

PRESS RELEASE

CREATION OF THE FIRST MULTI-ORIGINATOR FUND TO MANAGE REAL ESTATE UTPs IN ITALY

- **Creation of a new innovative multi-originator platform to manage real estate UTPs**
- **Banks participating in the project will be able to benefit over time from potential credit recoveries and from a scalable platform – in terms of participants and assets managed – capable of managing also additional loans contributions**
- **AMCO will act as Master and Special Servicer, while Prelios as Fund manager and real estate partner**

Milan, 27 December 2019. AMCO and Prelios Group signed an agreement with Banca Monte dei Paschi di Siena, MPS Capital Services per le imprese, UBI Banca and Banco BPM to create a multi-originator platform to manage UTP (*Unlikely to Pay*) loans – relating to the real estate sector.

The project – named *Cuvée* – is structured as follows: AMCO and Prelios Group will manage together through a partnership a portfolio of small/medium UTP loans ranged from 3 to 30 million Euro granted to real estate companies undergoing restructuring activities or experiencing financial difficulties, and conferred by banks and AMCO itself.

The project will be implemented by means of a securitization process of the loans granted by the banks and AMCO, and with the support of a closed-end mutual investment Fund managed by Prelios SGR. The banks involved and AMCO will hold the quotas of the Fund.

AMCO has the role of Master and Special Servicer of the securitization, while Prelios Group the role of the real estate partner, as well as the manager of the Fund through its SGR. The partnership allows to merge financial management skills with specific expertise in the real estate sector, generating synergies and increasing the probability of credit recovery. Furthermore, the Fund is also expected to provide new financing to support the turnaround of the companies and the completion of worthy real estate projects.

During the current first phase of the project 50 borrowers are transferred to the Fund for a total of approximately 450 million Euro (111 million Euro from MPS Group, 121 million Euro from UBI Banca, 66 million Euro from Banco BPM and 154 million Euro from AMCO, also via “patrimoni destinati” - segregated accounts-). The loans will thus be deconsolidated already as of 31 December 2019 results. The overall target size of the Fund is 1.5 billion Euro under management to be achieved through further transfers.

The project *Cuvée*'s structure, which could be replicated to manage other *multi-originator* operations related to different industries, allows banks to benefit from the potential value recovery of the UTP loans through the quotas held in the Fund. As to the borrowers, *Cuvée* increases the chances of their successful turnaround thanks to the provision of new financing, allowing for proactive management of loans and underlying real estate assets.

Bain & Company acted as industrial advisor within the project, RCCD, Chiomenti and Molinari e Associati as legal advisors and by Studio Legale Tributario CBA as expert evaluator.

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, AMCO holds about €24 billion in assets under management involving 130,000 counterparties, of which €10 billion Unlikely to Pay and Past Due loans, including positions relating to 26,000 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 concern positions, a tightly run organization driven by highly specialized professionals, close and continuous monitoring of asset management activities.

AMCO has over 230 employees in three offices in Italy (Milan, Naples and Vicenza) and one in Romania.

Prelios Group and Prelios SGR

Prelios is one of the main Groups operating in Italy and Europe specialized in alternative asset management, credit servicing and integrated real estate services, with over 40€ billion of assets under management. Prelios is an independent platform with a history of over thirty years.

The uniqueness achieved in services offered by Prelios to the real estate sector covers all the needs and requirements of Banks, institutional investors, Italian and international funds and private clients, linked to the entire lifecycle of the industry: NPE, NPL and UTP, asset management, investment management, due diligence, real estate advisory, units and real estate assets evaluation, building and project management, property management, real estate brokerage, real estate investment fund management.

Prelios SGR S.p.A. is one of the leading asset management companies operating in Italy, promoting and managing investment funds, separated accounts and advisory services to support leading national and international investors in the definition and implementation of the best investment and management strategies in Italian real estate context.

Prelios SGR is currently managing 33 real estate funds, 2 heterogeneous SICAFs and 3 separate accounts for a total of approximately 5.3€ billion: Prelios SGR was responsible for the launch of one of the first heterogeneously managed SICAFs in Italy, and has also expanded its securities business during 2018.

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