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PRESS RELEASE



CLOSING OF BAD LOAN SECURITISATION

- **CARIGE GROUP DERISKING STRATEGY SPEEDED UP AND ECB TARGET ACHIEVED ONE YEAR AHEAD OF SCHEDULE**
- **BAD LOAN PORTFOLIO DISPOSAL (EUR 964 MLN IN GBV) VIA GACS-BACKED SECURITISATION COMPLETED**
- **SALE PRICE EQUAL TO 22.3% OF THE GBV OF LOANS TRANSFERRED**

Genoa, 17 December 2018 – Banca Carige informs that the “RIVIERA NPL” bad loan securitisation has been brought to completion as planned under the Carige Group’s broader derisking and asset quality improvement effort.

More specifically, a bad loan portfolio of EUR 964 mln in GBV (as at the cut-off date of 31/12/2017), 48% of which secured and 52% unsecured, was transferred to a securitisation vehicle set up pursuant to Law no. 130/99, with the concurrent issuance of three different classes of securities for an aggregate amount of EUR 215 mln, namely:

- a senior tranche of EUR 175 mln, corresponding to 18.2% of the GBV, rated investment grade Baa3 by Moody’s and BBB- by Scope Ratings;
- a mezzanine tranche of EUR 30.0 mln;
- a junior tranche of EUR 10.0 mln.

Attached to the senior notes -to be underwritten and retained by the originator Banca Carige- is a 6M Euribor + 65 bps coupon. On this tranche, the process to obtain the guarantee from the Italian Government (“GACS”) will be activated over the next few days.

95% of the mezzanine and junior tranches will be placed with institutional investors and at the end of this process (to be finalised by the end of this week), the Carige Group will obtain the derecognition of the portfolio for supervisory purposes.

As a result of the deconsolidation transactions completed in the last quarter of the year (for an aggregate amount of EUR 1.3 bn), the Carige Group’s non-performing loan book drops to EUR 3.5 bn¹, achieving the ECB’s EUR 3.7 bn target for 2019 one year ahead of schedule (the target set by the ECB for 2018 was EUR 4.6 bn).

In the "RIVIERA NPL" transaction, J.P. Morgan and Banca IMI acted as Arrangers. Securitisation Services SpA (Banca Finit Group) acted as Back-up Master Servicer, Calculation Agent, Corporate Services Provider and Representative of the Noteholders, whereas Credito Fondiario SpA and Italfondiario SpA were appointed as Special Servicers and Credito Fondiario as Master Servicer.

Law firms Allen & Overy and Orrik, Herrington & Sutcliffe were respectively engaged to act as the Legal Advisors of the Arranger and the Originator.

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¹ Pro-forma as at 30 September 2018

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