



**NPL INVESTING
& COLLECTION
SUMMIT**

**4°
CV
SPRING
DAY**



CREDIT VILLAGE

NPL ITALIAN MARKET 2.0: DEEP IMPACT

13 APRIL MILAN 2018
ITALIAN STOCK EXCHANGE BUILDING
ROOM PARTERRE



NPL ITALIAN MARKET 2.0: DEEP IMPACT

237

Transactions involving NPL portfolios

72

Billion in GBV sold

150

Sellers that sold at least one pool of loans in 2017

91

Investors that bought at least one pool of loans in 2017

3

Banking platform carve-outs in 2017

14

Transactions to acquire independent servicers in 2016/2017

"Source: Osservatorio Nazionale Mercato NPL Credit Village"

These figures make Italy, once again for 2017, the most explosive and dynamic European market!

But what are the coming two years likely to be like?

The transactions that have been completed and those already agreed on are decisively reducing the quantity of NPLs in the banking system and changing how they are allocated. Now, the challenge facing banks seems to be sliding towards **UTPs** (Unlikely To Pay), which have now reached a net book value exceeding that of **Bad Loans**.





Consequently, banks and servicers have to adapt their structures and obtain new expertise to be ready to effectively deal with the changing operational requirements this new category of loans will require. At the same time, investors are already exploring the business potential UTPs seem to have.

Of course, the Italian credit industry has not only been about transactions for such pools of loans. It has also been an unprecedented two years for **mergers & acquisitions for servicing platforms**. In just 24 months, nearly all independent servicers specialising in NPLs have been scooped up.

Additionally, there is similar direct interest in management platforms for banks. The last six months have witnessed 3 carve-out transactions involving an equal number of banks. And many more banks look interested in the partial or total carve out of such credit management structures.

The task of foreseeing the trends and dynamics of the coming two years is far from simple. But there is one certainty: there is no better place for this than the **NPL Investing & Collection Summit on 13 April at Palazzo Mezzanotte (home to the Italian stock exchange)!**

This will be a wonderful opportunity to listen to the leading international and Italian players in this market.



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**April 13, Milan, Palazzo Mezzanotte,
Italian Stock Exchange Building, Parterre Hall**

AGENDA

09.00 a.m. - 09.30 a.m. Guests Registration and Welcome Coffee
09.30 a.m. - 09.40 a.m. Opening Speech
by **Gianpaolo Luzzi** Editorial Director Credit Village Magazine
Chairman **Vito Ruscigno** Co-Head of the Italian Npl team PwC

SESSION 1

UTP: the new path for originators, investors & servicers

09:40 a.m. - 10:00 a.m. **UTP Overview**
by **Alessandro Biondi**, Co-Head of the Italian Npl team PwC

10:00 a.m. - 11:00 a.m. **Round Table**

Sergio Bertani Head of High Risks Loans Department, Gruppo BPER Banca
Sergio Bommarito Chairman of the Board Fire
Gianluca De Candia General Manager Assilea
Fabrizio Leandri Chief Lending Officer MPS
Guido Lombardo Chief Investment Officer Credito Fondiario
Alessandro Scorsone Director of Strategic Transactions and Business Development KRUK

SESSION 2

M&A: are servicers sold out and is carve out the best alternative?

11:00 a.m. - 11:20 a.m. **CARVE OUT Overview**
by **Gianluigi Benetti** Associate Partner PwC Strategy&

11:20 a.m. - 12:20 a.m. **Round Table**

Paolo Calderaro Partner RCC Law Firm
Marco Cavazzutti Head of Underwriting and Restructuring Carige
Andrea Mignanelli C.E.O. Cerved Credit Management
Antonella Pagano Managing Director Lindorff - Intrum Justitia
Dario Spoto Head of Planning Control and Cost Management Gruppo Banca Popolare di Bari

SESSION 3

Exploring new borders of collection

12:20 a.m. - 1:20 p.m. **Round Table**

José Cadena President ANGEICO e C.E.O. Cabot Financial Spain
Massimiliano Ciferri Ceretti C.E.O. Axactor Italy
Christian Faggella Managing Partner La Scala Studio Legale
Steve Lennon Founder & CIO Phoenix Asset Management
Marco Raccah General Manager Aurora Recovery Capital
Paolo Sgritta Managing Director Sistemias

01:20 p.m. - 01:30 p.m. **Awards Ceremony Osservatorio Credit Village
NPL Market**

01:30 p.m. - 03:00 p.m. **Networking Lunch**



SESSION

1



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UTP: The new path for originators, investors & servicers

The first session of the NPL INVESTING & COLLECTION SUMMIT will focus precisely on UTP (Unlikely to Pay):

interest in this category of receivables seems to be growing daily, such that it might become the catchphrase for 2018, just as NPL was for 2017. Such loans are deemed by banks to be unlikely to be repaid in full, unless external action, such as enforcing the guarantees, is taken. Looked at in terms of net value, such loans actually exceed NPLs. PWC's most recent report on UTPs calculated the value held by Italian banks to be €104 billion, which is actually above the net value of NPLs.

While such loans are not true non-performing loans, UTPs do fit into a sort of limbo that requires banks to adopt targeted management strategies, especially because of new rules that will require higher coverage ratios.

This market has enormous potential, with investors becoming more interested and servicers specialising in UTP management. These players, along with originators, will explore the opportunities and challenges this sector is facing. How will this category of loans be managed and will they become performing again? What will relations be like with the Italian central credit registry? What are the consequences of selling off such loans. And much more.



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SESSION

2

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M&A: are servicers sold out and is carve out the best alternative?

The second session of the NPL INVESTING & COLLECTION SUMMIT will focus on “carve outs”, explored through the eyes of major international players. During the last year, above all, many of the independent servicers were purchased. At present, international investors are focusing on the bank’s collection and management platforms. This opens up new scenarios in which the dynamics are still being worked out. Recent experience, with platforms like the ones of MPS, Carige and Banca Popolare di Bari, has taught us that such transactions involved banks and investors combining. In general, a multi-year servicing agreement is signed that requires the bank to transfer all or some of the loans to the vehicle. But who guarantees the ongoing compliance with such agreements? And what happens if the bank merges or is sold to another party? And if the platform is inefficient? What about if the levels of such loans drop or flows are less than predicted? Key players with experience in purchasing and selling platforms will try and answer these questions, along with the advisors who monitored these transactions.



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SESSION

3

Exploring new borders of collection

Finally, the third session of the NPL INVESTING & COLLECTION SUMMIT will explore the new frontiers of collection, both in terms of processes and markets. The revolution that has swept across the credit recovery sector in the last two years is still causing major changes for everyone. For example, how will servicers guarantee high performance in these new recovery scenarios? What effect will the new rules, due to come into force in the coming months, have on internal processes and the sector as a whole? Finally, the session will end with an interesting look at the countries with potential for developing new services.



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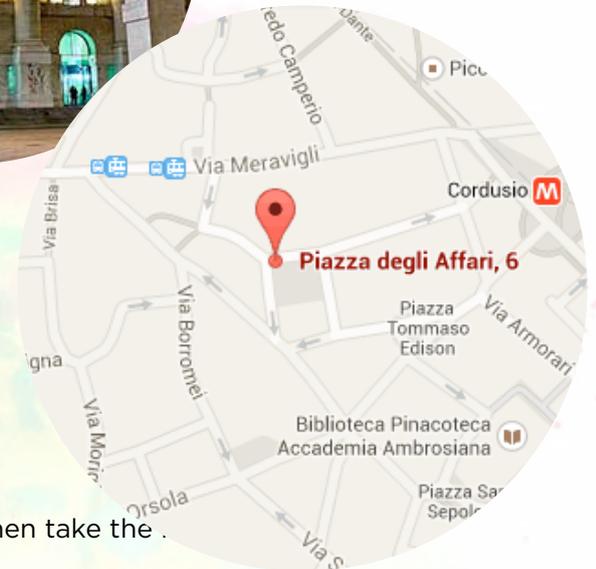


HOW TO GET THERE

PALAZZO MEZZANOTTE

Piazza degli Affari, 6, 20123 Milano

The Congress Centre and Services of Palazzo Mezzanotte is in Milan City Centre, so you can easily reach it by public transportation.



UNDERGROUND SERVICE

- Underground **Line 1** (Red Line): stop Cordusio
- Underground **Line 2** (Green Line): stop Cadorna, then take the Underground Line 1 stop Cordusio
- Underground **Line 3** (Yellow Line): stop Duomo



BY TRAM

Number: 1, 2, 3, 4, 12, 14 For more information visit ATM - Azienda Trasporti Milanesi website.



BY TRAIN

- Milan - **Railway Station Centrale**, then take the Yellow Line (Underground Line 3) stop Duomo.
- Milan - **Railway Station Cadorna F.N.**, then take the Red Line (Underground Line 1) stop Cordusio.



FROM THE AIRPORT

- **Linate Airport:** Urban line n.73 (the bus stop is near the National Flight Terminal) which goes in the City Centre. Bus stop: Piazza San Babila. Then take the Underground Line 1 (Red Line) stop: Cordusio.
- **Malpensa International Airport:** take "MALPENSA EXPRESS" fast rail. The service connects TERMINAL 1 of Malpensa International Airport with Milan's main stations. Go to F. N Cadorna Railway station. Journey time: 40 minutes. Then take the Underground Line 1 (Red Line), stop Cordusio.



CAR PARKS

Autosilo Diaz - Piazza Diaz, 6
tel. 02 86460077
Garage Meravigli - Via Camperio,4
tel. 02 86461784
Auto Parcheggio Commenda - Via S. Barnaba,18
tel. 02 5516041
Parking Borromeo - Piazza Borromeo,9
tel. 02 37072061
Parking Buonaparte - Via Giacomo Puccini, 5
02 86457479
Garage Velasca - Via Pantano,4
tel. 02 876044



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