

## PRESS RELEASE

### PURCHASE OF A NPE PORTFOLIO FROM BANCA CARIGE

- **PURCHASE OF €2.8BN GROSS NPEs**
- **ASSETS UNDER MANAGEMENT REACH €23.6BN**

*Milan, 3 December 2019.* AMCO discloses details regarding the purchase of non-performing exposures from Banca Carige. The transaction was initially illustrated by the Bank's extraordinary commissioners in their report to the shareholders' meeting on 20 September 2019 and in the Prospectus published today in relation to the capital increase approved by the AGM. The deal entails AMCO's acquisition without recourse of a portfolio of impaired loans with a gross book value (GBV) of approximately €2.8 billion, about 60% of which comprised of positions classified as unlikely to pay (UTP), including a number of major single names, and the rest non-performing loans (*Sofferenze*).

The total price of the transaction is approximately €1.0 billion and it will be governed by the terms and conditions included in the agreements between the parties.

The purchase agreements (one relating to the leasing portfolio and the other to the remainder of the portfolio to be purchased) were signed by AMCO and Banca Carige on 15 and 16 November, and are subject to the completion of the Bank's capital increase. Today Bank of Italy gave its authorization to AMCO to proceed with the transaction. The transfer of the leasing portfolio included in the scope of the sale is subject to certain conditions precedent expected to occur in 2020.

AMCO has also submitted an offer (which can be accepted by Banca Carige by end of February 2020) to sell synthetic protection for a portion of risk on a high-risk performing loan portfolio worth approximately €1.2 billion (the so-called "high risk portfolio"). The guarantee (5-year tenor) can be activated by 31 March 2020, against payment by Banca Carige of quarterly premiums. AMCO's offer also includes acting as servicer to manage any position included in the high-risk portfolio reclassified as NPE on the basis of an agreement to be signed by the parties.

In its capacity as a full-service credit management company, AMCO provides UTP loan management with a view to ensuring business continuity and supporting the industrial recovery of borrowers.

This transaction will bring AMCO's Assets under management up from €20.6 billion to €23.6 billion, thus building significant economies of scale in asset management.

#### **AMCO – Asset Management Company S.p.A.**

*AMCO is a full-service credit management company wholly owned by the Italian Ministry of Economy and Finance. One of Italy's leading NPE management specialists, as of end of June 2019 AMCO holds over €20 billion in assets under management involving over 110,000 counterparties, including €8 billion*



*Unlikely to Pay and Past Due loans relating to 20,000 Italian corporates.*

*AMCO oversees the entire NPE management process with a fully integrated servicing model that also involves specialized third party partners, directly granting new loans to ensure business continuity and support the industrial recovery of borrowers.*

*AMCO pursues high levels of performance in NPE management by means of a three-pronged business model entailing a diversified management strategy for both gone and going concerns, a tightly run organization driven by highly specialized professionals close and continuous monitoring of asset management activities.*

*AMCO has over 210 employees in three offices in Italy (Milan, Naples and Vicenza) and one in Romania.*

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