company being a competitor in the open market having Intesa as shareholder with 49%.

It will be quite difficult that big banks such as UniCredit, BPM et cetera can consider to outsource the management of the NPL and the UTP to a new company with Intesa holding 49% of the share capital, so the transaction is important. But it's important because, as Fabio said before, we think this transaction confirms that our position is right. The outsourcing is the right way for the bank to reduce the NPL exposure and increase collections, but the impact on the market will be close to zero.

MANUELA FRANCHI: We have another question on the NPL sales project for investors. What we are seeing is that apart from the 2, 3 weeks when the government has come out with some statements around the recovery and also with the spread increasing investors stopped a bit, paused but honestly the

processes have continued today both GACS and non-GACS, both sales processes and more structured processes and actually new processes have started from banks looking to platform sales with significant interest from investors to acquire portfolios and platforms, so we are seeing things running as a normal course of business.

ANDREA MANGONI: Yes, mainly because as I said before, the hypothetical restriction to the servicer business at the end will kill banks, so it's simply too risky for the new government being aggressive in the servicing field. On our dividend payment, we said in our previous Business Plan 65% at least dividend payout, and I said considering the strong cash flow generation of the company and the transformational project we described before, we can be significantly more aggressive.

In terms of how much capital we will devote to M&A or dividend policy, it's too soon to say, but as I said before, you can consider the 3 times net debt EBITDA as our goal in terms of [peak] financial structure.

LUIGI TRAMONTANA: Yes, good morning, Luigi Tramontana from Banca Akros. Two questions from your transformational plan. First question is on the DTAs, I understand that the plan will entail a write-down for your current DTAs, am I right, and if so, can you please quantify? And second one is the capital resources that you are freeing up. Have you made an initial estimate of those resources? Thanks.

MANUELA FRANCHI: Luigi, if you don't mind, we have all of this question answered in the financial section, so it's important also to explain in the context of the evolution of the P&L, so we will definitely address it the session, both the DTA and the assessment of the impact.

GURJIT KAMBO: Hi good morning, it's Gurjit Kambo, JP Morgan. Just 2 questions, first question is in Greece what is the strategy there? Is it just to be a pure servicer or do you potentially also investing this in some of the NPLs and also would you consider buying any platform from the Greek banks if they have any available in that market? And secondly just in terms of where you do have to potentially co-invest when you were in a mandate, where would that investment sit? Would that sit in the bank or would that sit in some others in the Group?

FABIO BALBINOT: On Greece, the strategy is to replicate what we have done in Italy, so being able to develop mandate with banks and support investors in acquisition and then manage for them. Together with the strategy we will be available to co-invest as we do in Italy. And typically, while the branch sits with the bank, co-investment typically will stay in the group company, so in the listed company.

In terms of your question on the platform, we are very happy of the setup we have in Greece, so we don't focus on acquisition of platforms. But we are available to consider in a very selective way in case they come to the market.

MICHELE BALDELLI: Michele Baldelli from BNP Paribas. I have a question about UTP and the Europe business model to manage this kind of, let's say problematic thing for banks, because in my understanding, there are 2 different UTPs. One is kind of let's say NPL like and then another one is kind of let's say restructuring. So it's two different businesses, would you like to be involved in both and in case given that one is much different than the NPLs business, how...what is your strategy, vision and capabilities to perform on the other side in terms of balance sheet? Thank you.

ANDREA MANGONI: You are right. We have 2 different types of UTP and they need 2 different approaches. A component of the UTP business in effect are NPL with a different name so our approach will be liquidation, in line with our business and our operation. On the pure, UTP side of the business, I mean, in the restructuring, Andrea [Giovanelli] will drill down on this point in a while in his presentation.

ANDREA LISI: Thank you, Andrea Lisi with Equita. I want to ask a couple of question from my side. You said that you will take disruptive actions on the fixed cost base. I want to ask you, which kind because many of your fixed cost base is on the staff, so I want to ask you if you plan staff reduction. Then, I will ask you if with the capital you have following the new situation, the new structure of the Group, you will continue to allow the possibility of buying non-performing loans.

And last, may be thirdly, but in Greece, we see that some players that operates also in Italy like Intrum are starting to buy NPLs thus I do want to ask, how do you see the evolution of the Greek markets? Thank you.

ANDREA MANGONI On the staff reduction...yes, because we allocated a lot of resources last year and this year to our ICT investment and the result of some of this ICT investment will be resources in excess in the back office activities. So we will foresee a reduction in our workforce, as you will see in Manuela's [Manuela Franchi] presentation on financials.

On capital, we don't want to buy NPLs. As I said before, we confirm our current positioning. We are not a debt purchaser, so we don't to have NPLs in our balance sheet. We can consider some co-investment, but just if the co-investment itself is instrumental to get the mandate, the servicing mandate, but the impact on our capital structure will be negligible,

because again we are and we want to stay asset light. For the last question on Greece, I leave the floor to Fabio.

FABIO BALBINOT: Yes, look, the scope of the opportunity in Greece is very large, its €100 billion, so we expect competition to increase and the barrier to entry is not getting the license, in fact we mentioned there are a lot licenses. The real barrier is having the right team, the right IT system, and every data very well organized because the legal system is very complicated, it's very similar to the Italian one, and so that's where the real barrier is, to understand the system and being able to operate. We have done a very good step forward in the last 6 months being able to do so and we see the starting of the operation in these days. So we are positive just on our trajectory and the ability to get new mandates from banks and investors, despite the competition that is natural that it will increase.

QUESTION FROM AUDIENCE: Another question on Greece. I think that the success in this case come from day-to-days experience, knowledge, where does that come from the total Greek market because it seems Greek market is bit of a start up and so, have you got access to information that made the Italian business successful?

STATHIS ANDRIANAKIS: Well, we have access to open information not that well organized as it happens in Italy. But this is something that we have covered...we have gathered especially from all those years of experience dealing in this market and in the restructuring market and people being involved in...our asset managers have been involved in this market. And at the same time, we are really building our own database in order to consider this as one of our competitive advantages in the near future. But this is something that is getting...it's on the right way to happen fully organized as it happens in Italy.

MANUELA FRANCHI: Maybe one thing to add, the Greek market is not yet a structured market, even on the NPL, on the bad loans side, because of the history where the regulation was not supportive of liquidation. So our asset managers have a very strong experience in restructuring in...and working for the banks. So many come from the banks themselves or have been consultants of banks where they outsourced this type of work to external consultants like Stathis, so the information and the data are with the people. With our first project we will be able to onboard all the data on the same borrowers from 4 different banks. So the largest database on this set of SMEs that you can have in the sector, even each single bank will have less [data] obviously of the total pot we would be able to collect. This is instrumental for, you know, the statistics and the history, but the people are the additional focus to extract value from this data and that's what they have been doing for years.

ANDREA MANGONI: And in terms of economy of scale, our aim is replicate in two years time in Greece the same situation we have in Italy in terms of data tracking and data warehouse structure, it's a key point in our strategy.

CARLOS LOPEZ: Hi, Carlos Lopez, Credit Suisse. So just want to get a understanding of the pricing, what's the pricing in terms of NPLs or a range in terms of NPLs and also in terms of UTP, so just to give us a flavor of where we are in the market, has it evolved in term of GBV pricing, and if there would be any potential risks that you see that could make the pricing declining. We saw the recently Creval 32% GBV value transaction, is that sort of a kind of standard you are looking in terms of pricing details? Okay, thank you.

FABIO BALBINOT: Well, first of all, let me find out that we are not the purchaser, we don't buy loans but we support eventually investors to buy loans. So we provide

them with a due diligence with the underwriting and with the cash flow, but then it is our investors that decide their price or the market in case of product securitizations. So what we have seen is high prices compared to the historical average, and some of especially the GACS transactions are coming with a very high level of both advance rate and prices.

ANALYST: Okay.

PRESENTATION 3: THE NPL FACTORY

CARLO VERNUCCIO: Thank you, everyone. I am Carlo Vernuccio; I will bring you through the operating machine of doBank. I am trying to explain, opening the box, like Andrea said before. Today, I mean, doBank is the leading independent servicer, of course, in the Italian NPL sector. What we are going to do...what we are seeing so far, we are seeing two markets well described by my colleague one is Greece and the other one is the UTP that Andrea will better describe soon as a new opportunity. And so, of course, what we are going to do is we want to apply our skills to these new markets where we see that there is a very good connection and where we can perform very well.

As I said before, doBank is a unique player which covers all phases of the cycle of the NPL chain. We are not a debt collector company and we are not a debt purchaser. So Andrea was very clear before, and I will explain what is one of our products which we call co-investments.

It's very important to see the difference between what is a servicer and what is a debt collection agency. Debt collection agency will focus mainly on phone collection, call center, and home collection. We stay in a different market, we manage larger tickets, but the strategy is...individual strategy on each asset where you have to involve also the real estate and the legal activities. So those activities we think would create more value for us. And they can create more productivity. What is important is that...we want to exactly use our skill-set in the segment where we can have more return for our company.

Going forward, we can be considered a one-stop shop for credit management services, of course, you see our product, credit management

is the main and most important, so all that is connected with what we call a special servicing. Cash credit management, judicial, extrajudicial activity, collection, management of real estate collaterals, acquisition of assets at the auction through REOCO vehicles, management of leasing assets, that's pretty much what is inside the credit management and we will explain more in detail how we manage our asset.

Master servicing, where we are leader as Andrea said before, is a different activity, it's a loan administration, it is more accounting, reporting and management of securitization vehicles, that's pretty much the difference. And this is what is going to be the business of Italfondario as you saw on the reorganization structure that Andrea explained before. Connected to this one, of course, due diligence services which are very important for us as the basis of acquiring new business both sides, supporting investors in acquisitions and supporting some of our bank clients in case they decide to do a process for selling part of their portfolio. And co-investment, where co-investment again we repeat is just in order to obtain new business, it's a way of acquiring new portfolios to be aligned with investors sometimes as requested by them, but that's really to obtain new business.

Going to analyze better the credit management, going through the loan lifecycle, what is important is that, what you see, what we have done and is very strategic for us is the results of more than 18 years experience. And all the fine tuning activity we have done during all this period and going through different economic cycles. What is strategic for us is the system we have developed is a proprietary system, and where we are going towards a new version that is called the 2.0. But it is going to be the best in class for the asset management. And the system is leading the activity done by the asset managers. The process starts normally in each

portfolio with the on-boarding, which is very important, and as we go through each one of these sections, I want to better explain what we do.

The clustering of portfolios, defining exactly different clusters, bankruptcies, size, where we see size is very important and the credit management were the most important part of the credit management is analyze the information, make the business plan, understanding the cash flows, the future cash flows of each asset and the cost connected with those cash flows. And of course, start contacting the borrower, contacting the borrower because we always apply a parallel strategy which is contacting the borrower to find extrajudicial solutions and in the meantime, of course, apply the judicial solution that you can do in a specific situation. Both will bring us to the final results, of course, which is the collection.

Going to the on-boarding section, on-boarding is very important, let's imagine...we are just...we are finishing an on-boarding of a portfolio of €8 billion involving 27,000 borrowers and you know, when you get the portfolio from a bank which is selling or is giving to you to manage it, normally you don't get a lot of information. So it's very important, so what's there is inside those 27,000 assets, you have to immediately understand what is more important, the risk you are taking in terms of prescription of credits, renewals of a mortgage, activity urgent to be done, otherwise you can lose money and you can lose the possibility to optimize the cash flow or you can create a gap into your cash flow, because at the beginning until you don't have on track all the assets, the cash flow will run later than you are supposing.

It is very important how we are structured to do it, it is very important for the entire collection in the portfolio. We use hundreds of people, pretty

much the entire team of asset managers that we have, always, because the most important thing is to open all the files and figure out what there is inside, of course, we clusterize the files by size, status, bankruptcy or not or by collateral type, residential, industrial versus other types of collateral.

We always dedicate team to each portfolio in order to make sure that we are all aligned with the results, so the asset manager doesn't manage different portfolios, but always manages assets part of only one portfolio.

After the onboarding, which is an important phase as described, we start managing the asset and immediately it is important to control the underwriting you did, or in case the bank is giving you the portfolios brand new, to start doing a business plan of those assets and understanding what there is inside and designing the strategy for each asset, which collection strategy I want to apply to each asset. And this one...it's one of the main difference by the way, this type of approach to the debt collection agencies, where they just call any borrower asking for the small amount of money, here you have to understand what is the best strategy for the specific assets you are managing. And you start contacting the borrower, sending engagement letters, phone calls to start negotiating solutions.

While in the meantime, in order to close, you go ahead, and you go to the settlement which is the phase after you have been starting negotiating with your clients. And you are having both the solutions, extrajudicial is most important because you save time and you are at...on the present value you get typically higher amount than just going all the way through the process and taking the risk of the results of the auctions, while otherwise it's not always you can do especially in bankruptcy, you have to follow the [legal] procedure, be active part in the procedure and make sure that you are optimizing the results of the sale of those assets and the distribution is

exactly right with this part of your credit and so on. Rarely, but we are seeing sometimes also negative conclusions, we have to close those assets in case you cannot collect.

All this is very important, the platform that we use, it is all tracked in the system, this is since 18 years ago, we've been always having and implementing our database, work on timing, approach or strategy, results of the auction, square meters of assets, all that you need in order to understand better the quality of the portfolio and better collecting in your asset.

The results of this, we can say that is being able to bring us to improve the recovery performance of our clients and if you see the series here in terms of pace that we have been able to achieve, capability to collect, amount that we had estimated in the past years to collect, we have been pretty successful, we are above 100%...104%. And in the same area, we are also strong on profitability which is the second important element we have to consider to see if a servicer is a good servicer, pace and profitability are the two elements very important for this business, capability to collect above or in line with what you have underwritten or what you have estimated when you took the pace and the analysis of the portfolio, when you started managing the portfolio.

You see what we have done for example in a case is just applying those rules, our methodology, our experience, or our capability to manage in for example in UniCredit, what we did, we simplified the structure and the people that were managing, we specialized better the teams, we improved the reporting, we created a new incentive scheme and we integrated better the systems and, going from the 2015 results to 2017, we had an increase of 44% in the collections, just as a case.

Well, having thousands of files, how do you control what you have...what is the best thing to do or which one is more important to do before another, reporting is really strategic for what we do and we have developed besides the data warehouse with all the information where you can create your own reports, very important management reports which are simple and very effective, 3 pages where we can analyze the entire €88 billion that we manage. And I can tell you where are those €88 billion or we can go...we can drill it down to the portfolio of each asset manager which roughly will be €4 million, €5 million GBV under management. And each one can drill down on each asset analyzing and estimating which asset we will collect in the specific period, we split the year in 3 periods of 4 months and also how much we will collect by the end of the year and so on.

Where are the assets in terms of the collection judicial, which phase of the process are those assets, how long they've been there, because it's very important they don't stay long there, so you have to control the one that's staying longer. And third one, what is happening in terms of cash in court, what is happening in terms of auctions, have they done renewals check, this is all the data you need to control your portfolio. And through that one you are able to optimize the results of the portfolio, otherwise the energy will go in different direction, the results are not coming or will come later.

Moving to the other business, as we said before, the other services, the master servicing, we have been doing this since 2000. We structured more than 50 securitizations and so far, as Andrea discussed before, we are the first in Italy managing more than €45 billion in terms of master servicing. In the master servicing we've been able to do all phases of the transactions from structuring, from the set up of the vehicle all the way through

relationship with the rating agency, sale of the securities, support of the investor on all phases and so on, besides of course what is really the job, the loan administration, the accounting portfolio, and the oversight on the special servicing when other special servicers are managing part of the portfolio.

Due diligence is something that we do very well. We have been analyzing in the last year more than €40 billion. If you think about just 2 transactions MPS and FINO, we have been able to go through the process, which are very often very short in timeframe. And what is very important is to be very organized and well structured and having also a large number of asset manager able to analyze a big part of the portfolio. You start from the data base that you receive from the seller in Italy; this is the case of course where we are supporting an investor. You clusterize, you sample, you create your own sample because if you have to analyze the portfolio of about 127,000 borrowers like it was the last portfolio that we did, it was €26 billion of course you cannot go through all those ones, you would need years, but we have to create the right sample. If you do a Business Plan including a real estate evaluation coming from the drive-by's that you do on each property that you have, part of the sample that you decide to analyze. And through those ones, you come up with the Business Plan utilizing the historical information of course, and the data that we have, we are able to define an extrapolation on the entire population portfolio and through that one you come up with the potential cash flow. And that's what we give to our investors, so of course after that, the investor will make his own analysis and come up at the end with the price according to his return or whatever the appetite for the risk he wants to take.

The co-investment is one of the other products; again it's just for acquiring new business. You see 3 examples we have done recently, all 3 gave us

portfolios that we now manage and we are happy to do it, we invest overall across I would say the entire capital structure as well, we can invest in mezzanine or junior, but understanding the cash flows and managing the portfolios I would say it's a safe investment for our side when we are committed to do it.

Part of the ancillary business already was described by Andrea, we already reached the target which we proposed in the IPO, it was to arrive at around 10% and this is done...was done also without M&A activity. What is important is that in order to create better results in your collections you need to have support on business information on real estate and of course judicial, those are very important, and the product we developed came from our experience.

We figured that what was good for the captive business was also good for the non-captive business, and this is really pretty much the activity we want to focus on. We want to create more revenues per GBV that we manage, and we will do that through the doData services, which are important for supporting especially the unsecured portion of the portfolio that we manage, or the real estate that would be merged inside but the services is going to be the same, so the valuation, the REOCO. We have been doing REOCO since 2003. In Italy, and nobody has been doing so many and so long...for so long time experiencing the REOCO sector. And also in the judicial, where it is very important to coordinate and make sure that you are not spending more than is needed, you are doing effective activity that will bring you to the result, instead of just going through and spending money when it is not needed.

An example of, you know, how we will use our database, and we can generate revenues for us is just the services of Data Quality Enhancement

we have been able to sell in the market. First contract was closed with UniCredit this year. And what is very important is we have seen in the last 20 years very poor database always. Every time we pull out the information for a bank, it's exactly no what an investor would like to see. So it's an important to explain the value of the data and making sure that the data inside your data base area are effective, are certified in some levels. So going through the process, we have been creating a new product with data remediation that we apply with our people plus, of course, using different data base that are available in the market. But this type of product will create, we give again to our client better quality of data base for sending portfolios or for regulatory reporting which are more often are asking always more details to be provided.

That's pretty much it I would say, I was being fast, because we were running out of time, but I would be available later for the Q&A section. I leave the floor now to Andrea Giovanelli, who just joined us as a leader of our UTP and Banking business. He has a very longstanding experience in the restructuring sector, both with investors, banking and also as an advisor, so thank you very much. And I leave it to Andrea.

ANDREA GIOVANELLI: Thank you Carlo for the presentation, yes and good morning everybody. Now, actually I am very happy to be here today to present doBank approach to the UTP market. Lots of people are talking about UTP, but not many have all the ingredients to be successful in this market, and I am very happy because I am very recent to doBank, I am proud to have joined an extremely successful management team. And I am enthusiastic about the opportunity of UTP and I'm very convinced that doBank has all the capabilities, the right capabilities to make a strong successful story.

Just to recall a little bit, what Fabio already has presented as features of the market. First of all the market is really there, it is as big as the NPL in the balance sheet of banks, so it is large. And is starting now to see the first transactions and an increased attention from banks, to find innovative solutions to address the issue. It is a very interesting market for us servicers, the reason being that the underlying assets that are under UTP credit are very volatile, are more volatile than the typical NPL and the consequence of that is, such a volatility can be strongly influenced by good management and a further consequence of that is that a good quality servicing is well positioned to get a return on that. So quality servicing is somehow key to provide results to stakeholders and to provide economic return for the servicer.

doBank has pretty much all the characteristics that compares well with the features of the market. First of all, it's basically the only independent servicer already being active in managing UTPs since a pretty long time and with a substantial amount now under management of €2 billion, but many of the capabilities and the experience of doBank are pretty much well married with the features of the market. First of all, UTP market is a corporate market, we are talking about mainly corporate exposures, which is the history of doBank in managing NPLs.

Secondly, it is a secured market, it is mainly a secured market which is also one of the core competences of doBank and it's pretty much in the mid-market size, which is an important feature. A few experiences already have started managing and servicing some UTP portfolios, but they are all focused in the high end of the market, large corporate, large size, large exposures. The competence of doBank is much more aligned with what is the real core market of the UTPs which is in the mid-market

size, credits below the €10 million exposure threshold, which accounts for 50% of the exposures.

And client concentration, of course, we see a little bit the same logic of the NPL, the largest banks are the largest holders of UTPs, and chances are that largest banks are historically the typical counterparty and longstanding partners of doBank in the NPL side.

So what is our business model to UTP management? UTP, has not been a developed market until now, because it's a difficult market and this provides another feature that believe that is interesting for us because there are substantial barriers to entry, not everybody can be a successful manager of UTP, because it's a difficult asset class. First of all you need a top team, and you need to attract...be capable to attract strong competences which are somehow different from the NPL management and doBank with its history and critical mass and our knowledge of the core competence that are required, we are surely well placed to improve the existing team, and enhance existing capabilities in doBank.

Secondly, this team must be focused by industries, because industrial competences and an insight or particular insight into the main sectors that are suffering under Italian economy is key, and it's key also to be selective. Not all the exposures can be restructured, and the first role of a good servicer is somehow to quickly understand the logic and the rationale for our...strategy for a recovery. I heard one question before, it was about UTPs that are to be restructured in a liquidation mode similar to NPL and there are UTPs that needs to be worked as a living credit, this is exactly what we think that must be done in a preliminary phase to understand the right strategy to extract the most of the value from an exposure.

All these without changing the general approach of doBank to credit management, which is a capital line model as you well know. In this field, it is particularly important because restructuring and the UTP restructuring comprises sometimes new finance, very often new finance. And with this I think that we...it's very simple we once again need to be the partner of the investors, helping investors to invest, there is a lot of liquidity and a strong risk appetite from specialized investor in this asset class as well. The problem is that they cannot reach the right corporate, they cannot support the right businesses because the demand cannot match the offer and basically these I think we think this is the role of doBank.

This is the role of doBank, also considering another important feature, which is key in UTP management, which is a banking license and a banking capability, apart that the large files, the mass of the market, the core of the market is mid corporate, and mid corporate typically are financed by...through banking instruments, through working capital facilities, stuff like that. And this requires first of all a banking license, and secondly not only but secondly a banking capability, banking understanding and IT systems.

So our idea of intervening and be a successful manager of exposures is also to allow investors to invest through our banking capabilities with back-to-back transactions in the corporate to address them. The features of the market will...the way that contractually doBank will be involved in managing credit will be, of course, helping banks to externalize credit management. So we expect a number of portfolio contributions to a specialized servicers and we want to be the leader in this market to provide better management to credit vis-à-vis of which the banks will keep strong economic interest.

Then of course, we are assisting to the first disposals of portfolios and we will be partners of the investors purchasing the portfolios and we will help them to extract the value from the portfolio. And then, of course, there is already an accelerating market, we see a number of single loans, single names disposals from banks particularly in the real-estate segment, which is, of course, a segment where real-estate, where doBank has a strong competences and a very wide number of experiences, and we think that we can definitely leverage on this knowhow to provide successful servicing on these single names to investors.

In terms of operating model, we are a servicing company, so for sure restructuring team is our main focus. We have an experienced restructuring team; we have to enhance this capability to be ready to service the volumes that we expect on the market. The key roles are, of course, managers, and there are strong competences available on the market. The only problem is to be capable to attract them and we think we are well positioned to do so. As I was saying, we will have also to target specialized industry and specialized competences into industries to be more effective and more specific in the decision-making process in each file. The real-estate of course is an important competence to build and develop.

Legal has a strong impact in restructuring, you need specialized competences. And portfolio analysis, which couples pretty much with what I was saying about being selective, portfolio analysis is somehow the strategic driver of the rest of the competences settling the part of the value creation. Then there would be a financing team that as I was saying will be supporting the turnaround but limiting to the minimum the use of internal resources, it will be more the interface through which we will allow investors to invest into a specific case.

We may be required sometimes to align the interest and to co-invest, but it will be not the specific aim of the team. And then back office, back office is more important than it seems because it is linked to volatility as we are talking about moving targets, volatile assets, one of the value can change quickly. We think that a winning service to provide to stakeholders, banks and investors will be to provide them with a constant flow of information keeping updated on what is happening on the portfolio and how the single names, each file is worked on.

Our management process, we are envisaging these somehow a little bit the learning curve and the value creation typical of restructuring, you need due diligence, you need to understand the portfolio, you need to negotiate the economic features of the portfolio and then you need to understand each single assets and to settle an agreement with the debtors for those that deserve and make possible a restructuring.

And then, you know, there is the new finance piece where in the case of that needs an deserve new finance. It is interesting I think the fee structure that we are envisaging, a fee structure typically now is pretty much interesting because in the few large file deals that have occurred on the market, it has been settled at private equity like levels, which are important. So we think that we will benefit for strong base fee, covering the costs of the team and this will be coupled with a structuring fee, which is also important because when you talk about large deals, there will be a certain cost associated simply to the structuring.

And then, of course there will be another component that will be associated with the performance, so associated basically with the cash in, the cash flows of the portfolio. And finally, a success fee typically linked

to the economic performance and economy return of the investors for...if it is an investor, the stakeholder or of the bank if the portfolio is still in the banks, in the hand of banks, a little bit would be mirroring the value creation between the fair value at the beginning of the servicing activity and at the end.

Knowing that the end the story in the UTP is not necessarily the full repayment like in the NPL experience, but it's more when the credit gets back to bonis [performing] and then can be resold to a bank or to another investor interested to a different asset class, basically the bonis asset class.

On the financing side, there will also be a fee structure but it will be completely different being basically a servicing business at the service of borrowers and lenders. There will be a structuring fee which will have a strong importance and then in a case of co-investment, there would be an interest attached to that and a share of the upside created through an equity kicker of these kind of instruments which are pretty common in the market. New finance would be in any case following the rules of restructuring, so a new finance will be super-senior to all the other exposures of the borrower.

I think this is basically our project in the UTP and how we are going to develop our UTP servicing in the forthcoming future. UTP would be somehow the main line of business of the banking activity because it is very interlinked with banking, treating only the line of credit you need banking activity, but in parallel to that, we will continue to do the existing banking activity, so there would be no major change to that.

The other activities follows a little bit like to the UTP, the same principle. They are sustaining the existing fee business, so there is a rationale for for

using the banking activities only ancillary to sustain our fee business. And we do so provided that we have somehow a privileged understanding of the underlying assets or better information, a better knowhow of what the future of the asset can be.

This is basically everything, in terms of funding, we are looking now with some interest to online funding, online retail funding. We are of course interested in looking at the wholesale funding from the ECB, and I think that the whole business can help us to be successful. Thank you so much. I will leave to Manuela for the numbers. Thank you.

PRESENTATION 4: FINANCIAL REVIEW

MANUELA FRANCHI: Just to conclude on the discussion we had this morning with the targets we aim to for this 3 Year Plan. I repeat the targets at the beginning and then I would like to go through with you how we build these targets. First, we are aiming at revenue CAGR between '17 and '20 of 8% to 9% of gross revenue, to an EBITDA CAGR of more than 15%. Therefore, this means an EBITDA margin expansion and an EPS growth which is higher than the EBITDA growth, more in the high-teens range.

How did we build these numbers? We started from our execution of the IPO plan which has delivered on a few important achievements, one, to add GBV, increased effectiveness and efficiency of collections and last, grow ancillary. You have seen that we have been able to grow revenues despite lower GBV. This is because we increased collection on like-for-like basis.

Obviously, this was the timing effect because as you know now by having stayed with us for a while, sometimes closing of contracts doesn't mean onboarding, so we on-boarded most of our contracts in the first quarter of this year, but this is an important message because it explains that we can improve our collection capabilities even on the current GBV we manage, and this will be an important driver also of the future growth in collections.

Second point is being able to extract more from what we have and improve our cost base. We have been able to grow EBITDA margin by 2 percentage points and we will do better going forward.

Last, extract more cash from our business. We have experienced more than 90% cash flow production generating an increase in net cash position from €30 million to around €40 million at the end of 2017 and an additional €8 million at the end of the first quarter. This is driven mostly by better working capital management and the inherent ability to generate cash of our business.

At the end of this year, we have more GBV managed, more clients, so more diversified portfolio, longer maturity in our portfolio and a more diversified revenue base by products and by county. Let's go through the GBV dynamics which is the volume part of the revenue base. Some of you have asked how we build the GBV at the end of the period.

GBV goes up and down by 5 different factors. What drives GBV down? First, our ability to collect better, so more collection we do lower is the GBV at the end of the period. When we collect, business to GBV is reported on a nominal basis, we also cancel the difference between 100% of the nominal value of the loan and the collected amount. This is what we call write offs. Last negative point, is the portfolios sales by clients, this is ongoing part of our business.

As you know, we manage the largest NPL portfolio in the whole market, also bigger than what the major banks manage. Therefore, it's normal that being banks driven to sell portfolios as ongoing part of their plan, these portfolios go out from our perimeter. Anyhow, we are indemnified for the portfolio sold. We get revenue which cover the fees we lose over the life of the contract and this is a feature embedded in all our contracts.

Positive impacts on our GBV are inflows from existing and new clients, so when we say we onboard €15 billion of new GBV between the end of last

year and first quarter, we add new contracts. We have also a few agreements from existing contracts, so naturally every time current clients produce NPLs, they come to us and we recover. There are...why we say our business is good for all seasons because in good macro, we collect more so collection go up, write offs go up while inflow from existing client decrease.

On the opposite, when there is bad macro, we have lower collection but inflows from new clients and from existing clients increase. How has this played out in the last 2 years? Obviously, the inflow from new clients are non necessarily spread over the quarters. There are more one-offs when the onboarding happens. So for example, we mentioned the big onboarding in the first quarter of 2018 and we have also a few onboarding in the second part of last year while collections are more spread around over the quarters. They are very predictable because of our technology and our collection curves which are pretty detailed. They are seasonal, so you know that we collect more in the last quarter of the year because of the court activity more concentrated in that quarter. And because our remuneration policy for asset manager is concentrated in certain months of the year.

We want to give you some targets about how we build our revenue and therefore our collection and GBV. We are assuming overall €15 billion of new GBV from new clients, not existing clients, on the bad loan Italian market. This is on top of what we have already added in the first quarter, so not including the €12 billion of the first quarter.

We will have obviously ramp-up of the UTP and the Greek platform, that will be on top of this. And in assuming the new contracts...we are

assuming also conservative pricing assumptions, which play out in the revenue growth targets we gave to you.

In terms of collection capabilities, we are working on the IT and on more efficiency of the asset management machine, which will increase collection per GBV managed above 2.6%, and the collection by servicing FTE above €2.8 million per asset manager from the current 2.4% and €2.5 million we have today for both, respectively. Write-off will continue to be in line with the historical trend to around 2 to 2.5 times the collected amount.

And finally, we are assuming ordinary portfolio sale by our clients.

Portfolio features. Why the collection and the predictability of the cash flow are so accurate? Because of the type of portfolios we focus on. We continue to be third-party servicer and our portfolio is mostly corporate in line with the NPL composition of the Italian market, which has a very similar composition in terms of corporate vis-à-vis retail. It's mostly secured portfolio. For secured, we mean any type of security from first lien to personal guarantees, second-lien guarantees, the fully pure unsecured assets are only 20% of the total, and this differentiates us from many other debt purchasers or servicer within debt purchasers, which focus on unsecured portfolios. Another feature is that, we have medium-to-large files to manage above €120,000 [on average]. All these elements coupled with long-term contracts allow us to be more profitable and low risk. Another characteristic which has improved since the IPO is maturity of the portfolio. Some of you were asking us the concentration of certain contracts around 2025-2026, which is already an important achievement vis-à-vis other competitors. Now, we are much more beyond that, because

all the new contracts are starting with at least 10-year maturities if not longer, until the end of the securitization vehicle period.

We have diversified our client base with much more significant third-party client vis-à-vis the three major clients we continue to hold. So the portfolio is highly concentrated on higher value-added segments and to go back to the some of the question you asked, on which is the portion of retail, is only 30% and all of that is pursued through judicial and extrajudicial strategy.

Going back to the collection curve, given the feature of the portfolio, we have a very long tail of the collected amount. There is a peak usually between year 2 and year 4, but given the features of the Italian legal system, we can collect even for up to 15 years.

Why it's important to show the curve? Why it is important also to comment on vintage vis-à-vis our recovery curve. Sometimes some investors some analysis have asked us how profitable are the older vintages vis-à-vis the younger vintages, pretty much they have similar profitability why? If you collect less on older vintages and more obviously on the younger ones, you allocate less resources to the older vintages because most of the judicial activity has been done, so we wait for the recovery to come to us. While on the younger vintages, you have to add an active portfolio management, to analyze the portfolio, to define the strategy, to put in place all the legal action, to start the legal procedures. So it's more intense from that standpoint. So overall, the profits and the profitability are not different.

A key focus of our strategies to do more with less and to have an active file allocation, which allows us to allocate files based on loan lifecycle and

to extract the most collection from each one. We have talked about volumes, how much we extract from these volumes for collection, let's go down to fees, our fee structure is pretty standard in the market. We have a base fee, which is around 5 basis points of the GBV managed. This fee is important to align our interest to the interest of our clients, because it allows us to wait until the right moment to collect and not to rush into the collection. This also covers a significant part of our cost base... our fixed cost base.

We have then collection fees, which obviously is a percentage of the collected amount, on average it's around 8%. You might have seen that quarter-by-quarter this fees has actually increased in our portfolio. This is a result of the way the fee matrix applies to the portfolio. It's interesting the chart on the bottom right, when we say that 8% is really a big average between matrix applied to large file versus small and medium files and secured versus unsecured, these are the two key metrics we have in our fee matrix.

So basically, unsecured portfolios have lower probability to collect, lower collected amount and higher fees. On the opposite, secured portfolios have higher probability to collect, higher collected amount per GBV and lower fees; therefore, based on the mix of collection every quarter, the application of the fee has played in a positive way.

Last, on ancillary and other products, which allow us to increase revenue per GBV managed. We are not reporting any longer on just ancillary on total revenue because we had given us an objective to achieve around 10% by the end of 2019. We are basically at more than 9 at the end of the first quarter [2018], we will do much more than that, it's part of our objective to grow ancillary further with new products, as you have seen, we have

developed data management and other real estate tools, but becomes one of the tools to extract value from the GBV.

What about the other two new businesses we have launched? Andrea has explained fee structure which is quite different for UTP. Given that the type of work it is more sort of advisory consultancy rather than liquidation type of activity. So it's more capital intensive and also the work load for each single asset manager is much lower than what we experience on the liquidation business. Therefore, also the fee model aligns to these features. We have obviously a base fee and a structuring fee that takes into account, the activities that are being done to bring the loan back to the performing, as well as the monitoring of the loan to make sure that it doesn't go to non-performing again. Last, there is obviously a success and incentive fee, which is linked to the IRR on the top of the base case that our investor or the banks which give us the portfolio to manage will be able to achieve above the underwriting Business Plan.

In Greece, we have a mix of liquidation and UTP contracts and therefore we will apply the 2 matrix, and the two models were explained also to the Greek platform. We are aiming at achieving around 15% of total revenue by 2020 in these new businesses. To make it clear, we have not included the upside which we believe in, coming from the banking activities in these numbers. So, we will be on top of these targets.

Just to remind you the overall target for the total, we will add at least €15 billion of new GBV after the first quarter of 2018. We will ramp up the new growth initiative of UTP in Greece. We will extract more value from collections, we will grow ancillaries, for a total CAGR of 8% to 9% between '17 and '20. Focusing on 2018, will add €3 to €5 billion on top of what has already been added in the first quarter, and still improve

collection efficiency and ancillary revenue to achieve more than €230 million of revenues.

Here we have also included, obviously, the ordinary sale of portfolio. We have put a point around a subset of the internal portfolio we manage for which Intesa is deciding and Intrum are deciding if for this piece they would like to bring it back to that platform of the management, all the rest would stay with us or not, anyhow we are indemnified for that portfolio, so it's actually going to increase the revenue performance. M&A is not included in this numbers and banking is not included, these are all upsides that we are working on.

Let's focus now on the cost base and on the initiative on the cost base, starting from the largest component of the cost, which is HR as one of you has mentioned, HR, 12% of it is variable, the structure of the HR components will change significantly over this timeframe. In terms of FTE we will actually grow, but the composition of the growth will be a decrease of the staff [support/back office] part of our business due to the efficiencies that we will realize through the investment in IT and automation and build out the new things [growth] in Greece in banking and in UTP.

On the IT side, we mentioned the initiative on the migration side to make one more efficient platform, but there are also a series of other important products related to the launch of our UTP servicing IT platform, both in Italy and in Greece. And also, the rationalization of some of the back office activities and of the accounting platform we use, both for the core business as well as for running the SPVs we run for our clients, investor clients. This will allow us to significantly reduce the running IT costs by the end of the period.

On the SG&A and real estate, we have already centralized the purchasing and this will impact and provide good results in the next 12 months. We will work on our territorial footprint also through the launch of smart working initiatives which will allow us to reduce the real estate presence while working on the current real estate contracts, which can be further improved.

On the right hand side, we have laid the total of 100, the composition of this cost. An important message is that as a percentage of our revenue all these items will be reduced, returning an EBITDA CAGR of more than 15% and an EPS on the high-teens level. On 2018, we will experience an additional margin growth beyond the 33% of 2017 on an ordinary basis. We will layout in the next slide what we mean for ordinary vis-à-vis extraordinary cost. Deployment of the new organizational structure will have an impact in terms of cost. First, reduction of SG&A and HR costs as part of the plan we just described, which means obviously as any exit cost associated to the, you know, one-off costs associated to the exit of personnel, which will be for conservative assumptions accounted in 2018, but the impact will be through the period in terms of savings.

Tax efficiency, we will move from a bank tax rate of 33% to the corporate tax rate of 28%, this means also the re-assessments of the DTA which are for accounting purposes reassessed on a new basis, this has a non-cash impact in the year we close the reorganization of €11 million non-cash, with future tax efficiencies which are obviously cash impacts. We will have ICT investments in 2018 and 2019 to develop the strategy, the ICT strategy we just described, and also important, a data monetization strategy, which will allow us to extract more value from data as part of our ancillary strategy described before, beside the IT running savings we set.

Last, obviously as part of the project, we face consultancy, legal cost and start-up cost for our Greek, UTP and new bank projects of around €3 million. Finally, the new organizational structure provides doBank with an extraordinary firepower for M&A. We have given out a maximum target of 3 times net debt to EBITDA, starting from the net cash position at the end of the first quarter of €48 million. Priority is deploying capital in value accretive M&A transactions and eventually to distribute additional extraordinary dividends to shareholders.

We have very tight screening criteria for new opportunities. As you might have seen in the last year there were few transaction in the market in terms of platforms. We do our job in very strict way, we looked at of all of them but our criteria are probably more demanding than many of the other players because of our inherent operating leverage, whereby when we acquire a platform, it needs to add value and be accretive to our margin and to our structure.

So the priorities in terms of M&A are contiguous attractive markets we have mentioned, obviously Italy and Greece, but we are also looking, as Fabio has described before, to other Southern European markets as first priority. The opportunities can be different, we have decided in Greece to enter as a startup because it was the right approach in this lifecycle of the Greek market where there are no real independent players to acquire. In other markets, there are already opportunities grown up, so there will be more M&A targets rather than startup.

Last, obviously we continue to monitor the ancillary space for transactions which add value from a client base, we want to broaden our ancillary

client base, as well as product offering, especially on data analytics, information providing, real estate management.

One important message is that we set the bar high on acquisitions, but we don't have the urgency to buy growth given the operational leverage, but we are very focused on it, and many times we have approached the market, we have done it I think as a pioneer in the space. We have been the leader in the Italian markets; we want to be the leader in the Greek market. We want to extract value with a different model in UTP, we don't want to be as an independent servicer in UTP, just a servicer, but we are doing that to extract value, we will do it to servicing and financing as well. And this is the way we will approach also the acquisitions.

Growth by M&A is not included in this plan as other companies do. We want to deliver first on M&A and then we want you to appreciate it and to see the impact on our numbers.

Last page is to summarize the targets I set at the beginning. So the revenue growth besides the bank, 8% to 9% [CAGR], the EBITDA growth driven by higher margins and focused on cost base on top of the revenue growth, and ordinary EPS growth above the EBITDA growth.

The last bullets are quite important for us. We had a commitment to high levels of operating cash flow conversion, which will be maintained. We will continue to generate cash flow above the EBITDA of more than 90% in '19 and '20. We are investing to be able to do more with less, so to improve our operating margin. We will continue to pay minimum payouts [at least 65%] of the ordinary net income for extracting all the non-cash or cash extraordinary costs we have, this is important because it will be higher than the reported net income. And finally, we think that the new

organizational structure will allow us to add additional growth on top of this through M&A.

We thank all of you. And I leave the floor to Andrea for some closing remarks.

CLOSING REMARKS

ANDREA MANGONI: Now, I have just one closing remark. We we strongly believe in our strategy. We believe this strategy will increase the intrinsic value of our company in the medium run, creating value for our shareholders. Our management team, we as a management team are committed on this target. As you probably know, our incentive scheme is fully aligned to the interest of our shareholders. And I think we can beat the target we presented to you today. Thank you for your attention and we are available for the second Q&A session.

Q&A SESSION

ANDREA LISI: Yes, Andrea Lisi from Equita. I ask you if you can explain again the process of UTP servicing, if you want to make an example assuming the single name deal with 3 players thus the banks on the one side, the investor wanting to invest in UTPs and doBank making servicing. Can you tell us which are the activities played by the subject, the situation in which the bank injecting finance and the timing in which the bank receive the fees, and do you think that the approach followed for a single name deal that can also be replicated at portfolio level? Then I want to ask you if you have a target in terms of UTP volumes in the midterm, if you can

explain again the difference between the performance and the success fees and which is the level of fees in the market at this moment? And last point you said that UTP management is more labor intensive which is a reasonable level of profitability? Thanks.

ANDREA GIOVANELLI: Okay. I have noted all the questions, if I have not, please draw my attention to the missing ones. So the typical scheme of our intervention, I think that there are many, many way to address the market, but we believe that most interesting field is where most of UTPs are, which are now in the balance sheet of banks. So the...our first level of attention is to find a structural way to allow banks to better manage the existing UTPs and to allow the third-parties to make investment into the borrowers to facilitate turnaround. We believe that we can be in the middle, and we can somehow think to make an evolution of the existing structure of deals that are already is in the market and the banks know well.

In other terms, we think that credits from the banks can be contributed into a vehicle and doBank can be the manager of the credits with a typical management servicing contract. And investors can invest into the single borrowers. When some banking instrument is needed that can be a back-to-back deal covering doBank euro-by-euro of the invested amount and doBank can directly invest using the typical banking instruments which are powerful tools because are much more suitable for controlling the risk, for having a constant and daily monitoring particularly in working capital lines are very suitable for doing that. I am talking about a difficult asset class and difficult borrowers, it is an interesting way to control risk for the benefit of investors.

And fee timing, fee timing, I think that the base fee will be...is a base, so it is a yearly fee. And the level, you are also asking the level of this kind

of fees, it is as far as we can understand in the few examples that have been raised in the market has been coupled from the private equity business, so something around 1.5% to 2% on a yearly basis of the asset under management, so the gross book value of the assets, which are substantial amount, higher than the NPL business. It is also true that it is higher than the cost associated and to the management of this asset class is also important, but it is a limited example, so the servicing market is being built now, and we will see how the commercial aspects will settle, but I feel the most interesting...apart from the numbers which pretty much depend also on the quality of the assets underlying, I think that our interest is that we see a stronger link between the quality of the management and the economic outcome of the management and when this kind of link is clear to the clients, clients are structurally ready to recognize good reward for good management. So this is why we think that from a commercial standpoint, it is an interesting sector. The timing of the fees, the rest of the part of the base fee, it will be more linked to the cash flows from the portfolio, knowing that the cash flows can be strongly accelerated when, at least for the cases that are back to bonis [performing], so we think that in the typical portfolio differently from the NPL that are simply there to seek liquidation, it can be accelerated, the cash-in can be accelerated through disposals back to banks or interested investors, interested to in the bonis [performing] asset class.

MANUELA FRANCHI: If I may, just to clarify one point on financing, the model we are proposing assumes that these corporates go back to bonis and therefore might need new financing, but only a small amount comes from new lines which will be provided a minimum amount by us, but also by other partners. We have already in discussion with other financing partners which are interested to provide senior financing to corporates, therefore our investment fits into the sort of the co-investment strategy in the sense that we will be always

be minority even in this new financing scheme and only for the new financing that the portfolio might need, because many of these specific situations might not even need new financing as the case might be in frequent restructuring, where you only, actually it's a lot of work to be done to achieve this goal, to convert debt to equity or to change the repayment plan, to change the features of the debt rather than adding new layers.

Because we are obviously setting our fee structure in line with the market, but the precedence are very much taking into account already the fact that the workload for us at manager is lower, obviously apart from the ramp up phase, we expect margin to be accretive to our current margin.

GURJIT KAMBO: Hi, I am Gurjit at JP Morgan. In terms of the two businesses UTP and Greece, obviously, I think you indicated 15% of gross revenues in 2020. As you ramp up, is that also...is that still profitable business or there are costs associated and they might not be profitable?

MANUELA FRANCHI: Actually it is interesting, because the Greek operation have very limited startup cost, because in the contracts we are discussing today, we will be covered for the expenses and we have already agreed margin for the next 2 years which will drive us to the levels of the Group. So this is an important point because every startup has risk embedded which we try to limit as much as possible.

GURJIT KAMBO: Just finally, just on the one off costs, there is quite a few one off costs in 2018, a little bit in 2019. Can you just provide a sort of a number what you think it may be in total...some which you've provided and some you haven't, is there like a total number?

MANUELA FRANCHI: Yes, basically the one-off of 2018 are the one off associated to the project cost which are the €3 million we had mentioned in the presentation and the one off related to the exit of personnel which will depend on the discussion with the unions, but will not impact, will come after the EBITDA and will not impact the distribution of net income to shareholders, because it's considered extraordinary for our dividend distribution policy, so the final number will depend on that and the second a non cash extraordinary item in 2018 or 2019 depending on the final closing of the DTA adjustment of €11 million.

COMPANY REPRESENTATIVE: If there are any more questions. Otherwise, I think this concludes the Q&A.

ANDREA MANGONI: Thank you, thank you everyone. Thank you for your time.

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