



**We look at the future by  
changing the present**

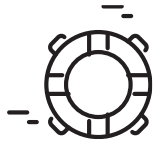
# **1H 2019 Financial Results**



September 18<sup>th</sup> 2019

# Who we are

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We are **100% owned by MEF**,  
with a solid capital structure



We are a **full credit management company** and a  
**partner** for all our stakeholders  
in a **competitive market**



We are a **fast growing company**,  
**completing the new set up**  
and changing our **name to AMCO**

# 1H2019 Financial Results in a nutshell

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**€20.6 bn AuM**, resulting from a fast growth



**#211 people**, with an up and running, innovative and scalable structure



Strong capital base: **CET1 ratio at 17.4%** versus a regulatory requirement of 8%



**Inaugural EMTN Issue of €250m** last February 13<sup>th</sup>, aiming an efficient level of leverage



**Issuer Default Rating Investment grade**, assigned by **Standard & Poor's (BBB Long-Term)** on July 23<sup>rd</sup>, after the first rating already assigned by Fitch in 2018

# From SGA to AMCO

We look at the future  
by changing the present

# We aim to play a role in the Italian NPE market

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***“We look at the future by changing the present.”***

*“We value our 20 year old track record.”*

*“We innovate, investing in technology and human capital.”*

*“We offer new opportunities to our counterparties.”*



**Our mission is:**

to play a role in the Italian  
**NPE market** for all our  
**stakeholders**



**Our objective is:**

to **maximize** the  
**performance** of portfolios  
under management

# We are 100% owned by MEF

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We are a **Financial Intermediary ex art.106 TUB**: we recover, manage, and invest in NPEs and lend to counterparties

**We operate in a competitive market**



100%

**amCO**  
ASSET MANAGEMENT COMPANY

**Our activity is regulated and supervised**





Bank of Italy regulates and supervises the Financial intermediaries ex art. 106 TUB

**We are monitored by State auditors**



Corte dei Conti monitors AMCO financial activities

# We are rated investment grade by S&P and Fitch

Date	July 23 <sup>rd</sup> , 2019	September 27 <sup>th</sup> , 2018
Rating agency		
Rating	<p>Long-Term IDR: <b>BBB</b></p> <p>Senior Unsecured Debt: <b>BBB</b></p> <p>Outlook negative</p>	<p>Long-Term IDR: <b>BBB-</b></p> <p>Short-Term IDR: <b>F3</b></p> <p>Outlook negative</p>
Overview	<p><i>“The rating on AMCO primarily reflects our view that there is an almost certain likelihood that the <b>Italian government</b> would provide AMCO with timely and sufficient <b>extraordinary support</b> if it were in financial distress. S&amp;P therefore <b>equalizes</b> its long-term rating on AMCO <b>with</b> our long-term unsolicited <b>sovereign credit rating on Italy</b>.</i></p> <p><i>S&amp;P views AMCO as a <b>key instrument</b> for the Italian government <b>to clean up troubled banks' balance sheets</b>, thus preserving financial stability, helping lending resume, and fostering economic growth.” (S&amp;P Ratings Report)</i></p>	<p><i>“The rating reflects <b>the link between AMCO and the Italy’s</b> national government and Fitch’s expectations of the latter’s <b>willingness to provide any extraordinary support</b>.” (Fitch Ratings Report)</i></p>



# We are a full credit management company

We act as

with a wide-ranging value proposition

and revenue model



## COLLECTOR

Recovery of **gone concern** assets, with different type of counterparties and guarantees

Fee based



## CREDIT MANAGER

Management of **going concern** assets aimed to preserve or restore the counterparty's **business continuity** through **financial** and **industrial restructuring**

**Arranger, Master&Special Servicer and/or Institutional player in securitizations** with a pivotal role versus all counterparties

Active **management of real estate guarantees** (ReoCo)

Fee based



## LENDER

Issuance of **new lending** to going concern worthy counterparties

Interest based



## INVESTMENT FUND

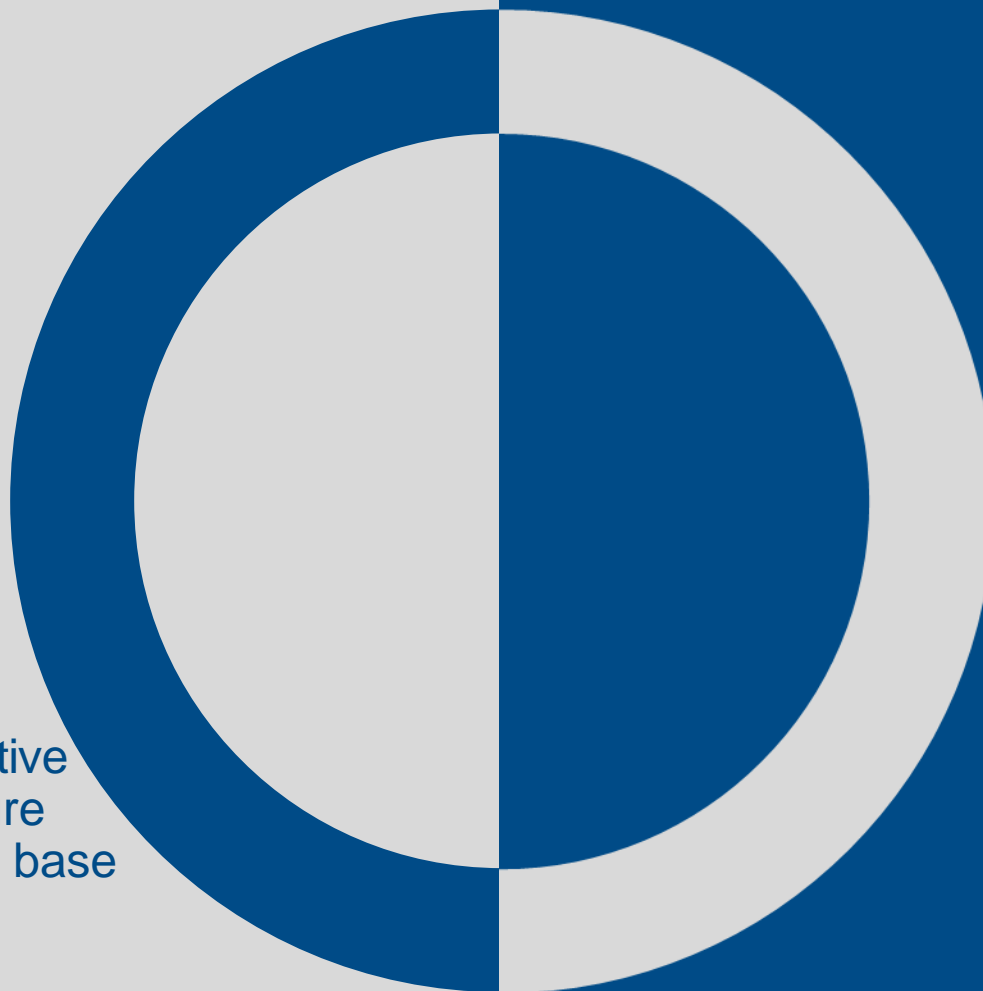
**Co-investor** with full alignment with the originator

Return on investment

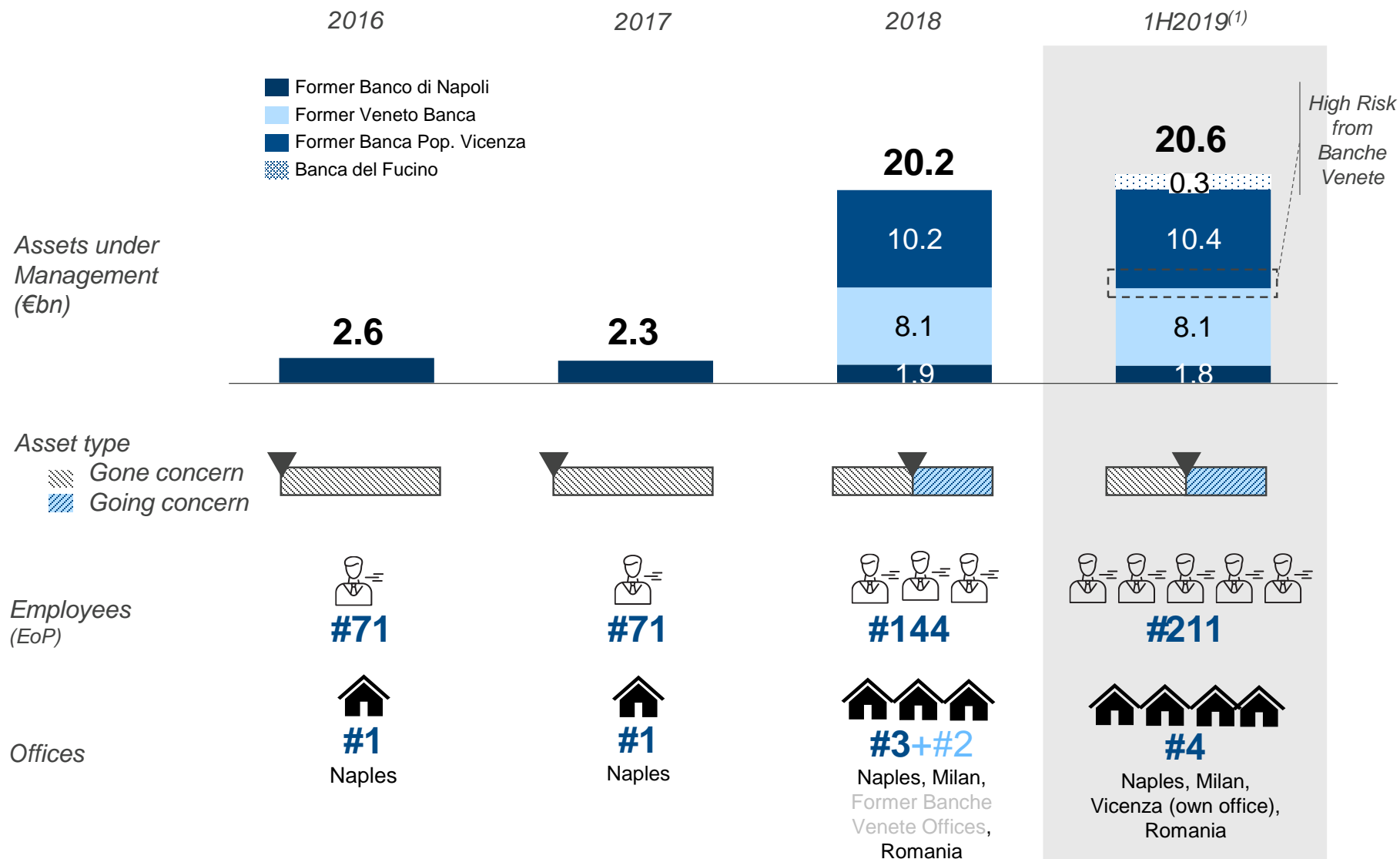


# 1H2019 Results


We set up an innovative  
and scalable structure  
with a strong capital base



# We moved from a run-off to a fast growing company



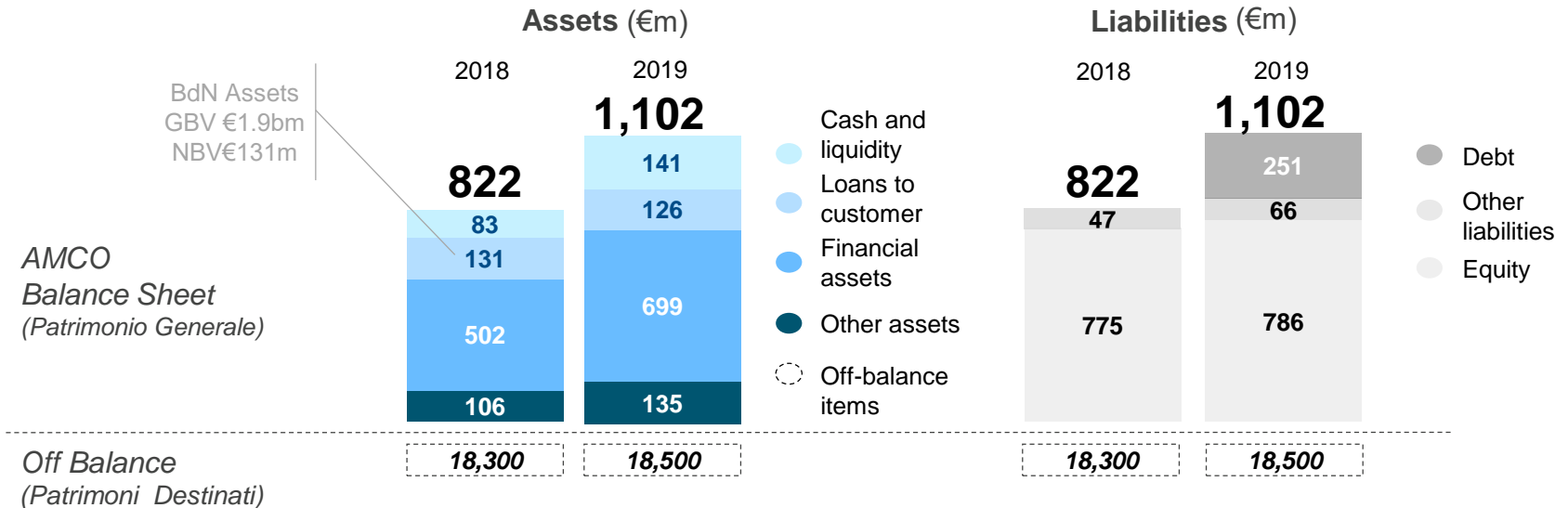
# We manage a diversified range of assets

	Asset type	Originator	On/Off Balance Sheet	Impact on P&L	Capital impact
 <b>€20.6bn</b> <b>AuM</b>	Loans ( <i>gone concern</i> )	Banco di Napoli	On B/S <i>Loans to customers (NBV)</i>	Net impairment gain/losses on credit risk	Yes
	Loans + Notes ( <i>gone and going concern</i> )	Banche Venete	Off B/S <i>Segregated accounts</i>	Net fees	No
	Junior & Mezzanine Notes + Servicing	Banca del Fucino	On B/S <i>Financial assets</i>	Net fees Interests and fees from customers Net result of financial activity	Yes

  
**€0.5bn**  
**Financial Investments**

Notes, Shares, Bonds	Italian Recovery Fund	On B/S <i>Financial assets</i>	Net result of financial activity	Yes
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# We can leverage on a strong capital structure



We have €250Mln of new debt issued on 13<sup>th</sup> of February 2019



Our financial assets are mainly composed of Italian Recovery Fund and Government bonds



We can leverage on a strong capital structure with CET1 ratio of 17.4% versus a regulatory requirement of 8%



We can support our growth increasing safely our leverage (current D/E ratio is ~ 0.30)

# We reached positive results despite the costs due to the set up of an innovative and scalable model

€ Mln	FY2018	1H2019
Revenues	37.4	23.3
Costs	(28.5)	(20.1)
<b>EBITDA</b>	<b>8.9</b>	<b>3.3</b>
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
<b>EBIT</b>	<b>38.4</b>	<b>14.1</b>
Net interest from financial activity	0.6	(2.2)
Income taxes	8.5	(3.7)
<b>NET PROFIT (LOSS)</b>	<b>47.5</b>	<b>8.2</b>



Revenues are related to the servicing of former Banche Venete portfolios



Costs increase reflects the full set up of an innovative and scalable structure



Net impairment gains on credit risk related to Former Banco di Napoli portfolio



Net result of financial activity reflects the valuation of the stake in Italian Recovery Fund

# Our commitment to sustain fast growth

## HR costs



### Staffing

#211 employees in 1H2019 (up from #71 in 2017) supporting the business' fast growth; average cost per person below 2018



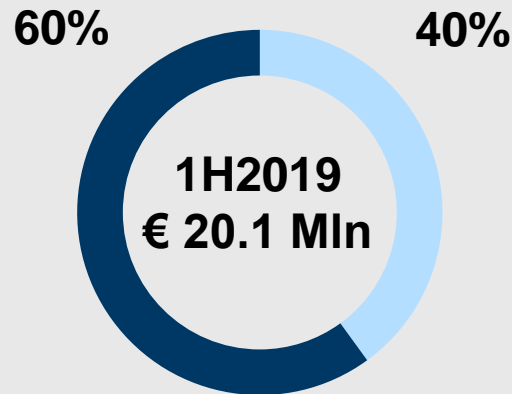
### Hiring & Retention

We are constantly looking for specialized professionals in Workout as well as in UTP



### Training & Human Capital Development

We are developing a training plan to improve specialized competencies



## Administrative costs



### Locations

Our geographical distribution perfectly fits with our business model and are close to counterparties



### Operations

New IT platform now up and running, allowing for economies of scale from new portfolios

# ANNEX

P&L and  
Balance Sheet





# Balance Sheet

€ Mln	FY2018	1H2019
Loan to banks	83.1	141.1
Loan to customers	131.2	126.5
Financial assets	502.2	699.2
Equity investments	0.2	0.0
Tangible and intangible assets	0.3	7.1
Fiscal assets	70.8	68.4
Other assets	34.7	59.8
<b>ASSETS</b>	<b>822.4</b>	<b>1,102.1</b>
Financial liabilities measured at amortised cost	0.0	250.6
Fiscal liabilities	4.1	7.2
Provisions for risks and charges	35.8	39.7
Other liabilities	7.6	18.8
Equity	3.0	3.0
Reserves	731.5	778.9
Valuation reserves	(7.0)	(4.3)
Profit (loss) for the year	47.5	8.2
<b>LIABILITIES</b>	<b>822.4</b>	<b>1,102.1</b>

# P&L

€ Mln	1H2019
Servicing fees	23.3
Net interest and fees from customer	0.0
Other income and expenses from operating activity	-
<b>Revenues</b>	<b>23.3</b>
Personnel expenses	(12.1)
Other administrative expenses	(8.0)
<b>Expenses</b>	<b>(20.1)</b>
<b>EBITDA</b>	<b>3.3</b>
Net impairment gain/losses on credit risk	9.0
Net impairment losses on tangible/intangible assets	(0.6)
Net accruals to provisions for risks and charges	(5.5)
Other income and expenses	0.4
Net result of financial activity	7.6
<b>EBIT</b>	<b>14.1</b>
Net interest from financial activity	(2.2)
<b>Profit (loss) before taxes</b>	<b>11.9</b>
Income taxes	(3.7)
<b>NET PROFIT (LOSS)</b>	<b>8.2</b>

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# grazie!

