



PRESS RELEASE

Market Watch NPL - Italian Scenario: Flash Update

**NPL transactions: from October to mid-November 7 billion Euro worth of NPLs exchanged on the market (+84% compared to the same period in 2016)
Balance between new positions and closed dossiers
negative for the first time since 2006**

In the updated edition of Banca IFIS's NPL Market Watch, released today, forecasts show that volumes traded at year-end will fall to 101 billion due to the probable postponement to 2018 of certain important transactions worth approximately 9 billion Euro

Milan, 17 November 2017 - From October to mid-November 2017, an increase of 84% was recorded in the volume of NPLs sold on the Italian NPL market compared to the same period in 2016, amounting to approximately 7 billion Euro, as revealed by the updated 'Market Watch NPL-The Italian Scenario' of Banca IFIS released today. This analysis confirms the acceleration announced regarding non-performing loans in the last quarter of 2017, which continue to push the Italian market, even if previous estimates of total volumes exchanged for 2017 have been reduced to **101 billion Euro** (Graph 1 of the Market Watch NPL Flash Update). This trend, according to some market sources due to the delay in deals expected in 2017, will be seen at the beginning of 2018 and will total around 9 billion Euro. This, along with some transactions already 'expected' for the new year, should lead to a grand total of transactions in the pipeline **for 2018 of 17 billion Euro**. Specifically, most of the transactions at the end of 2017 will be on the primary market, whilst around 5 billion Euro (corresponding to 5% of expected volumes) will take place on the secondary market.

Furthermore, for the first time since 2006, there have been more impairments or sales of NPLs than new loans generated (Figure 2 of the Market Watch Flash NPL). This trend and the negative balance of the ratio between 'old' positions and new impaired loans is attributable to two factors: higher NPL sales and higher write-downs on non-performing loans by Italian banks.

Finally, Market Watch NPL identifies the key players in the Italian NPL market: this analysis clearly shows that over 50% of 'jumbo deals' are managed by very few **servicers** (Chart 3 - Market Watch Flash NPL management). Specifically, the main special servicers in Italy in terms of data aggregation and the monitoring of recovery flows in 2017 are Quaestio, Cerved and DoBank.

To receive the Market Watch NPL-The Italian Scenario' regularly, please send your request via email to comunicazione@bancaifis.it.

Banca IFIS S.p.A.
Head of Communication
Mara Di Giorgio
Cell: +39 335 7737417
mara.digiorgio@bancaifis.it
www.bancaifis.it

Press Office and PR
Chiara Bortolato
Cell: +39 3669270394
chiara.bortolato@bancaifis.it

Press Office
Lavinia Piana
Cell: +39 3469425022
Lavinia.piana@bancaifis.it