

PRESS RELEASE

FRAMEWORK AGREEMENT WITH GARDANT AND AMCO FOR THE CREATION OF A STRATEGIC PARTNERSHIP FOR THE MANAGEMENT OF UTPs AND NPLs AND THE DISPOSAL OF UP TO EURO 2.5 BN WORTH OF NPES

Modena, 28 November 2022– At its meeting today, the Board of Directors of BPER Banca S.p.A. approved the creation of a strategic partnership between BPER Banca Group and Gardant Group for the management of BPER Banca Group's non-performing exposures and the sale of some portfolios of non-performing exposures of BPER Banca Group to AMCO and to companies controlled by Elliott, the parent company of Gardant S.p.A..

The strategic partnership will be established through a joint venture between BPER Banca Group and Gardant Group, which will combine the professional, industrial, IT and management skills of the two partners.

The joint venture will focus on the management and recovery of assets classified both as unlikely to pay (UTPs) and bad loans (Non-performing loans or NPLs) and will manage part of the non-performing exposures being disposed of under the framework agreement, part of the retained stock owned by BPER Banca Group as well as 90% of future potential new NPL flows and 50% of the future potential new UTP flows of BPER Banca Group, under a 10-year master servicing agreement.

BPER Banca Group will retain 30% of the shares of the NewCo created through the joint venture, whose total value has been priced at approximately Euro 150 million, whilst the remaining 70% of the shares will be invested in by Gardant.

The offer also envisages the sale of up to an additional Euro 2.5 billion of BPER Banca Group's non-performing exposures, which will allow the continuation of the BPER Banca Group's derisking. In particular, the framework agreement includes:

- the sale to AMCO S.p.A. of an NPL portfolio of a total claim of approximately Euro 1.5 billion by the end of December 2022;
- the sale of an UTP portfolio of approximately € 0.5 billion of total claim to be finalised by the end of the first quarter of 2023 as part of a securitisation transaction, in which companies controlled by Elliott, the parent company of Gardant S.p.A., will underwrite 95% of the mezzanine and junior notes and BPER Banca S.p.A. will underwrite the senior notes and the remaining part of the mezzanine and junior notes;
- the potential sale, still under negotiation between BPER Banca S.p.A. and AMCO S.p.A., of an additional UTP portfolio of approximately Euro 0.5 billion of total claim, to be completed during the first quarter of 2023.

The transactions are subject to obtaining the required regulatory authorisations.

No material profit and loss impacts are expected from the NPE disposals, which will lower the Gross NPE Ratio from 4.2% (Net NPE Ratio 1.7%) respectively to 3.2% (Net NPE Ratio 1.5%) post-NPL disposal and 2.5% (Net NPE Ratio 1.2%) post-UTP disposal with respect to pro-forma figures as of 30 September 2022.

BPER Banca S.p.A.

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