amco
ASSET MANAGEMENT COMPANY

Half-yearly consolidated financial report 2023

Our vision

We want to play a key role in the NPE market in Italy for all of our stakeholders. We strive 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 the Italian market of impaired loans, through a sustainable management model that aims to ensure the business continuity of deserving companies by creating new opportunities.

Our values

listening

We enter every relationship in the context of a long-term vision.

We operate with the utmost respect for the customer and our people, with a proactive approach built on dialogue.

innovation

We create new business opportunities and scenarios .

We offer vision and innovation to the players in the sector. We work together to create new connections.

competence

Our know-how is the best of the best.

We successfully complete complex operations, applying the utmost professionalism in every field. We cultivate talent to achieve new goals, because our real assets are our people.

optimism

We will give you 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 transforming impaired loans into new starting points.

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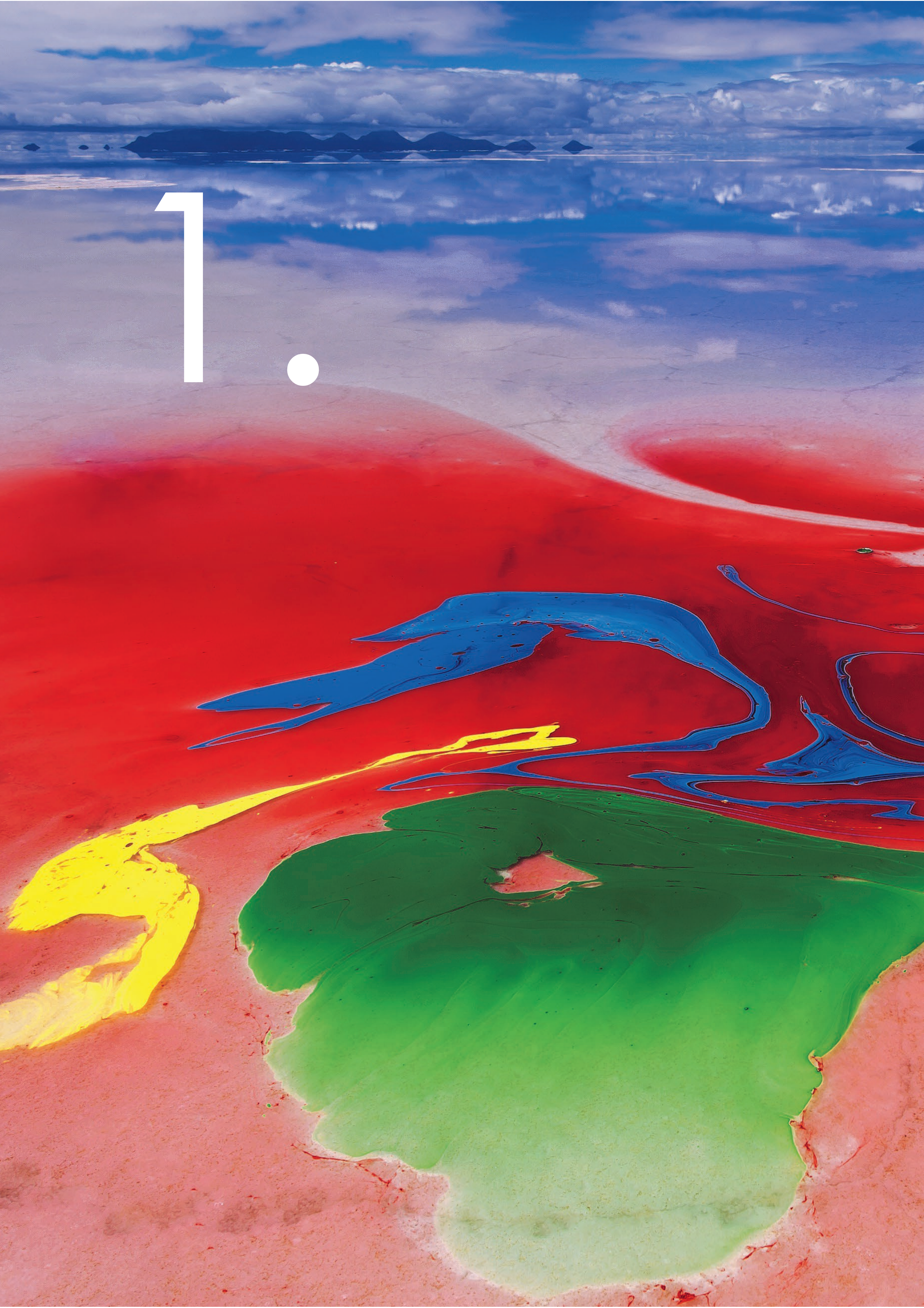


Corporate offices and independent auditors

BOARD OF DIRECTORS[1]

Chairman	Giuseppe Maresca
Chief Executive Officer[2]	Andrea Munari
Director	Antonella Centra
Director	Ezio Simonelli
Director	Silvia Tossini

BOARD OF STATUTORY AUDITORS

Chairman	Giampiero Riccardi
Standing Auditor	Giuseppa Puglisi
Standing Auditor	Giovanni Battista Lo Prejato
Alternate Auditor	Maurizio Accarino
Alternate Auditor	Delia Guerrera

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.

MANAGER IN CHARGE OF PREPARING THE COMPANY'S FINANCIAL REPORTS

Manager in charge	Luca Lampugnani

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

Principal Appointee	Giuseppe Maria Mezzapesa
Substitute Appointee	Vincenzo Liprino

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

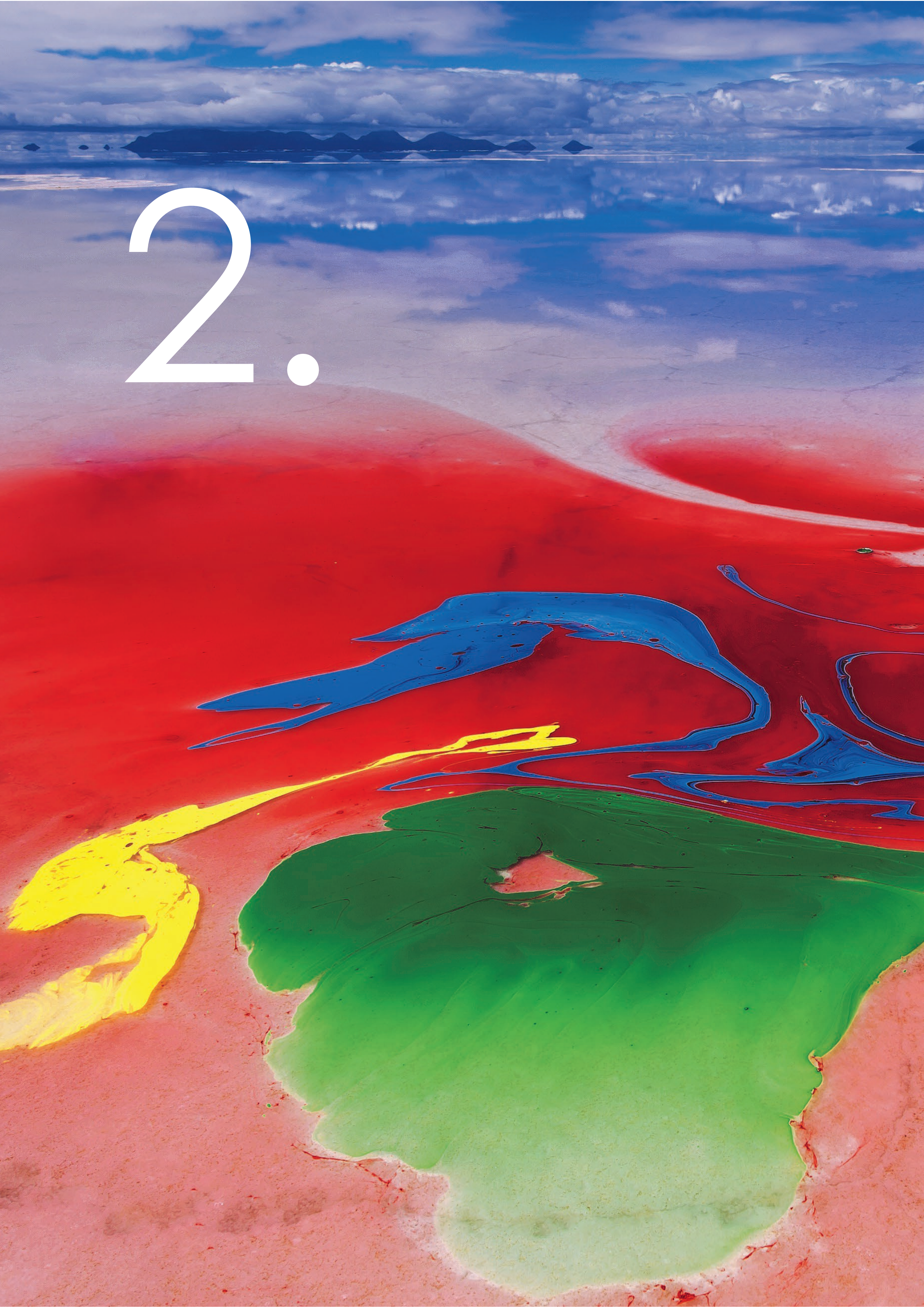
Chairman	Arturo Betunio
Member (external)	Olga Cuccurullo
Member (internal)	Lorenzo Lampiano

at the closing date of the half-yearly financial report at 30 June 2023.

[1] With the approval of these financial statements at 31 December 2022, the term of office of the Board of Directors composed of the Chairman, Mr Stefano Cappiello, the Chief Executive Officer, Ms Marina Natale, and the Director, Mr Domenico Iannotta, expires. The new Board of Directors was appointed by resolution of the Ordinary Shareholders' Meeting of 20 June 2023.

[2] The Board of Directors, by resolution of 4 July 2023, appointed as Chief Executive Officer of the Company Mr Andrea Munari.

2.



Introduction

AMCO - Asset Management Company S.p.A. (hereinafter the "Company" or "AMCO" or "AMCO S.p.A." or the "Parent Company") is a Financial Intermediary pursuant to Art. 106 of the Consolidated Banking Law (Testo Unico Bancario - TUB), specialised in the management and recovery of impaired loans.

Since 1997 the Parent 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 Legislative Decree 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 TUB, 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, it has arranged for AMCO (formerly SGA), through Segregated Estates nominated "Veneto Group" and "Vicenza Group", to become the assignee of impaired 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 impaired 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 project for the partial non-proportional demerger with asymmetrical option of MPS in favour of AMCO. Following the approval of the demerger project, on 25 November 2020 the demerger deed was signed and became effective on 1 December 2020.

From a regulatory point of view, the transaction was subject to prior notification to Banca d'Italia by AMCO pursuant to the Supervisory Provisions for Financial Intermediaries (Banca d'Italia 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 Banca d'Italia Circular 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 consolidated 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 Article 13 of Italian Legislative Decree No. 385 dated 1 September 1993 (hereinafter

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 the respective Segregated Estates, was completed.

TUB), by companies belonging to banking groups enrolled in the register set forth in Article 64 of the TUB and by financial intermediaries enrolled in the register set forth in Article 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 to transfer debtors, 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 impaired 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.

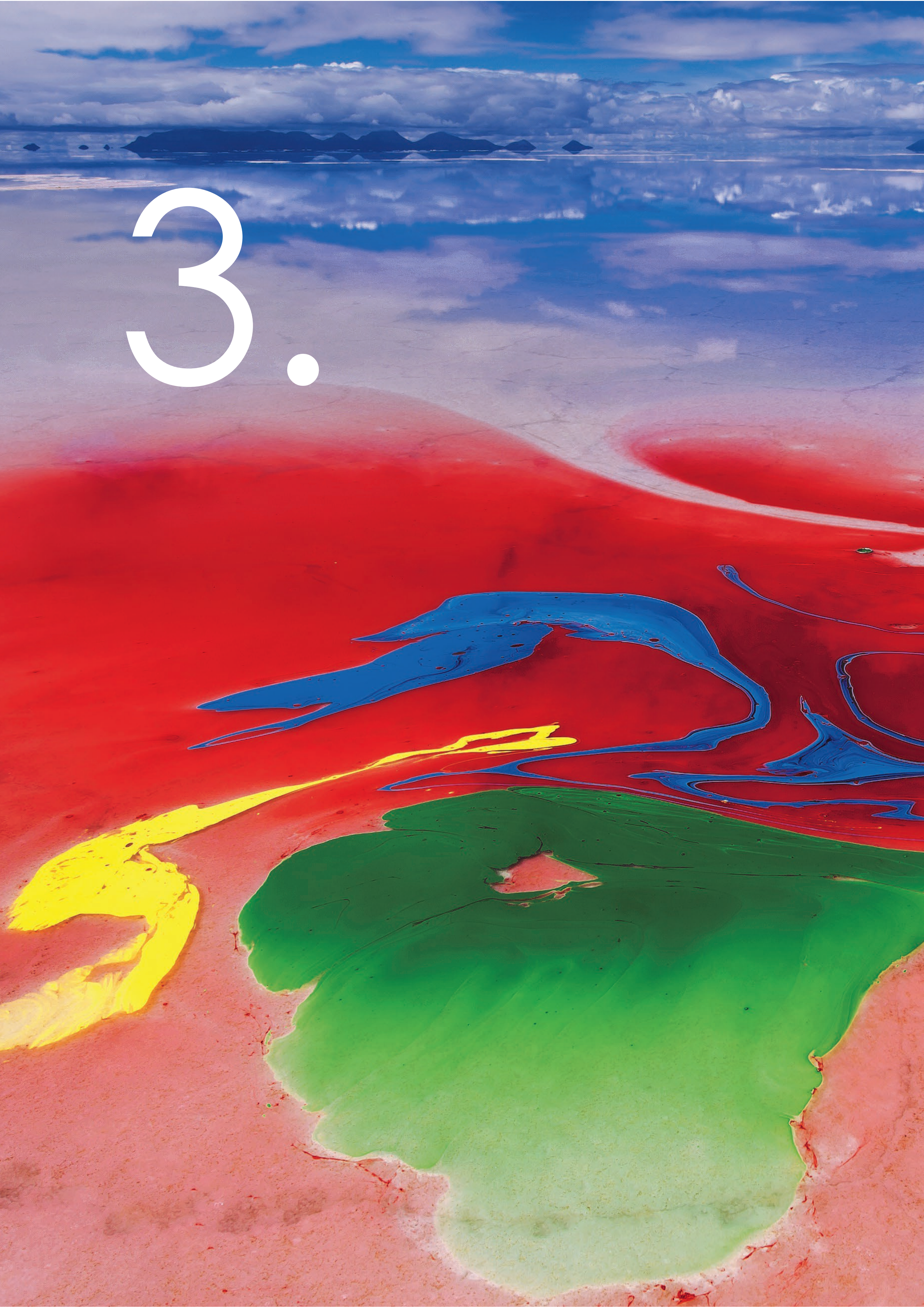
4. The Company may also invest in synthetic securitisation transactions involving loans originating from banks recorded in the register pursuant to Art. 13 of Italian Legislative Decree No. 385 of 1 September 1993 (hereinafter TUB), by companies belonging to banking groups recorded in the register pursuant 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 assessment agency (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 transfer 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 program 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 subsidiary that is 99.78% owned by the Ministry of Economy and Finance, the parent company AMCO is subject to the financial management control of the Court of Auditors.

As at 30 June 2023, the Parent Company AMCO owns:

- the entire equity investment in AMCO - Asset Management Co. S.r.l., a Romanian registered company dealing with the management of impaired loans to Romanian residents, held by the Veneto Group Segregated Estate. The Company was placed in liquidation on 16 June 2021 and is expected to end operations by the end of the 2023 financial year;
- the entire equity investment in the vehicles Tatooine SPV S.r.l. and Tatooine LeaseCo S.r.l., acquired on 19 December 2022;
- the entire equity investment in the company Le Manifatture S.r.l., an operating company, acquired on 5 May 2023, that manages the shopping centre complex bearing the same name. The company was established as a result of the transfer of the IMMIT company business unit, including the lease contract for the area of the "Le Manifatture" shopping centre bearing the same name, entered into with Tatooine LeaseCo S.r.l. To allow the valuation and relocation of this asset, in accordance with its intended use as a shopping centre in compliance with applicable regulations, for the benefit of LeaseCo and the value of the securitisation, the Parent Company has acquired the entire equity investment.

The corporate structure of AMCO and its subsidiaries (the "Group") as at 30 June 2023 is shown in the following diagram:

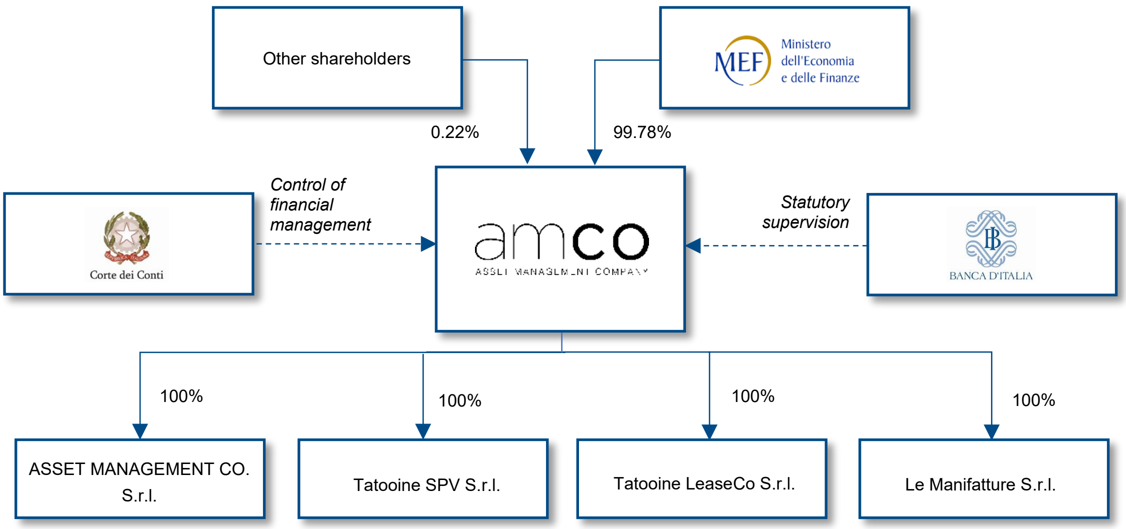
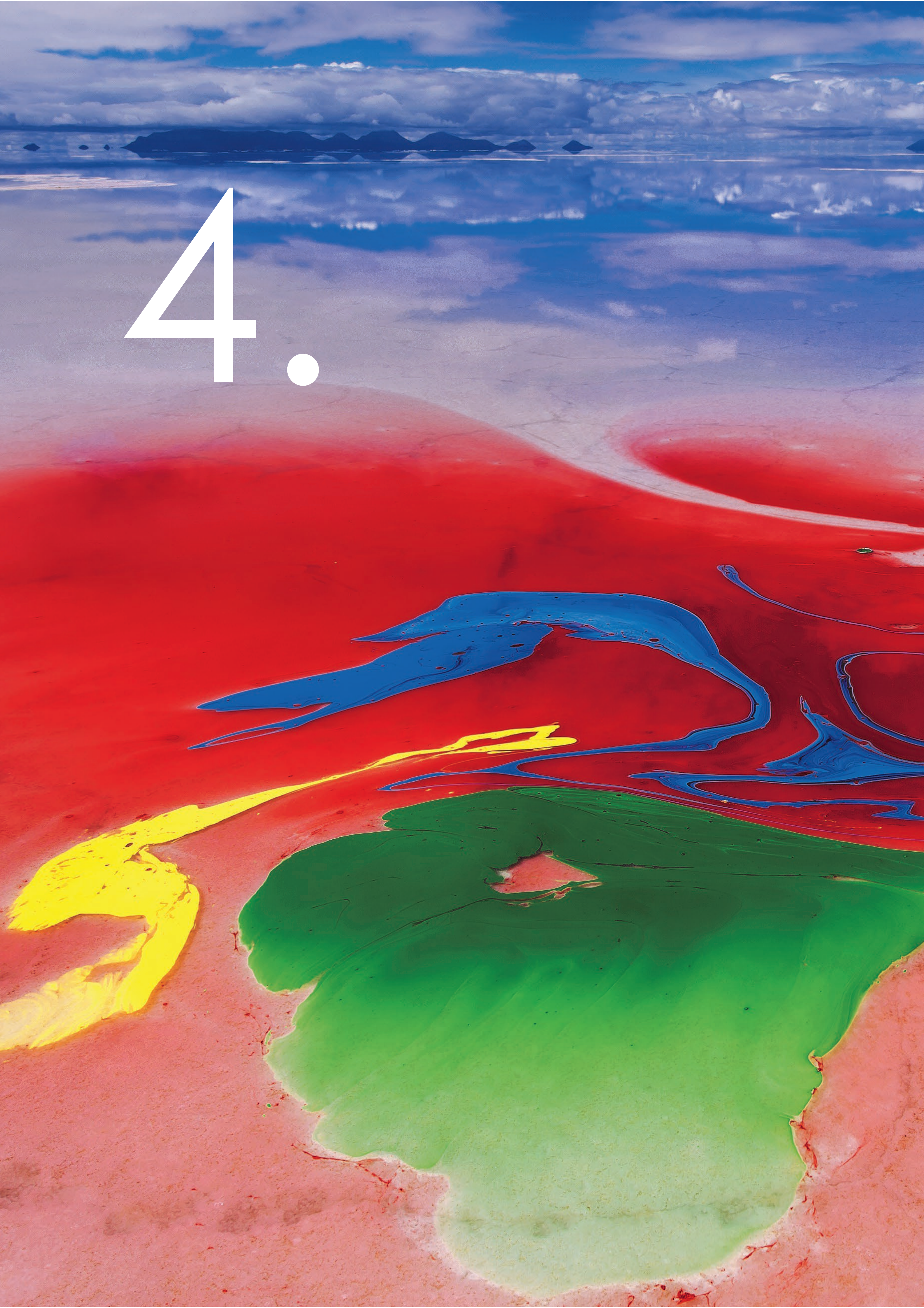


Figure 1 - Corporate Structure as at 30 June 2023[4]

This consolidated half-yearly financial report was prepared by including in the scope of consolidation the vehicles Tatooine SPV S.r.l. and Tatooine LeaseCo S.r.l., but not the wholly-owned subsidiaries AMCO S.r.l. in liquidation and Le Manifatture S.r.l., taking into account the negligible impact of the latter at aggregate level.

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

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 without indication of nominal value and no voting rights, held by the Italian Ministry of Economy and Finance, by other shareholders and including 18,466 treasury shares in portfolio.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Organisational structure

The AMCO Group's organisational structure as at 30 June 2023 is shown below:

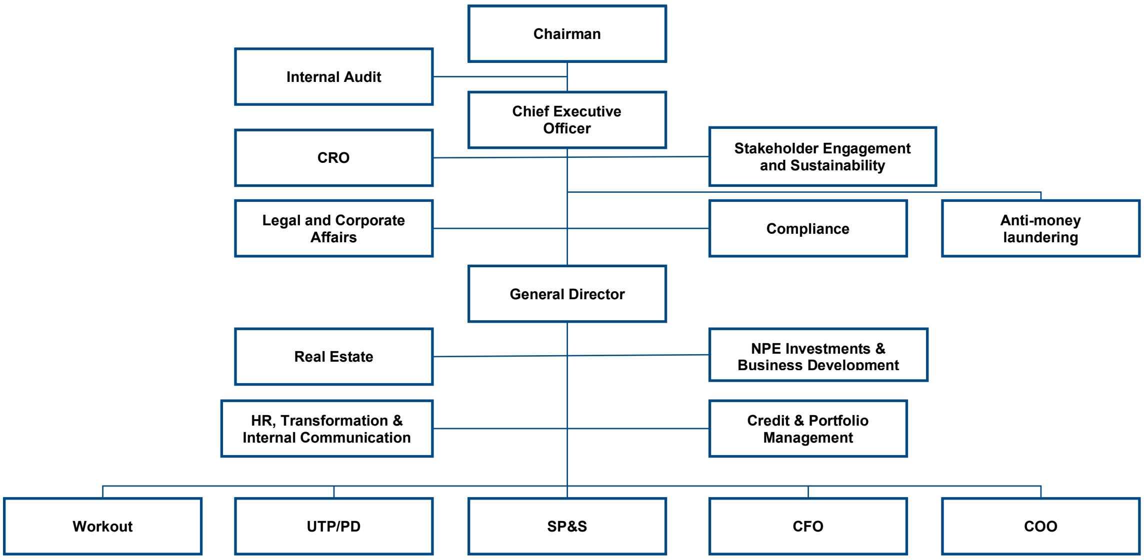

Figure 2 - Organisational structure as at 30 June 2023

As at 30 June 2023, the following activities were outsourced:

- management of information systems;
- preparation of payroll and related obligations;
- asset management activities (special servicing).

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 Parent Company has adopted an Organisational, Management and Control Model last updated with the resolution of the Board of Directors of 26 October 2022. In compliance with the above-mentioned regulation, the Parent 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.

The Parent Company, with resolution of 19 October 2016, established the figure of the "Manager in charge of preparing the Company's Financial Reports", as required by the Articles of Association and on a consistent basis with the change in its shareholding structure (i.e. control by the Italian Ministry of Economy and Finance).

Staff composition

As at 30 June 2023, the number of the Group's employees was 413 units, up by 40 units compared to the correspondent number as at 31 December 2022 (373 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 2023, by gender, age and length of service, classification, and contract type.

	Senior managers	Middle managers	White-collar workers	Coordinated and continued collaborators	Total
Men (No.)	18	171	54	-	243
Women (No.)	5	107	58	-	170
Total	**23**	**278**	**112**	**-**	**413**
Average age	51	45	38	-	43
Length of service (average in years)	4	6	5	-	5
Permanent contract	23	278	110	-	411
Fixed-term contract	-	-	2	-	2

Table 1 - Composition of the headcount as at 30 June 2023.

Litigations

There were no litigations outstanding with employees as at 30 June 2023.

Turnover

With regard to staff turnover, hiring continued in 2023 based on the organisational and growth needs of the Parent Company, aimed at consolidating the organisational and operational strengthening linked to the volumes of impaired loans under management, continuing to increase its workforce with new recruits spread across the various organisational structures.

Permanent contract	31.12.2022	Recruitment	Change from fixed-term to permanent contract	Resignations, retirements and terminations	Change in category	30.06.2023
Senior managers	23	-	-	-	-	23
Middle managers	257	30	-	(10)	1	278
White-collar workers	90	23	1	(3)	(1)	110
Total	**370**	**53**	**1**	**(13)**	**-**	**411**

Fixed-term contract	31.12.2022	Recruitment	Change from fixed-term to permanent contract	Resignations, retirements and terminations	Change in category	30.06.2023
Senior managers	-	-	-	-	-	-
Middle managers	1	-	-	(1)	-	-
White-collar workers	2	1	(1)	-	-	2
Total	**3**	**1**	**(1)**	**(1)**	**-**	**2**

Table 2 - Staff turnover in the first half-year of 2023

Geographic location

As at 30 June 2023, the registered office of the Parent Company was located in Via Santa Brigida No. 39 in Naples, while the General Management was in Via San Giovanni sul Muro No. 9 in Milan. The Parent Company operates from offices in Viale Europa No. 23 in Vicenza.

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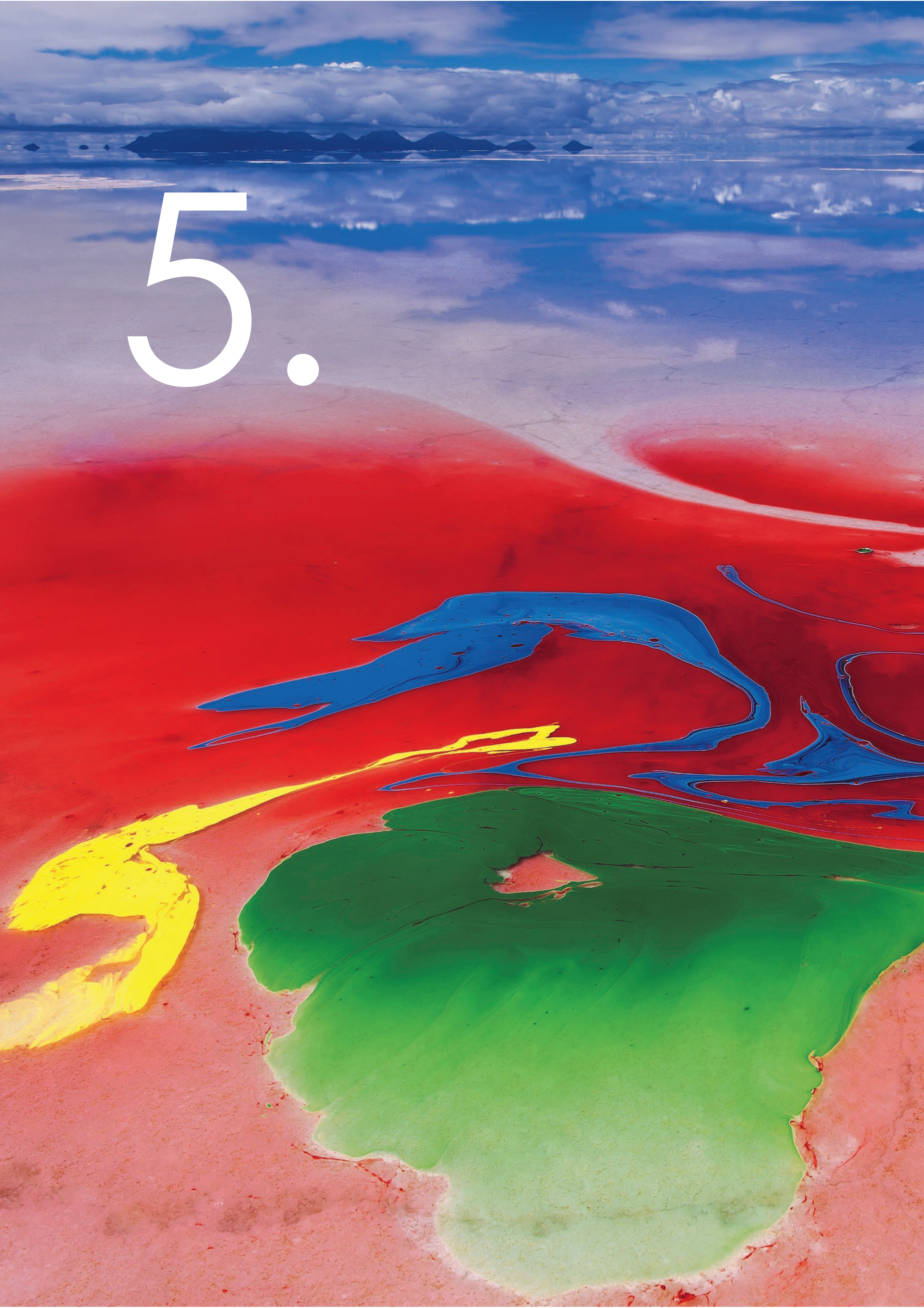


Report on operations

MACROECONOMIC SCENARIO

During the first half of 2023, the global economy continued to be affected by the inflationary wave that began in 2022, with an increase in the costs of services and raw materials.

To counter this trend, the central banks continued a monetary policy of raising interest rates: the ECB reference rates were raised to 3.50%[5] compared to -0.5% a year ago, following the line of the Fed, which brought the Federal Funds rate to 5.25%[6] as at 3 July 2023.

As part of monetary policy, the Governing Council of the ECB, on the other hand, is progressively reducing the *Asset Purchase Program* portfolio, albeit at a measured and predictable pace. With regard to the *Pandemic Emergency Purchase Programme*, however, it was decided to reinvest the capital repaid on securities maturing under the programme at least until the end of 2024, thereby limiting as far as possible the impact on the performance of government bonds in the euro area countries, primarily the peripheral ones. However, these actions, in the ECB's intentions, should not interfere with the adjustment of monetary policy, which is expected to continue to follow the course of the first six months of the year until the 2% inflation target is reached[7].

2023 is seen as a transition year with lower growth due to the macroeconomic environment affected by high interest rates; the most recent forecasts indicate growth of the global economy at around 2.8%, down from 3.4% in 2022 also due to weaker economic activity in China.

Regarding Italy more specifically, estimates for the Gross Domestic Product anticipate growth of 1.2%.[8]. Inflation, which also declined, stood at 6.1%, clearly down from 2022, and is expected to fall even further during 2024 to 2.9%, which is very close to the ECB target.

The unemployment rate in May 2023 was 7.6% (-0.2 percentage points compared to the beginning of the year), while the employment rate was around 61.2% (at the beginning of the year it was 60.5%) and the inactivity rate was 33.7% (constant in the first half of 2023 and down 0.6 percentage points compared to the beginning of the year)[9], values consistent with the expectations of a higher GDP than originally forecast.

During the first half of the year, in Italy, the stock of loans to non-financial corporations decreased by 4.2% and credit to households declined by 2.1% due to the slowdown in the granting of home loans.

According to Banca d'Italia, with respect to total loans, the flow of new impaired loans (*default rate*) remained stable in the first half of the year at around 1%, down marginally for companies to 1.7%, and remained stable for households at 0.6%, with the gross proportion of impaired loans declining and remaining low.

In the first months of 2023, the asset quality of Italian banks showed no signs of stress: as at 31 March, total impaired loans stood at 57.4 billion, slightly down from 58.2 billion as at 31 December 2022, with a gross NPE ratio[10] of 3.0%. The trend shown above applies to all categories of impaired loans: loans classified as "past due" or "unlikely to pay" (*UTP*) went from 36.9 billion as at 31 December 2022 to 36.1 billion as at 31 March 2023, while bad loans went from 21.3 billion as at 31 December 2022 to 21.2 billion at 31 March 2023. Net bad loans (i.e. net of write-downs and provisions), as at 31 March 2023, amounted to EUR 15.2 billion, up by approximately EUR 1 billion compared to December 2022. The reduction compared to the maximum level of net bad

Monetary policy[5] decision – ECB, 15 June 2023.
[6] Federal Reserve issue enforcement action, July 2023.
[7] Monetary policy decision – ECB, 15 June 2023.
[8] European Commission, 15 May 2023.
[9] ISTAT provisional data, May 2023.
[10] Percentage of impaired loans out of total stock of loans disbursed.

loans reached in November 2015 was 73.6 billion and the net bad loans/total loans ratio stood at 0.89%, down compared to the data from the end of 2022[11].

The attention of the banking sector is focused on *performing* positions classified in *stage* 2, which in December 2022 accounted for EUR 227 billion on bank financial statements, or 11.3% of the total, a proportion higher than the Eurozone average (9.1%).

[11] Banca d'Italia: Economic Bulletin No. 3 2023.

OPERATING PERFORMANCE

Income statement

During the first half of 2023, the AMCO Group recorded a solid operating performance, achieving a strong improvement in EBITDA (+ 82%) compared to the same period of the previous year due to the contribution of the portfolios acquired at the end of 2022 and in the first months of 2023.

The net result for the first half was EUR 22.1 million, up by EUR 12.5 million (+ 131%) compared to the same period of the previous year.

The recovery performance in terms of collections, equal to EUR 760 million, is up by 14% compared to the first half of 2022, with an improvement in the *collection rate* (ratio between collections and average volumes managed) from 4.1% achieved in the first half of 2022 to 4.2% in 2023.

Assets under management as at 30 June 2023 amounted to EUR 36.1 billion, down by EUR 0.3 billion compared to 31 December 2022 due to the normal trend in recovery activities, only partly offset by the purchases of new portfolios that took place in the first half of the year, amounting to EUR 865 million. However, in comparison with the first half of the previous year, the average value of assets under management is growing strongly due to the contribution of the portfolios acquired at the end of 2022 and in the first months of 2023, rising from 32.4 billion to 36.2 billion (11.6%).

The CET1 ratio as at 30 June 2023 was 33.9%, a level significantly higher than the regulatory requirements, as well as up compared to the figure as at 31 December 2022 (33.1%).

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

Euro/thousand - %	30.06.2023	30.06.2022	Delta insurance	Delta %
Servicing commissions	20,060	21,843	(1,783)	-8%
Interest and commissions from customers	173,648	100,660	72,988	73%
Other income/charges from activities with customers	51,289	27,687	23,602	85%
Total Revenues	**244,997**	**150,191**	**94,806**	**63%**
Personnel costs	(24,171)	(19,446)	(4,725)	24%
Net operational costs	(56,187)	(40,114)	(16,073)	40%
of which gross costs	(60,366)	(44,802)	(15,564)	35%
of which recoveries	4,179	4,688	(509)	-11%
Total Costs and Expenses	**(80,358)**	**(59,560)**	**(20,798)**	**35%**
EBITDA	**164,639**	**90,631**	**74,008**	**82%**
Value adjustments/reversals from ordinary operations	(79,976)	(42,870)	(37,106)	87%
Value adjustments/reversals on property, plant and equipment and intangible assets	(2,741)	(2,147)	(594)	28%
Provisions	(85)	(128)	43	-34%
Other operating income/expenses	(4,678)	9,273	(13,951)	-150%
Financial activity result	1,532	(7,694)	9,226	-120%
EBIT	**78,691**	**47,065**	**31,626**	**67%**
Interest and commissions from financial activity	(45,465)	(31,507)	(13,958)	44%
Pre-tax profit	**33,227**	**15,559**	**17,668**	**114%**
Current taxes	(11,106)	(5,967)	(5,139)	86%
Net result	**22,120**	**9,592**	**12,528**	**131%**

Table 5 – Reclassified consolidated income statement as at 30 June 2023 and 30 June 2022[12]

[12] As a comparison, as at 30 June 2022 the figures of the separate half-yearly financial report of the Parent Company AMCO S.p.A. are shown. Please refer to the Explanatory Notes, Part A - Accounting policies, A.1 - General section for further details.

Revenues amounted to EUR 245 million, up by EUR 94.8 million (+63%) compared to the same period in 2022 thanks to the increase in interest from customers and other income and expenses from activities with customers.

In particular, **servicing commissions** amounted to EUR 20.1 million, down by 8% compared to the same period of the previous year, due to the lower contribution from the management of the portfolios of the former Banche Venete as a result of the physiological reduction in volumes, partially offset by the increase in commissions received as part of the *Cuvée* transaction due to the growth in volumes managed as a result of the new contributions finalised in 2022.

Interest and commissions from customers were up by 73% compared to the first half of 2022.

Euro/thousand - %	30.06.2023	30.06.2022	Delta insurance	Delta %
Total POCI Portfolios	115,052	55,872	59,180	106%
Total Portfolios Amortised Cost	58,596	44,789	13,807	31%
Total	**173,648**	**100,661**	**72,987**	**73%**

This increase is a direct consequence of the new portfolios purchased in the second half of 2022 and the first half of 2023, which resulted in higher EIR interest in consideration of their POCI accounting. In addition to this, the item was positively impacted by the higher contractual interest and by the time value of the portfolios recorded at amortised cost due to the increase in variable interest rates observed on the market.

Other income and expenses from ordinary operations amounted to EUR 51.3 million, up by EUR 23.6 million YoY (+85%) thanks to the higher reversals of cash collections made through recovery activities.

The portfolios acquired in the second half of 2022 and in the first half of 2023, in addition to increasing revenues, led to an increase in costs both for personnel and for operating expenses.

The process of strengthening the Parent Company's workforce also continued in 2023 (+53 employees compared to June 2022), resulting in personnel expenses of EUR 24.2 million, up (+ 24%) compared to EUR 19.5 million in the first half of 2022.

Net operating costs, amounting to EUR 56.2 million, increased by EUR 16.1 million (+40%) compared to the first half of 2022, mainly due to higher costs for recovery activities.

Euro/thousand - %	30.06.2023	30.06.2022	Delta insurance	Delta %
Legal and other collection costs	28,358	18,519	9,839	53%
Outsourcing fees	10,177	7,839	2,338	30%
Property costs repossessed	190	73	117	160%
Insurance Policies Credit	1,028	847	181	21%
Expenses for collection activities	**39,753**	**27,278**	**12,475**	**46%**
IT	6,840	4,763	2,077	44%
Business information	861	686	175	26%
BPO and Document Archive	2,128	1,334	794	60%
Professional costs	3,543	3,054	489	16%
Logistics	1,256	1,193	63	5%
DTA fee	1,339	1,349	(10)	-1%
Other expenses	468	457	11	2%
Structure costs	**16,435**	**12,836**	**3,599**	**28%**
Total	**56,188**	**40,114**	**16,074**	**40%**

In fact, **expenses related to collection activities** increased by EUR 12.5 million (+ 46%), mainly due to the increase in the volume of assets under management, half-year on half-year, as well as to higher outsourcing commissions due to the growth in collections from the servicers to which part of the portfolio is entrusted.

Overheads increased by EUR 3.6 million (+28%), mainly due to the increase in the IT component linked to the implementation of the Operating Plan and inflation trends.

As a result of the trend in revenues and costs described above, **EBITDA** amounted to EUR 164.6 million, up 82% compared to the same period of the previous year.

The **balance of value adjustment reversals from ordinary operations** amounted to EUR -80 million (+ 87% compared to the first half of 2022) and reflects the provisions based on the revision of expectations and the anticipated recovery time frames on analytically assessed positions, as well as the effects of increased discount rates related to market trends.

Other operating income and expenses amounted to EUR -4.7 million, compared to EUR 9.3 million as at 30 June 2022, and were mainly related to the negative impact of the *collar* (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 activities** was positive for EUR 1.5 million, mainly due to the effects related to the equity investments and the units in funds held by the Parent Company.

Net interest from financing activities amounted to EUR -45.5 million, up by EUR 14 million compared to the same period of the previous year due to both the higher stock of payables following the issues of September 2022 and February 2023, and the higher cost of financing the most recent issues, a consequence of the increase in market interest rates.

Taxes amounted to EUR -11.1 million due to the change in deferred tax assets.

Consolidated balance sheet

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

Euro/thousand - %	30.06.2023	31.12.2022	Delta insurance	Delta %
Loans and receivables with banks	518,152	46,826	471,326	1007%
Loans and receivables with customers	4,981,478	5,031,061	(49,583)	-1%
Financial assets	1,048,812	1,258,534	(209,722)	-17%
Equity investments	21	10	11	106%
Property, plant and equipment and intangible assets	33,600	31,367	2,233	7%
Tax assets	177,426	197,686	(20,260)	-10%
Other asset items	38,875	39,198	(323)	-1%
Total assets	**6,798,362**	**6,604,682**	**193,680**	**3%**

Euro/thousand - %	30.06.2023	31.12.2022	Delta insurance	Delta %
Payables to third parties	4,274,677	4,133,631	141,046	3%
Tax liabilities	4,301	4,307	(6)	0%
Provisions for specific purposes	13,921	16,326	(2,405)	-15%
Other liability items	92,890	72,394	20,496	28%
Share capital	655,081	655,081		0%
Share premium	604,552	604,552		0%
Reserves	1,184,225	1,141,970	42,255	4%
Valuation reserves	(53,406)	(65,835)	12,429	-19%
Result for the year	22,120	42,254	(20,134)	-48%
Liabilities and net equity	**6,798,362**	**6,604,682**	**193,680**	**3%**

Table 6 – Consolidated balance sheet liabilities and reclassified consolidated shareholders' equity as at 30 June 2023 and 31 December 2022.

Loans and receivables with customers amounted to EUR 4,982 million and consist of both receivables accounted for using the POCI method and receivables accounted for at amortised cost.

Euro/thousand - %	30.06.2023	31.12.2022	Delta insurance	Delta %
Total POCI Portfolios	2,773,881	2,613,145	160,736	6%
Total Portfolios Amortised Cost	2,207,598	2,417,915	(210,317)	-9%
Total loans and receivables with customers	**4,981,479**	**5,031,061**	**(49,582)**	**-1%**

The 1% decrease compared to December 2022 is due to the trend relating to collections, cancellations and capitalisation of interest, as well as the revision of recovery expectations in terms of cash flows and timing, partially offset by the acquisitions made in the first half of 2023.

Financial assets amounted to EUR 1,049 million, down by 17% compared to December 2022 mainly due to the decrease in investments in Italian government securities functional to the management of available liquidity, as well as the reclassification of receivables measured at fair value under receivables to customers in the reclassified statement as at 30 June 2023.

Euro/thousand - %	30.06.2023	31.12.2022	Delta insurance	Delta %
Financial assets FVTPL	21		21	n.a.
Italian Government bonds	548,498	686,519	(138,021)	-20%
UCI shares	480,123	502,999	(22,876)	-5%
Shares and capital instruments	20,169	21,411	(1,242)	-6%
Loans and receivables with customers valued at fair value		47,605	(47,605)	-100%
Total financial assets	**1,048,812**	**1,258,534**	**(209,722)**	**-17%**

The UCITS units decreased by EUR 22.9 million (-5%) and were mainly composed of:

- *The Italian Recovery Fund* for EUR 368.8 million, down by EUR 17.5 million compared to December 2022 due to the partial repayment in the first half of the year;
- *Back2Bonis* for EUR 84.0 million, down by EUR 3.7 million due to the repayment in the first half of the year for EUR 2.7 million, in addition to a revision of the valuation of the equity investment of EUR 1.0 million;
- *Other UCITS* for EUR 27.3 million, consisting essentially of the units in the Sansedoni Fund and the Efesto Fund. AMCO's equity investment in these funds originated from the contribution of credit positions previously held by the Company.

Property, plant and equipment and intangible assets totalled EUR 33.6 million, up slightly compared to December 2022 mainly due to the increase in property, plant and equipment determined by the recognition in the financial statements of properties acquired at auction or by way of *data in solutum* for the purpose of optimising recoveries from credit positions secured by real estate.

Euro/thousand - %	30.06.2023	31.12.2022	Delta insurance	Delta %
Property, plant and equipment	30,147	27,391	2,756	10%
Intangible assets	3,453	3,975	(522)	-13%
Total property, plant and equipment and intangible assets	**33,600**	**31,366**	**2,234**	**7%**

Tax assets amounted to EUR 177.4 million, down by 10% compared to December 2022 mainly due to the use of deferred tax assets (DTA) and IRES and IRAP advances paid in previous years.

Other assets amounted to EUR 38.8 million, stable compared to EUR 39.2 million in December 2022.

Payables to third parties amounted to EUR 4,275 million, up compared to December 2022 due to the issue of a *senior unsecured* bond under the EMTN programme in February 2023 for

EUR 500 million; this increase is partially offset by the liability management transaction for EUR 400 million, whereby AMCO first repurchased and then cancelled the bond maturing in July 2023. The latter therefore decreased from EUR 1,250 million to EUR 850 million.

Shareholders' equity amounted to EUR 2,412 million, up compared to December 2022 due to the net result and the change in valuation reserves due to the increase in the market value of the government bond portfolio in the first half of 2023.

Key balance sheet indicators as at 30 June 2023

Euro/thousand - %	30.06.2023	31.12.2022	Delta%/bps
Regulatory capital	2,391,413	2,382,541	0%
Weighted risk assets	7,062,860	7,194,529	-2%
CET 1	**33.9%**	**33.1%**	74
Total Capital Ratio	**33.9%**	**33.1%**	74

The AMCO Group confirms its capital strength, with a Total Capital Ratio of 33.9%, well above the regulatory requirements (8%) and in line with the value at the end of 2022 (33.1%).

Business development

Portfolio purchase transactions

As at 30 June 2023, the assets under management of the AMCO Group amounted to EUR 36.1 billion, including the acquisitions of portfolios that took place during the half-year. In fact, debt purchasing transactions were carried out with the signing of several bulk purchase agreements pursuant to Art. 58 of the TUB and, without recourse, of portfolios of impaired loans classified as bad and UTP for a total Gross Book Value of EUR 865 million, including the following main transactions:

- on 23 March 2023, a bulk purchase agreement with the **BCC Iccrea Group** pursuant to Art. 58 of the TUB and, without recourse, a portfolio of impaired loans classified as both UTP and bad loans for a Gross Book Value of approximately EUR 365 million. The transaction was economically effective on 1 January 2023;
- on 19 May 2023 a bulk purchase agreement with the **BPER Group** pursuant to Art. 58 of the TUB and, without recourse, a portfolio of impaired loans classified as UTP for a Gross Book Value of approximately EUR 430 million. The transaction was economically effective on 1 January 2023.

AMCO debt structure

Compared to the December 2022 figure, AMCO's debt structure underwent changes related to the transactions carried out in the first half of 2023.

On 6 February 2023, AMCO issued a senior unsecured bond under its EMTN Programme for EUR 500 million. Part of the proceeds from the issue (approximately EUR 400 million) were used by the Company to launch an offer to partially repurchase its bond maturing in July 2023. The liability management transaction achieved the desired success, therefore the nominal amount outstanding of the “AMCOSP 1 1/2 07/17/23” bond was reduced from EUR 1,250 million to EUR 850 million.

Therefore, as at 30 June 2023, the composition of AMCO's senior unsecured debt is as follows:

ISIN	Description	Nominal	Coupon	Maturity	Price 30.06.2023	*Rating*
XS2206380573	AMCOSP 1 1/2 07/17/23	850,029,000	1.50%	17/07/2023	99.932	BBB
XS1951095329	AMCOSP 2 5/8 02/13/24	250,000,000	2.63%	13/02/2024	98.766	BBB
XS2063246198	AMCOSP 1 3/8 01/27/25	600,000,000	1.38%	27/01/2025	95.221	BBB
XS2206379567	AMCOSP 2 1/4 07/17/27	750,000,000	2.25%	17/07/2027	90.893	BBB
XS2332980932	AMCOSP 0 3/4 04/20/28	750,000,000	0.75%	20/04/2028	83.057	BBB
XS2502220929	AMCOSP 4 3/8 03/27/26	500,000,000	4.38%	27/03/2026	98.667	BBB
XS2583211201	AMCOSP 4 5/8 02/06/27	500,000,000	4.63%	06/02/2027	99.423	BBB

Business outlook

In June 2023, the new Board of Directors of the Parent Company took office. In the coming months, the new Board will focus on the reassessment of the Group’s operations, on the definition of medium-/long-term strategies and on the consolidation of the process of integration of sustainability and ESG criteria throughout the AMCO value chain.

Impact on AMCO Group from the military conflict between Russia and Ukraine

As regards the invasion of Ukraine by Russia, there is no direct impact on the Group, which currently has no direct or indirect exposure to those countries. However, it is undeniable that the events described above represent elements of uncertainty. The global economy, as shown in the macroeconomic scenario, continues to be affected by the increase in the costs of services and raw materials as a result of the conflict in Ukraine.

The combined effect of the macroeconomic situation and AMCO's customer profile 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 and receivables with customers and financial companies, the fair value of financial assets attributable to non-performing loans and deferred tax assets. The Group, as already noted, while not experiencing any direct impact, continues to monitor developments in the macroeconomic situation generated by the conflict.

RATING

On 20 April 2023, Fitch Ratings (“Fitch”) confirmed the Issuer Default Rating Long-term of AMCO at “BBB”, with Stable *Outlook*, and the Short-Term at “F2”, emphasising the uniqueness of AMCO's sustainable approach to supporting the business continuity of customers, especially SMEs, as well as the solid expansion and diversification of the business. The rating is aligned with that assigned to the Italian Republic (BBB/Stable).

On 29 May 2023, Standard & Poor's (“S&P”) confirmed the long-term Issuer Credit Rating of AMCO at “BBB”, with Stable *Outlook*, and the short-term at “A-2”. The rating is aligned with that assigned to the Italian Republic (BBB/Stable).

AMCO's commercial, residential and asset-backed special servicer ratings (“CSS2”, “RSS2” and “ABSS2”) from Fitch were last confirmed on 2 August 2022.

RELATED-PARTY TRANSACTIONS

The financial transactions carried out with investee companies of the Italian Ministry of Economy and Finance, carried out at market conditions, refer to the current accounts opened with Monte Paschi di Siena S.p.A. and Poste Italiane, and to the granting of the mandate to SACE SRV, which took place in the first half of 2022, with regard to the recovery of the receivable from foreign debtors.

GOING CONCERN

In addition to the indications already provided previously, owing to the absence of equity, financial or managerial ratios that could compromise the Company and the Group'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 consolidated 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) that 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 related to the current trend of interest rates, which could have repercussions on the general economic performance and therefore on the ability of debtors to repay their exposures.

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.

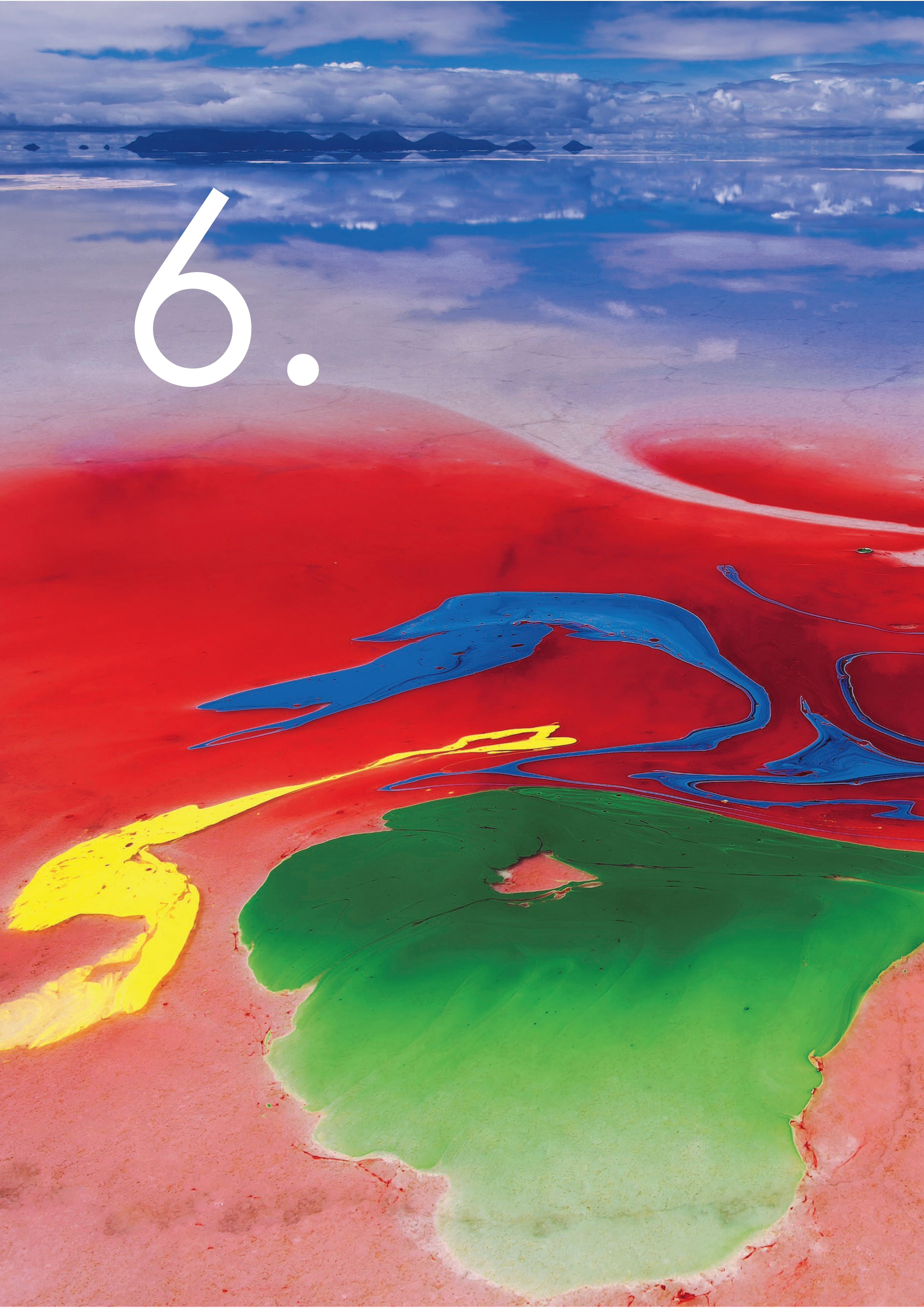
OTHER INFORMATION

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 2023 the Parent Company AMCO did not receive any 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 Parent Company has not carried out any research and development activities during the year;
- the Parent 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 shareholdings in parent companies, neither directly nor through trust companies or third parties.

6.



Statements of accounts

CONSOLIDATED BALANCE SHEET ASSETS

Amounts expressed in thousand of euro

	Assets items	30.06.2023	31.12.2022
10.	Cash and cash equivalents	217,076	46,826
20.	Financial assets measured at fair value through profit and loss	543,334	571,520
	a) financial assets held for trading	21	23
	b) financial assets measured at fair value	-	-
	c) other financial assets mandatorily measured at fair value	543,313	571,497
30.	Financial assets measured at fair value through other comprehensive income	548,992	687,013
40.	Financial assets measured at amortised cost	5,239,039	5,031,061
	a) loans and receivables with banks	301,075	14,431
	b) loans and receivables with financial companies	72,399	77,691
	c) loans and receivables with customers	4,865,565	4,938,939
50.	Hedging derivatives	-	-
60.	Change in value of financial assets subject to a generic hedge (+/-)	-	-
70.	Equity investments	21	10
80.	Property, plant and equipment	30,147	27,391
90.	Intangible assets	3,453	3,975
	of which		
	- goodwill	-	-
100.	Tax assets	177,426	197,686
	a) current	10,273	11,879
	b) deferred	167,153	185,807
110.	Non-current assets and groups of assets held for disposal	-	-
120.	Other assets	38,875	39,198
	Total assets	**6,798,362**	**6,604,680**

Signed by
Andrea Munari
Chief Executive Officer

Signed by
Luca Lampugnani
Manager in charge of preparing the Company's Financial Reports

CONSOLIDATED BALANCE SHEET LIABILITIES AND SHAREHOLDERS' EQUITY

Amounts expressed in thousand of euro

	Liabilities and shareholders' equity items	30.06.2023	31.12.2022
10.	Financial liabilities measured at amortised cost	4,274,676	4,133,630
	a) payables	62,655	23,087
	b) debt securities issued	4,212,021	4,110,543
20.	Financial liabilities held for trading	51	71
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	4,301	4,307
	a) current	1,700	1,706
	b) deferred	2,601	2,601
70.	Liabilities associated to assets held for disposal	-	-
80.	Other liabilities	92,839	72,323
90.	Staff severance indemnity	449	450
100.	Provisions for risks and charges	13,472	15,876
	a) commitments and guarantees issued	-	-
	b) pensions and similar obligations	191	168
	c) other provisions for risks and charges	13,281	15,708
110.	Share capital	655,154	655,154
120.	Treasury shares (-)	(72)	(72)
130.	Equity instruments	-	-
140.	Share premiums	604,552	604,552
150.	Reserves	1,184,225	1,141,970
160.	Valuation reserves	(53,406)	(65,835)
170.	Profit (Loss) for the year	22,120	42,254
180.	Non-controlling interests	-	-
	Liabilities and net equity	**6,798,362**	**6,604,680**

Signed by
Andrea Munari
Chief Executive Officer

Signed by
Luca Lampugnani
Manager in charge of preparing the Company's Financial Reports

CONSOLIDATED INCOME STATEMENT

Amounts expressed in thousand of euro[13]

	Items	30.06.2023	30.06.2022
10.	Interest and similar income	178,426	100,502
	of which: net interest income calculated with the effective interest method	178,426	99,421
20	Interest and similar expenses	(51,478)	(33,058)
30.	**Interest margin**	**126,948**	**67,444**
40.	Fee and commission income	21,304	23,606
50.	Fee and commission expense	(9)	(54)
60.	**Net fees and commissions**	**21,295**	**23,552**
70.	Dividends and similar revenues	1,329	839
80.	Trading activity net result	(45)	15,786
90.	Hedging activity net result	-	-
100.	Profit/loss on sale/repurchase of:	(1,803)	-
	a) financial assets measured at amortised cost	(941)	-
	b) financial assets measured at fair value through other comprehensive income	(990)	-
	c) financial liabilities	128	-
110.	Net result of other financial assets and liabilities measured at fair value through profit and loss	(1,175)	(7,639)
	a) financial assets and liabilities measured at fair value	-	-
	b) other financial assets mandatorily measured at fair value	(1,175)	(7,639)
120.	**Brokerage margin**	**146,549**	**99,982**
130.	Net value adjustments/reversals for credit risk of:	(25,928)	(16,219)
	a) financial assets measured at amortised cost	(26,178)	(15,780)
	b) financial assets measured at fair value through other comprehensive income	250	(439)
140.	Profit/loss from contractual amendments without cancellation	-	-
150.	**Net result of financial management**	**120,621**	**83,763**
160.	Administrative expenses:	(84,541)	(64,248)
	a) personnel costs	(24,171)	(19,446)
	b) other administrative expenses	(60,370)	(44,802)
170.	Net provisions for risks and charges	(85)	(128)
	a) commitments and guarantees issued	-	-
	b) other net provisions	(85)	(128)
180.	Net value adjustments/reversals on property, plant and equipment	(1,433)	(1,769)
190.	Net value adjustments/reversals on intangible assets	(1,131)	(378)
200.	Other operating income/expenses	(131)	(1,681)
210.	**Operational costs**	**(87,321)**	**(68,204)**
220	Profits (Losses) on equity investments	-	-
230	Net result of the measurement at fair value of property, plant and equipment and intangible assets	(74)	-
240	Vale adjustments on goodwill	-	-
250.	Profits (Losses) on disposal of investments	-	-
260.	**Profit (Loss) of current operating activities before taxes**	**33,226**	**15,559**
270.	Income taxes for the period on current operating activities	(11,106)	(5,967)
280.	**Profit (Loss) of current operating activities after taxes**	**22,120**	**9,592**
290.	Profit (Loss) from discontinued operations after taxes	-	-
300.	**Profit (Loss) for the period**	**22,120**	**9,592**
310.	Profit (Loss) for the period attributable to third parties	-	-
320.	Profit (Loss) for the period attributable to the parent company	22,120	9,592

Signed by
Andrea Munari
Chief Executive Officer

Signed by
Luca Lampugnani
Manager in charge of preparing the Company's Financial Reports

[13] As a comparison, as at 30 June 2022 the figures of the separate half-yearly financial report of the Parent Company AMCO S.p.A. are shown. Please refer to the Explanatory Notes, Part A - Accounting policies, A.1 - General section for further details.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts expressed in thousand of euro

	Items	30.06.2023	30.06.2022
10.	**Profit (Loss) for the period**	22,120	9,592
	Other income components net of taxes without reversal to the income statement		
20.	Equity securities measured at fair value through other comprehensive income	-	189
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	(1)	56
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	12,429	(38,142)
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**	**12,428**	**(37,897)**
180.	**Other comprehensive income (Items 10+170)**	**34,548**	**(28,305)**
190.	Consolidated comprehensive income pertaining to third parties	**-**	**-**
200.	**Comprehensive income pertaining to the parent company**	**34,548**	**(28,305)**

Signed by
Andrea Munari
Chief Executive Officer

Signed by
Luca Lampugnani
Manager in charge of preparing the Company's Financial Reports

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY - 2023 PERIOD

Amounts expressed in thousand of euro

	Balance at 31.12.2022	Amendment of opening balances	Balance as at 1.1.2023	Allocation of previous year profit (loss)		Changes in the year								Shareholders' equity pertaining to the group at 30.06.2023	Shareholders' equity pertaining to third parties as at 30.06.2023
							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			
Share capital	655,154	-	655,154	-	-	-	-	-	-	-	-	-	655,154	-
Share premiums	604,552	-	604,552	-	-	-	-	-	-	-	-	-	604,552	-
Reserves:														
a) from profits	885,497	-	885,497	38,374	-	-	-	-	-	-	-	-	923,871	-
b) others	256,473	-	256,473	3,880	-	-	-	-	-	-	-	-	260,354	-
Valuation reserves	(65,835)	-	(65,835)	-	-	-	-	-	-	-	-	12,429	(53,406)	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	(72)	-	(72)	-	-	-	-	-	-	-	-	-	(72)	-
Profit (Loss) for the period	42,254	-	42,254	(42,254)	-	-	-	-	-	-	-	22,120	22,120	-
Shareholders' equity pertaining to the group	**2,378,023**	**-**	**2,378,023**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**34,549**	**2,412,573**	**-**
Shareholders' equity pertaining to third parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Signed by
Andrea Munari
Chief Executive Officer

Signed by
Luca Lampugnani
Manager in charge of preparing the Company's Financial Reports

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY - 2022 PERIOD

Amounts expressed in thousand of euro

	Balance as at 31.12.2021	Amendment of opening balances	Balance as at 1.1.2022	Allocation of previous year profit (loss)		Changes in the year								Shareholders' equity pertaining to the group at 30.06.2022	Shareholders' equity pertaining to third parties as at 30.06.2022
							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			
Share capital	655,154	-	655,154	-	-	-	-	-	-	-	-	-	655,154	-
Share premiums	604,552	-	604,552	-	-	-	-	-	-	-	-	-	604,552	-
Reserves:														
a) from profits	891,996	-	891,996	-	-	-	-	-	-	-	-	-	891,996	-
b) others	675,789	-	675,789	(419,311)	-	-	-	-	-	-	-	-	256,478	-
Valuation reserves	(14,098)	-	(14,098)	-	-	-	-	-	-	-	-	(37,898)	(51,995)	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	(72)	-	(72)	-	-	-	-	-	-	-	-	-	(72)	-
Profit (Loss) for the period	(419,311)	-	(419,311)	419,311	-	-	-	-	-	-	-	9,592	9,592	-
Shareholders' equity pertaining to the group	**2,394,010**	**-**	**2,394,010**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(28,306)**	**2,365,705**	**-**
Shareholders' equity pertaining to third parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Signed by
Andrea Munari
Chief Executive Officer

Signed by
Luca Lampugnani
Manager in charge of preparing the Company's Financial Reports

CONSOLIDATED STATEMENT OF CASH FLOWS - Direct method

Amounts expressed in thousand of euro

A. OPERATING ACTIVITIES	Amount	
	30.06.2023	30.06.2022
1. Management	**39,887**	**22,646**
- interest income received (+)	148,232	78,125
- interest expenses paid (-)	(51,478)	(20,499)
- dividends and similar revenues (+)	1,329	839
- net fees and commissions (+/-)	21,296	23,553
- personnel costs (-)	(24,171)	(19,446)
- other costs (-)	(58,878)	(44,802)
- other revenues (+)	3,557	4,876
- duties and taxes (-)	-	-
- charges/revenues relating to discontinued operations net of taxes (+/-)	-	-
2. Cash flow generated/absorbed by financial assets	**(18,748)**	**(51,513)**
- financial assets held for trading	2	42
- financial assets measured at fair value	-	-
- other assets mandatorily measured at fair value	27,295	53,497
- financial assets measured at fair value through other comprehensive income	149,711	(246,624)
- financial assets measured at amortised cost	(205,234)	143,336
- other assets	9,478	(1,764)
3. Cash flow generated/absorbed by financial liabilities	**153,532**	**(6,026)**
- financial liabilities measured at amortised cost	141,174	(58)
- financial liabilities held for trading	(20)	175
- financial liabilities measured at fair value	-	-
- other liabilities	12,378	(6,143)
Net cash flow generated/absorbed by operating activities	**174,671**	**(34,893)**
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	**(4,421)**	**(5,380)**
- purchases of equity investments	(11)	-
- purchases of property, plant and equipment	(4,263)	(3,461)
- purchases of intangible assets	(147)	(1,919)
- purchases of subsidiaries and business units	-	-
Net cash flow generated/absorbed by investment activities	**(4,421)**	**(5,380)**
C. FUNDING ACTIVITIES		
- issues/purchases of treasury shares	-	-
- issues/purchases of equity instruments	-	-
- dividend distribution and other	-	-
- sale/purchase of third party controlling interests	-	-
Net cash flow generated/absorbed by funding activities	**-**	**-**
Net cash flow generated/absorbed in the period	**170,250**	**(40,273)**

RECONCILIATION

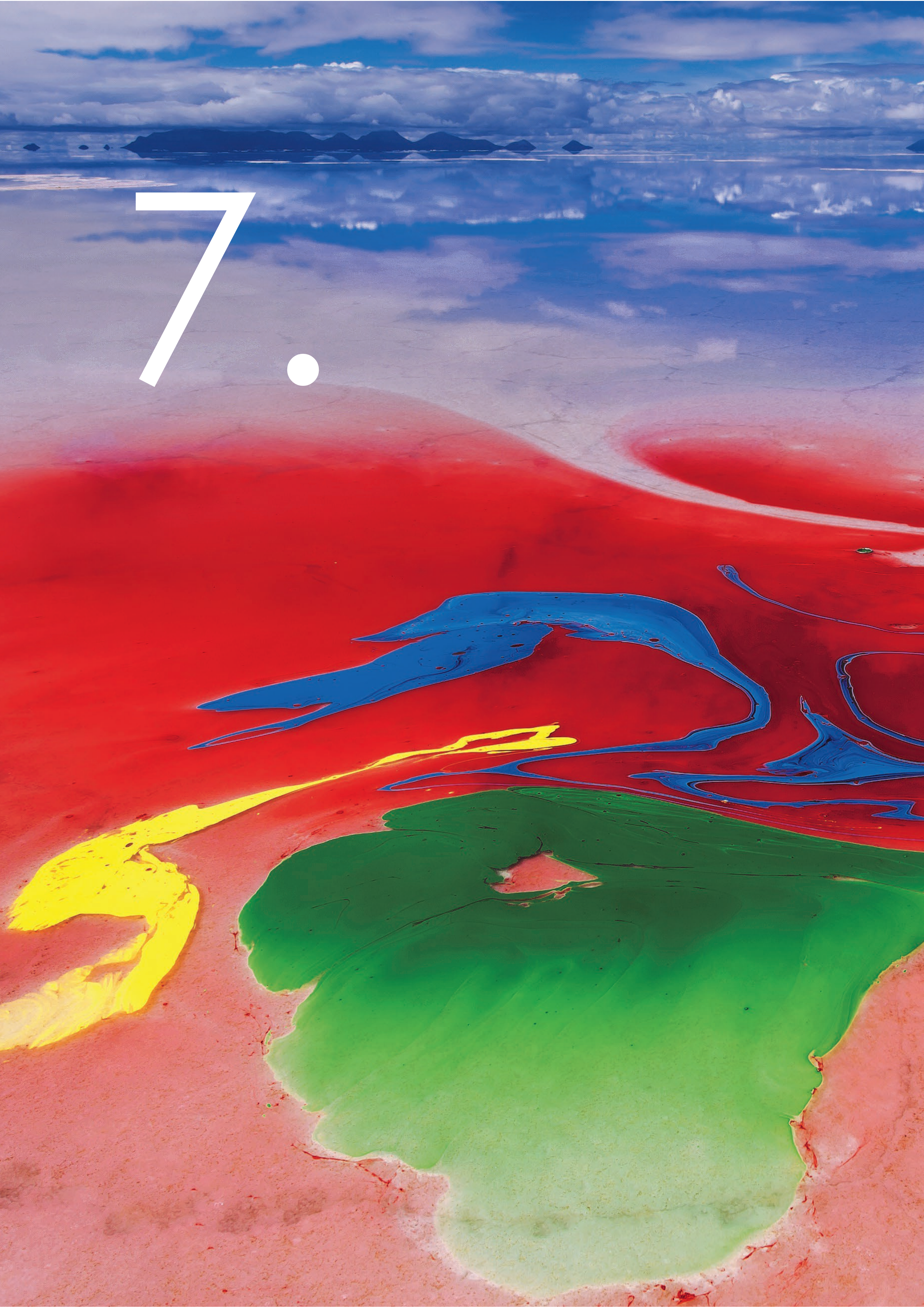
Amounts expressed in thousand of euro

Reconciliation	30.06.2023	30.06.2022
Cash and cash equivalents at the beginning of the period	46,826	151,796
Total net cash flow generated/absorbed in the period	170,250	(40,273)
Cash and cash equivalents - foreign exchange effect	-	-
Cash and cash equivalents at the end of the period	**217,076**	**111,523**

Signed by
Andrea Munari
Chief Executive Officer

Signed by
Luca Lampugnani
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 consolidated financial report as at 30 June 2023 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 2023 in accordance with the requirements of Regulations (EU) No. 1606/2002.

For the preparation of this report, reference was also made to what was established by Banca d'Italia in the Provisions relating to the "Financial Statements of IFRS Intermediaries other than Banking Intermediaries", issued with Measure of 17 November 2022.

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

In the preparation of the consolidated half-yearly financial report, the IAS/IFRS standards adopted and effective as at 30 June 2023 were applied (including the SIC and IFRIC interpretative documents), without any derogation to their application.

With reference to the comparative data, the following should be noted:

- the parent company AMCO has prepared only the individual half-yearly financial report as at 30 June 2022 following the liquidation of the vehicle Fucino NPL's S.r.l. - the only company in the scope of consolidation at the date - which took place in the first half of 2022;
- during the second half of 2022, as part of a sale and securitisation of a portfolio of loans from terminated finance leases, the Parent Company AMCO acquired the entire equity investment of the vehicles Tatooine SPV S.r.l. and Tatooine LeaseCo S.r.l., effectively reconstituting a Financial Group, and has therefore prepared the consolidated financial statements as at 31 December 2022.

On the basis of the events listed above, in the tables and explanatory notes of this consolidated half-yearly financial report, for balance sheet items the consolidated figures at 31.12.2022 are presented as comparative, while for income statement items, individual comparative figures for the same period of the previous year are presented. Specific disclosure is provided from time to time, where deemed necessary, on the different formal (but not substantial) nature of the data shown due to the change in the scope of consolidation.

1.1 - Accounting standards, amendments and interpretations applied as from 2023

The accounting standards, amendments and IFRS interpretations applicable from 1 January 2023 are reported below:

- 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. The objective of the new standard is to ensure that an entity provides relevant information that faithfully represents the rights and obligations arising from insurance contracts issued. IASB developed the standard providing a single principle-based framework to take into account all types of insurance contracts, including reinsurance contracts. The application of the new standard is effective as from 1 January 2023 and had no impact on this consolidated half-year financial report;

- on 2 March 2022, Regulation (EU) 357/2022 implemented the changes to IAS 1 and IAS 8 contained in the amendments entitled "***Disclosure of Accounting Policies-Amendments to IAS 1 and IFRS Practice Statement 2***" and "***Definition of Accounting Estimates - Amendments to IAS 8***" aimed at improving the disclosure on accounting policy so as to provide more useful information to investors and other primary users of the financial statements and to help companies distinguish changes in accounting estimates from changes in accounting policy. The amendments came into force on 1 January 2023 and had no impact on this consolidated half-year financial report;
- on 11 August 2022, Regulation (EU) 1392/2022 transposed the amendments to IAS 12 included in the document ***"Amendments to IAS 12 – Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction"***. These amendments specify how companies must account for deferred taxes on transactions such as *leases* and decommissioning 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 apply from 1 January 2023 and have no effect on this consolidated 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 Group as at 30 June 2023

At the date of this half-yearly financial report, there were no accounting standards, amendments and IFRS and IFRIC interpretations approved by the European Union, not yet mandatorily applicable and not adopted in advance by the Group as at 30 June 2023.

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, 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 amendments should enter into force from 1 January 2023, although the Board has proposed to postpone their application to 1 January 2024. The directors do not expect a significant effect on both the Group's consolidated financial statements and AMCO's financial statements from the adoption of this amendment;
- on 22 September 2022, the IASB published an amendment called "***Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback".*** The document requires the seller-lessee to assess the liability for the lease resulting from a sale & leaseback transaction so as not to recognise an income or a loss that relates to the retained right of use. The amendments will apply from 1 January 2024, but earlier application is permitted. The directors do not expect a significant effect on both the Group's consolidated financial statements and AMCO's financial statements from the adoption of this amendment;
- on 23 May 2023, the IASB published an amendment called ***"Amendments to IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules".*** The document introduces a

temporary exception to the obligations of recognition and disclosure of deferred tax assets and liabilities relating to the *Model Rules* of Pillar Two and provides for specific disclosure obligations for the entities concerned by the related *International Tax Reform*. The document provides for the immediate application of the temporary exception, while the disclosure requirements will only apply to annual financial statements starting on 1 January 2023 (or at a later date) but not to interim financial statements with a closing date prior to 31 December 2023. The directors do not expect a significant effect on both the Group's consolidated financial statements and AMCO's financial statements from the adoption of this amendment;

- on 25 May 2023, the IASB published an amendment called ***"Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements".*** The document requires an entity to provide additional information on reverse factoring agreements that allow users of the financial statements to assess how financial agreements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of such agreements on the entity's exposure to liquidity risk. The amendments will apply from 1 January 2024, but earlier application is permitted. The directors do not expect a significant effect on both the Group's consolidated financial statements and AMCO's financial statements from the adoption of this amendment;
- on 30 January 2014, the IASB published ***IFRS 14 - Regulatory Deferral Accounts***, which allows only those adopting IFRS for the first time to continue to recognise the amounts relating to activities subject to regulated tariffs ("*Rate Regulation Activities*") according to the previous accounting standards adopted. As the Group is not a first-time adopter, this standard is not applicable.

Section 2 - Basis of preparation

The accounting policies adopted for the preparation of this half-yearly consolidated 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 2022 Financial Statements.

With reference to the going-concern principle, having also taken into account the recent evolution characterising the legislative and operational context in which the Group falls, there is reasonable certainty that AMCO will operate in the future with a management model aimed at achieving an efficient and effective recovery of impaired loans and the other assets. As things stand, there are no elements in the financial and equity structure of the Group that may give rise to any uncertainties in this sense.

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

In compliance with the provisions of Article 5 of Italian Legislative Decree 38/2005, this half-yearly consolidated financial report is prepared using the euro as the reporting currency. The amounts in the financial statements and the Explanatory Notes 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 after the date of the half-yearly financial report

With specific reference to the provisions of IAS 10, it is advised that after 30 June 2023, the reference date of the half-yearly consolidated financial statement, 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.

In addition, the following events took place:

- on 4 July 2023, the Board of Directors appointed, as Chief Executive Officer of the Company, Mr Andrea Munari;
- on 17 July 2023, AMCO repaid, using available liquidity, EUR 850 million of the AMCO23 bond, initially issued for EUR 1,250 million. In February 2023, the bond was subject to a public purchase offer for approximately EUR 400 million.

Section 4 - Other aspects

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

The preparation of the half-yearly consolidated 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 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 receivables measured at amortised non-POCI cost, as a result of which the losses/reversals of the same are defined;
- 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 consolidated 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 the Parent Company AMCO acquired the impaired 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 in all the hypotheses described above, that not only is the cumulative incidence of the commission components considerably below 10% (parameter used for the derecognition), but also that 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, the Parent Company 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 Parent 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 Parent 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 Parent Company AMCO 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, although not mandatory in the condensed half-yearly financial report, was resolved in the Report on Operations and in the Notes to the financial statements to which reference is made;

- the half-yearly report of the Segregated Estate 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 2022 Financial Statements for the Reports of Intended Assets as at 31 December 2022.

Section 5 - Scope and method of consolidation

Scope and method of consolidation

Companies through which the Parent Company AMCO is exposed to variable yields, or in which it holds rights on such yields deriving from its relationship with the same and, at the same time, having the ability to impact on such yields through the exercise of its power on such entities are considered to be controlled companies.

This control can be simply expressed with the simultaneous presence of the following elements:

- the power to manage the relevant assets of the company invested in;
- the exposure or the rights to the variable yields resulting from the relationship with the company invested in;
- the ability to exercise its power on the company invested in to influence the amount of its yields.

The consolidation method adopted to prepare this consolidated financial report is that of "full consolidation", that is to say line-by-line consolidation of the assets and liabilities of the consolidated companies.

The following are included in the scope of consolidation: the companies Tatooine SPV S.r.l. and Tatooine LeaseCo S.r.l., acquired at the end of 2022 as part of a complex sale and securitisation transaction of a portfolio of loans deriving from past due finance leases, subject to termination or dissolution, as well as the sale of leased assets and legal obligations deriving from the termination or dissolution of lease agreements.

The securitisation vehicle Fucino NPL's S.r.l., which was consolidated in 2021, was closed in 2022 and, effective from 1 March 2022, the unwinding of the securitisation of receivables transferred to the vehicle and therefore excluded from consolidation as at 31 December 2022, was finalised.

5.1 Equity investments in wholly owned subsidiaries

Denominations	Operational office	Registered office	Type of relationship	Participatory relationship		Votes available %
				Participating entity	Interest %	
AMCO - Asset Management Co. S.r.l.	Bucharest	Bucharest	1	AMCO S.p.A.	100%	100%
Tatooine SPV S.r.l.	Conegliano (TV)	Conegliano (TV)	1	AMCO S.p.A.	100%	100%
Tatooine LeaseCo S.r.l.	Conegliano (TV)	Conegliano (TV)	1	AMCO S.p.A.	100%	100%
Le Manifatture S.r.l.	Conegliano (TV)	Conegliano (TV)	1	AMCO S.p.A.	100%	100%

As at 30 June 2023, the Parent Company owned the entire equity investment of Amco S.r.l., a company under Romanian law put into liquidation during the previous year, based in Bucharest and involved in the management of impaired loans granted to debtors residing in Romania and held by the Veneto Group Segregated Estates, as well as the entire equity investments of Tatooine SPV S.r.l. and Tatooine LeaseCo S.r.l. acquired during 2022, as reported above.

On 5 May 2023, the Parent Company also acquired the entire equity investment of Le Manifatture S.r.l., a company that manages the shopping centre complex bearing the same name. The company was acquired as part of the Tatooine transaction, having a lease agreement signed with the company Tatooine LeaseCo S.r.l.

5.2 Valuations and significant assumptions for the determination of the scope of consolidation

Pursuant to paragraph 7 - letter a) of IFRS 12, information is provided with regard to valuations and significant assumptions used for the determination of the scope of consolidation.

The Parent Company AMCO has included Tatooine SPV S.r.l. and Tatooine LeaseCo S.r.l. in the Group's scope of consolidation, as well as in this consolidated half-year financial report, given the actual control of the Parent Company AMCO over both of them and in consideration of the materiality of the assets held by the SPV, including the obligation to consolidate LeaseCo pursuant to Article 7.1, paragraph 5 of Italian Law 130/99.

Taking into account the “Systematic Framework for the Preparation and Presentation of Financial Statements” (Framework), and the concepts referred to therein of “significance” and “materiality”, the inclusion in the consolidated financial statements of the wholly-owned subsidiary AMCO S.r.l. and the new company acquired in 2023, Le Manifatture S.r.l., was deemed to be of no substantial use, due to their negligible impact at an aggregate level. This, in consideration of:

- the irrelevance of the assets of the subsidiaries AMCO S.r.l. and Le Manifatture S.r.l., compared to total aggregate assets;
- the absence of third-party funds in the shareholding structure of both AMCO and the subsidiaries;
- the relevance of any additional information deriving from the possible consolidation of the subsidiaries and on the effects deriving from the same, pursuant to IAS 1.31 and IAS 8.8;
- the relationship between charges and benefits, in terms of information, connected with the consolidation of subsidiaries,
- the substantial representation of the equity and profitability of the Group is already reflected in the consolidated half-yearly financial report.

5.3 Equity investments in wholly-owned subsidiaries with significant third-party interests

The wholly owned companies do not have significant third-party funds and, therefore, the provisions of IFRS 12, paragraph 12, letter g) and paragraph B10 do not apply.

5.4 Significant restrictions

There are no significant restrictions within the Group pursuant to paragraph 13 of IFRS 12.

5.5 Other information

The financial statements of Tatooine SPV S.r.l. and Tatooine LeaseCo S.r.l. used in the preparation of the consolidated half-year report have the same closing date (30 June 2023).

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, as well as “on demand” receivables (current accounts and/or demand deposits) from banks.

Recognition and measurement criteria

The book value of “on demand” receivables, recorded at amortised cost, which is equal to their nominal value, is adjusted to take into account any write-downs/reversals resulting from the process of assessing the related credit risk.

These write-downs/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 SSPI test;*
- equity investments, not qualifiable as controlling, associated and 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 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 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 amortised cost

Classification criteria

This item includes not “on demand” loans with banks, with financial companies and with customers, as well as debt securities, 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 has to be carried out, 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 are 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, UTPs or expired/past due by more than ninety 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 impaired 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 resolved 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 leasing 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 de-recognised when they are settled, i.e. there are no further obligations for the Group.

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 under 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 Group's 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 Group'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 29/12/2010 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 Law Decree 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 Group'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 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

	30.06.2023	31.12.2022
a) Cash	-	-
b) Unrestricted deposits with Banks	217,076	46,826
Total	**217,076**	**46,826**

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	Total (30.06.2023)			Total (31.12.2022)		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
2. Equity securities	**1,566**	**-**	**18,110**	**1,806**	**-**	**19,110**
3. UCITS units	**-**	**-**	**480,123**	**-**	**-**	**502,999**
4. Loans	**-**	**-**	**43,514**	**-**	**-**	**47,582**
4.1 Repurchase agreement	-	-	-	-	-	-
4.2 Others	-	-	43,514	-	-	47,582
Total	**1,566**	**-**	**541,747**	**1,806**	**-**	**569,691**

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 the transaction with Monte dei Paschi di Siena for a total of EUR 1.6 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 18.1 million.

The item “UCITS units” includes:

- the investment in Italian Recovery Fund for EUR 368.8 million. As at 30 June 2023, the Parent Company held 424.4 units with a unit value of EUR 868,958 at NAV of EUR 944,228 (compared to 444.9 units held as at 31 December 2022);
- the investment in the *Back2Bonis* Fund for EUR 84.0 million. As at 30 June 2023, the Parent Company held 228.0 units with a unit value of EUR 368,533 for a unit value at NAV of EUR 438,066 (NAV as at 31 December 2022, adjusted for redemption in the first half of 2023);
- the units of the SGT Sansedoni fund valued at EUR 16.3 million as at 30 June 2023;

- the shares of Efesto valued at EUR 9.9 million as at 30 June 2023;
- the units of the Clessidra Restructuring Fund, valued at EUR 1.1 million as at 30 June 2023.

Loans include credits from the portfolios of the former Banca Carige, Monte dei Paschi di Siena, Banco Popolare and Intesa Sanpaolo, which do not pass the SSPI 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	Total (30.06.2023)			Total (31.12.2022)		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**548,498**	**-**	**-**	**686,520**	**-**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	548,498	-	-	686,520	-	-
2. Equity securities	**-**	**-**	**493**	**-**	**-**	**493**
3. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	548,498	-	493	686,520	-	493

As at 30 June 2023, this item had a balance of EUR 549 million. In detail:

Other debt securities: the amount of EUR 548.5 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 0.5 million refers entirely to the shares of Arezzo Fiere Congressi, deriving from the demerger project with Banca Monte dei Paschi di Siena.

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

	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	Purchased or Originated Credit Impaired	Total partial write-offs*
Debt securities	549,306	-	-	-	-	(808)	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total (30.06.2023)	**549,306**	**-**	**-**	**-**	**-**	**(808)**	**-**	**-**	**-**	**-**
Total (31.12.2022)	**687,578**	**-**	**-**	**-**	**-**	**(1,058)**	**-**	**-**	**-**	**-**

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

Breakdown	Total (30.06.2023)						Total (31.12.2022)					
	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	**100,121**	-	-	-	-	**100,121**	-	-	-	-	-	-
2. Current accounts	-	-	-	-	-	-	-	-	-	-	-	-
3. Loans	**200,181**	-	-	-	-	**200,181**	-	-	-	-	-	-
3.1 Repurchase agreement	200,181	-	-	-	-	200,181	-	-	-	-	-	-
3.2 Lease financing	-	-	-	-	-	-	-	-	-	-	-	-
3.3 Factoring	-	-	-	-	-	-	-	-	-	-	-	-
- with recourse	-	-	-	-	-	-	-	-	-	-	-	-
- without recourse	-	-	-	-	-	-	-	-	-	-	-	-
3.4 Other loans	-	-	-	-	-	-	-	-	-	-	-	-
4. Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
5. Other assets	**774**	-	-	-	-	**774**	**14,431**	-	-	-	-	**14,431**
Total	**301,076**	-	-	-	-	**301,076**	**14,431**	-	-	-	-	**14,431**

As at 30 June 2023, this item shows a balance of EUR 301.1 million, mainly composed of:

- Interest-bearing restricted deposit of EUR 100.1 million;
- Short-term loan (in the technical form of “Reverse Re.Po.”) for EUR 200.2 million.

Both exposures were duly repaid in July 2023.

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

Breakdown	Total (30.06.2023)						Total (31.12.2022)					
	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	**43,171**	**-**	**29,208**	**-**	**-**	**72,379**	**31,338**	**-**	**46,333**	**-**	**-**	**77,671**
1.1 Repurchase agreement	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Lease financing	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Factoring	-	-	-	-	-	-	-	-	-	-	-	-
- with recourse	-	-	-	-	-	-	-	-	-	-	-	-
- without recourse	-	-	-	-	-	-	-	-	-	-	-	-
1.4 Other loans	43,171	-	29,208	-	-	72,379	31,338	-	46,333	-	-	77,671
2. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
3. Other assets	**20**	**-**	**-**	**-**	**-**	**-**	**20**	**-**	**-**	**-**	**-**	**20**
Total	**43,191**	**-**	**29,208**	**-**	**-**	**72,379**	**31,358**	**-**	**46,333**	**-**	**-**	**77,691**

As at 30 June 2023, the item shows a balance of EUR 72.4 million, consisting of the receivables of the portfolios acquired for EUR 29.2 million and from the loan to the *Back2Bonis* Fund for EUR 43.2 million.

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

Breakdown	Total (30.06.2023)						Total (31.12.2022)					
	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	**18,737**	**4,949**	**4,841,880**	**-**	**-**	**4,865,565**	**10,528**	**4,736**	**4,923,674**	**-**	**-**	**4,938,939**
1.1 Lease financing	-	-	415,914	-	-	415,914	-	-	408,565	-	-	408,565
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	18,737	4,949	4,425,966	-	-	4,449,651	10,528	4,736	4,515,109	-	-	4,530,374
of which: from enforcement of guarantees and commitments	-	-	-	-	-	-	-	-	-	-	-	-
2. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
3. Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	**18,737**	**4,949**	**4,841,880**	**-**	**-**	**4,865,565**	**10,528**	**4,736**	**4,923,674**	**-**	**-**	**4,938,939**

As at 30 June 2023, this item had a balance of EUR 4,865.6 million, mainly composed of:

- Portfolios measured at amortised cost (mainly former Monte Paschi di Siena and former Banco di Napoli) for EUR 2,098.2 million;
- Portfolios valued as POCI for EUR 2,767.4 million.

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

	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	Purchased or Originated Credit Impaired	Total partial write-offs*
Debt securities	-	-	-	-	-	-	-	-	-	-
Loans	244,058	244,058	20,579	8,772	8,981,154	(706)	(1,842)	(3,824)	(4,110,066)	-
Other assets	794	794	-	-	-	-	-	-	-	-
Total (30.06.2023)	**244,852**	**244,852**	**20,579**	**8,772**	**8,981,154**	**(706)**	**(1,842)**	**(3,824)**	**(4,110,066)**	**-**
Total (31.12.2022)	**46,296**	**46,296**	**10,707**	**8,222**	**9,178,061**	**(513)**	**(172)**	**(3,485)**	**(4,208,054)**	**-**

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						
Amco - Asset Management Co. S.r.l.	Bucharest	Bucharest	100%	100%	10	n.a.
Le Manifatture S.r.l.	Conegliano	Conegliano	100%	100%	11	n.a.
Total					21	n.a.

The balance of the item, equal to EUR 21 thousand, refers to:

- the equity investment held by AMCO S.p.A. as at 30 June 2023 in AMCO - Asset Management Co. S.r.l.; the Company was put into liquidation on 16 June 2021;
- the equity investment in Le Manifatture S.r.l., an operating company, acquired on 5 May 2023.

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
Le Manifatture S.r.l.	N/A	N/A	N/A	N/A
Total	125	931	807	239

The data reported relating to the company AMCO - Asset Management Co. S.r.l. refers to the last financial statements approved as at 31 December 2022. It should be noted that as at 30 June 2023, the Company distributed EUR 0.7 million as a dividend to the Parent Company.

It should be noted that the data relating to the company Le Manifatture S.r.l. are not yet available as at the reference date of this consolidated half-yearly financial report because it was established in 2023 and therefore does not yet have 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	Total (30.06.2023)	Total (31.12.2022)
1. Owned assets	**1,129**	**1,237**
a) land	-	-
b) buildings	-	-
c) movable assets	975	1,034
d) electronic equipment	18	23
e) others	136	180
2. Right of use acquired through leases	**19,612**	**20,651**
a) land	-	-
b) buildings	19,348	20,304
c) movable assets	-	-
d) electronic equipment	74	94
e) others	190	253
Total	**20,741**	**21,888**
of which: from the enforcement of guarantees received	-	-

The decrease in fixed assets as at 30 June 2023 is attributable to the amortisation of right-of-use assets pursuant to IFRS 16.

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

Assets/Values	Total (30.06.2023)	Total (31.12.2022)
1. Inventories of assets obtained from the enforcement of guarantees received	**-**	**-**
a) land	-	-
b) buildings	-	-
c) movable assets	-	-
d) electronic equipment	-	-
e) others	-	-
2. Other inventories of property, plant and equipment	**9,407**	**5,504**
Total	**9,407**	**5,504**
of which: measured at fair value less costs to sell	-	-

Inventories mainly refer to properties acquired at auctions or by way of *datio in solutum* by the Group to optimise recoveries from credit positions secured by properties.

Section 9 - Intangible assets - Item 90

9.1 - Intangible assets: break-down

Items/Valuation	Total (30.06.2023)		Total (31.12.2022)	
	Assets measured at cost	Assets measured at fair value	Assets measured at cost	Assets measured at fair value
1. Goodwill	-	-	-	-
2. Other intangible assets				
of which: software	2,955	-	3,445	-
2.1 owned	3,453	-	3,975	-
- generated internally	-	-	-	-
- Others	3,453	-	3,975	-
2.2 right of use acquired through leases	-	-	-	-
Total 2	**3,453**	**-**	**3,975**	**-**
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)	**3,453**	**-**	**3,975**	**-**
Total (T -1)	**3,975**	**-**	**1,937**	**-**

The decrease in intangible assets as at 30 June 2023 is attributable to the amortisation of software and user licenses.

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

	Total (30.06.2023)	Total (31.12.2022)
Deferred tax assets with balancing entry in the income statement	167,153	185,807
Deferred tax assets with balancing entry in shareholders' equity	-	-
Assets for current taxes	10,273	11,879
Total	**177,426**	**197,686**

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 109.9 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 Legislative Decree 185/2008 (deriving from the complex demerged from Banca MPS), pursuant to the provisions of Art. 2 of Italian Legislative Decree No. 225 of 29/12/2010 and subsequent amendments (Italian Law 214/2011);
- for EUR 21.1 million to DTAs on ACE and losses deemed recoverable by the Probability Test;
- for EUR 36.1 million to IRES and IRAP DTAs generated by deductible temporary differences.

The recoverability of tax assets has been assessed based on the Probability Test performed by the Parent Company. The exercise was conducted over a period of 4.5 years on the basis of the 23-25 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 111.7 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

	Total (30.06.2023)	Total (31.12.2022)
Deferred tax liabilities with balancing entry in the income statement	2,601	2,601
Deferred tax liabilities with balancing entry in shareholders' equity	-	-
Liabilities for current taxes	1,700	1,706
Total	**4,301**	**4,307**

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

	30.06.2023	31.12.2022
- Receivables from segregated estates	11,599	12,787
- Receivables for invoices/services to be issued or collected	3,648	3,372
- Improvements to third-party assets	3,525	3,275
- Accrued income and prepaid expenses	10,187	3,693
- Guarantee deposits	751	665
- Miscellaneous receivables for register fees and expenses to be recovered	278	278
- Others	8,886	15,128
Total	**38,874**	**39,198**

As at 30 June 2023, the item “Other assets” had a balance of EUR 38.9 million, mainly composed of:

- the “Receivables from Segregated Estates” include amounts relating to the expenses anticipated by the Parent Company AMCO and reallocated to Segregated Estates, in addition to commissions to be collected accrued in the second quarter of 2023 and collected in the third quarter of 2023;
- “Receivables for invoices/services to be issued” include amounts relative to recovery of expenses paid in advance by the Parent Company 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 the 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 period.

LIABILITIES

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

1.1 - Financial liabilities measured at amortised cost: breakdown of payables

Items	Total (30.06.2023)			Total (31.12.2022)		
	with banks	with financial companies	with customers	with banks	with financial companies	with customers
1. Loans	**39,490**	**-**	**-**	**-**	**-**	**-**
1.1 Repurchase agreement	39,490	-	-	-	-	-
1.2 other loans	-	-	-	-	-	-
2. Lease payables	**-**	**-**	**23,161**	**-**	**-**	**23,083**
3. Other payables	**5**	**-**	**-**	**5**	**-**	**-**
Total	**39,495**	**-**	**23,161**	**5**	**-**	**23,083**
Fair value – Level 1	**-**	**-**	**-**	**-**	**-**	**-**
Fair value – Level 2	**-**	**-**	**-**	**-**	**-**	**-**
Fair value – Level 3	**39,495**	**-**	**23,161**	**5**	**-**	**23,083**
Fair value total	**39,495**	**-**	**23,161**	**5**	**-**	**23,083**

As at 30 June 2023, this item had a balance of EUR 62.7 million, mainly composed of:

- EUR 39.5 million relating to a loan in USD;
- EUR 23.2 million to the recognition of financial liabilities for leases pursuant to IFRS 16.

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

Types of securities/values	Total (30.06.2023)				Total (31.12.2022)			
	CA	Fair value			CA	Fair value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. Bonds	4,212,021	4,212,021	-	-	4,110,543	4,110,543	-	-
1.1 structured	-	-	-	-	-	-	-	-
1.2 others	4,212,021	4,212,021	-	-	4,110,543	4,110,543	-	-
2. Other securities	-	-	-	-	-	-	-	-
2.1 structured	-	-	-	-	-	-	-	-
2.2 others	-	-	-	-	-	-	-	-
Total	**4,212,021**	**4,212,021**	**-**	**-**	**4,110,543**	**4,110,543**	**-**	**-**

The item entirely relates to senior unsecured bonds issued by the Parent 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

	30.06.2023	31.12.2022
- Invoices to be received	42,529	48,929
- Payables to LCA for COLLAR	4,150	1,081
- Payables to suppliers	4,095	3,426
- Withholding taxes and social security contributions payable	1,837	1,963
- Remuneration, reimbursement of expenses and payables to personnel	2,592	1,343
- Other payables	37,636	15,580
Total	**92,839**	**72,322**

The item is mainly composed of:

- invoices to be received and payables to suppliers;
- the cost relative to the mechanism for the adjustment of the Parent Company AMCO fees to the LCAs indicated in transfer agreement with the latter. This mechanism provides for the correlation of the commission income to the evolution of the costs actually incurred for the management and recovery of the legal obligations of the transferred assets;
- the item “Other payables” includes items in progress at the end of the half year, which were settled in July 2023.

Section 10 - Provisions for risks and charges - Item 100

10.1 - Provisions for risks and charges: break-down

Items/Values	Total (30.06.2023)	Total (31.12.2022)
1. Provision for credit risk relating to commitments and guarantees issued	-	-
2. Provision for other commitments and guarantees issued	-	-
3. Company pension funds	191	168
4. Other provisions for risks and charges	13,281	15,709
4.1 legal and tax disputes	7,526	8,224
4.2 personnel costs	4,535	6,265
4.3 others	1,220	1,220
Total	**13,472**	**15,877**

As at 30 June 2023, the provision had a balance of EUR 13.5 million. More specifically:

- legal and tax disputes where the provision mainly includes:
  - provisions for EUR 4.2 million towards sum collected by the Group 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 for EUR 2.7 million for disputes in which the risk of damages to debtors/guarantors has been assessed as probable;
  - provisions for EUR 0.6 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;
- personnel 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 Group currently has 20 further pending disputes where the risk of an adverse outcome is deemed to be "possible", for overall claims amounting to EUR 18.2 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	Total (30.06.2023)	Total (30.06.2022)
1. Financial assets measured at fair value through profit and loss	**-**	**-**	**-**	**-**	**456**
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
2. Financial assets measured at fair value through other comprehensive income	**4,345**	**-**	**X**	**4,345**	**625**
3. Financial assets measured at amortised cost:	**-**	**174,081**	**-**	**174,081**	**99,421**
3.1 Loans and receivables with banks	-	1,001	X	1,001	7
3.2 Loans and receivables with financial companies	-	1,783	X	1,783	1,390
3.3 Loans and receivables with customers	-	171,297	X	171,297	98,024
4. Hedging derivatives	**X**	**X**	**-**	**-**	**-**
5. Other assets	**X**	**X**	**-**	**-**	**-**
6. Financial liabilities	**X**	**X**	**X**	**-**	**-**
Total	**4,345**	**174,081**	**-**	**178,426**	**100,502**
of which: interest income from impaired financial assets	-	-	-	-	-
of which: interest income on leases	X	-	X	-	-

Interest and similar income mainly include:

- EUR 173.1 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 58.1 million;
  - Portfolios valued as POCI for EUR 115 million;
- EUR 4.3 million relative to interest income accrued on government bond portfolios classified as FVOCI;
- EUR 1 million relating to interest income from loans to banks.

1.3 - Interest and similar expenses: break-down

Items/Technical forms	Payables	Securities	Other operations	Total (30.06.2023)	Total (30.06.2022)
1. Financial liabilities measured at amortised cost	(1,056)	(50,422)	-	(51,478)	(33,046)
Financial liabilities measured at cost - Other transactions	X	X	-	-	-
1.1 Payables to banks	(1,007)	X	X	(1,007)	(2)
1.2 Payables to financial companies	-	X	X	-	-
1.3 Payables to customers	(49)	X	X	(49)	(48)
1.4 Debt securities issued	X	(50,422)	X	(50,422)	(32,996)
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities measured at fair value	-	-	-	-	-
4. Other liabilities	X	X	-	-	(11)
5. Hedging derivatives	X	X	-	-	-
6. Financial assets	X	X	X	-	-
Total	**(1,056)**	**(50,422)**	**-**	**(51,478)**	**(33,057)**
of which: interest expenses relative to lease payables	-	X	X	-	(48)

Interest and similar expenses mainly include:

- EUR 50.4 million relative to interest expenses, accounted at amortised cost, of senior unsecured bonds issued by the Company;
- EUR 1 million from the loan payable in USD;

Section 2 - Fees and commissions - Items 40 and 50

2.1 - Fee and commission income: break-down

Detail	Total (30.06.2023)	Total (30.06.2022)
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	4,005	1,965
h) other commissions	17,299	21,641
- credit recovery Segregated Estates	16,528	19,838
– securities lending	186	7
- others	585	1,796
Total	**21,304**	**23,606**

Fee and commission income amounted to EUR 21.3 million. This account mainly includes servicing commissions received for the management of Segregated Estates relative to the former Veneto Banks for EUR 16.5 million and fees related to servicing activities on securitised portfolios in the amount of EUR 4 million.

2.2 - Fee and commission expense: break-down

Detail/Sectors	Total (30.06.2023)	Total (30.06.2022)
a) Guarantees received	-	-
b) Distribution of services by third parties	-	-
c) Collection and payment services	-	-
d) Other commissions	(9)	(54)
Total	**(9)**	**(54)**

Commissions refer to commissions payable on bank current accounts.

Section 3 - Dividends and similar revenues - Item 70

3.1 - Dividends and similar revenues: break-down

Items/Income	Total (30.06.2023)		Total (30.06.2022)	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	-	-	-	-
B. Other financial assets mandatorily measured at fair value	-	619	-	-
C. Financial assets valued at fair value with impact on the comprehensive income	-	-	-	839
D. Equity investments	710	-	-	-
Total	**710**	**619**		**839**

The item refers to income distributed by UCITS mainly deriving from the investment in the *Italian Recovery Fund* for EUR 0.6 million and dividends distributed by the subsidiary Amco S.r.l. for EUR 0.7 million.

Section 4 - Trading activity net result - Item 80

4.1 - Trading activity net result: break-down

	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	X	X	X	X	**(60)**
4. Derivative instruments	**40**	**-**	**(26)**	**-**	**14**
4.1 Financial derivatives	40	-	(26)	-	14
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges related to the fair value option	X	X	X	X	-
Total	**40**	**-**	**(26)**	**-**	**(46)**

This item refers to exchange rate differences 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

Income components/transactions	Capital gains (A)	Profit on disposal (B)	Capital losses (C)	Losses on disposal (D)	Net result [(A+B) - (C+D)]
1. Financial assets	**2,511**	**1,898**	**(5,584)**	**-**	**(1,175)**
1.1 Debt securities	-	147	-	-	147
1.2 Equity securities	-	583	(1,185)	-	(602)
1.3 UCITS units	320	495	(2,153)	-	(1,338)
1.4 Loans	2,191	673	(2,246)	-	618
2. Financial assets in currency: currency exchange differences	**X**	**X**	**X**	**X**	**-**
Total	**2,511**	**1,898**	**(5,584)**	**-**	**(1,175)**

Capital gains as at 30 June 2023 mainly derive from:

- EUR 2.2 million attributable to the valuation of credit positions of the acquired portfolios;
- EUR 0.3 million arising from the recovery generated by the fair value measurement of the investment in Italian Recovery Fund;

Realised gains mainly referring to:

- EUR 0.1 million for the allocation of the final settlement of the vehicle Fucino NPL's S.r.l.
- EUR 0.6 million for the disposal of the shares of Trevi Finanziaria Industriale derived from the portfolio acquired from Banca Carige and from the transaction with Monte dei Paschi di Siena;

- EUR 0.5 million deriving from the *Italian Recovery Fund transaction;*
- EUR 0.7 million attributable to the credit positions of the acquired portfolios;

Capital losses mainly refer to:

- EUR 1.2 million attributable to the valuation of the Trevi and CMC Ravenna equities;
- EUR 2.2 million for the fair value measurement as at 30 June 2023 of the shares held in *Back2Bonis, SGT Sansedoni, Efesto* and *Clessidra;*
- EUR 2.2 million attributable to the valuation activity of the credit positions of the acquired portfolios;

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

Income components/transactions	Value adjustments (1)						Reversals (2)				Total (30.06.2023)	Total (30.06.2022)
	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						
1. Loans and receivables with banks	**(143)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(143)**	**(212)**
- for leases	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-
- other loans and receivables	(143)	-	-	-	-	-	-	-	-	-	(143)	(212)
2. Loans and receivables with financial companies	**-**	**-**	**-**	**-**	**-**	**(1,673)**	**194**	**-**	**-**	**206**	**(1,273)**	**-**
- for leases	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-
- other loans and receivables	-	-	-	-	-	(1,673)	194	-	-	206	(1,273)	-
3. Loans and receivables with customers	**-**	**(843)**	**(4,490)**	**(1,099)**	**(20,838)**	**(241,005)**	**-**	**438**	**6,830**	**236,245**	**(24,762)**	**(15,568)**
- for leases	-	-	-	-	-	(150)	-	-	-	17,441	17,291	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-
- for consumer credit	-	-	-	-	-	-	-	-	-	-	-	-
- pawn lending	-	-	-	-	-	-	-	-	-	-	-	-
- other loans and receivables	-	(843)	(4,490)	(1,099)	(20,838)	(240,855)	-	438	6,830	218,804	(42,053)	(15,568)
Total	(143)	(843)	(4,490)	(1,099)	(20,838)	(242,678)	194	438	6,830	236,451	(26,178)	(15,780)

Adjustments and 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 2023 derive from:

- adjustments for portfolios at amortised cost for EUR 179 million and for POCI portfolios for EUR 90.9 million;
- value reversals for portfolios at amortised cost for EUR 146.8 million and for POCI portfolios for EUR 97.1 million.

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

Income components/transactions	Value adjustments (1)						Reversals (2)				Total (30.06.2023)	Total (30.06.2022)
	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						
A. Debt securities	-	-	-	-	-	-	250	-	-	-	250	439
B. Loans	-	-	-	-	-	-	-	-	-	-	-	-
- With customers	-	-	-	-	-	-	-	-	-	-	-	-
- With financial companies	-	-	-	-	-	-	-	-	-	-	-	-
- With banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	250	-	-	-	250	439

The net value reversals on financial assets measured at fair value with counterparty in net equity, amounting to EUR 0.3 million, refer exclusively to the release of the write-down on government bonds sold during the half-year.

Section 10 - Administrative expenses - Item 160

10.1 - Personnel costs: break-down

	Total (30.06.2023)	Total (30.06.2022)
1) Employees	(23,760)	(19,122)
a) salaries and wages	(16,911)	(13,447)
b) social security	(4,380)	(3,782)
c) post-employment benefits	-	(311)
d) pension funds	-	-
e) provision for post-employment benefits	(785)	(4)
f) provision for pensions and similar obligations:	-	-
- defined contribution plan	-	-
- defined-benefit plans	-	-
g) payments to external complementary pension funds:	(286)	(566)
- defined contribution plan	(286)	(566)
- defined-benefit plans	-	-
h) other benefits for employees	(1,398)	(1,012)
2) Other active personnel	(4)	-
3) Directors and Statutory Auditors	(408)	(324)
4) Retired personnel	-	-
5) Recoveries of expenses for personnel seconded to other companies	-	-
6) Reimbursements of expenses for personnel seconded to the company	-	-
Total	**(24,172)**	**(19,446)**

Personnel costs amounted to EUR 24.2 million and are mainly constituted by wages and salaries and relative social security contributions and bonus provisions for employees.

10.3 - Other administrative expenses: break-down

Type of expenses/values	30.06.2023	30.06.2022
Legal and collection	(22,629)	(19,822)
Outsourcing fees	(10,056)	(7,839)
Professional costs	(3,650)	(3,116)
Business information	(1,653)	(1,664)
BPO and Document Archive	(2,633)	(1,750)
DTA fee	(1,338)	(1,349)
IT	(8,989)	(6,899)
Logistics	(1,346)	(1,189)
Other	(8,075)	(1,173)
Total	**(60,369)**	**(44,801)**

Other administrative expenses amounted to EUR 60.4 million and consisted mainly of credit recovery expenses, IT and software costs and legal and notary fees. The increase observed compared to the previous year reflects the leap in size of the Group's business.

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	30.06.2023	30.06.2022
For risk of sums repayments and compensation for damages	39	28
For risks on litigation and other	-	(148)
Other provisions for risks	(124)	(8)
Total	**(85)**	**(128)**

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

	Amortisation (a)	Impairment losses (b)	Reversals (c)	Net result (a + b - c)
A. Property, plant and equipment				
A.1 For operating purposes	(1,610)	-	-	(1,610)
- owned	(130)	-	-	(130)
- right of use acquired through leases	(1,480)	-	-	(1,480)
A.2 Financial assets held for investment	-	-	-	-
- owned	-	-	-	-
- right of use acquired through leases	-	-	-	-
A.3 Inventories	X	-	177	177
Total	**(1,610)**	**-**	**177**	**(1,433)**

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

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

	Amortisation (a)	Impairment losses (b)	Reversals (c)	Net result (a + b - c)
1. Intangible assets other than goodwill	(1,131)	-	-	(1,131)
of which software	-	-	-	-
1.1 owned	(1,131)	-	-	(1,131)
1.2 rights of use acquired through leasing	-	-	-	-
2. Assets attributable to financial leases	-	-	-	-
3. Asset granted with operating lease	-	-	-	-
Total	**(1,131)**	**-**	**-**	**(1,131)**

Section 14 - Other operating income and expenses - Item 200

Type of expenses/values	30.06.2023	30.06.2022
Other operating income	4,483	5,112
Other operating expenses	(4,614)	(6,793)
Total	**(131)**	**(1,681)**

14.1 - Other operating expenses: break-down

Type of expenses/values	30.06.2023	30.06.2022
- Charges for COLLAR	(4,150)	(6,557)
- Other operating expenses	(464)	(236)
- Consolidation adjustments	-	-
Total	**(4,614)**	**(6,793)**

This item mainly includes the cost incurred in the financial year relative to the fee adjustment mechanism for the management of loans of the Segregated Estates as indicated in part B of section 8.

14.2 - Other operating income: break-down

Type of expenses/values	30.06.2023	30.06.2022
- Allocation of expenses	368	368
- Indirect expenses recoveries	4,204	140
- Other operating income	152	4,604
- Consolidation adjustments	(241)	-
Total	**4,483**	**5,112**

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

	Total (30.06.2023)	Total (30.06.2022)
1. Current taxes (-)	-	(198)
2. Changes in current taxes of previous financial years (+/-)	-	-
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 prepaid taxes (+/-)	(11,106)	(6,569)
5. Changes in deferred taxes (+/-)	-	800
6. Taxes for the year (-) (-1+/-2+3+3bis +/-4+/-5)	**(11,106)**	**(5,967)**

The net change in prepaid tax assets mainly refers to the use of prepaid tax assets recognised in previous years on both temporary nominal changes and losses and discharged in the first half of 2023.

PART D - OTHER INFORMATION

Section 8 - Other detailed information

8.1 - Segment reporting

Criteria for the preparation of segment reporting

The AMCO Group's segment reporting reflects the operational responsibilities enshrined in the Parent 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 disclosure requirements of IFRS 8. The organisational model of the AMCO Group is divided into business segments with specific operational responsibilities: Workout Department, UTP Department, Special Servicing & Partnership (SP&S) Department, Real Estate, Treasury and Centre of Government Department. 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 yearly consolidated 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 Group 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 passed on from 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 impaired loans on and off balance).

Breakdown of economic and financial performance by Division

Euro/thousand - %	Amco	Workout	UTP PD	SP&S	Real Estate	Treasury and Governance Centre
Servicing commissions	20,060	4,808	6,479	7,689	2,681	(1,597)
Interest and commissions from customers	173,648	33,863	41,794	42,397	-	55,595
Other income/charges from activities with customers	51,289	24,451	3,990	17,527	122%	5,198
Total Revenues	**244,997**	**63,122**	**52,263**	**67,613**	**2,803**	**59,195**
Personnel costs	(24,171)	(3,312)	(4,032)	(1,974)	(1,211)	(13,642)
Net operational costs	(56,187)	(17,063)	(9,475)	(34,208)	(1,326)	5,884
of which direct expenses	(56,187)	(9,428)	(1,730)	(27,723)	(668)	(16,638)
of which indirect costs	-	(7,635)	(7,745)	(6,485)	(658)	22,523
Total Costs and Expenses	**(80,358)**	**(20,376)**	**(13,507)**	**(36,181)**	**(2,537)**	**(7,757)**
EBITDA	**164,639**	**42,747**	**38,756**	**31,432**	**266**	**51,438**
Balance of write-backs/value adjustments	(79,976)	(25,089)	(49,766)	(5,133)	-	11
Amortisation and depreciation	(2,741)	(838)	(863)	(607)	(146)	(287)
Provisions	(85)	13	-	-	-	(97)
Other operating income/expenses	(4,678)	64	(60)	-	-	(4,682)
Financial activity result	1,532	-	39	-	-	1,493
EBIT	**78,691**	**16,898**	**(11,894)**	**25,693**	**120**	**47,874**
Interest and commissions from financial activity	(45,465)	-	-	-	-	(45,465)
Pre-tax profit	**33,227**	**16,898**	**(11,894)**	**25,693**	**120**	**2,410**

The allocation between the AUM divisions is carried out with a management logic:

- The so-called "gone concern" positions are managed by resources of the Parent Company, with a liquidation perspective, linked to the patient recovery of the loan and the maximisation of the recovery value of the guarantees; these debt positions, directly purchased or acquired under management by AMCO, are assigned to the **Workout Business Unit**. The Business Unit is responsible for ensuring the performance of recovery activities for impaired loans classified as “gone concern”.

- The so-called “going concern” loans are managed by the Parent Company resources, 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 Business Unit**, with the aim of maximising recovery and facilitating the debtor's return to a *performance status*, including through the provision of new finance.
- The ***Special Partnership & Servicing*** **Department** (hereinafter “SP&S”), on the other hand, has the task of overseeing the portion of the portfolio, consisting of both bad and *UTP* loans, entrusted to the management of external *special servicers*, as well as managing the *multi*-platform originator.

In addition to the divisions that manage credit positions, AMCO has a **Real Estate Department** whose objective is to adopt strategies to protect and enhance the value of collateral property assets through the active and direct management of property assets (valuation, marketing, leasing or sale) once ownership has been acquired in the various forms identified from time to time (auction, **datio in solutum** agreements, etc.).

Divisions performance

The **EBITDA** of the **Workout Business Unit** amounted to EUR 42.7 million, of which EUR 63.1 million in revenues and EUR 20.4 million in costs.

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

- fee and commission income of EUR 4.8 million, deriving exclusively from collection activities on the portfolios of the former Veneto Banks;
- net interest income of EUR 33.9 million deriving from the portfolio of receivables under management and from notional interest expense recharged by the Treasury;
- other revenues from ordinary operations amounting to EUR 24.5 million, on the other hand, relate to the recovery of receivables from collections.

The costs of the Workout Division amounted to EUR 20.4 million and comprise the Department's personnel costs of EUR 3.3 million and net operating expenses of EUR 17.1 million, of which EUR 7.6 million in costs allocated according to the cost allocation model and EUR 9.4 million in legal/recovery costs on managed receivables.

The **pre-tax result** amounted to EUR 16.9 million, negatively impacted by value adjustments on receivables for EUR 25.1 million.

EBITDA of the **UTP Department** amounted to EUR 38.8 million, comprising revenues of EUR 52.3 million and costs of EUR 13.5 million.

The revenues of the UTP Division are composed of:

- fee and commission income of EUR 6.5 million, primarily from collection activities on the portfolios of the former Venetian Banks;
- net interest income of EUR 41.8 million deriving from the portfolio of receivables under management and from notional interest expense recharged by the Treasury;

- other revenues from ordinary operations amounting to EUR 4.0 million, on the other hand, relate to the recovery of receivables from collections.

Costs amounted to EUR 13.5 million, of which EUR 4.0 million related to personnel, in addition to net operating costs of EUR 9.5 million, of which EUR 7.7 million in costs allocated according to the cost allocation model and EUR 1.7 million in legal/recovery costs on the cases managed.

Despite the positive result from ordinary operations (EBITDA), the **pre-tax result** was negative for EUR 11.9 million due to adjustments on receivables for EUR 49.8 million, impacted by the revision of the expected recovery times.

The **EBITDA** of the **SP&S Division** amounted to EUR 31.4 million, of which EUR 67.6 million in revenues and EUR 36.2 million in costs.

In carrying out its credit management and collection activities, the SP&S generated revenues from:

- fee and commission income of EUR 7.7 million, from the collection activities on the portfolio of the former Venete Banks and on the managed loans of the Cuvèe multi-originator platform;
- net interest income of EUR 42.4 million deriving from the portfolio of receivables under management and from notional interest expense recharged by the Treasury;
- other revenues from ordinary operations amounting to EUR 17.5 million, on the other hand, relate to the recovery of receivables from collections.

Costs amounted to EUR 36.2 million, of which EUR 2.0 million related to personnel, plus net operating costs of EUR 34.2 million, of which EUR 6.5 million in costs allocated according to the cost allocation model and EUR 27.7 million in legal/recovery costs on files under management.

The **pre-tax result** amounted to EUR 25.7 million, impacted by value adjustments on receivables for EUR 5.1 million.

Treasury is responsible for monitoring the Company's liquidity needs and managing them proactively through a risk/return maximisation strategy, and the **Centre of Government** assumes the function of guiding, coordinating, supporting, and controlling the other divisions.

EBITDA was positive for EUR 51.4 million, thanks to revenues composed mainly of notional interest allocated to the other divisions for EUR 59.2 million.

The **pre-tax result** is positive for EUR 2.4 million and reflects the real interest that the Treasury recognises to the market on its *outstanding* debt.

Performance of managed assets

Euro/thousand - %	Amco	Workout	UTP PD	SP&S
Assets Under Management	36,122,762	14,672,887	8,617,514	12,832,362

Assets under management refer to gross impaired loans allocated to the respective business units. These assets include both those reflected in Group's financial statements (on balance), those of the Segregated Estates of the former Venetian Banks and the others for which the Parent Company acts as Special Servicer (off balance). The allocation among the divisions is carried out according to the management logic described in the previous paragraph.

Organisational structure

The FTE figures as at 30 June 2023 are shown below by division:

Euro/thousand - %	Amco	Workout	UTP PD	SP&S	Real Estate	Treasury and Governance Centre
FTE	413	70	66	40	20	217

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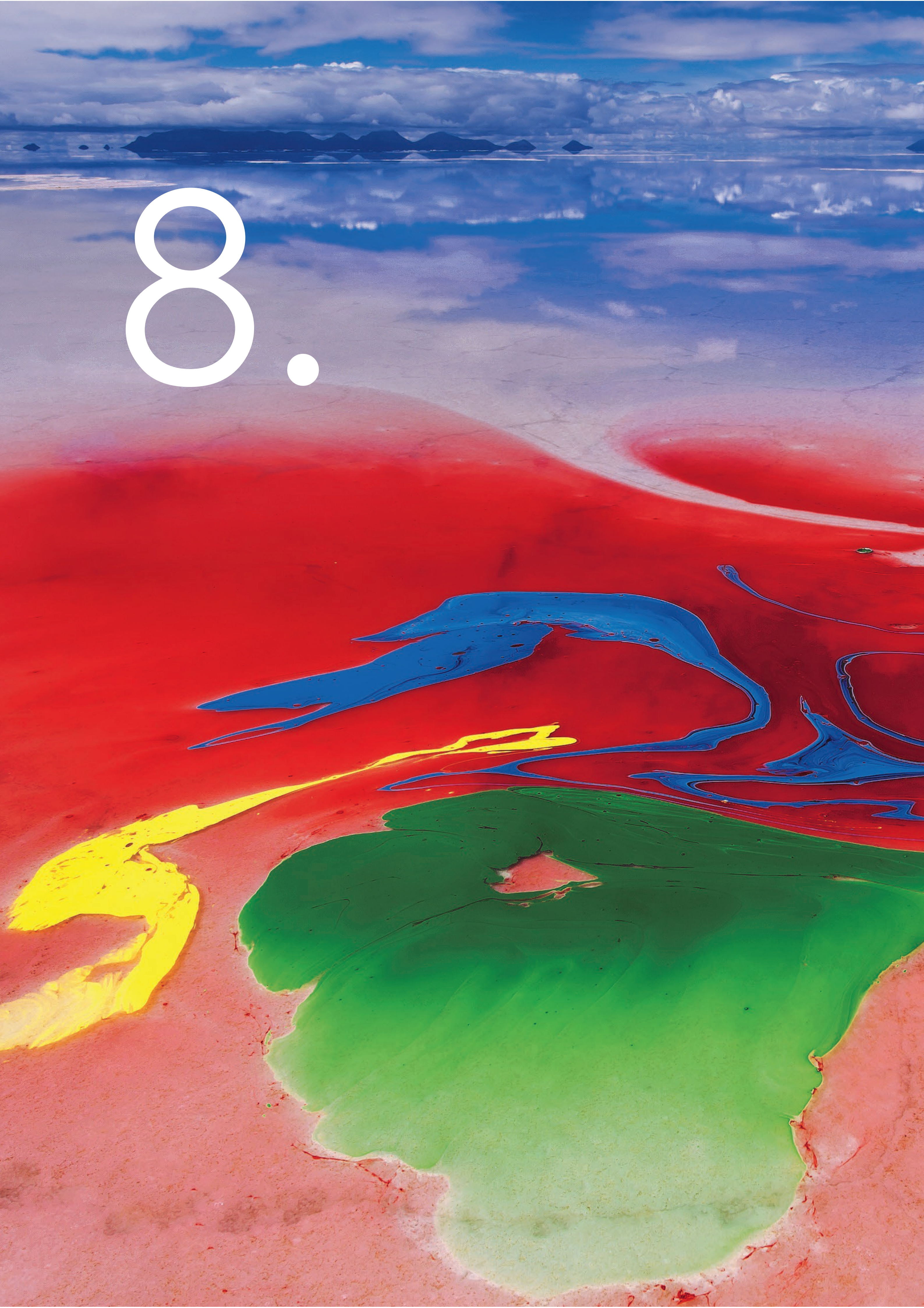


Statement by the Chief Executive Officer and the Manager in charge

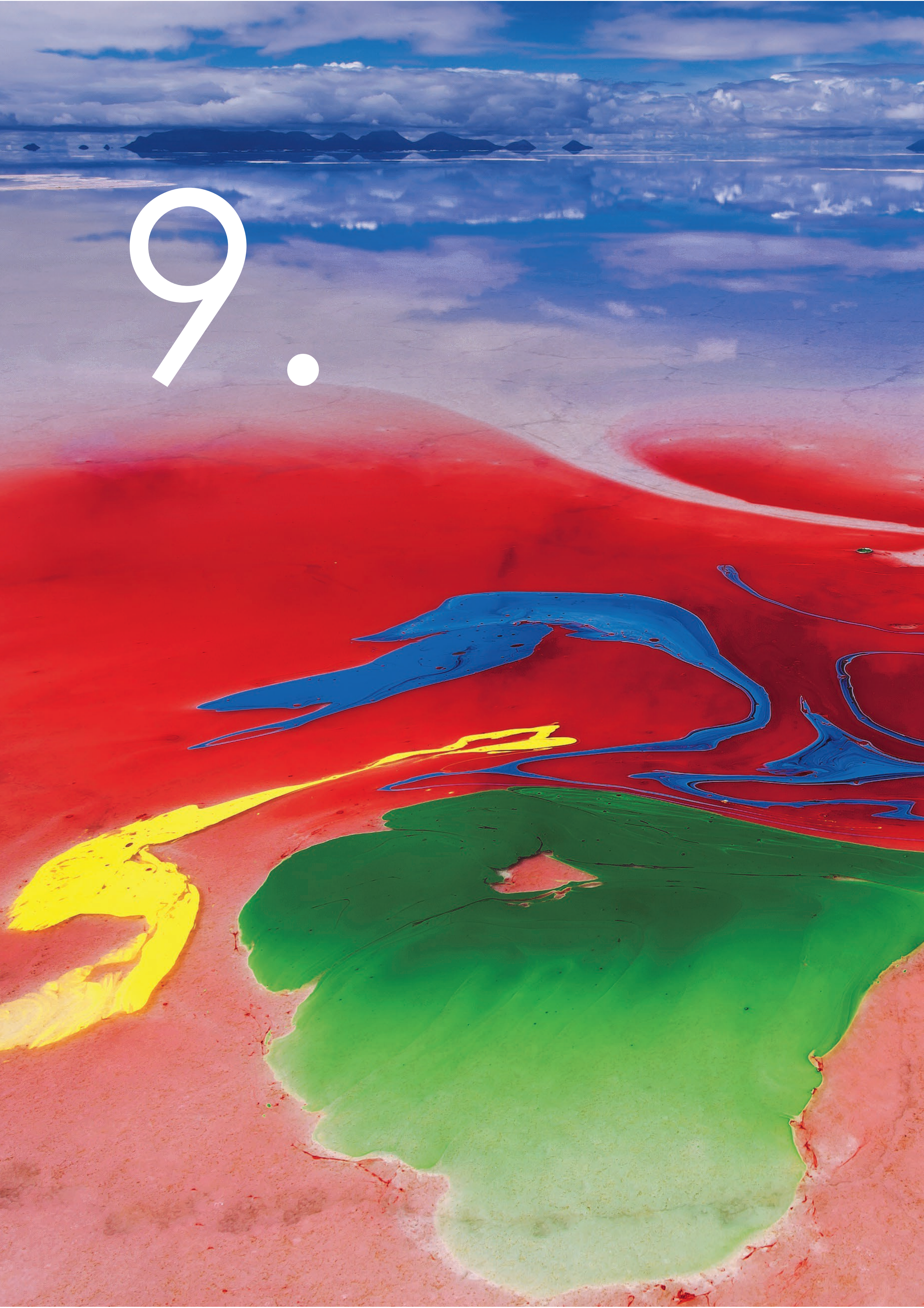
Attestation of the Chief Executive Officer and Manager in charge of preparing the Company's Financial Reports on the Consolidated Financial Statements and Report on Operations at 30 June 2023 pursuant to Art. 154 bis of Italian Legislative Decree 58/1998

1. The undersigned ANDREA MUNARI, in the role of Chief Executive Officer and the undersigned, LUCA LAMPUGNANI, in the role of 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, certify:
   - 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 Consolidated Financial Report as at 30 June 2023.
2. In this regard, it should be noted that the undersigned LUCA LAMPUGNANI has carried out activities useful for the verification of the adequacy and the effective application of current procedures and consolidated administrative and accounting provisions to prepare the half-yearly consolidated report as at 30 June 2023.
3. The undersigned also certify that the half-yearly consolidated report as at 30 June 2023:
   - 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 Group;
   - is drawn in compliance with the IAS/IFRS international accounting standards recognised by the European Community and the Provisions of Banca d'Italia on the subject.
4. Lastly, it is certified that the Report on Operations as at 30 June 2023 includes a reliable analysis of the performance and result as well as the Group's situation, together with a description of the main risks and uncertainties to which the Group is exposed.

Milan, 6 September 2023

Signed by
Andrea Munari
Chief Executive Officer

Signed by
Luca Lampugnani
Manager in charge of preparing the Company's Financial Reports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Independent auditors' report

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REPORT ON REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To Shareholders of
AMCO - Asset Management Company S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of AMCO - Asset Management Company S.p.A. and subsidiaries (the "AMCO Group"), which comprise the consolidated balance sheet as of June 30, 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period then ended and the related explanatory notes.

The Directors of AMCO - Asset Management Company S.p.A. are responsible for the preparation of this condensed interim consolidated financial information 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 interim financial information 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 consolidated 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 consolidated financial statements of AMCO Group as at June 30, 2023 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 8, 2023

This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

10.

Annexes

Annex 1 - Reconciliation between reclassified consolidated balance sheet and consolidated income statement and financial statements

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

EUR/(000) - %	30.06.2023	31.12.2022
Loans and receivables with banks	**518,152**	**46,826**
+ 10. Cash and cash equivalents	217,076	46,826
+ 40 (a). Loans and receivables with banks	301,075	-
Loans and receivables with customers	**4,981,478**	**5,031,061**
+ 20 (c). Financial assets measured at fair value through profit and loss: other financial assets mandatorily measured at fair value	43,514	-
+ 40 (a). Loans and receivables with banks	-	14,431
+ 40 (b). Financial assets measured at amortised cost: loans and receivables with financial companies	72,399	77,691
+ 40 (c). Financial assets measured at amortised cost: loans and receivables with customers	4,865,565	4,938,939
Financial assets	**1,048,812**	**1,258,534**
+ 20 (a). Financial assets valued at fair value through profit and loss - financial assets held for trading	21	23
+ 20 (c). Financial assets measured at fair value through profit and loss: other financial assets mandatorily measured at fair value	499,799	571,497
+ 30. Financial assets measured at fair value through other comprehensive income	548,992	687,013
Equity investments	**21**	**10**
+ 70. Equity investments	21	10
Property, plant and equipment and intangible assets	**33,600**	**31,367**
+ 80. Property, plant and equipment	30,147	27,391
+ 90. Intangible assets	3,453	3,975
Tax assets	**177,426**	**197,686**
+ 100 (a). Current tax assets	10,273	11,879
+ 100 (b). Prepaid tax assets	167,153	185,807
Other asset items	**38,875**	**39,198**
+ 120. Other assets	38,875	39,198
Total assets	**6,798,362**	**6,604,682**

Table 8 - Reconciliation of reclassified consolidated balance sheet assets as at 30 June 2023

EUR/(000) - %	30.06.2023	31.12.2022
Payables to third parties	**4,274,677**	**4,133,631**
+ 10 (a). Financial liabilities measured at amortised cost: payables	62,655	23,087
+ 10 (b). Financial liabilities measured at amortised cost: debt securities issued	4,212,021	4,110,543
Tax liabilities	**4,301**	**4,307**
+ 60 (a). Current tax liabilities	1,700	1,706
+ 60 (b). Deferred tax liabilities	2,601	2,601
Provisions for specific purposes	**13,921**	**16,326**
+ 90. Staff severance indemnity	449	450
+ 100 (b). Provisions for risks and charges: pensions and similar obligations	191	168
+ 100 (c). Provisions for risks and charges: other provisions for risks and charges	13,281	15,708
Other liabilities	**92,890**	**72,394**
+ 20. Financial liabilities held for trading	51	71
+ 80. Other liabilities	92,839	72,323
Share capital	**655,081**	**655,081**
+ 110. Share capital	655,154	655,154
+ 120. Treasury shares	(72)	(72)
Share premiums	**604,552**	**604,552**
+ 140. Share premiums	604,552	604,552
Reserves	**1,184,225**	**1,141,970**
+ 150. Reserves	1,184,225	1,141,970
Valuation reserves	**(53,406)**	**(65,835)**
+ 160. Valuation reserves	(53,406)	(65,835)
Profit for the period	**22,120**	**42,254**
+ 170. Profit (Loss) for the period	22,120	42,254
Total liabilities	**6,798,362**	**6,604,682**

Table 9 - Reconciliation of reclassified consolidated balance sheet liabilities as at 30 June 2023

EUR/(000) - %	30.06.2023	30.06.2022
Servicing commissions	**20,060**	**21,843**
+ 40. Fee and commission income (partial)	20,060	21,843
Interests/commissions from business with customers	**173,648**	**100,660**
+ 10. Interest income (partial)	173,081	99,870
+ 40. Fee and commission income (partial)	568	791
Other income/expenses from ordinary operations	**51,289**	**27,687**
+ 100 (a). Profit/loss from sales or repurchase of accounts receivables	-	-
+ 110 (b). Net result of financial assets and liabilities measured at fair value through profit and loss - mandatorily at fair value	583	274
+ 130 (a). Net value adjustments/reversals for credit risk of: assets measured at fair value through OCI (partial)	50,293	27,028
+ 180. Net value adjustments/reversals on property, plant and equipment	177	-
+ 200. Other operating income and expenses (partial)	309	386
+ 250. Profit/loss from sale of investments (partial)	-	-
+230. Net result of the measurement at fair value of property, plant and equipment and intangible assets	(74)	-
TOTAL REVENUES	**244,997**	**150,191**
Personnel costs	**(24,171)**	**(19,446)**
+ 160 (a). Personnel costs	(24,171)	(19,446)
Operational costs	**(56,187)**	**(40,114)**
+ 160 (b). Other administrative expenses	(40,462)	(36,963)
+ 200. Other operating income and expenses (partial)	4,183	4,688
+ 160 (b). Other administrative expenses	(19,908)	(7,839)
TOTAL COSTS	**(80,358)**	**(59,560)**
EBITDA	**164,639**	**90,631**
Net value adjustments/reversals on receivables and securities from ordinary operations	**(79,976)**	**(42,870)**
+ 110 (b). Net result of financial assets and liabilities measured at fair value through profit and loss - mandatorily at fair value	(2,573)	34
+100.a) financial assets measured at amortised cost	(941)	-
+ 130 (a). Net value adjustments/reversals for credit risk of: assets measured at amortised cost	(76,462)	(42,904)
Value adjustments/reversals on property, plant and equipment and intangible assets	**(2,741)**	**(2,147)**
+ 180. Net value adjustments/reversals on property, plant and equipment	(1,610)	(1,769)
+ 190. Net value adjustments/reversals on intangible assets	(1,131)	(378)
Net provisions for risks and charges	**(85)**	**(128)**
Other operating income/expenses	**(4,678)**	**9,273**
+ 80. Trading activity result	(45)	15,933
+ 200. Other operating income/expenses (partial)	(4,623)	(6,756)
+ 130 (a). Net value adjustments/reversals for credit risk of: assets measured at amortised cost	(10)	96
+ 230. Net result of the measurement at fair value of property, plant and equipment and intangible assets	-	-
+ 180. Net value adjustments/reversals on property, plant and equipment	-	-
Financial activity result	**1,532**	**(7,694)**
+ 70. Dividends	1,329	839
+ 100 (b). Profit (loss) on sale/repurchase of financial assets measured at fair value through other comprehensive income (partial)	(862)	-
+ 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)	(815)	(8,093)
+ 130 (b). Net value adjustments/reversals for credit risk of: assets measured at fair value through OCI (partial)	250	(439)
+ 220 Profit (Loss) from equity investments	-	-
EBIT	**78,691**	**47,065**
Interest and commissions from financial assets	**(45,465)**	**(31,507)**
+ 10. Interest income (partial)	5,346	632
+ 20. Interest expenses	(51,478)	(33,058)
+ 40. Fee and commission income (partial)	677	972
+ 50. Fee and commission expense (partial)	(9)	(54)
PRE-TAX PROFIT	**33,227**	**15,559**
Current taxes for the period	**(11,106)**	**(5,967)**
+ 270. Current taxes for the period	(11,106)	(5,967)
Net result for period	**22,120**	**9,592**

Table 10 - Reconciliation of reclassified consolidated income statement as at 30 June 2023

Annex 2 - Financial statements of Amco S.p.A.

The statements of the parent company Amco S.p.A. at 30 June 2023 are shown below

	Assets items	30.06.2023	31.12.2022
10.	Cash and cash equivalents	196,864	39,442
20.	Financial assets measured at fair value through profit and loss	968,163	987,609
	a) financial assets held for trading	21	23
	b) financial assets measured at fair value	-	-
	c) other financial assets mandatorily measured at fair value	968,142	987,585
30.	Financial assets measured at fair value through other comprehensive income	548,992	687,013
40.	Financial assets measured at amortised cost	4,823,105	4,622,496
	a) loans and receivables with banks	301,055	14,431
	b) loans and receivables with financial companies	72,399	77,691
	c) loans and receivables with customers	4,449,651	4,530,374
50.	Hedging derivatives	-	-
60.	Change in value of financial assets subject to a generic hedge (+/-)	-	-
70.	Equity investments	433	422
80.	Property, plant and equipment	25,507	27,391
90.	Intangible assets	2,962	3,459
	of which		-
	- goodwill	-	-
100.	Tax assets	177,415	197,678
	a) current	10,271	11,879
	b) deferred	167,145	185,799
110.	Non-current assets and groups of assets held for disposal	-	-
120.	Other assets	34,861	34,374
	Total assets	**6,778,302**	**6,599,884**

	Liabilities and shareholders' equity items	30.06.2023	31.12.2022
10.	Financial liabilities measured at amortised cost	4,274,677	4,133,630
	a) payables	62,655	23,087
	b) debt securities issued	4,212,021	4,110,543
20.	Financial liabilities held for trading	51	71
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	4,301	4,301
	a) current	1,700	1,700
	b) deferred	2,601	2,601
70.	Liabilities associated to assets held for disposal	-	-
80.	Other liabilities	78,912	71,407
90.	Staff severance indemnity	449	450
100.	Provisions for risks and charges	13,472	15,876
	a) commitments and guarantees issued	-	-
	b) pensions and similar obligations	191	168
	c) other provisions for risks and charges	13,281	15,708
110.	Share capital	655,154	655,154
120.	Treasury shares (-)	(72)	(72)
130.	Equity instruments	-	-
140.	Share premiums	604,552	604,552
150.	Reserves	1,180,349	1,141,975
160.	Valuation reserves	(53,406)	(65,835)
170.	Profit (Loss) for the period	19,863	38,374
	Liabilities and net equity	**6,778,302**	**6,599,884**

	Items	30.06.2023	30.06.2022
10.	Interest and similar income	159,335	100,502
	of which: net interest income calculated with the effective interest method	159,335	99,421
20	Interest and similar expenses	(51,478)	(33,058)
30.	**Interest margin**	**107,857**	**67,444**
40.	Fee and commission income	21,511	23,606
50.	Fee and commission expense	(9)	(54)
60.	**Net fees and commissions**	**21,502**	**23,552**
70.	Dividends and similar revenues	1,329	839
80.	Trading activity net result	(45)	15,786
90.	Hedging activity net result		
100.	Profit/loss on sale/repurchase of:	(1,803)	
	a) financial assets measured at amortised cost	(941)	
	b) financial assets measured at fair value through other comprehensive income	(990)	
	c) financial liabilities	128	
110.	Net result of other financial assets and liabilities measured at fair value through profit and loss	25,908	(7,639)
	a) financial assets and liabilities measured at fair value		
	b) other financial assets mandatorily measured at fair value	25,908	(7,639)
120.	**Brokerage margin**	**154,748**	**99,982**
130.	Net value adjustments/reversals for credit risk of:	(43,212)	(16,219)
	a) financial assets measured at amortised cost	43,462	(15,780)
	b) financial assets measured at fair value through other comprehensive income	250	(439)
140.	Profit/loss from contractual amendments without cancellation		
150.	**Net result of financial management**	**111,536**	**83,763**
160.	Administrative expenses:	(77,924)	(64,248)
	a) personnel costs	(24,171)	(19,446)
	b) other administrative expenses	(53,753)	(44,802)
170.	Net provisions for risks and charges	(85)	(128)
	a) commitments and guarantees issued		
	b) other net provisions	(85)	(128)
180.	Net value adjustments/reversals on property, plant and equipment	(1,433)	(1,769)
190.	Net value adjustments/reversals on intangible assets	(1,106)	(378)
200.	Other operating income/expenses	54	(1,681)
210.	**Operational costs**	**(80,494)**	**(68,204)**
220	Profits (Losses) on equity investments		
230	Net result of the measurement at fair value of property, plant and equipment and intangible assets	(74)	
240	Vale adjustments on goodwill		
250.	Profits (Losses) on disposal of investments		
260.	**Profit (Loss) of current operating activities before taxes**	**30,968**	**15,559**
270.	Income taxes for the period on current operating activities	(11,106)	(5,967)
280.	**Profit (Loss) of current operating activities after taxes**	**19,862**	**9,592**
290.	Profit (Loss) from discontinued operations after taxes		
300.	**Profit (Loss) for the period**	**19,862**	**9,592**


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