



# Banca Popolare di Sondrio

## PRESS RELEASE

### **BANCA POPOLARE DI SONDRIO SELLS € 173.7 MILLION OF BAD LOANS THROUGH THE MULTI-ORIGINATOR SECURITISATION "LUZZATTI POP NPLS 2023".**

As part of a broader programme of interventions on impaired loans and in line with the derisking and asset quality improvement strategy, on 28 December 2023 Banca Popolare di Sondrio S.p.A. concluded - together with 11 other participating Institutions - the multi-originator securitisation transaction of bad loans named "LUZZATTI POP NPLS 2023", for a total gross book value of € 313 million.

In particular, the bank sold, with economic effect from 1 January 2023, a portfolio of bad loans with a gross value of € 173.7 million to the securitisation vehicle named "Luzzatti POP NPLS 2023 S.r.l" set up pursuant to Law No. 130/1999, which, in turn, issued, in relation to Banca Popolare di Sondrio, three tranches of ABS notes for a total of € 57.13 million (32.88% of the gross value of the transferred loans), of which:

- a senior tranche of € 48 million, corresponding to 27.85% of the gross value of the assigned receivables, which was rated BBB+ and BBB (high) by the agencies ARC Ratings and Morningstar DBRS, respectively;
- a mezzanine tranche of € 6.86 million, corresponding to 3.95% of the gross value of the assigned receivables;
- a junior tranche of € 1.87 million, corresponding to 1.08% of the gross value of the assigned receivables.

In order to achieve the deconsolidation of the transferred loans, in accordance with the applicable sector regulations, 95% of the mezzanine and junior tranches, respectively, were successfully placed with institutional investors. The Bank will therefore be able to achieve the derecognition of the portfolio of transferred non-performing loans.

Following the accounting deconsolidation of the portfolio, the Group's gross NPE ratio of 4.3% as at 30 September 2023 is estimated to be below 4%.

The transaction was coordinated by Luzzatti S.c.p.a; Intesa Sanpaolo S.p.A. - IMI Corporate & Investment Banking Division acted as arranger and placement agent; doNext S.p.a. and doValue S.p.A. were respectively appointed master and special servicer of the transferred portfolio; Orrick Herrington & Sutcliffe LLP acted as legal advisors for the participating Banks and Chiomenti Studio Legale for the Arrangers; finally, BNP Paribas participated in the transaction as account bank, agent bank, cash manager and paying agent.

With the completion of this transaction, the Bank confirms its constant ability to confront the market, always safeguarding the interests of all stakeholders. On the basis of its large capital buffer and its operational efficiency, it ensures effective action in favour of the economic development of the areas it oversees.

Sondrio, 28 December 2023

BANCA POPOLARE DI SONDRIO Spa

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