

PRESS RELEASE

THE ISSUE OF ABS SECURITIES FOR THE “2WORLDS” SECURITISATION AIMED AT THE DECONSOLIDATION OF NON-PERFORMING LOANS FOR A GROSS COUNTERVALUE OF AROUND € 1.0 BILLION HAS BEEN COMPLETED

THE PORTFOLIO TRANSFER PRICE TO THE SECURITISATION SPECIAL PURPOSE ENTITY IS EQUAL TO AROUND 33% OF THE GROSS COUNTERVALUE

WITH THE CONCLUSION OF THE OPERATION BANCO DESIO GROUP WILL ACHIEVE ITS OBJECTIVE OF REDUCING THE “GROSS DETERIORATED LOANS/GROSS LOANS” RATIO TO UNDER 8% AND THE “NET DETERIORATED LOANS/NET LOANS” TO UNDER 4.5% AS REQUIRED BY THE 2018-2020 ACTION PLAN

Following from the communication to the market of 27 March 2018, Banco Desio Group announces that the securitisation operation aimed at the deconsolidation of payables from customers for a nominal value of around € 1.0 billion issued by Banco di Desio e della Brianza and Banca Popolare di Spoleto was completed today, through the issue by the securitisation special purpose entity “2Worlds S.r.l.” of the following ABS (Asset-Backed Securities) classes:

- Senior securities of € 288.5 million, corresponding to 28.8% of GBV at the date of identification of the payables of 31 December 2017, expected to be rated “BBB Low” and “BBB” by DBRS Ratings Ltd and Scope Ratings GmbH respectively;
- Mezzanine securities of € 30.2 million, expected to be rated “B Low” and “B” by DBRS Ratings Ltd and Scope Ratings GmbH respectively;
- Junior securities of € 9.0 million, to which no rating will be assigned.

All securities were underwritten by Banco Desio Group on the date of issue. Senior securities have a coupon of Euribor 6M + 0.4%, while mezzanine securities have a 6M + 8% Euribor coupon. It is intended to shortly activate the process to issue a guarantee on the securitisation of non-performing loans by the Italian State in pursuant to Italian Legislative Decree 18/2016 (“GACS”).

The accounting deconsolidation of underlying non-performing loans is anticipated with effect after the 30 June 2018, following the sale of 95% of mezzanine and junior securities to institutional investors after a competitive bidding process currently nearing completion and which should be finalised in the first few days in July with the settlement of the same securities; in this way Banco Desio Group will achieve, already in the current financial year, its objective to reduce the “gross deteriorated loans/gross loans” ratio to under 8% and the “net deteriorated loans/net loans” to under 4.5%, as required by the 2018-2020 Action Plan.

In the context of the operation, Banca IMI (Gruppo Intesa Sanpaolo) carried out the role of financial advisor, arranger and placement agent.

Chiomenti and Orrik have assisted, respectively, Banco Desio Group and the arranger with regard to legal aspects.

The securitisation special purpose entity has appointed Cerved Master Services S.p.A. and Cerved Credit Management S.p.A. respectively as master servicer and special servicer of the securitisation portfolio. They will carry out, in the name and on behalf of the same company, the activities of management, administration, recovery and collection of payables.

Securitisation Services S.p.A. (Gruppo Banca Finint) was appointed corporate services provider, representative of the noteholders, calculation agent and back-up servicer, BNP Paribas Securities Services was appointed account bank, agent bank, principal paying agent and cash manager, while Zenith Service S.p.A. was appointed monitoring agent.

The text of the press releases on the ratings attributed by DBRS Ratings Ltd and Scope Ratings GmbH will be available on the agencies' websites.

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BANCO DI DESIO E DELLA BRIANZA SpA
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