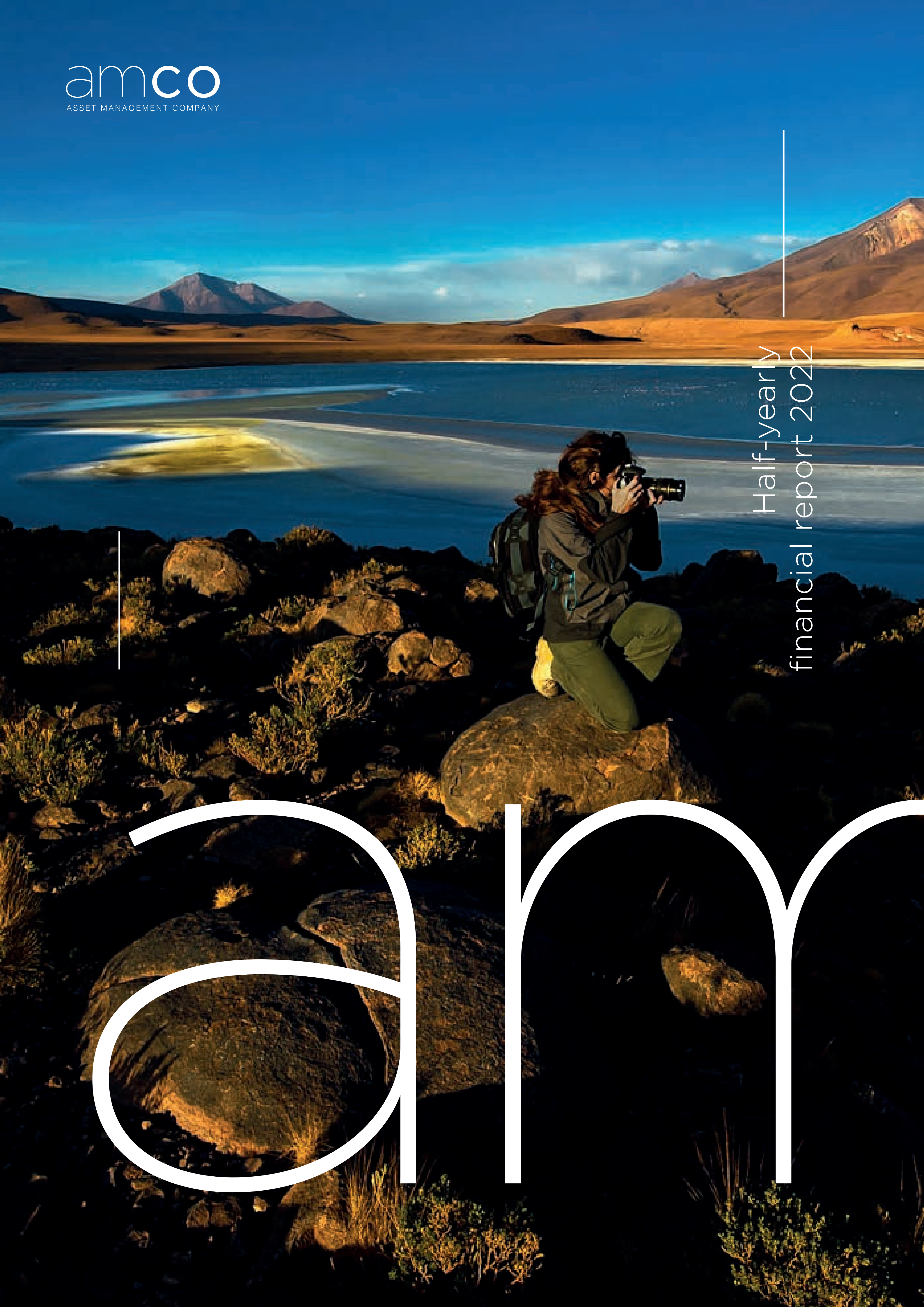
amco
ASSET MANAGEMENT COMPANY

Half-yearly financial report 2022



AMCO - ASSET MANAGEMENT COMPANY

Registered office: Via Santa Brigida, 39 - 80133 Naples - Headquarters: Via San Giovanni sul Muro 9 - 20121 Milan -
Vicenza office: Viale Europa, 23 - 36100 Vicenza - Enrolled in the Register of Financial Intermediaries pursuant to Art. 106 of Italian Legislative Decree No. 385/93 under No. 6
ABI Code 12933 Share Capital EUR 655,153,674.00 fully paid-up REA (Economic & Administrative Index) No. 458737 CCIAA (Chamber of Commerce) Naples Tax Code and VAT No. 05828330638

Our vision

We want to play a central role in Italian NPE market for all our stakeholders.
We aim to manage our portfolios patiently and efficiently, creating new value to support the Italian economy.

Our mission

AMCO is the Asset Management Company that sets new standards in Italian NPE market managing files with a sustainable approach to ensure the business continuity of deserving companies while creating new opportunities.

Our values

ascolto

We create long-term relationships built on communication.

We respect our clients and our people; proactive communication lies at the heart of everything we do.

modernità

We forge new business opportunities and new scenarios.

We offer industry players perspective and innovation, and collaborate to kindle new connections.

competenza

Our competences are continuously expanding.

We draw on proven professional expertise to bring the most complex deals to completion.
We grow talents to achieve new goals because people are our most valuable asset.

ottimismo

We give back a better future.

We look to the future by changing the present.
We transform complexity into a sustainable future.
We create new value by turning NPLs into new beginnings.

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1.

corporate offices and independent auditors

BOARD OF DIRECTORS

Chairperson	Stefano Cappiello
Chief Executive Officer	Marina Natale
Director	Domenico Iannotta

BOARD OF STATUTORY AUDITORS[1]

Chairperson	Giampiero Riccardi
Permanent Auditor	Giuseppa Puglisi
Permanent Auditor	Giovanni Battista Lo Prejato
Substitute Auditor	Maurizio Accarino
Substitute Auditor	Delia Guerrera

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.

MANAGER IN CHARGE OF PREPARING THE COMPANY'S FINANCIAL REPORTS

Manager in charge	Marina Natale

PARTIES APPOINTED TO CARRY OUT FINANCIAL CONTROL BY THE COURT OF AUDITORS (ITALIAN LAW 259/58)

Principal Appointee	Giulia De Franciscis
Substitute Appointee	Vincenzo Liparino

SUPERVISORY BODY pursuant to Italian Legislative Decree No. 231/2001[2]

Chairperson	Arturo Betunio
Member (external)	Olga Cuccurullo
Member (internal)	Lorenzo Lampiano

at the closing date of the Half-Yearly Financial Report as at 30 June 2022.

[1] The appointment will last until the approval of the financial statements as at 31 December 2023.
[2] The appointment will last until the approval of the financial statements as at 31 December 2023.


2.

introduction

AMCO - Asset Management Company S.p.A. (hereinafter also “AMCO” or “AMCO S.p.A.” or the “Company”) is a financial intermediary pursuant to Art. 106 of the TUB (Consolidated Banking Act), specialised in the management and recovery of non-performing loans.

Since 1997 the Company has operated in the context of legislative and regulatory interventions pursuant to Italian Law No. 588 of 19 November 1996 (conversion into Law from Italian Decree Law No. 497 of 24 September 1996, laying down “urgent provisions for the reorganisation, restructuring and privatisation of Banco di Napoli”) and of Art. 3 of Italian Ministerial Decree of 14 October 1996. In this context, the company became a bulk assignee, pursuant to Art. 58 of the Consolidated Banking Act, for selling purposes, of loans and other assets of problematic recoverability of Banco di Napoli and of other Banco di Napoli Group companies (ISVEIMER and BN Commercio e Finanza), represented mainly by non-performing or bad loans, in addition to assets deriving from the reorganisation, equity investments and securities.

With Italian Ministerial Decree of 22 February 2018 published in Official Gazette No. 123 of 29 May 2018, the Ministry of Economy and Finance, in implementing the powers granted by Art. 5, paragraphs 1 and 5 of Italian Decree Law 99 of 25 June 2017, has arranged for AMCO (formerly SGA), through Segregated Estates nominated “Veneto Group” and “Vicenza Group”, to become the assignee of non-performing loans, assets of problematic recoverability and connected juridical relationships respectively of Veneto Banca S.p.A. in administrative compulsory liquidation (hereinafter, also “VB LCA”) and of Banca Popolare di Vicenza S.p.A. in administrative compulsory liquidation (hereinafter, also “BPVI LCA”), together also the “former Veneto Banks” (hereinafter the “LCAs”), both subject to administrative compulsory liquidation since June 2017, with the objective of maximising the recovery value over time and at the same time optimising the management of relationships with debtors.

In addition to the non-performing loans and doubtful assets of the two banks, the sale also involved securitisation securities[3] issued by Flaminia SPV S.r.l and Ambra SPV S.r.l, and the ownership of foreign loans relating to the banks formerly controlled by Veneto Banca S.p.A. in Croatia, Albania, Moldova and Romania.

On 29 June 2020 the Boards of Directors of Banca Monte dei Paschi di Siena S.p.A. and AMCO approved the plan for the partial non-proportional demerger with asymmetrical option of MPS in favour of AMCO. Following the approval of the demerger project, the demerger deed was signed on 25 November 2020 and became effective on 1 December 2020.

From a regulatory point of view, the Transaction was subject to prior notification to the Bank of Italy by AMCO pursuant to the Supervisory Provisions for Financial Intermediaries (Bank of Italy Circular No 288 of 3 April 2015), as a result of which no prohibition proceedings were initiated pursuant to Article 108, paragraph 3, letter d) of the TUB. On 2 September 2020, the European Central Bank notified the Demerged Company of its authorisation for the Transaction pursuant to Article 57 of Italian Legislative Decree No 385/1993 and Title III, Chapter 4, Section III, of Bank of Italy No 229 of 21 April 1999 (as well as pursuant to Articles 77 and 78 of Regulation (EU) No 575/2013).

On the basis of the articles of association applicable at the time of these half-yearly financial reports, AMCO’s corporate purpose is as follows:

“1. The Company’s corporate purpose involves the purchase and management for selling purposes, according to economic criteria, of loans originating from banks enrolled in the register set forth in Art. 13 of Italian Legislative Decree No. 385 dated 1 September 1993 (hereinafter TUB), by companies belonging to banking groups enrolled in the register set forth in Art. 64 of the

[3] During the 2021 financial year, the transfer of the securitised loans by the two vehicles, Flaminia SPV S.r.l. and Ambra SPV S.r.l. to their respective Segregated Estates, was completed.

TUB and by financial intermediaries enrolled in the register set forth in Art. 106 of the TUB, even if not part of a banking group. The Company may also purchase on the market equity investments and other financial assets, including securitisation securities with underlying loans originated from banks, companies belonging to banking groups and financial intermediaries even if not part of a banking group as well as closed-end investment fund units, reserved for professional investors, set up for the subscription of shares issued by banks or for the subscription and/or purchase of securities issued by companies set up to finance the acquisition of loans originating from banks, companies belonging to banking groups and financial intermediaries even if not part of a banking group, or for direct purchase of such loans. The Company – also through the segregated estates constituted pursuant to Art. 5 of Italian Decree Law No. 99 of 25 June 2017, converted with amendments into Italian Law No. 121 of 31 July 2017, and the revisions of ministerial decrees adopted pursuant to this regulation – will be able to (i) issue loans, in the various forms indicated in Art. 2 of Italian Ministerial Decree No. 53 of 2 April 2015, directly or indirectly, to debtors transferred to the same pursuant to this paragraph or managed by the same pursuant to the subsequent paragraph 2, as well to collective investment schemes or vehicles to acquire or manage, directly or indirectly, loans and advances originated by banks, financial intermediaries even if not part of a banking group and by companies part of banking groups, as long as these loans pursue, also through the interposition of the management platform, the objective of maximising the value of acquired loans (and of any other loans, assets and obligations accessory or linked to them); and (ii) exercise the activity of financial leases, as well as operating and hire leases, becoming the assignee of assets and obligations deriving from resolved or ongoing lease agreements, stipulated between third parties, and of the underlying assets, and concluding new lease contracts in order to reallocate the leased assets acquired.

2. The Company also deals with the management of third party judicial and extrajudicial recovery of loans originating from banks, companies belonging to banking groups and financial intermediaries even if not part of a banking group. In this context, the Company, where it operates on behalf of securitisation companies constituted pursuant to Italian Law No. 130 of 30 April 1999, will be able to carry out the role of subject mandated to the collection of transferred loans, payments and the verification of the compliance of transactions with the law and the information prospectus, pursuant to Art. 2, paragraphs 6 and 6-bis, of Italian Law No. 130 of 30 April 1999.

3. The activities referred to in paragraphs 1 and 2 of this Article will focus on non-performing loans and, ancillary to these, loans that at the time of investment or when they are subsequently taken over are classified as performing. These activities will be carried out in Italy and, in compliance with current legislation and the regulatory rules possibly applicable, abroad.

4. The Company may also invest in synthetic securitisation transactions involving loans originating from banks recorded in the register pursuant to Art. 13 of Italian Legislative Decree No. 385 of 1 September 1993 (hereinafter TUB), by companies belonging to banking groups recorded in the register pursuant to Art. 64 of the TUB and by financial intermediaries recorded in the register pursuant to Art. 106 of the TUB, even if they do not belong to a banking group, or from branches or foreign branches of these entities, provided that the loans involved in the transaction are qualified as "stage 2" according to the current accounting regulations or in any case with a rating assigned by an external credit agency assessment (ECAI) not exceeding a credit rating associated with the creditworthiness class "BB" according to the current supervisory regulations, or equivalent rating assigned by the holder of the credit according to its internal assessment procedures of the credit risk.

5. In order to achieve the corporate purpose, the Company may carry out operations for the management, in any form, divestment and sale of loans and receivables, equity investments and other financial assets; as well as, in furtherance of the company purpose, any other commercial, financial, securities and real estate transactions, in compliance with current regulations. Pursuant *to Art. 18, paragraph 3 of Italian Legislative Decree No. 58 of 24 February 1998, the Company can exercise with respect to transferred debtors, in connection with the activities described in paragraph 1 of this article, trading services and activities on its own behalf and order execution services on behalf of clients, in each case limited to derivatives financial instruments.*

6. The Company can also issue bonds in compliance with current legislative and statutory provisions. It is for the Board of Directors to decide on the issue of financial instruments other than shares or non-convertible into such. The adoption of a programme to issue financial instruments other than shares or non-convertible into such and aimed at regulated markets, or a single issue of such instruments not realised on the basis of a programme authorised by the Shareholders' Meeting, may only be implemented in case of identified financial needs of the Company and with the prior authorisation of the Shareholders' Meeting pursuant to Art. 2364, paragraph 1, No. 5 of the Italian Civil Code.

7. The Company, in its capacity as Parent Company of the AMCO Financial Group, pursuant to Art. 109, paragraph 1 of the TUB, issues, in the exercise of management and coordination, instructions to the members of the Group for the execution of the provisions dictated by the Banca d'Italia.".

3.

corporate structure

In accordance with Article 12 of Italian Law No. 259 of 21 March 1958, as a company 99.78% owned by the Ministry of Economy and Finance, AMCO is subject to financial management control by the Court of Auditors.

As at 30 June 2022, AMCO owns the entire equity investment in AMCO - Asset Management Co. S.r.l., a Romanian registered company dealing with the management of non-performing loans to Romanian residents, held by the Veneto Group Segregated Estate. The Company was put into liquidation on 16 June 2021 and its closure is expected in the second half of 2022.

AMCO's corporate structure as at 30 June 2022 is shown in the following diagram:

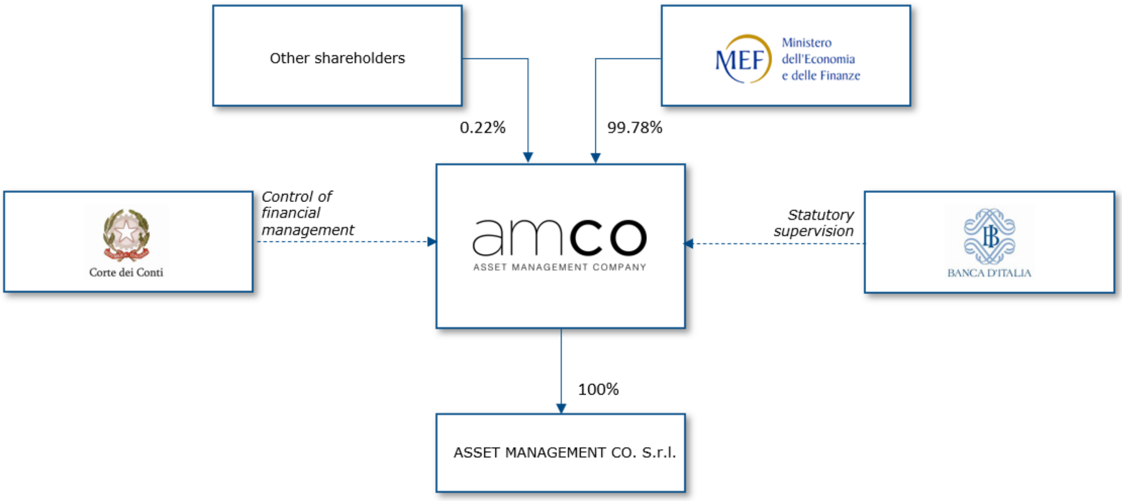

Figure 1 - Corporate Structure as at 30 June 2022[4].

In the first half of 2022, the liquidation of the Fucino NPL's SPV vehicle was approved. It should be noted that the receivables conferred in the Vehicle were transferred to AMCO with effect from 1 March 2022 and the vehicle was subsequently put into liquidation. Therefore, starting from this Half-Yearly Financial Report, AMCO does not prepare the Half-Yearly Consolidated Financial Report.

The fully paid-up share capital is divided into 600,000,000 ordinary shares with no nominal value, held entirely by the Italian Ministry of Economy and Finance, and 55,153,674 B shares with no indication of nominal value and no voting rights, held by the Italian Ministry of the Economy and Finance, by other shareholders and including 18,466 treasury shares in portfolio.

4 The percentage held by "other shareholders" of 0.22% comprises B shares held by other shareholders and treasury shares.

4.

organisational structure

MEET OUR TEAM

STEFANO CAPPIELLO

CHAIRPERSON

MARINA NATALE

CEO

LUCA BATTAGLIERO

HR, TRANSFORMATION & INTERNAL COMMUNICATION

NICOLA CARNEVALE

WORKOUT

STEFANO CHIOCCHETTA

REAL ESTATE

MARCO GIACCONE

PORTFOLIO ANALYSIS AND MONITORING

LORENZO LAMPIANO

LEGAL AND CORPORATE AFFAIRS

CLAUDIA MANGIONE

INTERNAL AUDIT CORRUPTION PREVENTION AND TRANSPARENCY

STEFANO MICHELI

CHIEF OPERATING OFFICER

MARCO VITTORIO MINETTI

ANTI-MONEY LAUNDERING

MANUELA OGNISSANTI

COMPLIANCE

EADBERTO PERESSONI

CHIEF FINANCIAL OFFICER

FABIO PETTIROSSI

UTP/PD

GIORGIO PICCARRETA

SPECIAL PARTNERSHIP AND SERVICERS MANAGEMENT

MARCO SALEMI

CHIEF RISK OFFICER

LAURA SPOTORNO

STAKEHOLDER ENGAGEMENT AND SUSTAINABILITY

ROBERTO ZAMBOTTI

NPE INVESTMENT AND BUSINESS DEVELOPMENT

AMCO's organisational structure as at 30 June 2022 is shown below:

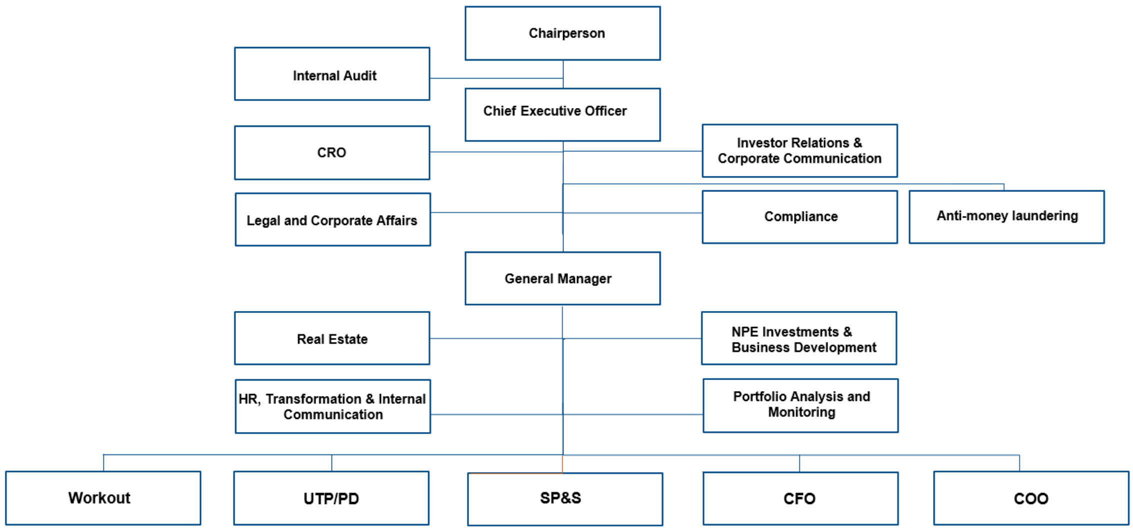

Figure 2 - Organisational structure as at 30 June 2022.

During the first half of 2022 the following changes were made to the organisational structure:

- the SP&S - Special Partnerships & Servicers department was created;
- the Compliance and Anti-Money Laundering department was split into two separate departments.

As at 30 June 2022, the following activities were outsourced:

- IT system for administrative and accounting management;
- software and hardware consulting and support;
- payroll preparation and related obligations;
- tax consultancy.

In order to prevent the commission of offences from which might derive the administrative responsibility of entities pursuant to Italian Legislative Decree No. 231/2001, the Company has adopted an Organisational, Management and Control Model last updated with the resolution of the Board of Directors of 16 March 2021. In compliance with the above-mentioned regulation, the Company has also provided to appoint a Supervisory Body, whose members have proven experience in financial, corporate and juridical issues, whose mandate will expire with the approval of the financial statements as at 31 December 2023.

Staff composition

As at 30 June 2022 the number of AMCO employees was a total of 360 units, up compared to the correspondent number as at 31 December 2021 (342 units).

As at the same date, there are no coordinated and continuous collaboration contracts in place.

The following table provides the break-down of the AMCO headcount as at 30 June 2022, by gender, age and length of service, classification, and contract type.

	Senior managers	Middle managers	White-collar workers	Coordinated and continuous collaborators	Total
Men (no.)	16	156	49	-	221
Women (no.)	4	83	52	-	139
Total	**20**	**239**	**101**	**-**	**360**
Average age	52	45	40	-	43
Length of service (average in years)	4	5	6	-	5
Permanent contract	19	238	100	-	357
Fixed-term contract	1	1	1	-	3

Table 1 - Composition of the headcount as at 30 June 2022.

Litigations

There were no litigations outstanding with employees as at 30 June 2022.

Turnover

With regard to staff turnover, hiring continued in 2022 based on the organisational and growth needs of the Company, mainly aimed at consolidating the operational strengthening.

Permanent contract	31/12/2021	Recruitment	Change from fixed-term to permanent contract	Resignations, retirements and terminations	Change in category	30/06/2022
Senior managers	19	1	-	(1)		19
Middle managers	229	18		(10)	1	238
White-collar workers	90	9	2		(1)	100
Total	**338**	**28**	**2**	**(11)**	**-**	**357**

Fixed-term contract	31/12/2021	Recruitment	Change from fixed-term to permanent contract.	Resignations, retirements and terminations	Change in category	30/06/2022
Senior managers	1	-	-	-	-	1
Middle managers	-	1		-	-	1
White-collar workers	3	1	(2)	(1)		1
Total	**4**	**2**	**(2)**	**(1)**		**3**

Table 2 - Staff turnover in the first half-year of 2022.

Geographic location

As at 30 June 2022, the registered office of the Company was located in Via Santa Brigida 39 in Naples, while the General Management was in Via San Giovanni sul Muro 9 in Milan. The Company also operates from offices in Viale Europa 23 in Vicenza.


5.

report on operations

MACROECONOMIC SCENARIO

During the first half of 2022, the international economy continued the recovery attempt started in the post-pandemic period as a result of the reduction of restrictive measures and the effectiveness of the vaccination campaign. Despite this, the international context is faced with the effects of Russia's war against Ukraine and high inflationary pressure due, among others, to a sharp rise in the price of raw materials. The war will cause a major contraction in the GDP of Ukraine and Russia and most likely will lead to a sudden slowdown of the main European economies with consequent repercussions on growth and world trade, further amplifying the inflationary spiral. The consequences of the war also include the blocking of exports from Ukraine of wheat and other cereals which, considering also the season of extraordinary drought in Europe, could lead to a global food crisis that would have particularly severe effects on low-income countries. The continuation of the high inflation scenario will force Central Banks to strike a balance between counteracting price increases by applying restrictive monetary policies and safeguarding the recovery of the economy by maintaining the existing monetary expansion.

The forecast of the global GDP growth rate, after a 2021 that recorded an expansion of 6.1%, stands at 3.2% for 2022, down from the 3.6% estimated in April 2022, due to the effects of the slowdown in the Chinese economy (partly because of new lockdowns) and further repercussions due to the war in Ukraine. For 2023, GDP is still expected to expand slightly by 2.9%, mainly slowed by the effects of the restrictive monetary policies implemented by central banks as early as the second half of 2022[5].

For 2022 it is estimated that the Italian Gross Domestic Product will grow by 3.2% compared to the previous year, mainly thanks to the growth acquired in 2021, at 1.3% over 2023 and 1.7% over 2024. For the same period, inflation forecasts in Italy instead amounted to 7.8% for the current year, 4.0% for 2023 and 2.0% for 2024, respectively[6]. The projections assume that the conflict in Ukraine will continue throughout 2022, without however leading to the blocking of energy exports from Russia and that the impact of the war on commodity prices, international trade and the uncertainty of households and businesses will gradually decrease from 2023 onwards. In the three-year period 2022-24 it is estimated that the impact of the aid measures put in place by governments to counter the rise in energy prices and the pandemic together with the measures contained within the National Recovery and Resilience Plan (PNRR) will lead to an overall impact on GDP of approximately 3.5%.

The recovery of economic activity further drove the fall in unemployment, which stood at 8.1% in Q2 2022 (-1.3 percentage points compared to June 2021), while the employment rate rose by 1 % compared to the end of 2021 and the inactivity rate fell by 0.8%[7].

The Covid-19 pandemic contributed to the growth of NPE stocks in all major European countries. In particular, estimates for Italy, which had managed to reduce NPE stocks to a gross value of around EUR 70 billion by mid-2020, predict an increase in NPEs of around EUR 80-100 billion over the period 2022-2023[8], albeit with a time lag compared to the pandemic thanks to the aid measures adopted by the government. The repercussions on the European economy of the war in Ukraine constitute an additional risk factor with potential impacts on the assets of banks, including Italian banks which, according to the Bank for International Settlements (BIS), at the end of 2021 had an overall exposure to Russia equal to EUR 29.1 billion (approximately 0.7% of total financial assets)[9].

5 IMF: World Economic Outlook, July 2022.
6 Banca d'Italia: Economic Bulletin No. 3 – 2022.
7 ISTAT: employment and unemployment, June 2022.
8 PWC: NPL Strategy and Operational Plan - December 2021.
9 Banca d’Italia: Financial Stability Report - April 2022.

Based on data from Banca d'Italia, at the end of 2021 the gross incidence of non-performing loans held by Italian banks on total loans stood at 3.1% compared with 3.8% in June 2021.

In the fourth quarter of 2021, the flow of new non-performing loans in relation to total loans increased by 1.3% compared to the third quarter. Contributing to this increase was the disappearance of the support measures introduced with the pandemic and mainly concerned corporate loans, while the deterioration rate on private customers showed a slight decrease.

Net bad loans (i.e. net of write-downs and provisions already made by banks with their own resources) in May 2022 stood at EUR 16.3 billion, up from EUR 15.2 billion in December 2021, but down from May 2021, when they stood at EUR 18.0 billion (-9.4% year-on-year). Compared to the maximum level of net bad loans in November 2015 (EUR 88.8 billion), the reduction is EUR 72.5 billion (equal to -81.7%). The ratio of net bad loans to total loans stood at 0.93% in May 2022 (1.04% in May 2021)[10].

[10] ABI: Monthly Outlook, May 2022.

OPERATING PERFORMANCE

Income statement

During the first half of 2022, AMCO recorded a solid operating performance, achieving an improved EBITDA (+3%) compared to the same period of the previous year, due to higher revenues offsetting the increased costs of recovering positions that will originate future collections.

The net result, EUR 9.6 million, decreased compared to last year mainly due to the increase in the level of credit risk coverage on specific positions as well as the revision of the valuation of funds in portfolio (UCITS) due to the upward trend in interest rates.

The recovery performance in terms of collections, equal to EUR 667 million[11], is up by 11% compared to the first half of 2021, with an improvement in the collection rate (ratio between collections and average managed volumes) which goes from 3.6 % achieved in the first half of 2021 to 4.2% in the first half of 2022.

AMCO is confirmed as the 4th largest operator in Italy[12] in the management of NPE positions and, in particular, the largest in the management of unlikely to pay and past due loans[13].

Assets under management as at 30 June 2022 amounted to EUR 32.6 billion, down by EUR 0.5 billion compared to the same period of 2021 due to the effect of recovery activities, only partially offset by the purchases of new portfolios in the second part of 2021 and during the first half of 2022 (equal to EUR 273 million) and from the new contributions to the Cuvée multioriginator platform (equal to EUR 1.2 billion). The CET1 ratio as at 30 June 2022 was 36.2%, a level significantly higher than the regulatory requirements, as well as an increase compared to the figure as at 31 December 2021 (34.9%).

A comment is provided below on the company's economic performance according to the reclassified income statement, whose reconciliation with the financial statements is illustrated in the attachment referred to in Section 10 of this document.

11 Operating data, including collections on servicing portfolios.

12 *The Italian NPL market, PwC, July 2022: the ranking reported by PWC is based on data provided by the operators as at 31 December 2021.*

13 *The Italian NPL market, PwC, July 2022: the ranking reported by PWC is based on data provided by the operators as at 31 December 2021.*

EUR/thousand - %	30/06/2022	30/06/2021	Delta abs.	Delta %
Servicing commissions	21,843	23,908	(2,065)	-9%
Interest and commissions from customers	100,660	92,926	7,735	8%
Other income/charges from activities with customers	27,687	22,973	4,714	21%
Total Revenues	**150,191**	**139,807**	**10,384**	**7%**
Staff costs	(19,446)	(19,443)	(3)	0%
Net operational costs	(40,114)	(32,024)	(8,093)	25%
of which gross costs	(44,802)	(35,858)	(8,944)	25%
of which recoveries	4,688	3,834	854	22%
Total Costs and Expenses	**(59,560)**	**(51,467)**	**(8,093)**	**16%**
EBITDA	**90,631**	**88,340**	**2,291**	**3%**
Value adjustments/reversals from ordinary operations	(42,870)	3,304	(46,174)	-1397%
Value adjustments/reversals on property, plant and equipment and intangible assets	(2,147)	(1,288)	(858)	67%
Provisions	(128)	825	(953)	-116%
Other operating income/expenses	9,273	(5,325)	14,598	n.s.
Financial activity result	(7,694)	7,587	(15,280)	-201%
EBIT	**47,065**	**93,442**	**(46,376)**	**-50%**
Interest and commissions from financial activity	(31,507)	(42,235)	10,728	-25%
Pre-tax profit	**15,559**	**51,207**	**(35,648)**	**-70%**
Current taxes for the period	(5,967)	(15,377)	9,410	-61%
Net result	**9,592**	**35,830**	**(26,238)**	**-73%**

Table 5 – Reclassified income statement as at 30 June 2022 and 30 June 2021.

Revenues amounted to EUR 150.2 million, up by EUR 10.4 million (+7%) compared to the same period of 2021 thanks to the increase in interest from customers and other income and expenses from activities with customers.

In particular, **servicing commissions** amounted to EUR 21.8 million, down 9% compared to the same period of the previous year due to the lower contribution deriving from the management of the portfolios of the former Veneto Banks following the physiological reduction in volumes, partially offset by the increase of the commissions received as part of the Cuvée operation thanks to the growth in volumes managed as a result of the new contributions completed at the end of 2021 and in the first half of 2022.

Interest and commissions from activities with customers were up by 8% compared to the first half of 2021.

EUR/(000) - %	30/06/2022	30/06/2021	Delta abs.	Delta %
Total POCI Portfolios	55,872	53,420	2.451	5%
Total Portfolios Amortised Cost	44,789	38,678	6,111	16%
Notes Fucino	-	826	(826)	-100%
Total	**100,660**	**92,926**	**7,736**	**8%**

This increase is mainly due to the higher interest from Time Value on the MPS amortised cost portfolio, while the interest deriving from POCI portfolios are substantially in line mainly thanks to the contribution of the new portfolios purchased in the second half of 2021 which absorbed the physiological decline in portfolios already under management.

The **other income and expenses from ordinary operations** amounted to EUR 27.7 million, up by EUR 4.7 million YoY (+21%) thanks to the higher reversals of cash collections made through recovery activities.

Staff costs amounted to EUR 19.4 million, in line with 2021. In June 2021, this item also included the cost relating to staff seconded by MPS. In November 2021, the exit phase of the partially replaced secondments was completed through the expansion of the AMCO workforce (+42 headcount YoY).

Net operating costs, equal to EUR 40.1 million, increased by EUR 8.1 million (+25%) compared to 2021 mainly due to the increase in costs for recovery activities.

EUR/(000) - %	30/06/2022	30/06/2021	Delta abs.	Delta %
Legal and other collection costs	18,519	10,451	8,068	77%
Outsourcing fees	7,839	6,643	1,197	18%
Repossessed property costs	73	96	(23)	-24%
Insurance Policies Credit	847	1,280	(433)	-34%
Expenses for collection activities	**27,278**	**18,470**	**8,809**	**48%**
IT	4,763	4,259	504	12%
Business information	686	1,210	(524)	-43%
BPO and Document Archive	1,334	1,727	(393)	-23%
Professional costs	3,054	3,248	(195)	-6%
Logistics	1,193	1,070	123	12%
DTA fee	1,349	1,399	(51)	-4%
Other expenses	457	641	(184)	-29%
Structure costs	**12,836**	**13,555**	**(719)**	**-5%**
Total	**40,114**	**32,024**	**8,090**	**25%**

The **expenses related to collection activities** increased by EUR 8.8 million mainly as a result of the advancement in the processing status of cases started during the second half of 2021 (mainly MPS portfolio), as well as the higher Outsourcing fees generated by the growth in collections from the Servicers to which part of the portfolio was entrusted for management.

Structure costs decreased by EUR 0.7 million (-5%) thanks to the optimisations implemented on ancillary services to the recovery activity such as BPO and business information.

As a result of the trend in revenues and costs described above, **EBITDA** is equal to EUR 90.6 million, an increase of 3% compared to the same period of the previous year.

The **balance of value adjustments from ordinary operations** is equal to EUR -42.9 million and reflects the provisions to cover credit risk on specific positions.

Other operating income and expenses amounted to EUR 9.3 million as a result of the value adjustment on foreign currency positions (about EUR 16 million), which fully absorb the negative impact of the collar in the amount of EUR -6.6 million (mechanism for adjusting the fee and commission income of the former Veneto Banks, correlating the same to the evolution of costs actually incurred for the management and recovery of the legal relationships and assets sold by AMCO on behalf of the two Segregated Estates).

The **result of financial activity** is negative for EUR 7.7 million mainly due to the write-down of the equity investment in the Italian Recovery Fund (“IRF”).

Net interest from financial activity amounted to EUR -31.5 million, an improvement of EUR 10.7 million compared to the same period of the previous year, reflecting the optimisation of the funding structure, implemented in 2021, which allowed a reduction of the average cost of debt.

Taxes amounted to EUR -6.0 million.

Balance Sheet

The balance sheet was reclassified on the basis of the nature of the assets and liabilities held by the Company, classifying the various entries into homogeneous categories.

EUR/(000) - %	30/06/2022	31/12/2021	Delta abs.	Delta %
Loans and receivables with banks	111,522	155,447	(43,925)	-28%
Loans and receivables with customers	4,389,046	4,506,349	(117,302)	-3%
Financial assets	1,328,971	1,181,918	147,053	12%
Equity investments	10	10	-	0%
Property, plant and equipment and intangible assets	32,386	29,154	3,232	11%
Tax assets	215,996	234,785	(18,789)	-8%
Other assets	36,776	26,697	10,079	38%
Total assets	**6,114,707**	**6,134,359**	**(19,652)**	**0%**

EUR/(000) - %	30/06/2022	31/12/2021	Delta abs.	Delta %
Payables to third parties	3,635,415	3,622,914	12,501	0%
Tax liabilities	3,501	4,103	(602)	-15%
Provisions for specific purposes	19,069	22,950	(3,881)	-17%
Other liabilities	91,018	90,382	636	1%
Share capital	655,081	655,081	-	0%
Share premium	604,552	604,552	-	0%
Reserves	1,148,474	1,567,785	(419,311)	-27%
Valuation reserves	(51,996)	(14,098)	(37,898)	269%
Result for the period	9,592	(419,311)	428,903	-102%
Total liabilities and shareholders' equity	**6,114,707**	**6,134,359**	**(19,652)**	**0%**

Table 6 – Reclassified balance sheet liabilities and shareholders' equity as at 30 June 2022 and 31 December 2021.

Loans and receivables with customers amounted to EUR 4.4 billion and consist of both receivables accounted for using the POCI method and receivables accounted for at amortised cost.

EUR/(000) - %	30/06/2022	31/12/2021	Delta abs.	Delta %
Total POCI Portfolios	1,747,589	1,716,495	31,094	1.80%
Total Portfolios Amortised Cost	2,617,070	2,765,332	(148,262)	-5.40%
Other loans and receivables	24,388	24,522	(134)	-0.50%
Total loans and receivables with customers	**4,389,046**	**4,506,349**	**(117,302)**	**-2.60%**

The 2.6% reduction compared to December 2021 is due to the dynamics relating to collections, cancellations and capitalisation of interest.

Financial assets amounted to EUR 1,329 million, up 12% compared to December 2021, mainly due to the increase in investments in Italian government bonds used to manage available liquidity.

Item (Data EUR/000)	30/06/2022	31/12/2021	Delta abs.	Delta %
Financial assets FVTPL	28	70	(42)	-60.00%
Italian Government bonds	706,760	498,819	207,940	41.70%
UCITS units	545,169	568,707	(23,538)	-4.10%
- of which IRF	425,494	447,279	(21,786)	-4.90%
- of which Back2Bonis	89,513	90,847	(1,334)	-1.50%
- of which Other UCITS	30,163	30,581	(418)	-1.40%
Shares and capital instruments	24,118	26,075	(1,957)	-7.50%
Notes Fucino	-	29,332	(29,332)	-100.00%
Loans to customers valued at fair value	52,896	58,914	(6,018)	-10.20%
Total financial assets	**1,328,971**	**1,181,918**	**147,053**	**12.40%**

The UCITS units are down by 4.1% and are mainly composed of:

- *Italian Recovery Fund* of EUR 425.5 million, down compared to December 2021 due to the partial redemption in the amount of EUR 14.7 million and the write-down of the equity investment in the amount of EUR 7.1 million calculated in accordance with the company's fair value policy;
- *Back2Bonis* in the amount of EUR 89.5 million, down due to the redemption in 2022 of EUR 2.7 million, partially offset by the revaluation of the equity investment of EUR 1.3 million;
- *Other UCITS* for EUR 30.2 consisting essentially of the units in the Sansedoni Fund and the Efesto Fund. AMCO's participation in these funds originated from the contribution of credit positions previously held by the Company;

Receivables that do not meet the criteria for recognition among assets measured at amortised cost amount to EUR 52.9 million, down by 10.2%.

Property, plant and equipment and intangible assets amounted to EUR 32.4 million and increased by EUR 3.2 million compared to December 2021 mainly due to the recognition in the financial statements of the properties purchased through REOCO.

Tax assets amounted to EUR 216.0 million, down by 8% compared to December 2021 mainly due to the use of nominal tax positions and DTA on losses recognised as at 31 December 2021.

Other assets amounted to EUR 36.8 million, an increase of 38% due to the physiological trend of interim items in progress and to prepaid expenses.

Payables to third parties amounted to EUR 3,653 million, in line with the December 2021 figure.

Shareholders' equity amounted to EUR 2,356 million, substantially in line with the December 2021 figure.

Key balance sheet indicators 30 June 2022

Item (Data EUR/000) - %	30/06/2022	31/12/2021	Delta%/bps
Regulatory capital	2,346	2,361	-0.6%
Risk-weighted assets	6,484	6,768	-4.2%
CET 1	**36.2%**	**34.9%**	**1.3%**
Total Capital Ratio	**36.2%**	**34.9%**	**1.3%**

AMCO confirms the solidity of its balance sheet with a Total Capital Ratio of 36.2%, well above regulatory requirements (8%) and the end-of-2021 value (34.9%), mainly due to the decrease in risk-weighted assets (RWA).

Business development

Portfolio purchase transactions

During the first half of 2022, AMCO's assets under management amounted to over EUR 32.6 billion as a result of both the acquisition of new portfolios and the development of new servicing operations.

The transactions that took place during the first half-year of 2022 are described below:

1 - Debt purchasing transactions

- On 1 February 2022, AMCO signed a contract with Banca di Credito Cooperativo di S. Marcellino in L.C.A. to purchase en bloc, pursuant to Article 58 of the Consolidated Banking Act (TUB) and without recourse, a portfolio of non-performing loans for a Gross Book Value of approximately EUR 12.9 million. The transaction was economically effective on 1 January 2022.

2 - Servicing transactions

- Regarding servicing transactions concluded during the year, in 2022, the growth of the Cuvèe transaction continued. This is a multi-originator platform to manage loans classified as unlikely to pay deriving from loans and credit facilities with a different nature granted to companies operating in the property sector, now extended to include Real Estate lease positions.
- The scheme of the transaction foresees that against the contribution of the credits in the vehicle Ampre SPV S.r.l. (of which AMCO is Master and Special Servicer), the transferors will be assigned the units of the fund named "*Back2bonis*", which owns the notes of the securitisation vehicle.
- On 11 April 2022, an additional EUR 1,039 million of Gross Book Value was transferred by Intesa Sanpaolo. Following these contributions, the assets managed by the Cuvèe platform exceed EUR 2.2 billion.

AMCO debt structure

The debt structure does not show any changes compared to the situation as at 31 December 2021.

Therefore, as at 30 June 2022 the composition of AMCO's debt, totally senior unsecured, is as follows:

ISIN	Description	Nominal	Coupon	Maturity	Price 30/06/2022	Rating
XS1951095329	AMCOSP 2 5/8 02/13/24	250,000,000	2.63%	13/02/2024	101.423	BBB
XS2063246198	AMCOSP 1 3/8 01/27/25	600,000,000	1.38%	27/01/2025	97.788	BBB
XS2206380573	AMCOSP 1 1/2 07/17/23	1,250,000,000	1.50%	17/07/2023	100.401	BBB
XS2206379567	AMCOSP 2 1/4 07/17/27	750,000,000	2.25%	17/07/2027	96.051	BBB
XS2332980932	AMCOSP 0 3/4 04/20/28	750,000,000	0.75%	20/04/2028	86.512	BBB

Business outlook

AMCO continues to pursue the objectives of the 2020-2025 Strategic Plan, confirming its willingness to further increase its assets under management, seizing the opportunities that the market will offer, considering a macroeconomic scenario that provides for an increase in NPE flows mainly concentrated in the two-year period 2022-2023.

In this direction, AMCO, on 1 July 2022, signed an agreement with the Intesa Sanpaolo Group to purchase EUR 1.4 billion (gross value) of non-performing real estate leasing receivables and a portfolio of single name UTPs with a gross value of EUR 120 million. Moreover, in August 2022 two binding agreements were signed with a leading Italian banking group and a leading Italian financial intermediary and for the purchase of non-performing loans for a total of respectively EUR 208 million and EUR 2.6 billion. The completion of this transactions is expected in the last part of 2022.

The continuous evolution of AMCO's business model is also confirmed, remaining focused on maximising collections, also by enhancing the value of the assets used as collateral, in particular on non-performing loans, while for UTP loans the strategy is aimed at maintaining business continuity and supporting virtuous companies, including through the provision of new financing, enabling them to normalise their financial situation and fully repay their debt. From January 2022 AMCO has set up the Special Partnership & Servicing division whose mission is to manage relations with the Special Servicers to which AMCO entrusts part of its practices and to coordinate activities with operators involved in partnership operations (e.g. multioriginator platforms).

Information on the effects of the Covid-19 pandemic

In the first half of 2022, the Company continued the initiatives already put in place from the start of the pandemic to safeguard the health of all stakeholders and to ensure operational continuity.

In the first half of 2022, thanks to the easing of the health emergency also following the success of the vaccination campaign, there were no particular impacts on AMCO's operations and business.

With regard to employees, the use of remote working on a large scale has been confirmed for all employees of the Company, still allowing the possibility of access to the AMCO offices in compliance with the regulations and providing for appropriate safeguards to protect the health of employees and the community. With these purposes, the periodic rotation system has been maintained, aimed at guaranteeing an occupation of the spaces consistent with the regulations and indications of the competent doctors. Furthermore, on a weekly basis, during the first access phase, all employees are subjected to an antigenic test and are equipped with individual protection tools (masks and sanitising gel).

Particular attention continues to be paid to people in fragile situations, with current or previous conditions potentially more susceptible to infection and/or possible complications in relation to Covid-19. These individuals are personally supported by the competent doctors and have been asked to remain remotely operational for the entire period of the health emergency.

Impact for AMCO of the military conflict between Russia and Ukraine

Compared to Russia's invasion of Ukraine, there is no direct impact for AMCO as it has no direct or indirect exposure to those countries.

However, it is undeniable that the events described above represent elements of uncertainty, which could cause a marked slowdown in the recovery as early as the end of 2022. The combined effect of the macroeconomic situation and the type of AMCO's customers required a careful assessment of certain balance sheet items that, by their nature, are more exposed to general economic trends; in particular, reference is made to loans to customers and financial companies, the fair value of financial assets attributable to non-performing loans and deferred tax assets.

A possible worsening of the macroeconomic forecasts could imply a revision of the estimates of expected cash flows, or of other parameters, which are not foreseeable at the moment, and adjustments in the book values of the assets or in the need to allocate specific provisions for future risks and charges. In addition, the fair value of property securing loans and financial instruments that are not quoted in an active market incorporates a high degree of uncertainty as how this fair value may evolve in the future and whether the assets can be sold at estimated prices.

RATING

On 27 April 2022, Fitch Ratings confirmed the LTIDR as BBB with Stable Outlook, and the Short-Term Foreign Currency IDR as F2.

On 28 July 2022, Standard & Poor's ("S&P") confirmed AMCO's Investment Grade rating, with the Long-Term Issuer Credit Rating at 'BBB'. In addition, S&P has changed the outlook to Stable from Positive, in line with that of the Italian government. S&P considers AMCO a government-related entity with an almost certain probability of financial support from the Italian government, so it aligns AMCO's Long-Term rating with that assigned to Italy.

On 2 August 2022, Fitch Rating confirmed AMCO's commercial, residential and asset-backed special servicer, to ‘CSS2’, ‘RSS2’ and ‘ABSS2’. Fitch refers to AMCO's demonstrated strong capabilities in servicing, a stable operational track record and a targeted growth strategy, supported by future investments in personnel and technology to support portfolio growth. In addition, the Agency has positively assessed the creation of the Special Partnerships & Services (SP&S) division as well as the development of a new interactive platform that guarantees data consistency and makes improvements to quality controls and reporting.

RELATED-PARTY TRANSACTIONS

AMCO wholly owns the Company AMCO - Asset Management Co. S.r.l., a Romanian registered company dealing with the management of non-performing loans to Romanian residents, held by the Veneto Group Segregated Estate. The Company was put into liquidation in 2021 and during the first half of 2022 there was a contract in place referring to the servicing activity, against which commission expenses of EUR 40 thousand were recognised.

Other financial transactions carried out with investee companies of the Ministry of Economy and Finance, conducted on an arm's length basis, relate to current account relationships with Monte Paschi di Siena S.p.A. and Poste Italiane, in addition to the transaction concluded with the counterparty Quadrifoglio Brescia S.p.A. in liquidation and the assignment to SACE SRV, which took place in the first half of 2022, in relation to the recovery of receivables from foreign debtors.

In the first half of 2022, the liquidation of the Fucino NPL's SPV vehicle was approved. It should be noted that the receivables conferred in the Vehicle were transferred to AMCO with effect from 1 March 2022 and the vehicle was subsequently put into liquidation.

GOING CONCERN

In addition to the indications already provided previously, owing to the absence of equity, financial or managerial indicators that could compromise the Company's operational capacity, there are no elements that would call into question the ability to operate on a going concern basis on a time span of 12 months.

This half-year financial report was therefore prepared on a going-concern basis.

RISKS AND UNCERTAINTIES

Considering the mission and operations, as well as the market context in which AMCO operates, risks have been identified to be assessed in the self-assessment processes (ICAAP) and which are detailed in Section 3 – Information on risks and on relevant hedging policies in the Notes to the financial statements to which reference is made.

The main uncertainties, given the company business, are essentially linked to the macroeconomic situation, which could have repercussions on the general economic performance and therefore on the ability of debtors to repay their exposures.

The macroeconomic context shows signs and prospects of recovery after the difficulties experienced due to the Covid-19 pandemic; however, there are still elements of uncertainty linked to the effect of the inflation dynamics on the economy that also take place in the eurozone and the consequent response of central banks in terms of normalisation of the monetary policy.

In addition to the above, the recent developments in the situation in Eastern Europe have led to geopolitical tensions on a larger scale, the impacts of which cannot be estimated. However, albeit in a currently fluid context, the main risk factors to be considered are a possible (further) upward impact on the costs of energy raw materials, as well as impacts on the macroeconomic situation (which could result in a weakening of the current recovery and tensions on the financial markets). However, it should be noted that AMCO does not hold direct or indirect exposures with Russian or Ukrainian counterparties.

These circumstances, extraordinary in their nature and extent, could have direct and indirect repercussions on the economic activity and the relative effects cannot be forecasted at present.

OTHER INFORMATION

In accordance with the provisions of paragraph 125 of Italian Law 124/2017 of 4 August 2017, it is noted that during the first half of 2022, AMCO had not received subsidies, contributions, paid positions and/or in any case economic advantages of any type from public administrations.

Pursuant to the matters laid down by Art. 2428 of the Italian Civil Code, the following information is provided:

- the Company has not carried out any research and development activities during the year;
- the Company holds 18,466 treasury shares within the limits set forth by the Italian Civil Code and does not hold shares or holdings in parent companies, neither directly nor through trust companies or third parties, nor it has purchased or sold treasury shares or holdings in parent companies, neither directly nor through trust companies or third parties.


6.

statements of accounts

BALANCE SHEET ASSETS

In Euro

	Asset items	30/06/2022	31/12/2021
10.	Cash and cash equivalents	111,522,067	151,795,953
20.	Financial assets measured at fair value through profit and loss	620,071,877	681,250,298
	a) financial assets held for trading	28,121	70,249
	b) financial assets measured at fair value	-	-
	c) other financial assets mandatorily measured at fair value	620,043,756	681,180,049
30.	Financial assets measured at fair value through other comprehensive income	708,899,199	500,668,089
40.	Financial assets measured at amortised cost	4,389,046,320	4,509,999,235
	a) loans and receivables with banks	-	3,650,714
	b) loans and receivables with financial companies	64,922,756	82,305,623
	c) loans and receivables with customers	4,324,123,564	4,424,043,075
50.	Hedging derivatives	-	-
60.	Change in value of financial assets subject to a generic hedge (+/-)	-	-
70.	Equity investments	9,826	9,826
80.	Property, plant and equipment	28,908,515	27,217,082
90.	Intangible assets	3,477,767	1,936,815
	of which goodwill	-	-
100.	Tax assets	215,995,626	234,784,749
	a) current	17,946,013	11,206,795
	b) deferred	198,049,613	223,577,954
110.	Non-current assets and groups of assets held for disposal	-	-
120.	Other assets	36,775,952	26,696,574
	Total assets	**6,114,707,149**	**6,134,358,798**

Signed by

Marina Natale
Chief Executive Officer and Manager in charge
of preparing the Company’s Financial Reports

BALANCE SHEET LIABILITIES AND SHAREHOLDERS' EQUITY

In Euro

	Liabilities and Shareholders' equity items	30/06/2022	31/12/2021
10.	Financial liabilities measured at amortised cost	3,635,415,268	3,622,913,808
	a) payables	26,141,932	26,199,452
	b) debt securities issued	3,609,273,336	3,596,714,356
20.	Financial liabilities held for trading	179,412	4,371
30.	Financial liabilities measured at fair value	-	-
40.	Hedging derivatives	-	-
50.	Change in value of financial liabilities subject to a generic hedge (+/-)	-	-
60.	Tax liabilities	3,500,592	4,103,004
	a) current	197,584	-
	b) deferred	3,303,008	4,103,004
70.	Liabilities associated to assets held for disposal	-	-
80.	Other liabilities	90,838,875	90,377,431
90.	Staff severance indemnity	455,809	555,670
100.	Provisions for risks and charges:	18,613,199	22,394,194
	a) commitments and guarantees issued	-	-
	b) pensions and similar obligations	167,261	129,804
	c) other provisions for risks and charges	18,445,938	22,264,390
110.	Share capital	655,153,674	655,153,674
120.	Treasury shares (-)	(72,294)	(72,294)
130.	Equity instruments	-	-
140.	Share premiums	604,552,228	604,552,228
150.	Reserves	1,148,474,308	1,567,785,338
160.	Valuation reserves	(51,995,511)	(14,097,595)
170.	Profit (loss) for the period	9,591,589	(419,311,031)
	Total liabilities and shareholders' equity	**6,114,707,149**	**6,134,358,798**

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Marina Natale
Chief Executive Officer and Manager in charge
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INCOME STATEMENT

In Euro

	Items	30/06/2022	30/06/2021
10.	Interest and similar income	100,501,782	93,168,611
	of which: net interest income calculated with the effective interest method	99,420,845	92,342,189
20.	Interest and similar expenses	(33,057,572)	(43,005,054)
30.	**Interest margin**	**67,444,210**	**50,163,557**
40.	Fee and commission income	23,606,375	24,560,737
50.	Fee and commission expense	(53,830)	(395,212)
60.	**Net fees and commissions**	**23,552,545**	**24,165,525**
70.	Dividends and similar revenues	838,515	471,794
80.	Trading activity net result	15,786,233	5,294,509
90.	Hedging activity net result	-	-
100.	Profit (loss) on sale/repurchase of:	-	134,177
	a) financial assets measured at amortised cost	-	-
	b) financial assets measured at fair value through other comprehensive income	-	134,177
	c) financial liabilities	-	-
110.	Net result of other financial assets and liabilities measured at fair value through profit and loss	(7,639,273)	11,789,079
	a) financial assets and liabilities measured at fair value	-	-
	b) other financial assets mandatorily measured at fair value	(7,639,273)	11,789,079
120.	**Brokerage margin**	**99,982,230**	**92,018,641**
130.	Net value adjustments/reversals for credit risk of:	(16,218,956)	21,875,461
	a) financial assets measured at amortised cost	(15,779,920)	22,387,922
	b) financial assets measured at fair value through other comprehensive income	(439,036)	(512,461)
140.	Profit/loss from contractual amendments without cancellation	-	-
150.	**Net result of financial management**	**83,763,274**	**113,894,102**
160.	Administrative expenses:	(64,248,584)	(55,033,119)
	a) staff costs	(19,446,293)	(19,443,320)
	b) other administrative expenses	(44,802,291)	(35,589,799)
170.	Net provisions for risks and charges	(128,123)	825,166
	a) commitments and guarantees issued	-	-
	b) other net provisions	(128,123)	825,166
180.	Net value adjustments/reversals on property, plant and equipment	(1,769,339)	(931,037)
190.	Net value adjustments/reversals on intangible assets	(377,559)	(357,443)
200.	Other operating income and expenses	(1,681,083)	(7,190,695)
210.	**Operational costs**	**(68,204,688)**	**(62,687,128)**
220.	Net gains (losses) on equity investments	-	-
230.	Net result of the measurement at fair value of property, plant and equipment and intangible assets	-	-
240.	Vale adjustments on goodwill	-	-
250.	Profit (loss) on disposal of investments	-	-
260.	**Profit (loss) of current operating activities before taxes**	**15,558,586**	**51,206,974**
270.	Income taxes for the period on current operations	(5,966,997)	(15,377,188)
280.	**Profit (loss) of current operations after taxes**	**9,591,589**	**35,829,786**
290.	Profit (loss) from discontinued operations after taxes	-	-
300.	**Profit (loss) for the period**	**9,591,589**	**35,829,786**

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Marina Natale
Chief Executive Officer and Manager in charge
of preparing the Company’s Financial Reports

STATEMENT OF COMPREHENSIVE INCOME

In Euro

	Items	30/06/2022	30/06/2021
10.	**Profit (loss) for the period**	**9,591,589**	**35,829,786**
	Other income components net of taxes without reversal to the income statement	-	-
20.	Equity securities measured at fair value through other comprehensive income	188,540	1,893,273
30.	Financial liabilities measured at fair value through profit and loss (change in its creditworthiness)	-	-
40.	Hedging of equity securities measured at fair value through other comprehensive income	-	-
50.	Property, plant and equipment	-	-
60.	Intangible assets	-	-
70.	Defined-benefit plans	56,029	17,229
80.	Non-current assets and groups of assets held for disposal	-	-
90.	Share of equity investment valuation reserve valued at shareholders' equity	-	-
	Other income components net of taxes with reversal to the income statement	-	-
100.	Hedging of foreign investments	-	-
110.	Currency exchange differences	-	-
120.	Hedging of financial flows	-	-
130.	Hedging instruments (non-designated elements)	-	-
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	(38,142,484)	324,518
150.	Non-current assets and groups of assets held for disposal	-	-
160.	Share of equity investment valuation reserve valued at shareholders' equity	-	-
170.	**Total other income components net of taxes**	**(37,897,915)**	**2,235,021**
180.	**Other comprehensive income (Items 10+170)**	**(28,306,326)**	**38,064,807**

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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY - 2022 PERIOD

In Euro

				Changes for the period									
				Allocation of previous year profit (loss)			Transactions on shareholders' equity						
	Balance as at 31/12/2021	Amendment of opening balances	Balance as at 01/01/2022	Reserves	Dividends and other distributions	Change in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Other changes	Comprehensive income for the period	Shareholders' equity as at 30/06/2022
Capital:													
a) ordinary shares	600,000,000	-	600,000,000										**600,000,000**
b) other shares	55,153,674	-	55,153,674										**55,153,674**
Share premiums	604,552,228	-	604,552,228										**604,552,228**
Reserves:	**1,567,785,338**	**-**	**1,567,785,338**										**1,148,474,307**
a) from profits	891,996,440	-	891,996,440										**891,996,440**
b) others	675,788,898	-	675,788,898	(419,311,031)									**256,477,867**
Valuation reserves	(14,097,595)	-	(14,097,595)									(37,897,915)	**(51,995,510)**
Equity instruments	-	-	-										**-**
Treasury shares	(72,294)	-	(72,294)										**(72,294)**
Profit (loss) for the period	(419,311,031)	-	(419,311,031)	419,311,031								9,591,589	**9,591,589**
Shareholders' equity	**2,394,010,320**	**-**	**2,394,010,320**	**-**								**(28,306,326)**	**2,365,703,994**

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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY - 2021 PERIOD

In Euro

	Balance as at 31/12/2020	Amendment of opening balances	Balance as at 01/01/2021	Allocation of previous year profit (loss)		Changes for the period								
							Transactions on shareholders' equity						
				Reserves	Dividends and other distributions	Change in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Other changes	Comprehensive income for the period	Shareholders' equity as at 30/06/2022
Capital:													
a) ordinary shares	600,000,000		600,000,000										**600,000,000**
b) other shares	55,153,674		55,153,674				-						**55,153,674**
Share premiums	604,552,228		604,552,228				-						**604,552,228**
Reserves:	**1,494,742,475**		1,494,742,475										**1,567,785,338**
a) from profits	818,906,492		818,906,492	74,800,684		(1,710,736)							**891,996,440**
b) others	675,835,983		675,835,983			(47,085)							**675,788,898**
Valuation reserves	(9,903,446)		(9,903,446)									2,235,021	**(7,668,425)**
Equity instruments	-		-										
Treasury shares	(70,067)		(70,067)					(2,227)					**(72,294)**
Profit (loss) for the period	74,800,684		74,800,684	(74,800,684)								35,829,786	**(35,829,786)**
Shareholders' equity	**2,819,275,548**		**2,819,275,548**			**(1,757,821)**	**-**	**(2,227)**				**38,064,807**	**2,855,580,307**

Signed by

Marina Natale
Chief Executive Officer and Manager in charge of preparing the Company's Financial Reports

STATEMENT OF CASH FLOWS - Direct method

In Euro

A. Operating activities	30/06/2022	30/06/2021
1. Management	**22,644,514**	**15,393,944**
Interest income received (+)	78,124,985	75,573,703
Interest expenses paid (-)	(20,498,591)	(31,674,827)
Dividends and similar revenues (+)	838,515	471,794
Net fees and commissions (+/-)	23,552,545	28,061,838
Staff costs (-)	(19,446,293)	(19,443,320)
Other costs (-)	(44,802,291)	(39,484,708)
Other revenues (+)	4,875,645	4,262,275
Duties and taxes (-)	-	(2,372,810)
Costs/revenues relating to groups of assets held for sale and net of tax effect (+/-)	-	-
2. Cash flow generated/absorbed by financial assets	**(51,513,199)**	**177,449,060**
Financial assets held for trading	42,128	97,632
Financial assets measured at fair value	-	-
Other assets mandatorily measured at fair value	53,497,020	10,229,474
Financial assets measured at fair value through other comprehensive income	(246,624,090)	(346,636,182)
Financial assets measured at amortised cost	143,336,025	510,983,606
Other assets	(1,764,282)	2,774,530
3. Cash flow generated/absorbed by financial liabilities	**(6,025,919)**	**(259,188,123)**
Financial liabilities measured at amortised cost	(57,521)	(206,448,619)
Financial liabilities held for trading	175,041	1,545
Financial liabilities measured at fair value	-	-
Other liabilities	(6,143,440)	(52,741,049)
Net cash flow generated/absorbed by operating activities	**(34,894,604)**	**(66,345,119)**
B. Investment activities		
1. Cash flow generated by	**-**	**-**
Sales of equity investments	-	-
Collected dividends on equity investments	-	-
Sales of property, plant and equipment	-	-
Sales of intangible assets	-	-
Sales of company business units	-	-
2. Cash flow absorbed by	**(5,379,283)**	**(770,727)**
Purchases of equity investments	-	-
Purchases of property, plant and equipment	(3,460,772)	(69,121)
Purchases of intangible assets	(1,918,511)	(701,606)
Purchases of company business units	-	-
Net cash flow generated/absorbed by investment activities	**(5,379,283)**	**(770,727)**
C. Funding activities		
Issues/purchases of treasury shares	-	(2,227)
Issues/purchases of equity instruments	-	-
Dividend distribution and other purposes	-	-
Net cash flow generated/absorbed by funding activities	**-**	**(2,227)**
Total net cash flow generated/absorbed in the period	**(40,273,887)**	**(67,118,073)**

Signed by

Marina Natale
Chief Executive Officer and Manager in charge
of preparing the Company's Financial Reports

RECONCILIATION

In Euro

Reconciliation	30/06/2022	30/06/2021
Cash and cash equivalents at the beginning of the period	**151,795,953**	**243,031,818**
Total net cash flow generated/absorbed in the period	(40,273,887)	(67,118,073)
Cash and cash equivalents: foreign exchange effect	-	-
Cash and cash equivalents at the end of the period	**111,522,067**	**175,913,745**

Signed by

Marina Natale
Chief Executive Officer and Manager in charge of preparing the Company's Financial Reports

7.

explanatory notes

PART A – ACCOUNTING POLICIES

A.1 - GENERAL PART

Section 1 – Statement of compliance with international accounting standards

This half-yearly financial report of AMCO S.p.A. as at 30 June 2022 was drawn up in compliance with the International Account Standards (IAS) and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as well as the relative interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Commission on 30 June 2022 in accordance with the requirements of Regulation (EU) No 1606/2002.

For the preparation of this report, reference was also made to what was established by the Banca d'Italia in the Provisions relating to "the Financial Statements of IFRS Intermediaries other than Banking Intermediaries", issued with Measure of 29 October 2021, which fully replace those of 30 November 2018. Furthermore, where applicable, the information requested by the Banca d'Italia with the communication dated 21 December 2021 - Update of the additions to provisions of the Measure "The financial statements of IFRS intermediaries other than banking intermediaries" concerning the impacts of Covid-19 and measures to support the economy - was provided.

Finally, the provisions contained were adopted:

- in paragraph “2. Disclosure required by IFRS 7 connected with the reform of the benchmarks” of the provisions attached to the communication of 21 December 2021 - Update of the additions to provisions of the Measure "The financial statements of IFRS intermediaries other than banking intermediaries" concerning the impacts of Covid-19 and measures to support the economy;
- in paragraph “1. Transfers of financial assets" of the communication of 23 December 2019 - Financial statements of banking and financial intermediaries closed or in progress as at 31 December 2019.

Based on the provisions of IAS 34 par. 10, AMCO has availed itself of the right to prepare a summary report for the half-yearly financial report; the Half-Yearly Financial Statements are therefore composed of the Financial Statements and the Explanatory Notes.

In the preparation of the half-yearly financial report, the IAS/IFRS standards adopted and effective as at 30 June 2022 were applied (including the SIC and IFRIC interpretative documents), without any derogation to their application.

1.1 - IFRS accounting standards, amendments and interpretations applied as from 2022

The accounting standards, amendments and IFRS interpretations applicable from 1 January 2022 are reported below:

- On 28 June 2021, Regulation (EU) 1080/2021 adopted the amendments to IFRS 3 ***"Reference to the Conceptual Framework"***, which aim to update the reference to the standard's Conceptual Framework, without significantly changing the requirements of IFRS 3. The amendments, which aim at greater consistency in financial reporting and at the avoidance of potential confusion from having more than one version of the Conceptual

Framework in use, are applicable as of 1 January 2022 and have no particular impact on this half-yearly financial report.

- On 28 June 2021, Regulation (EU) 1080/2021 adopted the amendments to IAS 16 "***Property, Plant and Equipment: Proceeds before intended use***", aimed at defining the correct recognition in the income statement of income deriving from the sale of goods produced by an asset before it is ready for use, together with the relative production costs. The amendments also have the purpose of not allowing the amount received from the sale of goods produced in the test phase of the activity to be deducted from the cost of property, plant and equipment. These sales revenues and the related costs will therefore be recognised in the income statement. The amendments are applicable starting from 1 January 2022 and have not had any effects on this half-yearly financial report, as the conditions for their application are not present.
- On 28 June 2021, Regulation (EU) 1080/2021 adopted the amendments to IAS 37 "***Onerous Contracts - Cost of Fulfilling a Contract***", designed to provide clarification on how to determine the onerousness of a contract, as well as indicate which items to consider when assessing whether a contract is loss-making. Consequently, the evaluation of the possible cost of a contract includes not only the incremental costs, but also all the costs that the company cannot avoid because it has entered into the contract. The amendments are applicable starting from 1 January 2022 and have not had any effects on this half-yearly financial report.
- On 28 June 2021, Regulation (EU) 1080/2021 adopted the amendments contained in the document "*Annual Improvements to IFRS Standards 2018 - 2020 Cycle*" to IFRS 1, IFRS 9, IAS 41 and the Illustrative Examples of IFRS 16. The amendments, essentially of a technical nature and with the aim of better clarifying some aspects governed by the applicable standards, are effective starting from 1 January 2022 and have not had substantial effects on this half-yearly financial report.

1.2 - Accounting standards, amendments and IFRS and IFRIC interpretations approved by the European Union, not yet mandatorily applicable and not adopted in advance by the Company as at 30 June 2022

- On 2 March 2022, Regulation (EU) 2022/357 implemented the changes contained in the document ***"Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2"***, aimed at improving the disclosure on accounting policies, so as to provide more useful information to readers of the financial statements. The amendments take effect on 1 January 2023; however, earlier application is permitted. Directors do not expect the adoption of this amendment to have a significant effect on the AMCO's financial statements.
- On 2 March 2022, Regulation (EU) 2022/357 implemented the changes contained in the document ***"Definition of Accounting Estimates - Amendments to IAS 8"*** and aimed at helping companies to differentiate changes in accounting estimates from changes in accounting policies. The amendments take effect on 1 January 2023; however, earlier application is permitted. Directors do not expect the adoption of this amendment to have a significant effect on the AMCO's financial statements.
- On 19 November 2021, Regulation (EU) 2036/2021 implemented the new ***IFRS 17 - Insurance Contracts*** standard issued by the IASB, intended to replace IFRS 4 - Insurance Contracts. The objective of the new standard is to guarantee that an entity provides pertinent information which faithfully represents the rights and obligations deriving from insurance contracts issued. The standard is applicable from 1 January 2023 but early application is permitted only for entities that apply *IFRS 9 – Financial Instruments* and *IFRS 15 – Revenue*

from Contracts with Customers. No impacts are expected on the AMCO's financial statements as the conditions for the application of the new standard are not present.

1.3 - Accounting standards, amendments and IFRS interpretations not yet adopted by the European Union

At the reference date for this half-yearly financial report, the competent bodies of the European Union have not yet completed the approval process necessary for the adoption of the amendments and standards described below.

- On 23 January 2020, the IASB published the document "***Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current***". The purpose of the document is to clarify how to classify payables and other short-term or long-term liabilities. The changes are expected to take effect from 1 January 2023, although the Board has proposed to postpone the application of the same to 1 January 2024. Directors do not expect the adoption of this amendment to have a significant effect on the AMCO's financial statements.
- In May 2021 the IASB published the document ***"Amendments to IAS 12 - Income taxes"*** to specify how companies shall account for the deferred tax on transactions such as leases and dismantling obligations. In particular, it is clarified that the exemption provided by the standard does not apply and that companies are required to recognise the deferred tax on such transactions. The amendments will apply from 1 January 2023, but earlier application is permitted. From the application of this amendment, the Directors do not expect any significant impact on AMCO's financial statements.
- On 9 December 2021, the IASB published an amendment called "***Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information***". The amendment is a transition option relating to comparative information on financial assets presented at the date of initial application of IFRS 17. The amendment is aimed at avoiding temporary accounting mismatches between financial assets and liabilities of insurance contracts, and therefore at improving the usefulness of comparative information for readers of the financial statements. The amendments will apply from 1 January 2023, together with the application of IFRS 17. No impacts are expected on the AMCO's financial statements as the conditions for the application of the new standard are not present.

Section 2 – Basis of preparation

The accounting policies adopted for the preparation of this half-yearly financial report, with respect to the classification, recognition, measurement and de-recognition of financial assets and liabilities have remained unchanged from those adopted for the preparation of the 2021 Financial Statements.

With reference to the principle of going concern, this Half-Year Financial Report is prepared on a going-concern basis.

This half-yearly financial report corresponds to the Company's accounting records.

In compliance with the provisions of Article 5 of Italian Legislative Decree 38/2005, this half-yearly financial report is prepared using the euro as the reporting currency. The amounts in the financial statements are expressed in Euro, while in the notes to the financial statements they are expressed in thousands of Euro.

The statement of cash flows for the reference period and for the previous one was prepared using the direct method.

Section 3 - Events subsequent to the reference date of the half-yearly financial report

With specific reference to the provisions of IAS 10, it is advised that after 30 June 2022, the reference date of the half-yearly financial report, and to its approval date by the Board of Directors, no events have occurred such as to require an adjustment of the values included therein.

As already indicated in the Report on Operations, the macroeconomic context shows signs and prospects of recovery after the difficulties experienced due to the Covid-19 pandemic; however, there are still elements of uncertainty linked to the effect of the inflation dynamics on the economy that also take place in the eurozone and the consequent response of central banks in terms of normalisation of the monetary policy. In addition to this are the recent geopolitical tensions in Eastern Europe, which could determine a further upward impact on the costs of energy raw materials that would translate into a weakening of the recovery underway. These circumstances, extraordinary in nature and extent, could have direct and indirect repercussions on economic activity and therefore impact on the Company's future recoveries and, consequently, on its profitability.

In addition, the following events took place:

- on 14 July 2022, the acquisition of a portfolio with a gross value of EUR 3.5 million was completed;
- in July 2022, the acquisition of a portfolio of non-performing leasing loans from a leading Italian banking group for a total of EUR 1.4 billion in gross book value was completed; the transaction was subject to authorisation by Banca d'Italia;
- in July 2022, the acquisition of a single name UTP portfolio from a leading Italian banking group was finalised for a gross value of EUR 120 million;
- in August 2022 a binding agreement was signed with a leading Italian financial intermediary for the purchase of a portfolio of non-performing loans worth EUR 2.6 billion; the transaction was subject to authorisation by Banca d'Italia;
- in August 2022 a binding agreement was signed with a leading Italian banking group for the purchase of non-performing loans for a total of EUR 208 million;
- on 1 August 2022 the Italian Tax Regulator ("Agenzia delle Entrate") published the Circular no. 31 concerning "Clarifications on the reporting of tax positions in demerge transactions - Article 173, paragraph 10, of the TUIR". The document provides new guidelines on the transfer of tax positions regarding the reporting to the beneficiary company of tax losses, interest expenses and fiscal benefits relating to the Economic Growth Aid (ACE), overcoming the previous orientation expressed in the Circular of 9 March 2010, n.9 / E. The first analysis conducted by AMCO do not foresee significant impacts on the deferred tax assets accounted following the non-proportional demerge with Banca MPS carried out in 2020 (the so-called "Hydra M" transaction). However, further deepening is underway to seek possible effects on the off-balance nominal positions transferred in the aforementioned demerge operation.

Section 4 - Other aspects

4.1 - Use of estimates and assumptions in preparing the half-yearly financial report

The preparation of the half-yearly financial report requires the recourse to estimates and assumptions that may determine significant effects on the values recognised in the balance sheet and in the income statement, as well as the information provided in the financial statements. The preparation of these estimates involves the use of available information and the adoption of subjective assessments, based also on past experience, in order to formulate reasonable assumptions for the recognition of operational transactions. By their nature estimates and assumptions used may vary from year to year and, therefore, it cannot be excluded that in future financial years the current values recognised could vary due to the change in the subjective valuations used. The main cases where subjective estimates and assessments are used include:

- the quantification of impairment of receivables and, in general, of other financial assets;
- the determination of fair value of financial instruments to be used for the purposes of the information provided in the financial statements;
- the use of valuation models for the recognition of fair value of financial instruments unlisted in active markets;
- the definition of recovery plans for both the "POCI" and "non-POCI" receivables and receivables measured at amortised cost;
- the quantification of personnel provisions and provisions for risks and charges;
- estimates and assumptions on the recoverability of deferred tax assets.

The description of the accounting policies applied on the main financial statement aggregates provides additional information on the subjective assumptions and assessments used in the preparation of this half-yearly financial report. Lastly, it is noted that the parameters and the information used for the verification of the values referred to in the previous paragraphs are, therefore, influenced by the particularly uncertain macroeconomic and market scenario, which could undertake rapid changes that cannot be predicted at this point, with consequent effects on the financial statements values.

4.2 - Other

Veneto Group and Vicenza Group Segregated Estates

As reported in the introduction to the Report on Operations, in 2018 AMCO acquired the portfolios of non-performing loans and other assets linked with Banca Popolare di Vicenza in LCA and Veneto Banca in LCA, assigning them to Segregated Estates, whose statement must be prepared in compliance with international accounting standards.

The adoption of International accounting standards for the preparation of separate statements for Segregated Estates requires that, in application of the IFRS 9 accounting standard, an analysis of the derecognition of assets must be carried out by the transferor, assuming that it prepares financial statements in accordance with IAS/IFRS standards (even when this is not the case), in order to check if the conditions for the recognition of the assets by the Segregated Estates transferee apply. The analyses carried out on the two separate Veneto Group and Vicenza Group Segregated Estates have considered the following scenarios:

- estimate of the net future financial flows of loans in the hypothesis of the existent transfer contracts;

- estimate of the net future financial flows of loans in the hypothesis that there has not been a transfer of assets by the LCAs but in the hypothesis of adoption of the same business model on the part of the LCAs;
- estimate of the net future financial flows of loans in the hypothesis that there has not been a transfer of assets by the LCAs but in the hypothesis of adoption of a different business model and pricing of the activities of master and special servicing with respect to the two previous hypotheses.

From the analysis carried out on the basis of cash flows expected by the acquired loans it has emerged that in all the hypotheses described above, not only the cumulative incidence of the commission components is considerably below 10% (parameter used for the derecognition), but the variability between the hypothesis of transfer to AMCO Segregated Estates and the hypotheses in which this did not occur (both maintaining the same management business model – nevertheless shared with the LCAs, and in hypothesis of an alternative one) is essentially nil.

On the basis of these assumptions, AMCO has not essentially acquired all the risks and benefits of the ownership of the acquired financial assets and, in consequence, the requirements in the provisions of IFRS 9 for the accounting recognition of the financial asset in the financial statements have not been met.

As the holder of Segregated Estates, even though not a direct beneficiary of the results of assets and liabilities, the Company is required to provide adequate disclosure in its financial statements/reports, in accordance with the requirements of accounting standard IFRS 12 “Disclosure of interests in other entities”. In more detail, for the purposes of the information be supplied, it has been assessed that:

- AMCO is not required to consolidate the Segregated Estates, nor can these be considered joint ventures with the Company;
- AMCO does not have a direct or indirect equity investment in the Segregated Estates, which cannot therefore be considered to be equity investments in non-consolidated structured entities;
- the constitution of two Segregated Estates, in order to pursue the specific statutory safeguards offered by this institution, and the existence of an ongoing management contract between them and AMCO ensures that the relationship between the Company and the Segregated Estates falls within the cases of sponsorship envisaged by IFRS 12. Therefore, the disclosure obligations are those defined by IFRS 12.27. This need for information was resolved in the Report on Operations and in the Explanatory Notes to which reference is made.

The half-yearly report of the Segregated Estates was not prepared as the separate report is attached to the financial statements on an annual basis, pursuant to Art. 2447-septies of the Italian Civil Code. Please refer to the 2021 Financial Statements for the Reports of Segregated Estates as at 31 December 2021.

Risks, uncertainties and impacts of the Covid-19 epidemic

Although there are signs of economic recovery and macroeconomic forecasts are positive, there are still elements of uncertainty, which could cause a slowdown in the recovery. The combined effect of the macroeconomic situation and the type of AMCO's customers required a careful assessment of certain balance sheet items that, by their nature, are more exposed to general economic trends; in particular, reference is made to loans to customers and financial companies, the fair value of financial assets attributable to non-performing loans and deferred tax assets.

With regard to loans and receivables with customers, specific attention was paid to the ability of so-called ‘unlikely-to-pay’ debtors to generate sufficient debt-servicing cash flows to repay AMCO's credit exposures. In order to assess the possible impacts on the valuation of the assets and on its own capital, AMCO continued what was done in 2020 and in 2021 by carrying out sensitivity analyses aimed at identifying specific situations of difficulty of the debtors.

During the preparation of the 2022 Budget and the 2022 Risk Framework, AMCO carried out a sensitivity analysis by preparing two scenarios (basic and adverse) in line with the guidelines issued by the Banca d'Italia for the purposes of self-assessment of the capital adequacy of the Company.

These analyses did not reveal any particular risks for AMCO; however, the current macroeconomic scenario is affected by a high degree of uncertainty, the outcome of which is not currently foreseeable and which may require changes in the assessments made, depending on the evolution of the pandemic, the effect of the economic policy measures implemented and the mode of economic recovery. A possible worsening of the macroeconomic forecasts could imply a revision of the estimates of expected cash flows, or of other parameters, which are not foreseeable at the moment, and adjustments in the book values of the assets or in the need to allocate specific provisions for future risks and charges. In addition, the fair value of property securing loans and financial instruments that are not quoted in an active market incorporates a high degree of uncertainty as how this fair value may evolve in the future and whether the assets can be sold at estimated prices.

Contractual changes resulting from Covid-19

1) Contractual amendments and accounting derecognition (IFRS 9)

In order to limit the long-term effects of the crisis triggered by the health emergency, the Italian government has adopted extraordinary measures to curb unemployment and support the most vulnerable sectors, which were combined with government-guaranteed bank loans to businesses and the extension of the solidarity fund for first home mortgages (the "Gasparrini Fund"). As in 2020 and 2021, also in 2022, in its ordinary operations, AMCO provided eligible individuals with the support measures provided at the national level. Without prejudice to the preservation of the company's viability, in addition to those provided for by law, AMCO has voluntarily extended extraordinary support measures to customers deemed most deserving. Please refer to the paragraph "Information on the effects of the Covid-19 pandemic" for further information.

2) Amendment of the IFRS 16 accounting standard

With reference to lease agreements, it should be noted that the practical expedient provided for by Regulation (EU) No. 1434/2020 and Regulation (EU) No. 1421/2021 was not applied, as the cases envisaged by the amendment did not occur and, specifically, the Company did not obtain a reduction in lease fees associated with Covid-19 during the first half of 2022.

Additional information relating to the reform of the benchmarks for determining interest rates

With regard to the benchmarks reform for determining interest rates, at the date of this half yearly financial report there are no significant impacts or changes in the risk management strategy, as the Company has no exposures to which the IBOR Reform applies.

A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENTS ITEMS

The measurement criteria adopted for the preparation of the financial statements in accordance with current IAS/IFRS accounting standards are illustrated below.

Cash and cash equivalents

Classification criteria

This item includes all liquid assets in legal tender currencies, as well as "on demand" loans (current accounts and/or sight deposits) with banks.

Recognition and measurement criteria

The book value of “on demand” loans, recorded at amortised cost, which is equal to its nominal value, is adjusted in order to take into account any reductions/reversals resulting from the assessment process of the related credit risk.

Such value reductions/reversals are recorded in the income statement, and conventionally classified under item "130. Net value adjustments/reversals for credit risk of: a) financial assets measured at amortised cost".

Financial assets measured at fair value through profit and loss

Classification criteria

This category includes financial assets other than those classified under financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost.

This item, in particular, can include:

- financial assets held for trading;
- financial assets measured at fair value, or financial assets so defined at the time of initial recognition and where the prerequisites apply. In this case, an entity can irrevocably designate a financial asset as measured at fair value through profit and loss at initial recognition if, and only if, by doing so it eliminates or significantly reduces a value inconsistency;
- financial assets mandatorily measured at fair value, which have not exceeded the requirements for the measurement at amortised cost.

Recognition criteria

The initial recognition of financial assets takes place on the settlement date for debt securities and for equity securities. At the time of initial recognition, financial assets measured at fair value through profit and loss are recognised at fair value, without taking into account transaction expenses or revenues directly attributable to the same instrument.

Measurement and recognition criteria of income items

Market prices are used for the determination of the fair value of financial instruments listed on an active market.

In the absence of an active market, estimation methods and commonly adopted assessment methods are used, which take into account all the risk factors related to the financial assets recognised under that item, based on market data or internal Company information.

For equity securities not quoted on an active market and derivative instruments, which have as their object such equity securities, the cost criterion is used as estimate of fair value only on a residual basis and in a limited number of circumstances, or in case of non-applicability of all the valuation methods previously mentioned, or in the presence of a wide range of possible valuations of fair value, in the context of which cost represents the most significant estimate.

Derecognition criteria

Financial assets are derecognised when the rights to contractual financial cash flows connected to them expire or when the financial asset is disposed of with the essential transfer of all risks and contractual rights connected to the ownership of the same financial assets.

Financial assets measured at fair value through other comprehensive income (FVOCI)

Classification criteria

This category includes financial assets that satisfy both of the following conditions:

- financial asset held according to a business model whose objective is achieved both through the collection of contractually anticipated financial flows and through their disposal (held to collect and sell business model);
- the contractual terms of the financial asset involve, on pre-set dates, financial flows represented exclusively by payment of capital and the interest on the amount of capital to be repaid ("SPPI test" passed).

The item also includes equity instruments not held for the purposes of trading for which, at the time of initial recognition, the option for the measurement at fair value through other comprehensive income was chosen.

In particular, this item includes:

- debt securities attributable to a held to collect and sell business model that have passed the SPPI test;
- equity investments, not qualifiable as controlling, associated or of joint control, which are not held for trading, for which the option of the measurement at fair value through other comprehensive income was chosen.

With the exception of equity securities for which no reclassification is allowed, reclassification of financial assets to other categories of financial assets is allowed except in the case where the entity modifies its own business model for the management of financial assets.

In such cases, which must absolutely be infrequent, financial assets can be reclassified from the category measured at fair value through other comprehensive income to one of the other two categories listed in IFRS 9 (Financial assets measured at amortised cost or Financial assets measured at fair value through profit and loss).

The transfer value is represented by the fair value at the time of reclassification and the effects of the reclassification apply from the date of the same.

In case of reclassification from the category in object to that at amortised cost, the cumulative profit (loss) recognised in the valuation reserve must be adjusted to the fair value of the financial asset at the date of reclassification.

However, in case of reclassification to the category of fair value through profit and loss, the cumulative profit (loss) previously recognised in the valuation reserve is reclassified from shareholders' equity to the profit (loss) for the year.

Recognition criteria

Initial recognition of financial assets takes place on the settlement date on the basis of their fair value inclusive of transaction charges/revenues directly attributable to the acquisition of the financial instrument.

Charges/revenues that are subject to reimbursement by the debtor counterpart or are classified as ordinary internal administrative costs are excluded, even though the above-mentioned characteristics might apply.

The initial fair value of the financial asset is normally equivalent to the cost incurred for its acquisition.

Measurement and recognition criteria of income items

After the initial recognition, financial assets are measured at fair value, with allocation of profit or loss deriving from the variations in fair value, with respect to the amortised cost, to a specific shareholders' equity reserve in the statement of comprehensive income until the financial asset is derecognised, or a reduction in value is not observed.

Equity instruments for which the choice has been made for classification in this category are measured at fair value and the amounts recognised under the matching entry in shareholders' equity (Statement of comprehensive income) must not subsequently be transferred to the income statement, not even in case of disposal (“OCI exemption”). The only component attributable to equity securities in question to be recognised in the income statement is represented by their relative dividends.

Fair value is determined on the basis of criteria already illustrated for Financial assets measured at fair value through profit and loss. For equity securities in this category, not quoted on an active market, the cost criterion is used as estimate of fair value only on a residual basis and in a limited number of circumstances, or in case of non-applicability of all the valuation methods previously mentioned, or in the presence of a wide range of possible valuations of fair value, in the context of which cost represents the most significant estimate.

Derecognition criteria

Financial assets are derecognised when the rights to contractual cash flows connected to them expire or when the financial asset is disposed of, with the essential transfer of all risks and contractual rights connected to the ownership of the same financial assets.

Financial assets measured at amortised cost

Classification criteria

This item includes not "on demand" loans with banks, with financial companies and with customers, which is to say all loans that require fixed or in any case determinable payments and that are not listed on an active market.

Recognition criteria

The initial recognition of financial assets takes place on the settlement date for debt securities and at the date of issue in case of loans. At the time of initial recognition financial assets are measured at fair value, inclusive of transaction expenses or revenues directly attributable to the same instrument.

Specifically, with regards to loans, the date of issue normally coincides with the date of signature of the contract. When this is not the case, at the time of signature of the contract a commitment is entered into to issue funds, which is fulfilled at the date of issue of the loan.

The recognition of the loan takes place on the basis of the fair value of the same, equal to the amount issued, or subscription price, inclusive of charges/revenues directly attributable to the individual loan and determinable from the start of the transaction even though liquidated at a later time.

Charges are excluded when, even though they have the above-mentioned characteristics, they are subject to reimbursement by the debtor counterpart of the difference between the amount issued and that reimbursable at maturity, typically attributed to charges/revenues deriving directly from a single loan.

On the other hand, with regard to assets already classified as impaired at the time of acquisition - “POCI” (Purchased or Originated Credit Impaired) - at the time of the initial recognition no provision for the coverage of losses, on condition that the expected loss is already taken into account in the fair value of the financial asset at the time of acquisition and is included in the calculation of the correct effective internal rate of the loan.

Measurement and recognition criteria of income items

After the initial recognition, loans and receivables with customers measured at amortised cost, equal to the value of first recognition increased/decreased by reimbursements of capital, value adjustments/reversals and amortisation – calculated with the effective interest rate method – of the difference between the amount issued and that repaid at maturity, typically attributed to charges/revenues deriving directly from a single loan. This criterion is not used for exposures with a duration of less than 12 months (given the non-significance of the same in this case).

The effective interest rate is the rate that discounts the flow of estimated future payments for the expected duration of the loan such as to obtain exactly the net book value at the time of first recognition, which includes both transaction charges/revenues directly attributable and payments paid or received by contracting parties. This accounting treatment, using a financial logic, allows the distribution of the economic effect of charges/revenues along the expected residual life of the loan.

Valuation criteria are strictly linked to the stage assigned to the loan, where stage 1 includes performing loans, stage 2 includes under-performing loans, or those loans where there has been a significant increase of the credit risk (“significant impairment”) compared to the initial recognition of the instrument and stage 3 includes non-performing loans, or those loans that show objective evidence of impairment. Value adjustments that are recognised in the income statement for performing loans classified as stage 1 are calculated by taking into account the loss expected in one year, while performing loans in stage 2 by taking into account the expected losses attributable to the contractually determined entire residual life of the asset (Lifetime expected loss).

Performing financial assets are subject to evaluation in function of the parameters of probability of default (PD), loss given default (LGD) and exposure at default (EAD), derived from internal historical data.

For impaired assets, the amount of loss to be recognised in the income statement is defined on the basis of a process of analytical valuation or determined by homogeneous categories and, therefore, analytically attributed to each position. Financial instruments defined as bad loans, ‘unlikely to pay’ or expired/past due by more than 90 days in accordance with the regulations of Banca d’Italia are defined as impaired assets in accordance with the IAS/IFRS and European supervisory regulations.

The expected cash flows take into account the expected recovery time and the estimated realisable value of any guarantees. With regard to the discount rate of estimated future cash flows in expected repayment schedules of non-performing exposures of the former Banco di Napoli, taking into account the Company's specific operating characteristics and since the original effective rate would have been excessively costly to find, the interest rate applied to the loans outstanding with Banco di Napoli is used, in that it expresses an average representation of the charges related to the non-return on the portfolio of managed loans and receivables.

Should the reasons for the impairment be removed following an event occurring after the recognition of the same, reversals are carried out with allocation to the Income Statement. The reversal cannot in any case exceed the amortised cost that the loan would have in the absence of previous value adjustments. Reversals of impairment linked to the passing of time contribute to the generation of interest margin. The amortised cost corresponds to the nominal value.

With regard to POCI financial assets, the income component in terms of interest income is recognised by calculating an effective credit-adjusted interest rate defined by estimating future cash flows in consideration of all the contractual terms and the expected credit losses. The credit adjusted effective interest rate is calculated at the time of the initial recognition and it is the rate that precisely discounts estimated future cash flows, making their sum equivalent to the value of initial recognition of the asset inclusive of transaction costs.

Derecognition criteria

Loans are derecognised when they are deemed to be definitely unrecoverable or in case of disposal, if this involves the essential transfer of all risks and benefits connected to the same loans.

Property, plant and equipment

Classification criteria

Property, plant and equipment include all assets used in the company's operations that are expected to be used for more than one period.

This item also includes property, plant and equipment governed by IAS 2 - Inventories, i.e. assets deriving from the enforcement of guarantees or from the purchase at auction or unassigned assets linked to terminated lease agreements which the Company intends to sell in the near future.

The same item also includes, separately from the previous categories, property deriving from the enforcement of guarantees or the purchase at auction, held by the Company for investment purposes, governed by IAS 40.

Finally, rights of use acquired through leases and governed by IFRS 16 are included.

Recognition and measurement criteria

Property, plant and equipment are initially recognised at cost, which includes, in addition to the purchase price, any accessory costs directly attributable to the purchase and putting into operation of the asset.

Subsequently, functional property, plant and equipment are measured at cost, less depreciation and any impairment losses, which are recognised in the Income Statement.

Assets recognised as Inventories are valued after purchase at the lower of cost and net realisable value, which is estimated on the basis of the market and the specific characteristics of the asset. The difference between cost and realisable value is charged to the Income Statement.

Property held for investment purposes should be valued, subsequent to purchase, using the fair value method.

Rights of use relating to lease agreements - recognition and measurement criteria

In accordance with IFRS 16, rights of use acquired under leases are initially recognised as the sum of the present value of future lease payments over the expected contractual term. Where the contractual term is renewable (e.g. property) it is estimated for a reasonably certain period of use of the asset. The rate used for discounting is, for each contract and where available, the contractual implicit interest rate. Where this is not available or cannot be determined, a conventional internal rate is used.

Subsequent to initial recognition, the right of use acquired is depreciated over the entire expected useful life of the asset.

Derecognition criteria

Property, plant and equipment are derecognised from the Balance Sheet at the time of disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from its disposal.

The early termination of a lease agreement gives rise to the cancellation of the right of use that has not yet been amortised, with a corresponding cancellation of the associated liability for the lease instalments and, if necessary, charging the difference to the Income Statement.

Other assets and other liabilities

This item includes assets and liabilities not attributable to other asset and liability items in the Balance Sheet.

Financial liabilities measured at amortised cost

Classification criteria

The item includes payables for bank credit lines and other payables to the banking system, as well as payables for bonds issued and payables to customers for advances and other. Payables recognised for leases as lessee are also recognised.

Recognition criteria

Financial liabilities are recognised at their fair value at the date of stipulation of the contract and/or issue of the securities, which is normally equal to the amounts obtained, also considering the direct costs of stipulation or issue.

Lease payables are recorded by discounting, at the implicit interest rate, the instalments foreseen for the duration of the contract or, in the case of property, for a duration of at least 12 months.

Measurement bases

Subsequent to initial recognition, financial liabilities are measured, where not short-term, at amortised cost using the effective interest rate of the transaction, obtained with reference to the effective cost of the transaction and the contractual outflow.

Derecognition criteria

Financial liabilities are derecognised when they are settled, i.e. there are no further obligations for the Company.

Lease payables are written off if the underlying contract is terminated. Derecognition is effected by setting off any remaining balance against the corresponding value of the right of use recorded in the Balance Sheet Assets.

Capital transactions

Purchase of treasury shares

The repurchase of own equity instruments is deducted from capital. No profit or loss is recognised in the income statement on their purchase, sale, issue or cancellation; the consideration paid or received is recognised directly in shareholders' equity, under a specific item.

Costs of issuing equity instruments and other capital transactions

Costs incurred at the issue or repurchase of own equity instruments, or within any capital transaction, including registration fees, stamp duty and other charges due to the Regulatory Authority, as well as charges for legal, accounting and other professional advisors, are recognised as a deduction from shareholders' equity to the extent that they are costs directly attributable to the transaction, or are charges that would not otherwise have been incurred.

Transaction costs related to a capital transaction are appropriately recognised as a separate item as a decrease in the Company's shareholders' equity.

Current and deferred taxes

Classification, recognition and measurement criteria

Deferred tax assets relating to temporary differences deductible and future tax benefits obtainable from the carry-forward of tax losses are recognised only if there is a reasonable probability that they will be recovered, considered on the basis of AMCO's capacity to generate sufficient taxable income in future years and taking into account the specific regulations laid down by Italian Decree Law No. 225 of 29 December 2010 as amended.

Deferred tax liabilities, relating to taxable temporary differences, are recognised in full in the financial statements. Where deferred tax assets and deferred tax liabilities refer to components that have affected the income statement, the balancing entry is represented by income taxes.

With Italian Decree Law No. 59 of 3 May 2016, converted into Italian Law No. 119 of 30 June, regulations concerning DTA were amended, in order to avoid the classification as "State aid" of the national regulations that establish the automatic convertibility of "qualified" DTA into tax credits, in the presence of statutory and/or tax losses.

Therefore, since the fee is an expense adapted to elements that change in time, it is recognised as a cost on the basis of the annual contribution determined and paid each year.

Income taxes, calculated in accordance with national tax legislation, are recognised as an expense on an accrual basis, on a consistent basis with the recognition method of the expenses and revenues that generated them.

Current assets and liabilities include the net balance of the Company's tax position with respect to the Italian tax authorities. Specifically, these entries include, respectively, the current tax liabilities of the year, calculated on the basis of an expectation of the tax due for the year, determined on the basis of current tax regulations, and current tax assets represented by payments on account and other tax credits.

Staff severance indemnity

Staff severance indemnity refers to "post-employment benefit" classified as:

- "defined-contribution plan" for the portions of staff severance indemnity accruing from 1 January 2007 (the date of application of the supplementary pension reform pursuant to Italian Legislative Decree No. 252 of 5 December 2005) both in case of employee choice of supplementary pension and in the case of allocation to the Treasury Fund managed by INPS. The amount of the portions accounted under personnel costs is determined based on the contributions due without using actuarial calculations;
- "defined-benefit plan" and therefore recognised on the basis of its actuarial value determined with the "Projected Unit Credit" method, for the portion of staff severance indemnity accrued until 31 December 2006. The determination of the relative liability is carried out by an external expert using the "Projected Unit Credit Method".

The Iboxx Eurozone Corporates AA index with a duration of more than 10 years is used to determine the annual discount rate adopted for the calculations, as it is considered to be more representative of market returns, taking into account the average residual duration of the liability.

As required by IAS 19, actuarial gains/losses are recognised immediately and in full in the "Statement of comprehensive income" with an impact on shareholders' equity.

Provisions for risks and charges

Classification, recognition and measurement criteria

Provisions for risks and charges are made up of liabilities of uncertain timing or amount and recognised in the financial statements in that:

- there is a present obligation (legal or constructive) as a result of a past event;
- the payment to settle the obligation is probable;
- a probable future outflow can be estimated reliably.

The item includes provisions for estimated losses on lawsuits, including revocatory actions, as well as estimated outlays against legal or implicit obligations outstanding at the end of the reporting period.

Only where the effect of the timing deferral in bearing the estimated charge is objectively foreseeable, determinable and assumes a material aspect, the Company calculates the amount of the provisions and allocations to an extent equal to the present value of the outlays that are expected to be necessary to settle the obligations.

If the provisions are discounted, the amount of the provisions recognised in the financial statements increases in each period to reflect the passage of time. The adjustment of provisions is recognised in the income statement. The provision is reversed when the use of resources to produce economic benefits to fulfil the obligation becomes unlikely or when the obligation expires.

Revenues and costs

Revenues are gross flows of economic benefits deriving from the performance of the company's ordinary activities and are recognised at the time the control of goods or services is transferred to the client, at an amount that represents the amount of consideration to which the entity considers to have the right.

The price of transaction represents the amount of consideration to which the entity considers to have the right to in exchange of the transfer to the customer of the promised goods and services. It can include fixed or variable amounts, or both. Revenues from variable consideration are recognised in the Income Statement if reliably estimated and only if it is highly likely that this consideration will not be, at a later date, totally or for a significant portion derecognised from the Income Statement.

Costs are recognised in the Income Statement in compliance with the accrual principle; the expenses relative to obtaining the contract and the fulfilment of obligations towards customers are recognised in the Income Statement in the periods in which the relative revenues are recognised.

A.3 – INFORMATION ON TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

During the period no transfers between the different assets portfolios held took place.

A.4 - INFORMATION ON FAIR VALUE

International accounting standard IFRS 13 and the rules established by the Banca d'Italia for the preparation of the financial statements of IFRS Intermediaries other than Bank Intermediaries require that assets and liabilities, based on the determination of their fair value, be related to a specific hierarchy based on the nature of the inputs used in determining their fair value (known as "levels of fair value").

There are three levels:

Level 1

Includes the instruments that are measured with effective market quotes. In this case, the fair value corresponds to the price at which the financial instrument would be exchanged at the reporting date (without any change) on the main active market, or - in the absence of a main market - on the market considered more advantageous to which the entity has immediate access.

Level 2

Includes those instruments for which inputs - other than quoted market prices included within Level 1 - observable directly (observable data) or indirectly are used for measuring.

The measurement of such an instrument is based on prices or credit spreads derived from official listings on active markets of substantially similar instruments in terms of risk factors (comparable approach), using an appropriate method of calculation (pricing model). The methods used in the comparable approach make it possible to reproduce the prices of instruments listed on active markets without including discretionary parameters, such as to have a decisive influence on the final price of measurement.

If a fair value measurement uses observable data that require a material adjustment based on non-observable inputs, that measurement is included in Level 3.

Level 3

Includes the instruments that are measured by using non-observable market data. The relative fair value is the result of measurements involving estimates and assumptions made by the assessor (mark to model). The measurement is carried out using pricing models that are based on specific assumptions concerning:

- the development of expected cash flows, possibly related to future events to which probabilities derived from historical experience or based on assumptions of behaviour can be attributed;
- the level of certain input parameters not listed in active markets, for whose assessment preference is given to the information acquired from prices and spread observed on the market. If this information is not available, historical data of the underlying specific risk factor or specialised research (e.g. reports by rating agencies or primary market players) is used.

Qualitative disclosures

A.4.1 - Levels of fair value 2 and 3: valuation techniques and inputs used

In the absence of an active market, the following methods and significant assumptions were adopted in determining the fair value of financial instruments:

- for financial items (assets and liabilities) with a residual maturity of 18 months or less, the fair value is reasonably assumed to be approximated by their carrying amount;
- for UCITS, the fair value is calculated on the basis of internal models according to the criteria provided by the policies in force, adjusting the Net Asset Value (NAV) provided by the Fund Administrator. This is in compliance with the provisions of Document No. 8 of the Coordination Table on the application of IAS/IFRS (of April 2020), in which the Banca d’Italia, Consob and IVASS reiterated the need to evaluate possible corrections to the NAV for the determination of the fair value of UCITS units, where the valuation criteria of the underlying assets are not aligned with the criteria provided by IFRS standards for the determination of the fair value of the same, or where there are significant illiquidity factors concerning the underlying assets or the units of the funds themselves. The indications provided by the document have been specifically addressed to positions in units of UCITS that invest in Non Performing Exposures (NPEs), but must be considered applicable to all units of UCITS characterised by similar problems in the valuation of the underlying assets and of the units themselves;
- for other financial assets (equity or semi-equity securities, securitisation notes, bonds, derivatives, etc.), commonly adopted estimation methods are used, which take into account all risk factors related to the instruments themselves;
- with regard to impaired assets recognised at amortised cost, both POCI and non-POCI, the carrying amount is deemed to be an approximation of the fair value; this in the absence of specific prices by trade associations and Supervisory Bodies, as well as on the assumption that the company is in a going concern situation and has no need to liquidate and/or significantly reduce its assets under unfavourable conditions. The fair value thus determined reflects the credit quality of non-performing assets.

A.4.2 - Measurement processes and sensitivity

Since the measurement results, where they do not refer to prices on active markets, can be significantly affected by assumptions mainly used for cash flow timing, the discount rates adopted and the methods used to estimate credit risks, the estimated fair values could differ from those realised in an immediate sale of financial instruments. The parameters used and the models adopted can also differ between different financial institutions, generating results that are also significantly different, even in the event of changes in assumptions.

A.4.3 - Fair value hierarchy

With reference to financial assets measured at fair value on a recurring basis, level transfers are determined on the basis of the following lines.

For equity instruments, the transfer level takes place:

- when in the period observable inputs were available on the market (e.g. prices defined in the context of comparable transactions on the same instrument between independent and responsible counterparties). In this case, there will be a reclassification from level 3 to level 2;
- when directly or indirectly observable elements used as a basis for the evaluation no longer apply, or when they are no longer updated (e.g. non-recent comparable transactions or no longer applicable multiples). In this case, valuation criteria using non-observable inputs are used;
- when a security is no longer quoted on an active market, even temporarily, there will be a reclassification from level 1 to level 2 or level 3, depending on the case.

PART B - INFORMATION ON THE BALANCE SHEET ASSETS

Section 1 – Cash and cash equivalents – Item 10

	30/06/2022	31/12/2021
a) Cash	-	-
b) Unrestricted deposit with Banks	111,522	151,796
Total	**111,522**	**151,796**

The "Unrestricted deposits with Banks" item includes all current account exposures, net of adjustments.

Section 2 - Financial assets measured at fair value through profit and loss - Item 20

2.6 - Other financial assets mandatorily measured at fair value: break-down by type

Items/Values	30/06/2022			31/12/2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities						**29,332**
1.1 Structured securities						29,332
1.2 Other debt securities						
2. Equity securities	**3,194**		**18,785**	**5,441**		**18,785**
3. UCITS units			**545,169**			**568,707**
4. Loans			**52,896**			**58,914**
4.1 Repurchase agreement						
4.2 Others			52,896			58,914
Total	**3,194**		**616,850**	**5,441**		**675,739**

The item “Equity securities” includes:

- the residual portfolio of shares of Trevi Finanziaria Industriale S.p.A. acquired following the conversion of receivables from the portfolio acquired from Banca Carige and from transaction with Monte dei Paschi di Siena for a total of EUR 3.2 million;
- equity financial instruments (SFP) acquired following the conversion of receivables from the portfolio acquired from Banca Carige and in the context of the transaction with Monte dei Paschi di Siena for a total of EUR 18.7 million.

The item "UCITS units" includes:

- the investment in Italian Recovery Fund for EUR 425.5 million. As at 30 June 2022, the Company held 457.1 units with unit value of EUR 930,867 (compared to the 472.6 units held as at 31 December 2021). The reduction in the number of units in the portfolio lies in the cancellation of units following capital distributions in March 2022;
- the units of the Back2Bonis Fund, assigned to the Company in the context of the Cuvée transaction, amounting to EUR 89.5 million as at 30 June 2022;
- the SGT Sansedoni fund units, acquired in 2021 as part of a debt to equity swap transaction and valued at EUR 16.5 million as at 30 June 2022;
- the units of Efesto, acquired in 2020 as part of the transaction with Monte dei Paschi di Siena and valued at EUR 11.3 million as at 30 June 2022;

- the units of the Clessidra Restructuring Fund, acquired in 2020 and valued at EUR 2.4 million as at 30 June 2022.

Loans include credits from the portfolios of the former Banca Carige, Monte dei Paschi di Siena and Banco Popolare, which do not pass the SPPI test and for which the measurement at fair value is mandatory.

Section 3 - Financial assets measured at fair value through other comprehensive income - Item 30

3.1 - Financial assets measured at fair value through other comprehensive income: break-down by type

Items/Values	30/06/2022			31/12/2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	**706,760**			**498,819**		
1.1 Structured securities						
1.2 Other debt securities	706,760			498,819		
2. Equity securities			**2,139**			**1,849**
3. Loans						
Total	**706,760**		**2,139**	**498,819**		**1,849**

As at 30 June 2022 this item had a balance of EUR 708.9 million. In detail:

- Other debt securities: the amount of EUR 706.8 million, inclusive of the interest accrued and net of the write-down, refers to investment in Italian government bonds;
- Equity securities: the total amount of EUR 2.1 million mainly refers, for EUR 1.6 million, to the investment in Banca Carige S.p.A. equal to 2,072,931 shares.

3.3 - Financial assets measured at fair value through other comprehensive income: gross value and total value adjustments

Items/Values	Gross value					Total value adjustments			
	First stage								
		of which instruments with low credit risk	Second stage	Third stage	Purchased or Originated Credit Impaired	First stage	Second stage	Third stage	*Total* partial write-offs (*)
1. Debt securities	707,876	707,876				(1,116)			
2. Loans									
Total (T)	**707,876**	**707,876**				**(1,116)**			
Total (T-1)	**499,496**	**499,496**				**(677)**			
of which: purchased or originated impaired financial assets	X	X				X			

Section 4 – Financial assets measured at amortised cost - Item 40

4.1 - Financial assets measured at amortised cost: break-down of loans and receivables with banks

Type of transactions/Values	30/06/2022						31/12/2021					
	Carrying amount			*Fair value*			Carrying amount			*Fair value*		
	First and second stages	Third stage	Purchased or Originated Credit Impaired	L1	L2	L3	First and second stages	Third stage	Purchased or Originated Credit Impaired	L1	L2	L3
1. Time deposits												
2. Current accounts												
3. Loans												
3.1 Repurchase agreement												
3.2 Lease financing												
2.3 Factoring												
- with recourse												
- without recourse												
3.4 Others												
4. Debt securities												
4.1 Structured securities												
4.2 Other debt securities												
5. Other assets							3,651					3,651
Total	**-**	**-**	**-**	**-**	**-**	**-**	**3,651**	**-**	**-**	**-**	**-**	**3,651**

4.2 - Financial assets measured at amortised cost: break-down of loans and receivables with financial companies

Type of transactions/Values	30/06/2022						31/12/2021					
	Carrying amount			*Fair value*			Carrying amount			*Fair value*		
	First and second stages	Third stage	Purchased or Originated Credit Impaired	L1	L2	L3	First and second stages	Third stage	Purchased or Originated Credit Impaired	L1	L2	L3
1. Loans	**24,388**		**40,515**			**64,903**	**24,865**		**57,374**			**82,239**
1.1 Repurchase agreement												
1.2 Lease financing												
1.3 Factoring												
- with recourse												
- without recourse												
1.4 Other loans	24,388		40,515			64,903	24,865		57,374			82,239
2. Debt securities												
2.1 Structured securities												
2.2 Other debt securities												
3. Other assets	**20**					**20**	**67**					
Total	**24,408**	**-**	**40,515**	**-**	**-**	**64,923**	**24,932**	**-**	**57,374**	**-**	**-**	**82,306**

As at 30 June 2022, the item shows a balance of EUR 64.9 million, consisting of the receivables of the portfolios acquired for EUR 40.5 million and from the loan to the Back2Bonis Fund for EUR 24.4 million.

4.3 - Financial assets measured at amortised cost: break-down of loans and receivables with customers

Type of transactions/Values	30/06/2022						31/12/2021					
	Carrying amount			*Fair value*			Carrying amount			*Fair value*		
	First and second stages	Third stage	Purchased or Originated Credit Impaired	L1	L2	L3	First and second stages	Third stage	Purchased or Originated Credit Impaired	L1	L2	L3
1. Loans	11,830	11,918	4,324,124			4,424,043	16,165	3,440	4,404,438			4,424,043
1.1 Lease financing												
of which: without option of final purchase												
1.2 Factoring												
- with recourse												
- without recourse												
1.3 Consumer credit												
1.4 Credit cards												
1.5 Pawn lending												
1.6 Loans granted in relation to payment services rendered												
1.7 Other loans	11,830	11,918	4,324,124			4,424,043	16,165	3,440	4,404,438			4,424,043
of which: from enforcement of guarantees and commitments												
2. Debt securities												
2.1 Structured securities												
2.2 Other debt securities												
3. Other assets												
Total	**11,830**	**11,918**	**4,324,124**	**-**	**-**	**4,424,043**	**16,165**	**3,440**	**4,404,438**	**-**	**-**	**4,424,043**

As at 30 June 2022 this item had a balance of EUR 4,324.1 million, mainly made up of:

- Portfolios measured at amortised cost (former Monte Paschi di Siena, former Banco di Napoli) for EUR 2,594.7 million;
- Portfolios valued as POCI for EUR 1,729.5 million.

4.5 - Financial assets measured at amortised cost: gross value and total value adjustments

Items/Values	Gross value – First stage	of which instruments with low credit risk	Second stage	Third stage	Purchased or Originated Credit Impaired	Total value adjustments – First stage	Second stage	Third stage	Purchased or Originated Credit Impaired	*Total* partial write-offs (*)
1. Debt securities										
2. Loans	24,916	24,916	11,895	15,636	8,820,034	(401)	(191)	(3,718)	(4,426,698)	
3. Other assets	20	20								
Total 30/06/2022	**24,936**	**24,936**	**11,895**	**15,636**	**8,820,034**	**(401)**	**(191)**	**(3,718)**	**(4,426,698)**	
Total 31/12/2021	**28,989**	**28,989**	**16,429**	**6,541**	**9,057,143**	**(407)**	**(264)**	**(3,101)**	**(4,595,331)**	

4.5a Loans measured at amortised cost subject to Covid-19 support measures: gross value and total value adjustments

Not applicable because the case does not exist.

Section 7 – Equity investments – Item 70

7.1 - Equity investments: information on equity investment relations

Denominations	Registered office	Operational office	Shareholding interest %	Votes available %	Carrying amount	*Fair value*
A. Exclusively controlled companies						
1.AMCO - Asset Management Co. S.r.l.	Bucharest	Bucharest	100%	100%	10	n.a.
Total					**10**	**n.a.**

The balance of this item, amounting to EUR 10 thousand, refers to the equity investment held by AMCO S.p.A. as at 30 June 2022 in AMCO - Asset Management Co. S.r.l., a company with registered office in Romania whose purpose is the recovery of loans from the Romanian portfolio of the Veneto Group Segregated Estate. The Company was put into liquidation on 16 June 2021.

7.5 - Non-significant equity investments: accounting information

Items/Values	Profit/Loss	Total assets	Shareholders' equity	Revenues
AMCO - Asset Management Co. S.r.l.	(125)	931	807	239
Total	**(125)**	**931**	**807**	**239**

The data reported relating to the company AMCO - Asset Management Co. S.r.l. refer to the last approved financial statements.

Section 8 – Property, plant and equipment – Item 80

8.1 - Operating property, plant and equipment: break-down of assets measured at cost

Assets/Values	30/06/2022	31/12/2021
1. Owned assets		
a) land		
b) buildings		
c) movable assets	1,096	1,087
d) electronic equipment	34	35
e) others	235	308
2. Right of use acquired through leases		
a) land		
b) buildings	24,061	25,582
c) movable assets		
d) electronic equipment	114	
e) others	275	197
Total	**25,814**	**27,208**
of which: from enforcement of guarantees and commitments		

The reduction in fixed assets as at 30 June 2022 is attributable to the amortisation of the right-of-use assets pursuant to IFRS 16.

8.5 - Inventories of property, plant and equipment regulated by IAS 2: break-down

Assets/Values	30/06/2022	31/12/2021
1. Inventories of assets obtained from enforcement of guarantees and commitments	**9**	**9**
a) land		
b) buildings	9	9
c) movable assets		
d) electronic equipment		
e) others		
2. Other inventories of property, plant and equipment	**3,086**	-
Total	**3,094**	**9**
of which: measured at fair value less costs to sell	3,094	9

The inventories refer to *data in solutum* transactions deriving from credit positions previously claimed by AMCO.

Section 9 – Intangible assets – Item 90

9.1 - Intangible assets: break-down

Assets/Values	30/06/2022		31/12/2021	
	Assets measured at cost	Assets measured at fair value	Assets measured at cost	Assets measured at fair value
1. Goodwill				
2. Other intangible assets	**3,478**		**1,937**	
of which software	3,456		1,902	
2.1 owned:	3,478		1,937	
a) generated internally			1,905	
b) others	3,478		32	
2.2 right of use acquired through leases				
Total 2	**3,478**		**1,937**	
3. Assets attributable to financial leases				
3.1 unexercised assets				
3.2 assets retired following termination of agreement				
3.3 other assets				
Total 3				
Total (1+2+3)	**3,478**		**1,937**	
Total (T-1)	**1,937**		**1,736**	

The increase in fixed assets as at 30 June 2022, which amounted to EUR 3.5 million, is almost entirely attributable to the capitalisation of software during the half-year.

Section 10 – Tax assets and tax liabilities - Item 100 of assets and Item 60 of liabilities

10.1 - Tax assets: current and deferred: break-down

	30/06/2022	31/12/2021
Deferred tax assets with balancing entry in the income statement	198,050	223,578
Deferred tax assets with balancing entry in shareholders' equity		
Current tax assets	17,946	11,207
Total	**215,996**	**234,785**

This item includes only tax assets recognised in accordance with IAS 12 and therefore relating to direct taxes. Other tax receivables are included in the item "Other assets".

Recognised deferred tax assets refer to:

- for EUR 124.6 million to IRES and IRAP DTAs on write-downs of receivables not yet deducted pursuant to Art. 106, paragraph 3 of the Consolidated Income Tax Act or on goodwill and intangibles exempt from Art. 10-ter of Italian Decree Law 185/2008 (deriving from the complex demerged from Banca MPS), pursuant to the provisions of Art. 2 of Italian Decree Law No. 225 of 29/12/2010 and subsequent amendments (Italian Law 214/2011);
- for EUR 36.8 million to DTAs on ACE and losses deemed recoverable by the Probability Test;
- for EUR 36.6 million to IRES DTAs generated by deductible temporary differences.

The recoverability of tax assets has been assessed based on the Probability Test performed by the Company. The exercise was conducted over a period of 5 years on the basis of the 2020-2025 Strategic Plan appropriately corrected and integrated to consider both the variability of external events and the actual corporate performance with respect to the plan.

In addition, following the performance of the Probability Test, the tax benefits that are currently unrecognised but can potentially be pursued against future taxable income amount to EUR 157.2 million. The recoverability of these contingent assets will be assessed from time to time on the basis of probability tests conducted at reporting dates.

10.2 - Tax liabilities: current and deferred: break-down

	30/06/2022	31/12/2021
Deferred tax liabilities with balancing entry in the income statement	3,303	4,103
Deferred tax liabilities with balancing entry in shareholders' equity		
Current tax liabilities	198	
Total	**3,501**	**4,103**

Current tax liabilities refer to IRAP for the year. Deferred taxes refer to revenues whose contribution to taxable income is deferred over time.

Section 12 – Other assets – Item 120

12.1 - Other assets: break-down

	30/06/2022	31/12/2021
Receivables from segregated estates	13,501	14,066
Receivables for invoices/services to be issued or collected	2,679	2,180
Improvements to third-party assets	2,046	1,887
Accrued income and prepaid expenses	5,622	1,124
Guarantee deposits	665	914
Miscellaneous receivables for register fees and expenses to be recovered	278	278
Others	11,985	6,247
Total	**36,776**	**26,697**

As at 30 June 2022 the item “Other assets” had a balance of EUR 36.8 million, mainly made up of:

- the “Receivables from Segregated Estates” include amounts relating to the expenses anticipated by AMCO and reallocated to Segregated Estates, in addition to commissions to be collected accrued in the second quarter of 2022 and collected in the third quarter of 2022;
- “Receivables for invoices/services to be issued” include amounts relative to recovery of expenses paid in advance by AMCO in the management of Financed Capital in addition to the relative commissions;
- “Improvements to third-party assets” include the fit-out expenses of the new Milan office considered capitalisable by IAS 16;
- “Accrued income and prepaid expenses" include, respectively, the portion of revenues accruing during the year, the financial manifestation of which will take place after the reporting date, and the costs that have already had a financial manifestation but which are, in whole or in part, accrued at a later date;
- “Others" includes transitory items, partly deriving from transactions that took place near the end of the year.

LIABILITIES

Section 1 – Financial liabilities measured at amortised cost - Item 10

1.1 - Financial liabilities measured at amortised cost: break-down of payables

Type of transactions/Values	30/06/2022 with banks	30/06/2022 with financial companies	30/06/2022 with customers	31/12/2021 with banks	31/12/2021 with financial companies	31/12/2021 with customers
1. Loans						
1.1 Repurchase agreement						
1.2 Other loans						
2. Lease payables			26,137			26,195
3. Other payables	5			5		
Total	**5**		**26,137**	**5**		**26,195**
Fair value – Level 1						
Fair value – Level 2						
Fair value – Level 3	**5**		**26,137**	**5**		**26,195**
Fair Value total	**5**		**26,137**	**5**		**26,195**

As at 30 June 2022 this item had a balance amounting to EUR 26.1 million. Payables to customers of EUR 26.1 million are entirely attributable to the recognition of the financial liabilities for leases pursuant to IFRS 16.

1.2 - Financial liabilities measured at amortised cost: break-down of debt securities issued

Type of securities/Values	30/06/2022 Carrying amount	30/06/2022 Fair value Level 1	30/06/2022 Fair value Level 2	30/06/2022 Fair value Level 3	31/12/2021 Carrying amount	31/12/2021 Fair value Level 1	31/12/2021 Fair value Level 2	31/12/2021 Fair value Level 3
A. Securities								
1. bonds								
1.1 structured								
1.2 others	3,609,273	3,609,273			3,596,714	3,596,714		
2. other securities								
2.1 structured								
2.2 others								
Total	**3,609,273**	**3,609,273**			**3,596,714**	**3,596,714**		

The item entirely relates to senior unsecured bonds issued by the Company and listed on the Luxembourg Stock Exchange.

Section 6 – Tax liabilities – Item 60

Please refer to section 10 of the assets.

Section 8 – Other liabilities – Item 80

8.1 - Other liabilities: break-down

	30/06/2022	31/12/2021
Invoices to be received	27,294	32,687
Payable to LCA for COLLAR	24,343	17,787
Payables to suppliers	3,650	7,538
Withholding taxes and social security contributions payable	1,546	2,739
Compensation, reimbursement of expenses and payables to personnel	2,435	1,409
Other payables	31,571	28,217
Total	**90,839**	**90,377**

The item is mainly composed of:

- invoices to be received and payables to suppliers, decreasing;
- the cost relative to the mechanism for the adjustment of AMCO fees to the LCAs indicated in transfer agreement with the latter. This mechanism ensures the correlation of fees and commissions due to AMCO to the costs actually sustained for the management and recovery activities of the obligations of the transferred assets;
- the item "Other payables" includes items in progress at the end of the year, which were settled in July 2022.

Section 10 - Provisions for risks and charges – Item 100

10.1 - Provisions for risks and charges: break-down

Items/Values	30/06/2022	31/12/2021
1. Provision for credit risk relating to commitments and guarantees issued		
2. Provision for other commitments and guarantees issued		
3. Company pension funds		
4. Other provisions for risks and charges		
4.1 legal and tax disputes	13,764	14,306
4.2 staff costs	3,648	6,868
4.3 others	1,220	1,220
Total	**18,613**	**22,394**

As at 30 June 2022 the provision had a balance of EUR 18.6 million. More specifically:

- Legal and tax disputes where the provision mainly includes:
- Provisions for EUR 5 million for sums collected by the Company in the course of its activity for the recovery of loans where there is the probability that reimbursement to debtors/guarantors will be required;
- Provisions of EUR 2.4 million for disputes in which the risk of damages to debtors/guarantors has been assessed as probable;
- Provisions for EUR 6.4 million for disputes and future charges relative to legal costs following the recovery of the loan. The decrease is largely due to the use of fees already set aside due to invoicing;
- Staff costs: the item mainly refers to the provision for the company bonus set forth in Art. 48 of the National Collective Labour Agreement, as well as for company welfare;
- Others: this item includes the provision for the risk of the retrocession of ISMEA (former SGFA) to cover the expected disbursements for the forfeited portion of revenues already enforced to be reversed to the guarantor, as required by the relative regulations.

It is also noted that in addition to the reasons for which the risk of an adverse outcome is considered to be probable and for which a provision for future risks has been set, the Company currently has 10 further pending disputes where the risk of an adverse outcome is deemed to be "possible", for overall claims amounting to EUR 13.3 million.

PART C – INFORMATION ON THE INCOME STATEMENT

Section 1 – Interest – Items 10 and 20

1.1 - Interest and similar income: break-down

Items/Technical forms	Debt securities	Loans	Other operations	30/06/2022	30/06/2021
1. Financial assets measured at fair value through profit and loss:					
1.1 Financial assets held for trading					
1.2 Financial assets measured at fair value					
1.3 Other financial assets mandatorily measured at fair value	456			456	826
2. Financial assets measured at fair value through other comprehensive income	625			625	222
3. Financial assets measured at amortised cost:					
3.1 Loans and receivables with banks		7		7	36
3.2 Loans and receivables with financial companies		1,390		1,390	1,698
3.3 Loans and receivables with customers		98,024		98,024	90,296
4. Hedging derivatives	x	x	x	x	x
5. Other assets	x	x	x	x	x
6. Financial liabilities	x	x	x	x	90
Total	**1,081**	**99,421**		**100,502**	**92,031**
of which: interest income on impaired assets					**91,994**
of which: interest income on leases					

Interest and similar income mainly include:

- EUR 99.4 million deriving from loans and receivables with financial companies and customers. In more detail, interest income is composed of:
  - Portfolios valued at amortised cost for EUR 43.6 million;
  - Portfolios valued as POCI for EUR 55.8 million;
- EUR 0.5 million relating to interest income accrued on the securitisation notes of the vehicle Fucino NPL's;
- EUR 0.6 million relative to interest income accrued on government bond portfolios classified as FVOCI.

1.3 - Interest and similar expenses: break-down

Items/Technical forms	Payables	Securities	Other operations	Total 30/06/2022	Total 30/06/2021
1. Financial assets measured at amortised cost					
1.1 Payables to banks	2	X	X	2	12,543
1.2 Payables to financial companies		X	X		
1.3 Payables to customers	48	X	X	48	49
1.4 Debt securities issued	X	32,996	X	32,996	30,415
2. Financial liabilities held for trading					
3. Financial liabilities measured at fair value					
4. Other liabilities	X	X	11	11	
5. Hedging derivatives	X	X			
6. Financial assets	X	X	X		
Total	**51**	**32,996**	**11**	**33,058**	**43,005**
of which: interest expenses relative to lease payables	48	X	X	48	46

Interest and similar expenses related almost entirely to interest expenses, recorded at amortised cost, on senior unsecured bonds issued by the Company, in the amount of EUR 33.0 million.

Section 2 – Fees and commissions – Items 40 and 50

2.1 - Fee and commission income: break-down

Type of Services/Values	30/06/2022	30/06/2021
a) lease operations		
b) factoring operations		
c) consumer credit		
d) guarantees issued		
e) services of:		
- fund management for third parties		
- foreign exchange intermediation		
- product distribution		
- others		
f) collection and payment services		
g) servicing of securitisation operations	1,965	2,372
h) other fees and commissions (to be specified)		
- credit recovery Segregated Estates	19,838	22,006
− securities lending	7	
- others	1,796	183
Total	**23,606**	**24,561**

Fee and commission income amounted to EUR 23.6 million. This account mainly includes servicing commissions received for the management of Segregated Estates relative to the former Veneto Banks for the amount of EUR 19.8 million. A marginal amount derives from commissions related to servicing activities on the Fucino and Ampre securitised portfolios (EUR 2.0 million) and for the remainder from commissions for activities carried out on behalf of the subsidiary AMCO S.r.l., commissions on call options and commissions on making funds available to customers.

2.2 - Fee and commission expense: break-down

Services/Values	30/06/2022	30/06/2021
a) guarantees received		
b) distribution of services by third parties		
c) collection and payment services		
d) other fees and commissions (to be specified)	54	395
Total	**54**	**395**

The commissions refer to the deposit commissions on bank current accounts.

Section 3 – Dividends and similar revenues – Item 70

3.1 - Dividends and similar revenues: break-down

	30/06/2022		30/06/2021	
Items/Income	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading				
B. Other financial assets mandatorily measured at fair value				
C. Financial assets measured at fair value through other comprehensive income	839		1,419	
D. Equity investments				
Total	**839**		**1,419**	

The item refers to the income distributed by UCITS mainly deriving from the investment in the Italian Recovery Fund.

Section 4 - Trading activity net result - Item 80

4.1 - Trading activity net result: break-down

Operations/Income components	Capital gains (A)	Profits from trading (B)	Capital losses (C)	Trading losses (D)	Net result (A+B) - (C+D)
1. Financial assets held for trading					
1.1 Debt securities					
1.2 Equity securities					
1.3 UCITS units					
1.4 Loans					
1.5 Others					
2. Financial liabilities held for trading					
2.1 Debt securities					
2.2 Payables					
2.3 Others					
3. Financial assets and liabilities: currency exchange differences	**15,947**				**15,947**
4. Derivative instruments					
4.1 Financial derivatives	10		171		(161)
4.2 Credit derivatives					
of which: natural hedges related to the fair value option					
Total	**15,957**		**171**		**15,786**

This item mainly refers to exchange rate differentials mainly deriving from foreign currency loans in the portfolio of the former Banca Carige.

Section 7 – Net result of other financial assets and liabilities measured at fair value through profit and loss – Item 110

7.2 - Net change in the value of other financial assets and liabilities measured at fair value through profit and loss: break-down of other financial assets mandatorily measured at fair value

Operations/Income components	Capital gains (A)	Profit on disposal (B)	Capital losses (C)	Losses on disposal (D)	Net result (A+B) - (C+D)
1. Financial assets	**5,987**	**4,427**	**17,212**	**841**	**(7,639)**
1.1 Debt securities		4,153			4,153
1.2 Equity securities		-	2,248		(2,248)
1.3 UCITS units	1,350		8,755	841	(8,246)
1.4 Loans	4,637	274	6,209		(1,298)
2. Financial assets in currency: currency exchange differences	**X**	**X**	**X**	**X**	
Total	**5,987**	**4,427**	**17,212**	**841**	**(7,639)**

Capital gains as at 30 June 2022 mainly derive from:

- for EUR 4.6 million attributable to the assessment of credit positions pertaining to the former Carige, former MPS and former BPM portfolios;
- for EUR 1.3 million deriving substantially from the write-back of the shares of the Back2Bonisfund

The gains on debt securities for a total of EUR 4.1 million refer to the result of the closure of the Fucino securitisation transaction with legal effect on 1 March 2022.

Capital losses mainly refer to:

- for EUR 6.2 million attributable to the valuation of credit positions of the former Carige and former MPS portfolios;
- for EUR 8.8 million to the fair value measurement as at 30 June 2022 of the stakes held in the *Italian Recovery Fund, Efesto and SGT Sansedoni*;
- for EUR 2.2 million to the write-down of equity and semi-equity securities.

Section 8 - Net value adjustments/reversals for credit risk – Item 130

Section 8.1 - Net value adjustments for credit risk relative to financial assets measured at amortised cost: break-down

Operations/Income components	VALUE ADJUSTMENTS (1)						REVERSALS (2)				TOTAL	TOTAL
	First stage	Second stage	Third stage		Purchased or Originated Credit Impaired		First stage	Second stage	Third stage	Purchased or Originated Credit Impaired	30/06/2022	30/06/2021
			Write-off	Others	*Write-off*	Others						
1. Loans and receivables with banks												
- for leases												
- for factoring												
- other loans and receivables	212										(212)	
2. Loans and receivables with financial companies												
- for leases												
- for factoring												
- other loans and receivables												99
3. Loans and receivables with customers												
- for leases												
- for factoring												
- for consumer credit												
- pawn lending												
- other loans and receivables	(44)					258,357			242,745		(15,568)	22,289
Total	**168**					**258,357**			**242,745**		**(15,780)**	**22,388**

Net impairment losses/reversals recorded on loans and receivables with customers originate from the economic effects generated as a result of recovery activities, as well as from the update of the measurements of managed positions.

Net value adjustments as at 30 June 2022 derive from:

- adjustments for portfolios at amortised cost for EUR 186.8 million and for POCI portfolios for EUR 71.5 million;
- reversals for portfolios at amortised cost for EUR 182.5 million and for POCI portfolios for EUR 60.2 million.

8.1a - Net value adjustments for credit risk relative to financial assets measured at amortised cost subject to Covid-19 support measures: break-down

Not applicable because the case does not exist.

8.2 - Net value adjustments for credit risk relative to financial assets measured at fair value through other comprehensive income: break-down

Operations/Income components	VALUE ADJUSTMENTS (1)						REVERSALS (2)						TOTAL (T)	TOTAL (T-1)
	First stage	Second stage	Third stage		Purchased or Originated Credit Impaired		First stage	Second stage	Third stage		Purchased or Originated Credit Impaired			
			Write-off	Others	*Write-off*	Others			*Write-off*	Others	*Write-off*	Others	30/06/2022	30/06/2021
A. Debt securities	439												439	(512)
B. Loans														
- With customers														
- With financial companies														
- With banks														
of which: purchased or originated impaired financial assets														
C. Total	**439**												**439**	**(512)**

The net value adjustments on financial assets measured at fair value with balancing entry in shareholders' equity, equal to EUR 0.4 million, refer exclusively to the revaluation of government bonds in the portfolio as at 30 June 2022 in accordance with the provisions of IFRS 9.

Section 10 – Administrative expenses - Item 160

10.1 - Staff costs: break-down

Type of expenses/Values	Total 30/06/2022	Total 30/06/2021
1) Employees	**19,122**	**16,300**
a) salaries and wages	13,447	11,894
b) social security	3,782	2,737
c) staff severance indemnity	311	294
d) pension funds		(7)
e) provision for staff severance indemnity	4	
f) provision for pensions and similar obligations:		
- defined-contribution plans		
- defined-benefit plans		
g) payments to external complementary pension funds:		
- defined-contribution plans	*566*	*501*
- defined-benefit plans		
h) other benefits for employees	1,012	880
2) Other active personnel		
3) Directors and Statutory Auditors	324	227
4) Retired personnel		
5) Recoveries of expenses for personnel seconded to other companies		
6) Reimbursements of expenses for personnel seconded to the company		2,917
Total	**19,446**	**19,443**

Staff costs amounted to EUR 19.4 million and are in line with the same period of the previous year. These consist of salaries and related social security charges and provisions for bonuses for employees, plus expenses incurred for seconded personnel.

10.3 - Other administrative expenses: break-down

Type of expenses/Values	30/06/2022	30/06/2021
Legal and collection costs	19,822	13,154
Debt collection outsourcing fees	7,839	6,374
IT - IT consultancy and interventions	3,055	2,863
Professional costs - consultancy on extraordinary projects	1,346	1,762
IT - fees and user licences	3,229	2,595
Professional costs - others (legal, tax, etc.)	1,491	1,518
Business information	1,664	1,641
BPO and Document archive - outsourced services	1,230	1,083
DTA fee	1,349	1,399
Logistics - other expenses (maintenance of third-party assets, stationery, furnishings, etc.)	256%	200
IT - other (equipment rental, telephone expenses, etc.)	615	597
Logistics - rental expenses and condominium charges	191	450
BPO and Document archive - fronting	520	713
Logistics - expenses for utilities and services	742	412
Professional costs - auditing company fees	279	284
Costs on assets repossessed	776	102
Other expenses	397	441
TOTAL	**44,802**	**35,590**

Other administrative expenses amounted to EUR 44.8 million and mainly consist of legal and collection costs, outsourcing fees for debt collection, and charges relating to the DTA fee. The increase compared to the first half of 2021, mainly attributable to credit management costs, is due to the higher volumes of financial assets managed by the Company.

Section 11 - Net provisions for risks and charges – Item 170

11.3 - Net provisions for other risks and charges: break-down

Type of expenses/Values	30/06/2022	30/06/2021
For risk of sums repayments and compensation for damages	28	(73)
For risks on litigation and other	(148)	949
Other provisions for risks	(8)	(51)
Total	**(128)**	**825**

The item is mainly made up of provisions for risks on litigation.

Section 12 – Net value adjustments/reversals on property, plant and equipment – Item 180

12.1 - Net value adjustments/reversals on property, plant and equipment: break-down

Assets/Income components	Depreciation (A)	Impairment losses (B)	Reversals (C)	Net result (A + B - C)
A. Property, plant and equipment				
A.1 For operating purposes				
- Owned	168			168
- Right of use acquired through leases	1,601			1,601
A.2 Held for investment				
- Owned				
- Right of use acquired through leases				
A.3 Inventories	X			
Total	**1,769**			**1,769**

Section 13 – Net value adjustments/reversals on intangible assets – Item 190

13.1 - Net value adjustments/reversals on intangible assets: break-down

Assets/Income components	Amortisation (A)	Impairment losses (B)	Reversals (C)	Net Result (A + B - C)
1. Intangible assets other than goodwill				
of which: software				
1.1 owned	378			378
1.2 acquired through financial lease				
2. Assets attributable to financial leases				
3. Assets granted with operating leases				
Total	**378**			**378**

Section 14 – Other operating income and expenses – Item 200

Type of expenses/Values	30/06/2022	30/06/2021
Other operating income	5,111	4,209
Other operating expenses	(6,793)	(11,399)
Total	**(1,681)**	**(7,191)**

14.1 - Other operating expenses: break-down

Type of expenses/Values	30/06/2022	30/06/2021
Charges for COLLAR	6,557	11,297
Other operating expenses	236	103
Total	**6,793**	**11,399**

This item mainly includes the cost incurred in the financial year relative to the three-yearly fee adjustment mechanism for the management of loans of the Segregated Estates as indicated in part B of section 10.

14.2 - Other operating income: break-down

Type of expenses/Values	30/06/2022	30/06/2021
Allocation of expenses	368	351
Indirect expenses recoveries	140	-
Other operating income	4,604	3,858
Total	**5,111**	**4,209**

This item mainly includes the recovery of indirect expenses incurred by the Company and reallocated, on the basis of internally defined economic/financial allocation criteria, to the Segregated Estates and Financed Capital.

Section 19 - Income taxes for the year on current operations - Item 270

19.1 - Income taxes for the year on current operations: break-down

Income component/Values		30/06/2022	30/06/2021
1.	Current taxes (-)	(198)	(2,127)
2.	Changes in current taxes of previous financial years (+/-)		117
3.	Reduction of current year taxes (+)		
3.bis	Reduction of current year taxes for tax credits pursuant to Italian Law No. 214/2011 (+)		
4.	Changes in deferred tax assets (+/-)	(6,569)	(13,457)
5.	Changes in deferred tax liabilities (+/-)	800	90
6.	**Taxes for the year (-)(-1+/-2+3+/-4+/-5)**	**(5,967)**	**(15,377)**

The net change in deferred tax assets mainly refers to the use of deferred tax assets recognised in previous years on both temporary nominal changes and losses and deducted in the first half of 2022.

PART D – OTHER INFORMATION

Section 8 – Other detailed information

8.1 - Segment reporting

Criteria for the preparation of segment reporting

The AMCO's segment reporting reflects the operational responsibilities enshrined in the Company's organisational structure and represents the way in which management monitors business results, in accordance with the "management approach" principle. This disclosure is therefore consistent with the requirements of IFRS 8. AMCO's organisational model is divided into business segments with specific operational responsibilities: the Workout Division, the UTP Division, the SP&S Division and a further segment that includes the Treasury Division, the Governance Centre and the Real Estate Division, subject to separate disclosure in the internal reporting to the so-called Chief Operating Decision Maker. ("CODM"), but considered intangible, at this time, in terms of segment reporting in accordance with the aggregation criteria set forth in IFRS 8.13-14. The attribution of income statement and balance sheet results to the various sectors of activity is based on the accounting principles used in the preparation and presentation of the half-yearly financial report. In order to provide a more effective representation of the results and a better understanding of the components that generated them, a reclassified income statement is presented for each reportable segment, with values that express the contribution to the AMCO result. With regard to the measurement of revenues and costs deriving from inter-segment transactions, the application of the multiple internal transfer rate contribution model for the various maturities allows for the correct attribution of the net interest component to the divisions. For this reason, and to provide full disclosure, EBITDA has been adjusted for the result of financial management (so as to include the total cost of funding and not just the component attributed to the Treasury to the other divisions). To complete the segment reporting, an illustration is also provided of the assets under management for each segment (in terms of gross non-performing loans on and off balance), as well as the average FTE allocated to each division during the reporting period. Finally, it should be noted that information by geographical distribution is not reported as it is not significant.

Breakdown of economic and financial performance by Division

Figures in €/000 30/06/2022	*Workout*	UTP PD	SP&S	Treasury, Governance Centre and Real Estate	AMCO
Servicing commissions	4,438	10,589	6,197	620	21,843
Interest from customers	13,509	33,055	20,862	33,234	100,660
Other income/expenses from ordinary operations	12,150	9,423	-6,095	19	27,687
Total Revenues	**30,097**	**53,067**	**33,154**	**33,873**	**150,191**
Staff costs	(5,222)	(6,384)	(3,406)	(4,435)	(19,446)
Net operational costs	(11,817)	(5,651)	(18,912)	(3,733)	(40,114)
Total Costs and Expenses	**(17,040)**	**(12,035)**	**(22,318)**	**(8,168)**	**(59,560)**
EBITDA	**13,058**	**41,032**	**10,836**	**25,705**	**90,631**
Interest and commissions from financial activity	-	-	-	(31,507)	(31,507)
Net EBITDA Interest and commissions from financial activity	**13,058**	**41,032**	**10,836**	**(5,802)**	**59,124**

Figures in €/000 30/06/2021	*Workout*	UTP PD	SP&S	Treasury, Governance Centre and Real Estate	AMCO
Servicing commissions	4,055	12,365	n.d.	7,489	23,908
Interest from customers	16,262	44,247	n.d.	32,417	92,926
Other income/expenses from ordinary operations	12,191	10,782	n.d.	-	22,973
Total Revenues	**32,507**	**67,394**	**n.d.**	**39,906**	**139,807**
Staff costs	(7,378)	(8,190)	n.d.	(3,875)	(19,443)
Net operational costs	(19,436)	(7,974)	n.d.	(4,614)	(32,024)
Total Costs and Expenses	**(26,814)**	**(16,164)**	**n.d.**	**(8,489)**	**(51,467)**
EBITDA	**5,693**	**51,230**	**n.d.**	**31,417**	**88,340**
Interest and commissions from financial activity	-	-	n.d.	(42,235)	(42,235)
Net EBITDA Interest and commissions from financial activity	**5,693**	**51,230**	**n.d.**	**(10,818)**	**46,105**

The allocation of AUMs among the divisions is carried out according to a management logic: ‘going concern’ loans, both at the level of the individual debtor and at the level of the economic group (in the latter case, for attraction, there could also be residual positions to be managed with a view to liquidation), linked to debt positions considered to be non-structural and for which the counterparties are able to generate cash flows to service the debt, are assigned to the UTP Division, with the aim of maximising recovery and facilitating the debtor's return to performing status, including through the provision of new financing. The so-called “gone concern” positions are instead managed with a liquidation perspective, linked to the patient recovery of the loan and the maximisation of the recovery value of the guarantees (also through REOCO activities); these debt positions are assigned to the Workout Division. The Workout Division is responsible for ensuring the performance of recovery activities for non-performing loans classified as "gone concern", directly acquired or acquired under management by AMCO.

The Special Partnership & Servicing Division has been operational since 1 January 2022 with the primary objective of improving the performance of the recovery activities of the files managed by the external Servicers, both “gone concern” and “going concern” files.

The EBITDA of the Workout Division amounted to EUR 13.1 million, made up of EUR 30.1 million in revenues and EUR 17.0 million in costs.

In carrying out its credit management and collection activities, the Workout generated revenues from:

- fee and commission income of EUR 4.4 million, deriving exclusively from collection activities on the portfolios of the former Veneto Banks;
- net interest income linked to POCI portfolios and the release of time values on portfolios measured at amortised cost of EUR 13.5 million (EUR 21.1 million of real interest, net of EUR 7.6 million of interest expense reallocated by the Treasury on the basis of the TIT);
- other revenues from ordinary operations amounting to EUR 12.2 million, on the other hand, relate to the recovery of receivables from collections.

The costs of the Workout Division amounted to EUR 17.0 million and consist of staff costs (including personnel allocated to the operating segment) of EUR 5.2 million, net operating costs of EUR 11.8 million (of which EUR 8.0 million were direct costs for recovery activities).

The UTP Division is responsible for proactively managing receivables classified as "going concern" purchased or acquired under management by AMCO with the objective of maximising recovery and pursuing the return to performing status of debtors with a temporary situation of financial difficulty. The Division's EBITDA was EUR 41.0 million, consisting mainly of revenues in the amount of EUR 53.1 million and costs in the amount of EUR 12.0 million.

The revenues of the UTP Division are composed of:

- fee and commission income of EUR 10.6 million, deriving exclusively from collection activities on the portfolios of the former Veneto Banks;
- interest from customers of EUR 33.1 million, already net of notional interest on TIT of EUR 13.2 million, consisting of interest on POCI portfolios, contractual interest and the release of time values on loans in the MPS portfolio;
- other revenues from ordinary operations amounting to EUR 9.4 million, on the other hand, relate to the recovery of receivables from collections.

Net costs amounted to EUR 12.0 million, of which EUR 6.4 million related to personnel and EUR 5.6 million to net expenses (EUR 1.6 million of direct costs for recovery and structure activities).

The SP&S Division has the task of managing all types of loans entrusted to specialised external Servicers, as well as the management of files belonging to the Cuvèe portfolio. The EBITDA of the Division amounted to EUR 10.8 million, comprising EUR 33.2 million in revenues and EUR 22.3 million in costs.

The revenues of the SP&S Division are composed of:

- commission income of EUR 6.2 million, consisting of EUR 4.3 million from collection activities on the portfolio of the former Veneto Banks and for EUR 1.9 million from the management of the receivables transferred to the *Back2Bonis* fund;
- interest from customers of EUR 20.9 million, already net of notional interest on TIT of EUR 12.0 million, consisting of interest on POCI portfolios, contractual interest and the release of time values on loans in the MPS portfolio;
- other revenues from ordinary operations amounting to EUR 6.1 million, on the other hand, relate to the recovery of receivables from collections.

Net costs amounted to EUR 22.3 million, of which EUR 3.4 million relating to personnel and EUR 18.9 million to net expenses (EUR 16.5 million related to direct costs for recovery activities).

With regard to the remaining, non-business divisions, Treasury is responsible for monitoring the Company's liquidity needs and managing them proactively through a strategy aimed at maximising risk/return, and the Governance Centre assumes the function of guiding, coordinating, supporting and controlling the other divisions, while the Real Estate division offers support services to the business divisions on the real estate side, generating notional commission income, and performs repossessing activities.

EBITDA was positive for EUR 25.7 million, thanks to revenues composed mainly of notional interest allocated to the other divisions of EUR 33.2 million, as well as notional fees for real estate services in the amount of EUR 2.4 million.

Performance of managed assets

Figures in €/000	*Workout*	UTP PD	SP&S	AMCO
Assets Under Management	11,626,712	9,737,857	11,212,424	32,576,993

Assets under management refer to gross non-performing loans allocated to the respective business units. These assets include both those reflected in AMCO's financial statements (on balance), those of the Segregated Estates of the former Venetian Banks and the others for which AMCO acts as Special Servicer. The allocation among the divisions is carried out according to a management logic: "going concern" loans, managed internally by AMCO, both at the level of the individual debtor and at the level of the economic group (in the latter case, for attraction, there could also be residual positions to be managed with a view to liquidation), linked to debt positions considered to be non-structural and for which the counterparties are able to generate cash flows to service the debt, are assigned to the UTP Division, with the aim of maximising recovery and facilitating the debtor's return to performing status, including through the provision of new financing. The so-called “gone concern” positions, managed in-house by AMCO, are instead managed with a liquidation perspective, linked to the patient recovery of the loan and the maximisation of the recovery value of the guarantees (also through REOCO activities); these debt positions are assigned to the Workout Division. All credits, both “going concern” and “gone concern”, not managed in-house by AMCO but entrusted to specialised Servicers, are managed by the SP&S division.

Organisational structure

Figures in €/000	Workout	UTP PD	SP&S	Treasury, Governance Centre and Real Estate	AMCO
FTE (indirect)	111	108	75	64	358

The FTEs are calculated as the average of AMCO's employees over the period, also taking into account any management reallocations of personnel between the various operating sectors.


8.

statement by the chief executive officer and the manager in charge

Attestation of the Chief Executive Officer and Manager in charge of preparing the Company’s Financial Reports on the Half-Yearly Financial Report and Report on Operations as at 30 June 2022 pursuant to Art. 154 bis of Italian Legislative Decree 58/1998

1. The undersigned MARINA NATALE, in her role of Chief Executive Officer and Manager in charge of preparing the Company’s Financial Reports of AMCO – Asset management company S.p.A., also taking into account the provisions of Art. 154 bis, paragraphs 3 and 4, of Italian Legislative Decree No. 58 of 24 February 1998, Art. 13, paragraph 6, of the Articles of Association and what stated at point 2 below, certifies:
   - the adequacy in relation to the characteristics of the company and the corporate structure;
   - the effective application of the administrative and accounting procedures and practices for the preparation of the Half-Yearly Financial Report as at 30 June 2022.
2. In this regard, it should be noted that the undersigned MARINA NATALE has carried out activities useful for the verification of the adequacy and the effective application of current procedures and consolidated administrative and accounting provisions, while at the same time continuing to pursue the rationalisation of the same.
3. The undersigned also certifies that the half-yearly financial report as at 30 June 2022:
   - corresponds to the accounting entries and records;
   - is suitable to provide a truthful and correct representation of the financial, economic and assets situation of the Company;
   - is drawn-up in compliance with the IAS/IFRS international accounting standards recognised by the European Community and the Provisions of the Banca d’Italia on the subject.
4. Lastly, it is certified that the Report on Operations as at 30 June 2022 includes a reliable analysis of the Company’s performance and result as well as the Company’s situation, together with a description of the main risks and uncertainties to which the Company is exposed.

Milan, 5 September 2022

Signed by

Marina Natale
Chief Executive Officer and Manager in charge of preparing the Company’s Financial Reports


9.

independent auditors' report

Deloitte.

Deloitte & Touche S.p.A.
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REPORT ON REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders of
AMCO – Asset Management Company S.p.A.

Introduction

We have reviewed the accompanying condensed interim financial statements of AMCO – Asset Management Company S.p.A., which comprise the balance sheet as of June 30, 2022 and the income statement, statement of other comprehensive income, statement of changes in net equity and statement of cash flows for the six-month period then ended, and the related explanatory notes. The Directors are responsible for the preparation of this condensed interim financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements of AMCO – Asset Management Company S.p.A. as at June 30, 2022 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

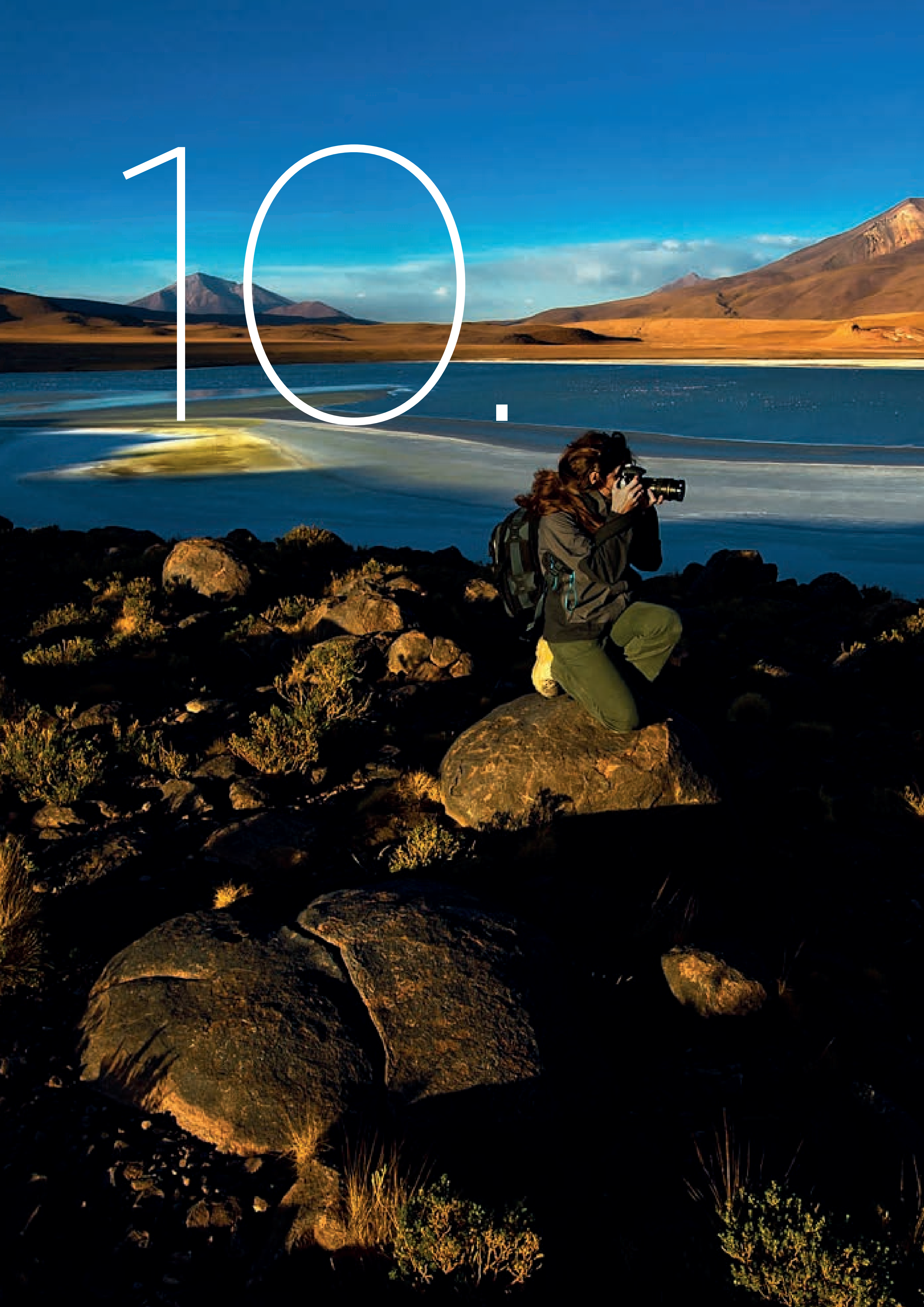
DELOITTE & TOUCHE S.p.A.

Signed by
Maurizio Ferrero
Partner

Milan, Italy
September 7, 2022

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

10.



annexes

Below are the reconciliation tables used to prepare the reclassified balance sheet and income statement. Please refer to the previous sections for an explanation of the restatements for the comparative period.

EUR/(000) - %	30/06/2022	31/12/2021
Loans and receivables with banks	**111,522**	**155,447**
+ 40 (a). Loans and receivables with banks	111,522	155,447
Loans and receivables with customers	**4,389,046**	**4,506,349**
+ 40 (b). Financial assets measured at amortised cost: loans and receivables with financial companies	64,923	82,306
+ 40 (c). Financial assets measured at amortised cost: loans and receivables with customers	4,324,124	4,424,043
Financial assets	**1,328,971**	**1,181,918**
+ 20 (a). Financial assets valued at fair value through profit and loss - financial assets held for trading	28	70
+ 20 (c). Financial assets measured at fair value through profit and loss: other financial assets mandatorily measured at fair value	620,044	681,180
+ 30. Financial assets measured at fair value through other comprehensive income	708,899	500,668
Equity investments	**10**	**10**
+ 70. Equity investments	10	10
Property, plant and equipment and intangible assets	**32,386**	**29,154**
+ 80. Property, plant and equipment	28,909	27,217
+ 90. Intangible assets	3,478	1,937
Tax assets	**215,996**	**234,785**
+ 100 (a). Current tax assets	17,946	11,207
+ 100 (b). Prepaid tax assets	198,050	223,578
Other assets	**36,776**	**26,697**
+ 10. Cash and cash equivalents	-	-
+ 120. Other assets	36,776	26,697
Total assets	**6,114,707**	**6,134,359**

Table 8 – Reconciliation of reclassified balance sheet assets as at 30 June 2022.

EUR/(000) - %	30/06/2022	31/12/2021
Payables to third parties	**3,635,415**	**3,622,914**
+ 10 (a). Financial liabilities measured at amortised cost: payables	26,142	26,199
+ 10 (b). Financial liabilities measured at amortised cost: debt securities issued	3,609,273	3,596,714
Tax liabilities	**3,501**	**4,103**
+ 60 (a). Current tax liabilities	198	-
+ 60 (b). Deferred tax liabilities	3,303	4,103
Provisions for specific purposes	**19,069**	**22,950**
+ 90. Staff severance indemnity	456	556
+ 100 (b). Provisions for risks and charges: pensions and similar obligations	167	130
+ 100 (c). Provisions for risks and charges: other provisions for risks and charges	18,446	22,264
Other liabilities	**91,018**	**90,382**
+ 20. Financial liabilities held for trading	179	4
+ 80. Other liabilities	90,839	90,377
Share capital	**655,154**	**655,154**
+ 110. Share capital	655,154	655,154
Treasury shares	**(72)**	**(72)**
+ 120. Treasury shares	(72)	(72)
Share premiums	**604,552**	**604,552**
+ 140. Share premiums	604,552	604,552
Reserves	**1,148,474**	**1,567,785**
+ 150. Reserves	1,148,474	1,567,785
Valuation reserves	**(51,996)**	**(14,098)**
+ 160. Valuation reserves	(51,996)	(14,098)
Profit for the year	**9,592**	**(419,311)**
+ 170. Profit (Loss) for the year	9,592	(419,311)
Total liabilities	**6,114,707**	**6,134,359**

Table 9 – Reconciliation of reclassified balance sheet liabilities as at 30 June 2022.

EUR/(000) - %	30/06/2022	30/06/2021
Servicing commissions	**21,843**	**23,908**
+ 40. Fee and commission income (partial)	21,843	23,908
Interest/commissions from business with customers	**100,660**	**92,926**
+ 10. Interest income (partial)	99,870	92,926
+ 40. Fee and commission income (partial)	791	103
Other income/expenses from ordinary operations	**27,687**	**22,973**
+ 100 (a). Profit/loss from sales or repurchase of accounts receivables	-	190
+ 110 (b). Net result of financial assets and liabilities measured at fair value through profit and loss - mandatorily at fair value	274	-
+ 130 (a). Net value adjustments/reversals for credit risk of: assets measured at fair value through OCI (partial)	27,028	22,783
+ 200. Other operating income and expenses (partial)	386	-
Total revenues	**150,191**	**139,807**
Staff costs	**(19,446)**	**(19,443)**
+ 160 (a). Staff costs	(19,446)	(19,443)
Operational costs	**(40,114)**	**(32,024)**
+ 160 (b). Other administrative expenses	(36,963)	(29,216)
+ 200. Other operating income and expenses (partial)	4,688	3,834
+ 50. Fee and commission expense (partial)	(7,839)	(6.643)
Total costs	**(59,560)**	**(51,467)**
EBITDA	**90,631**	**88,340**
Net value adjustments/reversals on receivables and securities from ordinary operations	**(42,870)**	**3,304**
+ 110 (b). Net result of financial assets and liabilities measured at fair value through profit and loss - mandatorily at fair value	34	3,970
+ 130 (a). Net value adjustments/reversals for credit risk of: assets measured at amortised cost	(42,904)	(666)
+ 10. Interest income (partial)	-	-
Value adjustments/reversals on property, plant and equipment and intangible assets	**(2,147)**	**(1,288)**
+ 180. Net value adjustments/reversals on property, plant and equipment	(1,769)	(931)
+ 190. Net value adjustments/reversals on intangible assets	(378)	(357)
Net provisions for risks and charges	**(128)**	**825**
Other operating income/expenses	**9,273**	**(5,325)**
+ 80. Trading activity result	15,933	5,295
+ 200. Other operating income/expenses	(2,067)	(7,191)
- 200. Other operating income and expenses (partial)	(4,688)	(3,834)
+ 130 (a). Net value adjustments/reversals for credit risk of: assets measured at amortised cost	96	405
Financial activity result	**(7,694)**	**7,587**
+ 70. Dividends	839	472
+ 100 (b). Profit (loss) on sale/repurchase of financial assets measured at fair value through other comprehensive income (partial)	-	134
+ 110 (b). Net result of other financial assets and liabilities measured at fair value through profit and loss - other financial assets mandatorily measured at fair value (partial)	(8,093)	7,493
+ 130 (b). Net value adjustments/reversals for credit risk of: assets measured at fair value through OCI (partial)	(439)	(512)
+ 220 Profit/loss from equity investments	-	-
EBIT	**47,065**	**93,442**
Interest and commissions from financial assets	**(31,507)**	**(42,235)**
+ 10. Interest income (partial)	632	348
+ 20. Interest expenses	(33,058)	(43,005)
+ 40. Fee and commission income (partial)	972	549
+ 50. Fee and commission expense (partial)	(54)	(127)
Pre-tax profit	**15,559**	**51,207**
Current taxes	**(5,967)**	**(15,377)**
+ 270. Current taxes	(5,967)	(15,377)
Result for the year	**9,592**	**35,830**

Table 10 – Reconciliation of reclassified income statement as at 30 June 2022.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