

PRESS RELEASE

**WITH A NEW NAME, SGA IS READY FOR GROWTH
THE FIRST HALF OF 2019 POSITIVE RESULTS CONFIRM THE VALIDITY OF THE FULL CREDIT
MANAGEMENT COMPANY BUSINESS MODEL**

SOCIETA' PER LA GESTIONE DELLE ATTIVITÀ - SGA BECOMES



**THE ASSET MANAGEMENT COMPANY OPERATING IN THE
NON-PERFORMING EXPOSURES SECTOR**

- **Assets Under Management of €20.6 billion**
- **Innovative and scalable operating structure, ready for further business growth**
- **Net income for the half year 2019 of €8.2 million, which includes costs related to the transformation of the structure**
- **Strong capital position with a CET1 of 17.4%, among the best in the sector**
- **First unsecured senior bond of €250 million successfully placed in 1H2019**
- **Standard & Poor's assigned to AMCO a BBB Long-Term Issuer Default Rating, following the first Rating assigned by Fitch in 2018**
- **The new name reflects the mission of full credit management company; the claim "We look at the future by changing the present" contains SGA's historical track record and projects AMCO towards the future with an international and innovative perspective**

September 18, 2019 - The Board of Directors of AMCO – Asset Management Company S.p.A., which met yesterday, approved the first half results as at June 30, 2019.

"The results for the first half of 2019 confirm the validity of our model; the transformation of the business structure is completed, and we are ready for further business growth. During the last year SGA transformed itself from a historical company into a dynamic and innovative one, with new technological infrastructures and specialized professionals. We expanded our area of activity from the recovery of "gone concern" assets (non-performing loans) to the proactive management of "going concern" assets (UTP) aimed at rebalancing the financial situation of companies and individuals.

Now we are changing our name: AMCO embeds the historical identity of SGA and looks at the future, within an international and innovative perspective. AMCO reflects our aim to play a role in the NPEs sector in Italy for all our stakeholders, banks and debtors, investors and partners," said Marina Natale, CEO of AMCO.

1H2019 RESULTS

In the first half of 2019, AMCO reported a net income of €8.2 million. Net equity at June 30 was €786 million.

The positive results for the first half confirm the validity of the new diversified credit management strategy which, thanks to the scalability of the business model and specialized professionals, today makes AMCO one of the main players in the Italian Non-Performing Exposures (NPEs) market.

In particular, at June 30, 2019 **assets under management** amounted to €20.6¹ billion compared to €20.2 billion at 2018YE and €2.3 billion at 2017YE. The assets increase in the first half of 2019 is also due to the purchase of high-risk assets from the Veneto banks in compulsory liquidation.

€ mln	FY2018 ²	1H2019 ²
Total Revenues	37.4	23.3
Total Costs	(28.5)	(20.1)
EBITDA	8.9	3.3
Net impairment gains/losses on credit risk	25.2	9.0
Net accruals to provisions for risks and charges	(16.9)	(5.5)
Others	0.8	(0.2)
Net result of financial activity	20.4	7.6
EBIT	38.4	14.1
Net interest from financial activity	0.6	(2.2)
Income taxes	8.5	(3.7)
NET PROFIT	47.5	8.2

AMCO's 1H2019 net income of €8.2 million in the period is a positive result also considering the costs of transformation. AMCO experienced a significant growth and is now equipped with a new organizational set-up ready to support future business development. Since 2017YE, the headcount tripled: at June 30, 2019 the company employed 211 people, compared with 144 at 2018YE and 71 at 2017YE.

Revenues show a good progression reaching €23.3 million, generated by servicing fees for the management of the Veneto banks' loan portfolio: these commissions include Master Servicing fees and Special Servicing fees relating to both non-performing loans and securitizations.

Total costs amount to €20.1 million, of which €12.1 million related to staff costs and the remaining €8.0 million to other administrative expenses. The increase in costs is due to the costs related to the transformation and the new size of the company: the costs due to the transformation of the structure represent two thirds of total costs.

¹ Pro-forma data, includes the assets related to Banca del Fucino.

² The results at 30.06.2019 include the effects resulting from the IFRS 16 ("leasing") first-time adoption. 2018 results do not include these effects as the restatement of 2018 comparative information is not required.

The net result is also affected by certain items which are recurring but of a volatile amount due to their nature, such as: net impairment gains from loans to customers of €9.0 million, resulting from the management of the Banco di Napoli loan portfolio, and the net result of financial activity of €7.6 million, which mainly includes the capital gain on the valuation of the investment in the IRF fund (Italian Recovery Fund³).

The company has a strong capital position: net equity value amounts to €786 million and the CET1 ratio is at 17.4%, well above the minimum requirements by Regulators (8%) and well above the 12.1% at 2018YE. The Total Capital ratio is also at 17.4%, as no subordinated bonds are outstanding.

In February 2019, AMCO placed the first senior unsecured bond of €250 million to qualified and institutional investors, under the €1 billion EMTN programme. The bond, listed on the Luxembourg Stock Exchange, has a five-year maturity.

AMCO's debut issuance on the market reported a strong interest, with an order book well above the expected amount and distributed among more than 50 institutional investors.

RENAMING AND REBRANDING PROCESS

The renaming and rebranding contribute to the company evolution, with the aim of playing a role in the NPE sector in Italy.

The new brand identity reflects the nature of a full credit management company, able to entirely oversee the process of management and recovery of impaired loans, acting with promptness, concreteness, sustainability of processes and innovation in management. AMCO reflects the historical identity of SGA, but also underlines its innovation path, making it internationally recognizable.

The renaming and rebranding were performed with the support of the advisor Mercurio GP.

OTHER RECENT EVENTS AFTER JUNE 30, 2019

On July 23 2019, Standard & Poor's assigned to AMCO a long-term rating of "BBB" with a negative outlook, recognizing the specificity of the company's governance and the strategic value of its business as the reasons underpinning the rating. In September 2018 Fitch assigned a BBB- rating to AMCO.

In December 2018 AMCO presented a binding offer to Banca del Fucino S.p.A. for the structuring of a securitization of an NPE portfolio for an amount of €314 million. In this context, AMCO acts as Master Servicer and Special Servicer, as well as investor in equity tranches. The transaction, which is in accordance with the 2019-2023 strategic guidelines, was completed on September 14, 2019.

CONFERENCE CALL

The results at June 30, 2019 will be presented today at 11.30 a.m. CET during a conference call held by AMCO's Top Management.

³ Italian Recovery Fund - formerly called Fondo Atlante - is a close-end alternative investment fund regulated by Italian law, reserved for professional investors, set up for the purchase of financial instruments of different seniority, issued by one or more vehicles set up and/or to be set up for the purchase of banks NPLs. The fund has a maturity at 31/3/2021.

The conference call can be followed in webcast mode by connecting to the website www.amco.it or through the following URL:

<https://services.choruscall.eu/links/amco190918.html>

As an alternative to the webcast mode you can participate in the conference call by calling one of the following numbers:

ITALY: + 39 02 805 8811

UK: + 44 121 281 8003

USA: + 1 718 7058794 or toll free: + 1 855 2656 959

The presentation illustrated by the Top Management will be available from the beginning of the conference call on the website www.amco.it.

DECLARATION BY THE MANAGER CHARGED WITH PREPARING THE FINANCIAL REPORTS

The undersigned Silvia Guerrini, in her capacity as the manager charged with preparing the company's financial reports, hereby declares, in compliance with paragraph 2 of Article 154 bis of the *Testo Unico della Finanza*, that the accounting information contained in this press release, corresponds to the accounting documents, books and records.



AMCO – Asset Management Company S.p.A.

AMCO is a full credit management company, fully owned by the Ministry of Economy and Finance. It is one of the main players in the management of NPE assets in Italy, with more than €20 billion assets under management related to over 110,000 counterparties, including €7 billion of Unlikely to Pay and Past Due related to 20,000 Italian companies.

AMCO oversees the entire process of non-performing loans management, with a model of fully integrated servicing, also with the involvement of qualified third-party partners and directly granting new lending to promote the business continuity of companies and their industrial relaunch.

AMCO's mission is to achieve high performance levels in NPEs management. This aim is pursued through a business model based on three essential pillars: a management strategy diversified between gone concern and going concern assets, a sound organizational structure and specialized professionals, a constant and accurate monitoring of asset management activities.

The company has over 210 employees, located in 3 offices in Italy – Milan, Naples and Vicenza – and one in Romania.

AMCO - Asset Management Company S.p.A. Investor Relations Tel. + 39 02 94457 511 Investor.Relations@amco.it	Press Office Image Building Tel. +39 02 89 011 300 amco@imagebuilding.it
--	--

BALANCE SHEET

ASSETS

Amounts in EUR	30/06/2019	31/12/2018
ASSET ITEMS		
10. Cash and cash equivalents	417	148
20. Financial assets valued at fair value with impact on the income statement		
a) financial assets held for trading		
b) financial assets designated at fair value		
c) financial assets compulsorily valued at fair value	493,320,806	502,022,127
30. Financial assets valued at fair value with impact on the comprehensive income	205,860,777	199,878
40. Financial assets valued at amortised cost		
a) loans and receivables with banks	141,110,267	83,092,790
b) loans and receivables with financial companies	20,135	20,135
c) loans and receivables with customers	126,465,532	131,173,462
50. Hedging derivatives		
60. Change in value of financial assets object of a generic hedge (+/-)		
70. Equity investments	37,135	157,881
80. Property, plant and equipment	7,011,649	184,434
90. Intangible assets	68,655	84,994
100. Fiscal assets		
a) current	6,355,312	6,065,654
b) paid in advance	62,076,467	64,710,196
110. Non-current assets and groups of assets held for disposal		0
120. Other assets	59,755,126	34,704,309
Total assets	1,102,082,278	822,416,007

BALANCE SHEET

LIABILITIES AND NET EQUITY

Amounts in EUR	30/06/2019	31/12/2018
LIABILITIES AND NET EQUITY ITEMS		
10. Financial liabilities measured at amortised cost		
a) payables	6,500,713	4,692
b) debt securities in issue	250,603,362	
20. Financial liabilities held for trading		
30. Financial liabilities designated at fair value		
40. Hedging derivatives		
50. Change in value of financial liabilities object of a generic hedge (+/-)		
60. Fiscal liabilities		
a) current	7,196,029	4,102,357
b) deferred		
70. Liabilities associated to assets held for disposal		
80. Other liabilities	12,349,335	7,567,300
90. Employee severance indemnities	617,422	612,448
100. Provisions for risks and charges		
a) undertakings and guarantees issued		
b) pensions and similar obligations	42,769	4,650
c) provisions for risks and charges	39,000,986	35,135,251
110. Share capital	3,000,000	3,000,000
120. Treasury shares		
130. Capital instruments		
140. Share premiums		
150. Reserves	778,943,429	731,479,965
160. Valuation reserves	(4,331,488)	(7,009,422)
170. Profit (Loss) for the year	8,159,721	47,518,765
Total liabilities and net equity	1,102,082,278	822,416,007

INCOME STATEMENT

Amounts in EUR		30/06/2019
ITEMS		
10.	Interest and similar income	2,069,766
20.	Interest and similar expense	(2,707,116)
30.	Interest margin	(637,350)
40.	Fees and commissions income	23,346,519
50.	Fees and commissions expense	(496,068)
60.	Net fees and commissions	22,850,451
70.	Dividends and similar revenues	
80.	Trading activity net result	
90.	Hedging activity net result	
100.	Profit (loss) on sale/repurchase of:	
	a) financial assets measured at amortised cost	(993,159)
	b) financial assets valued at fair value with impact on comprehensive income	
	c) financial liabilities	
110.	Net result of other assets and of financial liabilities valued at fair value with impact on the income statement:	
	a) financial assets and liabilities designated at fair value	
	b) other financial assets compulsorily valued at fair value	8,072,872
120.	Brokerage margin	29,292,814
130.	Net impairment losses on credit risk of:	
	a) financial assets measured at amortised cost	8,342,874
	b) financial assets valued at fair value with impact on comprehensive income	(327,383)
140.	Profit/loss from contractual amendments without cancellation	
150.	Net result of financial management	37,308,305
160.	Administrative expenses:	
	a) personnel expenses	(12,102,875)
	b) other administrative expenses	(9,521,725)
170.	Net accruals to provisions for risks and charges	(5,495,141)
180.	Net impairment losses on property, plant and equipment	(605,592)
190.	Net impairment losses on intangible assets	(16,339)
200.	Other operating income and expenses	2,432,772
210.	Operational costs	(25,308,901)
220.	Net gains (losses) on equity investments	(120,746)
230.	Net result of the valuation at fair value of property, plant and equipment and intangible assets	
240.	Changes in impairment losses	
250.	Profit (loss) on disposal of investments	(149)
260.	Profit (loss) of current assets before taxes	11,878,509
270.	Income taxes for the year on current operating activities	(3,718,788)
280.	Profit (loss) of current assets after taxes	8,159,721
290.	Profit (loss) on groups of activities held for disposal net of taxes	
300.	Net profit (loss) of the year	8,159,721

Note: 1H2018 comparative information are not reported, because last year the Company prepared only the Annual Financial Statements as at 31 December 2018.