



PRESS RELEASE

THE ATLANTE II FUND HAS SIGNED THE CLOSING FOR THE PURCHASE OF EURO 2.2 BILLION GROSS OF NON-PERFORMING LOANS OF THE THREE GOOD BANKS

Milan, 10 May 2017 – Quaestio Capital Management SGR has today closed the securitization operation on behalf of the Atlante II Fund which provides the purchase of loans of approximately Euro 2.2 gross billions which represent around two thirds of the portfolio of non-performing loans held by Nuova Banche Marche S.p.A., Nuova Banca dell'Etruria S.p.A. and Nuova Cassa di Risparmio di Chieti S.p.A, the entities created in 2015 following the bail-in by the National Resolution Fund. This operation makes the sale of the three banks to UBI possible and enables one of the Italian banking system's critical situations to be resolved on a definitive basis.

The operation is the first to be carried out by Atlante II, the fund managed by Quaestio that was created in 2016 for the exclusive purchase of non-performing loans from Italian banks. An announcement of other important deals carried out by the fund is expected shortly.

The fund's intervention consists in purchasing the notes issued by three special-purpose securitization vehicles set up (under Law no. 130) to purchase a portfolio of non-performing loans, which includes both likely defaults (in part relating to lease agreements) and new bad loans arising after the entry of the National Resolution Fund and the contribution of the old NPLs to the "bad bank" (REV). The operation contains a number of important innovative aspects, in particular because it also involves the securitization of lease agreements, including the relative properties, for around a quarter of the portfolio through the use of the legal instrument of the separate capital of a banking group.

The Atlante II Fund paid an amount of Euro 713 million which will be reduced to Euro 513 million thanks to senior term financing of Euro 200 million which is at an advanced stage of completion with a syndicate of banks. Following the refinancing of the senior note, the Euro 513 million will be invested in a mezzanine/junior with a return cap of 10%, above which any additional flows from the portfolio will be fully paid to the National Resolution Fund as a coupon. The average price paid, amounting to approximately 32% of gross book value, is determined by the fact that the perimeter does not include the non-performing loans already sold to REV slightly more than a year ago at a reported average price of 20%, but for approximately 50% by likely defaults (which include a portion of leases), for approximately 80% by Npls secured by guarantees and only for approximately 12% by new unsecured bad loans that have become non-performing.

The due diligence and the valuation of the portfolio were performed by Credito Fondiario which will also act as the master servicer. Selection is currently taking place of at least three special servicers who will be chosen from leading operators in the loan recovery sector. Quaestio determines the subdivision and allocation of the roles on the basis of competitive procedures in order to protect the interests of its investors and contribute to the creation of an NPL market in Italy that is open to competition and efficient. The operation has been followed for Quaestio by the law firm Legance.

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Quaestio Capital Management SGR is an asset management company specializing in institutional clients and having assets under management of approximately €13 billion. It is one of the independent leaders for managed assets in Italy. Quaestio has a global perspective, identifying and managing the best investment ideas in its main markets around the world.

Quaestio Capital Management SGR promotes and manages the reserved closed-end alternative real estate funds "Atlante I" and "Atlante II".

The main shareholders of Quaestio SGR are: Management (32%), Fondazione Cariplo (27.65%), Cassa Italiana di Previdenza ed Assistenza dei Geometri Liberi Professionisti (18%), Direzione Generale Opere Don Bosco (15.6%) and Fondazione Cassa di Risparmio di Forlì (6.75%). The Board of Directors comprises Alessandro Penati (Chairman), Paolo Petrignani (Managing Director), Massimo Tosato (Managing Director), Filippo Cicognani, Gianluigi Costanzo, Renato Ferrari, Claudio Marangio, Roberto Romanin Jacur and Massimo Tononi.

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