

# Angel Oak and Brightvine Announce World's First Blockchain-Powered Community Bank Subordinated Debt Securitization

## Angel Oak Capital Advisors securitization is first to use the Brightvine Portal to bring new efficiencies to institutional credit market

SAN FRANCISCO AND ATLANTA – (August 11, 2022) – **Brightvine**, a blockchain-powered fixed income platform that connects issuers of high-quality, real-world assets with digital investors, and **Angel Oak Capital Advisors**, a leader in structured credit investment solutions, today announced the successful issuance of the first-ever bank subordinated debt issuance leveraging blockchain technology with BFNS 2022-1.

BFNS 2022-1, a \$147.55 million securitization of subordinated debt from community banks across the United States issued by Angel Oak, leverages Brightvine Portal, a secure management platform for conducting primary offerings of digital assets via blockchain, to easily coordinate documentation and loan information among parties and greatly increase efficiencies within the securitization and diligence processes. The issuance represents the first result of the collaboration between Brightvine and Angel Oak Ventures announced in Q2 2022.

"Our partnership with Angel Oak is based on our shared goal of fully realizing the potential of distributed ledger technology to increase efficiency and transparency throughout the securitization process, and we're excited to be involved in bringing this new blockchain-powered debt securitization product to market" said Joe Vellanikaran, Chief Executive Officer of Brightvine. "Angel Oak is known for continuously advancing their technologies and bringing new, innovative products to a demanding market, and we are proud to have the Brightvine Portal be a key element in this innovation."

As the first transaction of its kind to employ distributed ledger technology, BFNS 2022-1 demonstrates the flexibility of Brightvine's technology beyond mortgages – an area they remain focused on– while also showing a broader applicability across the fixed-income space.

"The Brightvine Portal gives us quick access to all of the latest blockchain-validated information associated with each note all in one place, we see it as a huge driver of efficiency for our team, our investors and our securitization process going forward," said Johannes Palsson, Senior Portfolio Manager of Angel Oak Capital Advisors.

BFNS 2022-1 is Angel Oak's third community bank sub-debt securitization since 2018 and the senior tranche received a Aa3 rating from Moody's. The securitization consists of 31 issuers across 20 states, all with under \$10 billion in assets. Angel Oak has extensive experience analyzing community bank debt, utilizing its proprietary BankSURFTM model to assess credit quality of U.S. banks through its own database.

"We are encouraged by the success of this deal and the industry's receptivity to a new era in capital raising," said Sreeni Prabhu, Co-CEO and Managing Partner at Angel Oak. "We will continue to explore ways to leverage the efficiencies of blockchain and drive value for our investors."

Angel Oak and Brightvine will continue to collaborate on ways to use the blockchain to introduce immediate benefits to fixed income securitizations. The goal is to leverage blockchain technology to provide easier auditing, validated real-time data across parties, faster diligence, privacy and security controls, and better transparency for all parties involved.

**ABOUT BRIGHTVINE**

Brightvine, a blockchain-powered platform building a new financial infrastructure, is on a mission to extend access and expand wealth by enabling vetted issuers of high-quality real-world assets to create new connections with today's forward thinking digital investors. By harnessing the latest Web3 technologies, Brightvine is opening new access to capital markets and increasing liquidity for mortgages and fixed income products. Brightvine is backed by strategic investors from the financial services industry and headquartered in San Francisco with employees located across the U.S.

For more information, please visit [www.brightvine.com](http://www.brightvine.com).

**ABOUT ANGEL OAK CAPITAL ADVISORS, LLC**

Angel Oak Capital Advisors is an investment management firm focused on providing compelling fixed-income investment solutions for its clients. Backed by a value-driven approach, Angel Oak Capital Advisors seeks to deliver attractive, risk-adjusted returns through a combination of stable current income and price appreciation. Its experienced investment team seeks the best opportunities in fixed income, with a specialization in mortgage-backed securities and other areas of structured credit.

For more information, please visit [www.angeloakcapital.com](http://www.angeloakcapital.com).

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