

PRESS RELEASE

**LUZZATTI AND PRELIOS GROUP AGREEMENT TO CREATE
A FUND FOR SMALL- & MID-TICKET UTP CREDITS**

Rome/Milan, October 5, 2021 – The Luigi Luzzatti S.C.p.A. company (“**Luzzatti**”) and the Prelios Group (“**Prelios**”) have signed a Memorandum of Understanding to set up a new closed-end reserved alternative investment fund (the “**Fund**” or “**AIF**”) for distressed credits classified as Unlikely to Pay.

The Fund, whose main contributors will be Luzzatti’s shareholder banks, will invest in UTP credits due from companies largely in the SME/Corporate segment. It will implement credit recovery strategies designed to put the debtor companies back on a performing basis, through proactive management of their positions focused on corporate restructuring.

The aim of the initiative set up in partnership with Prelios – one of Europe's leading operators in Alternative Asset Management and Credit Servicing – is to broaden the tools available to the Luzzatti shareholder banks so that they can move ahead with their derisking processes.

“The new UTP AIF is one of the most significant initiatives of the new integrated NPL transaction platform set up for the consortium by Luzzatti,” said Luzzatti Chief Operating Officer Luigi Avogadro. *“It will enable our shareholder banks to take more effective restructuring action on positions classified as unlikely to pay in the next complex phase of re-emergence from the pandemic, including positions covered by moratoria, and at the same avoid wasting resources on non-captive operations.”*

Prelios Group CEO Riccardo Serrini commented: *“We are delighted to join Luzzatti on such an important project. The new AIF is the only product created for small- and medium-ticket corporate UTPs, so it will be of great importance not only for the Luzzatti shareholder banks, but for the heart of the Italian economy. In fact, the UTPs covered by the initiative refer to small- and medium-sized businesses. These companies are fundamental to the Italian economy and the Prelios Group is keenly aware of its responsibilities as manager. Only with this awareness and careful management of the credits in a back-to-bonus approach will we achieve the best results for all concerned.”*

The alternative investment fund to which the MoU signed by Luzzatti and Prelios envisages a target amounting to 250 million euro. It aims to become operational by the end of this year and continue with additional contributions in the following years.

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