

Banca Ifis develops the first securitisation in Italy of NPLs assisted by orders of assignment

- The Group acts as pathfinder: the pioneering transaction for finance is new for this type of non-performing exposure
- Moody's and Scope have assigned the senior notes a rating of A2 and A-, confirming the quality of the NPL portfolio and Banca Ifis's ability to service

Milan, 22 March 2021 - Through the subsidiary Ifis Npl Investing, Banca Ifis achieves its aim of financing **the very first securitisation in Italy of a non-performing portfolio, mostly made of unsecured loans assisted by orders of assignment**. The transaction is an innovative solution in the Italian Npl market whereby the recovery process of this type of non-performing exposures envisaging the debt collection procedure through compulsory enforcement (attachment of one fifth of the salary/pension) is already at an advanced stage of recovery.

The transaction will allow Ifis Npl Investing to **obtain funding for an amount up to 350 million Euro**, without deconsolidating the underlying credits which will remain within the Banca Ifis Group. The loan portfolios included in the transaction (a portfolio of secured loans and a portfolio of unsecured loans assisted by orders of assignment) owned by Ifis Npl Investing, have been transferred to a newly-established SPV named IFIS NPL 2021-1 SPV S.r.l., which will issue senior, mezzanine and junior notes.

The mezzanine and junior notes have been entirely subscribed by Ifis Npl Investing and will not be transferred. The two classes of senior notes, net of 5% that will be retained at the originator, will be admitted for trading on the Borsa Italiana ExtraMOT debt market, and will be refinanced on the institutional investors' market.

The transaction will allow Ifis Npl Investing to finance itself and to affirm in the Italian Npl servicing market **its ability to service non-performing loans** through the subsidiary Ifis Npl Servicing, also for the benefit of third parties.

The ratings agencies Moody's and Scope have respectively assigned, for the first time ever in Italy for this asset class, the senior notes ratings of A2 and A- and the mezzanine note a rating of B2 and B+, thereby **highlighting the strength of the product (i.e. assignment order) and future emphasize Banca Ifis's servicing capability**.

The transaction involved JP Morgan and Deutsche Bank as arrangers, the law firms BonelliErede (on behalf of the Banca Ifis Group) and Orrick Herrington & Sutcliffe (on behalf of the arrangers) and Banca Finint as Corporate Servicer.

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