



January 2019

NPLs and other impaired loans Report 2018

The gross value of the Npl disposals announced on the Italian market in 2018 exceeded **101 billion euros**. It emerges from the *BeBeez* database, considering in the account also the 18 billions of impaired loans that were transferred from the two Venetian banks to SGA, the mega-securitization of 24.1 billion euros from Banca Montepaschi and all transactions related to 2018 but announced in the first few days of January 2019. This means a figure more than twice as high as the 46 billion euro gross value of the deals concluded in 2017, the largest of which was the one related to the 17.7 billion euro Unicredit Fino project. All this happened while transactions for **more than 21 billion euros have been announced to happen in 2019**.

*Deals on NPEs
portfolios topped
101 bn euros
in 2018 in Italy
from 46 bn euros
in 2017*

In particular, *BeBeez* counted **14 securitizations of NPLs portfolios for a GBV of almost 51 billion euros**, which are going to use the **Italian Government guarantee (GACS)** on their senior tranches, although in some cases the decree granting the guarantee has not been issued yet.

The latest securitizations in order of time are the multi-originator and multi-tranche 2 billion euro NPL deal originated by 73 banks organized by Iccrea Banca and the securitization of a 7-7,8 billion euros portfolio of NPLs by Banco Bpm, which requires the sale of mezzanine and junior tranches to Credito Fondiario and Elliott, together with a 70% share of the platform for the management of impaired loans.

Pending confirmation of Gacs, there are also the senior tranches of the 1.6 billion euro multioriginator securitization organized by 16 popular banks members of Luigi Luzzati, to which Banca Popolari di Bari contributed with a portfolio of 800 million and which could be followed closely by a second twin operation for another billion. Then there is the Bper group which, after the securitization (again with Gacs) of 900 million euro launched last June by Banco di Sardegna, has closed a second transaction of 1.9 billion. Also the 350 million securitization of Banca Popolare di Ragusa is waiting for the decree.

At the moment, Gacs has not been asked for the senior tranche of the securitization of the 10.8 billion euro portfolio of Intesa Sanpaolo, as part of the agreement with Intrum for the sale of the platform of impaired loans. Indeed, the decision was not asking for the guarantee, despite what said at the announcement of the operation.

Anyway, so far, **almost 51 billion euro** gross of non-performing loans have been sold by Italian banks with securitizations that used the **GACS** since the public guarantee of the Italian government was made available for senior tranches, also taking into account the latest requests under evaluation (see [here a previous post by BeBeez](#))). This was calculated by **Consap**, the company fully owned by the **Italian Ministry of Economy and Finance** that manages the Gacs fund and that presented the summary figures on the use of the fund at the **BeBeez Coffee** on private capital and NPLs - How much fintech is in the dataroom (see [here the video of the BeBeez Coffee](#)), which was held on Tuesday, December 11 2018. **Carlo D'Andrea**, manager in charge of the Financial Services Business Unit, and **Giuseppe Ottaviani**, manager of the Financial Guarantees Service, told us during their speeches that the GACS fund managed to work on the enormous amount of data on which the GACS concession decisions were based, using the technology of the virtual dataroom developed by Multipartner spa, which sponsored the Coffee: without the fintech, assigning the GACS would have been a big problem. D'Andrea and Ottaviani also said that these 51 billion NPLs securitized were sold for a total net value of 13.3 billion, i.e. at an average price equal to 26.2% of the nominal. In particular, they gave rise to senior notes for a total of 8.4 billion euros, equal to an average weight of senior notes on total issues of 84%.

Regarding prices, the net value of NPLs transactions on the whole market is not available on a regular basis, but Banca Ifis usually estimates this value in its NPL Market Watch. The latest issue available, as of the end of September 2018 (see [here a previous post by BeBeez](#)) estimated a net value of transactions closed in 2018 of about 22 billion euros, then an average price of more than 18% of the gross value, calculated on a total of 83.4 billion euros gross of transactions estimated at that time for the end of 2018 (which did not include the 24.1

billion securitization of Mps, since credits were technically sold in 2018, even if the announcement was made in 2017).

The **weighted average price of more than 18% for transactions on NPLs in 2018** will be higher than that of 18% calculated for 2017 by Ifis Npl. In particular, the prices of the mixed secured and unsecured portfolios rose from 19% to 28%, as did those of the secured portfolios, which rose from 31% to 33%. Average prices for unsecured portfolios were stable at 5%, but unsecured consumer portfolios fell from 10% to 7%.

A final note regards transactions involving impaired loans other than non-performing loans, i.e. at an earlier stage (probable or unlikely-to-pay defaults and past due loans). On this front, this year the first portfolios of fairly large dimensions, between 200 and 450 million, was sold on the market, but there are much larger operations coming in. For example, Intesa Sanpaolo is still working on the sale of 1.35 billion euro of real estate loans undergoing restructuring (the Rep project), something quite similar then to the Sandokan project launched in recent years by Unicredit and for which the bank is preparing the second edition. At the end of June 2018, the total number of Utps on the books of Italian banks rose from 86 billion euro gross to 89 billion at the end of 2016 (see [here a previous post by BeBeez](#)).

Who bought and sold non-performing exposures in Italy in 2018

Announced deals in 2018

Date	Seller	mln euro GBV	Type of NPE	Acquiror	Article
mag-18	Mps	24.070,00	Npl secured e unsecured	cartol. con Gacs , Italian Recovery Fund (mezzanine e junior tranche)	BeBeez
apr-18	Veneto Banca e Banca Pop Vicenza	18.000,00	Npl e altri deteriorati	Sga	BeBeez
apr-18	Intesa Sanpaolo	10.800,00	Npl e altri deteriorati	cartol (spv 51% Intrum e CarVal Investors e 49% Intesa Sanpaolo)	BeBeez
dic-18	Banco Bpm	7.000-7.800	Npl (progetto ACE)	securitz.; Credito Fondiario ed Elliott (mezzanine e junior tranche)	BeBeez
giu-18	Banco Bpm	5.100,00	Npl secured (Project Exodus)	cartol. con Gacs	BeBeez
ago-18	UBI Banca	2.750,00	Npl secured e unsecured	cartol. con Gacs	BeBeez
dic-18	Società gestione crediti Delta (Sgcd)	2.100,00	crediti in bonis e deteriorati (portafoglio Arcade)	Cerberus	BeBeez
dic-18	73 Bcc organizzate da Iccrea Banca	2.000,00	Npl	cartol. con Gacs	BeBeez
nov-18	Bper	1.900,00	Npl secured e unsecured (Progetto Aqui)	cartol. con Gacs	BeBeez
giu-18	CreVal	1.600,00	Npl, soprattutto secured (Project Aragorn)	cartol. con Gacs	BeBeez
nov-18	17 banche Popolari socie Luzzatti spa (di cui Banca Pop Bari cede 800 mln)*	1.600,00	Npl secured e unsecured	cartol. con Gacs (POP Npl 2018 srl)	BeBeez
mag-18	Sicilcassa	1.500,00	Npl	MB Finance (GMA srl)	BeBeez
lug-18	53 Bcc, casse rurali e banche popolari organizzate da Cassa Centrale Banca	1.397,00	Npl secured (39%) e unsecured (61%)	Varde Partners, Barclays Bank e Guber Banca	BeBeez
mag-18	FBS	1.280,00	Npl secured e unsecured	Banca Ifis (che compra anche FBS)	BeBeez
dic-18	Mps	1.160,00	Npl unsecured (cluster small and consumer Project Merlino)	Banca Ifis	BeBeez
set-18	Unicredit	1.090,00	Npl unsecured (progetto Torino)	Banca Ifis	BeBeez
gen-18	Bnl Bnp Paribas	1.000,00	Npl unsecured retail (portafoglio Saturnia)	Alicudi spv srl	BeBeez
giu-18	Banco Desio	1.000,00	Npl secured e unsecured	cartol. con Gacs	BeBeez

lug-18	21 Bcc organizzate da Iccrea Banca	1.000,00	Npl	cartol. con Gacs	BeBeez
Date	Seller	mln euro GBV	Type of NPE	Acquiror	Article
dic-18	Banca Carige	964,00	Npl secured e unsecured	securitz. - Riviera NPL	BeBeez
giu-18	Banco di Sardegna (gruppo Bper)	900,00	Npl soprattutto secured	securitz. - 4Mori Sardegna srl	BeBeez
dec-18	Mps	900,00	Npl leasing (Project Morgana)	Bain Capital Credit	BeBeez
dec-18	Mps	704,00	Npl unsecured (cluster mid Project Merlino)	Credito Fondiario and Fire	BeBeez
ago-18	Cariparma	700,00	Npl soprattutto secured	PIMCO	BeBeez
lug-18	Biverbanca e CR Asti	697,00	Npl secured	cartol. con Gacs	BeBeez
nov-18	Unicredit	675,00	Npl secured	Fortress	BeBeez
set-18	Banca Intermobiliare	600,00	Npl	cartol Nuova Frontiera srl spv - Attestor Value Master Fund	BeBeez
lug-18	Unicredit	537,00	Npl secured e unsecured	Banca Ifis	BeBeez
lug-18	Crédi Agricole (Cariparma)	450,00	Utp (Project Valery)	Bain Capital Credit	BeBeez
set-18	CRC Bayview (mercato secondario)	425,00	Npl unsecured personali	MBCredit Solutions	BeBeez
dec-18	Mps	400,00	UTPs corporate (Project Alfa 2)	nd	BeBeez
nov-18	Unicredit	384,00	Npl unsecured corporate	J-Invest	BeBeez
nov-18	società di credito al consumo italiana	371,00	Npl consumer unsecured	Banca Ifis	BeBeez
nov-18	Carige	366,00	Utp	Bain Capital	BeBeez
set-18	Banca Agricola Popolare di Ragusa	348,50	Npl	cartol. con Gacs (Ibla srl)	BeBeez
nov-18	Banca Popolare di Puglia e Basilicata	347,00	crediti deteriorati unsecured corporate (80%) e retail	Spaxs	BeBeez
dec-18	Mps	336,00	Npl unsecured (cluster large Project Merlino)	Balbec Capital	BeBeez
set-18	Findomestic	302,00	Npl unsecured	Kruk	BeBeez
nov-18	Banca del Fucino	300,00	crediti deteriorati	nd	BeBeez
dic-18	banca italiana	300,00	Npl unsecured	MBCredit Solutions	BeBeez
set-18	Istituto Finanziario del Mezzogiorno (mercato secondario)	263,00	Npl corporate secured (30%) e unsecured	Spaxs	BeBeez
apr-18	CreVal	245,00	unlikley to pay real estate secured (metà del Project Gimli)	Algebris investments	BeBeez

mag-18	CreVal	222,00	unlikley to pay real estate secured (metà del Project Gimli)	Credito Fondiario	BeBeez
set-18	Balbec (mercato secondario)	217,00	Npl corporate unsecured originati da contratti di leasing	MBCredit Solutions	BeBeez
nov-18	Unicredit	206,00	crediti deteriorati unsecured corporate	Spaxs	BeBeez
giu-18	Unicredit	204,00	Np unsecured	MBCredit Solutions	BeBeez

Date	Seller	mln euro GBV	Type of NPE	Acquiror	Article
dic-18	Bper	200,00	crediti deteriorati	MBCredit Solutions	BeBeez
dic-18	Unicredi Leasing	170,00	crediti leasing	Guber Banca	BeBeez
set-18	CR Volterra	155,00	Npl corporate secured	Spaxs	BeBeez
set-18	Deutsche Bank	155,00	Npl unsecured consumer	Banca Ifis	BeBeez
ott-18	Bcc Patavina	150,00	Npl	Hoist Finance	BeBeez
lug-18	EmilBanca	145,00	Npl secured e unsecured	B2 Kapital	BeBeez
dic-18	primaria banca italiana	145,00	Npl consumer unsecured	Axactor	BeBeez
ott-18	Volksbank	141,00	Npl soprattutto secured	Anacap	BeBeez
giu-18	contratti forward flow con 3 isti. fin.	140,00	Npl unsecured consumer	Axactor	BeBeez
ago-18	Mps (160 mln \$ a cambio 1,13)	140,00	Npl secured (shipping)	SC Lowy (tramite Credito di Romagna)	BeBeez
gen-18	15 Bcc, Bcc CreditoConsumo	128,00	unsecured retail e pmi	Best Capital Italy	BeBeez
giu-18	Alba Leasing	103,00	Npl leasing	Bain Capital Credit	BeBeez
dic-18	Unicredit	100,00	Npl	MBCredit Solutions	BeBeez
ott-18	Banca di Pisa e Fornacette	84,00	Npl soprattutto secured	Anacap	BeBeez
nov-18	Credem	83,00	scoperti in conto corrente	Banca Ifis	BeBeez
dic-18	banca italiana	70,00	Npl consumer unsecured	Axactor	BeBeez
lug-18	Volksbank	36,50	crediti deteriorati	nd	BeBeez
gen-18	primario istituto finanziario fiorentino	35,00	Npl unsecured retail	Leopardo Crediti	BeBeez
lug-18	società di credito al consumo italiana	25,30	Npl al consumo unsecured	Banca Ifis	BeBeez
set-18	società di credito al consumo italiana	21,00	Npl unsecured consumer	Banca Ifis	BeBeez

lug-18	Carrefour Banca	16,50	Npl al consumo unsecured	Banca Ifis	BeBeez
nov-18	Banca Sant'Angelo	13,10	Npl consumer unsecured	Fire	BeBeez
lug-18	società italiana di valutazione portafogli procedure concorsuali	12,40	Npl unsecured corporate e retail (secondario)	Banca Ifis	BeBeez
set-18	ViviBanca	12,00	Npl unsecured leasing e personali	MBCredit Solutions	BeBeez
set-18	Consel	11,30	Npl unsecured personali	MBCredit Solutions	BeBeez
Totale		101.177,60			

Expected deals in 2019

Date	Seller	mln euro GBV	Type of NPE	Acquiror	
	Credit Agricole	6000,00	Npl unsecured e secured verso retail e pmi (secondario) (operazione Puppy)	Cerberus-Banca Ifis, CRC-Bayview, Arrow Global, Hoist Finance, D.E. Shaw, Spaxs -	BeBeez
	Unicredit	2.000-3.000	unlikely to pay immobiliari	jv Sandokan (Pimco-Gmw.Finance Roma con Intesa Sanpaolo)	BeBeez
	CRC e Bayview	2.000,00	Npl secured (Beyond the Clouds) (secondario)	nd	BeBeez
	Bper	1.000,00	Npl	nd	BeBeez
	Rev	1.500,00	Npl	securitz.	BeBeez
	Intesa Sanpaolo	1.350,00	crediti deteriorati immobiliari (Progetto Rep, ex Progetto Monopoli)	nd	BeBeez
	gruppo banche Popolari socie Luzzatti spa	1.000,00	Npl	securitz.	BeBeez
	Unicredit	1.000,00	Npl secured (progetto Milano)	nd	BeBeez
	Cariparma	1.000,00	Npl, soprattutto secured	securitz.	BeBeez
	Carige	1.000,00	Npl	SGA	BeBeez
	Carige	1.800,00	Utp	SGA	BeBeez
	Banca del Fucino	314,00	crediti deteriorati (211 mln Npl e 103 mln Utp)	cartol (Sga tranche equity)	BeBeez
	CheBanca!	150,00	Npl secured (progetto Charlot)	nd	BeBeez
	Intesa Sanpaolo	250,00	Utp (Progetto Levante)	Bain Capital Credit, Apollo Management, Bayview	BeBeez
	Intesa Sanpaolo	250,00	Npl su impianti fotovoltaici (Progetto Luce)	Fortess, Wrm	BeBeez

	Banco Desio	100,00	Npl secured e unsecured	nd	BeBeez
Totale		21.214,00			

Source: Elaboration by *BeBeez* on public data

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