

## Fund managers refocus sights on Italy in pursuit of NPL portfolios

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**D**istressed debt specialists are shifting their attentions from one part of southern Europe to another, according to market sources. For the past few years, Spain has been the preferred destination for fund managers looking to top up their AUM in non-performing loans (NPLs), but there is now significant deal flow coming out of Italy.

According to data from Banca d'Italia, Italian lenders reduced their NPL exposure from €202 billion to €174 billion between May and July this year.

Bain Capital Credit is one of the leading players in the NPL space, with Creditflux data showing the asset manager has completed 17 portfolio acquisitions since 2011. In August it completed its first standalone portfolio acquisition in Italy through the purchase of €394 million of loans from Banca Mediocredito del Friuli Venezia Giulia.

Fund managers looking to purchase Italian NPLs must have an agreement with a local servicer. Bain acquired Heta Asset Resolution Italia in February to support its efforts.

Oxane Partners has emerged as one of the foremost valuations specialists in the NPL



Gupta: 'winning mandates'

market. The firm has analysed numerous loan books on behalf of fund managers over the past three years and Sumit Gupta, co-founder of the firm, says Oxane is winning an increasing number of mandates.

"We have recently supported an NPL transaction out of Thailand, but most of the flow we're seeing is out of Spain and Italy," says London-based Gupta. He explains that the Italian NPL market is gradually opening up due to increasing pressure from the European Central Bank, the

greater resolve of the Italian government to act upon the problem and increased investor interest.

One measure taken by the Italian government has been to amend securitisation rules in order to facilitate asset disposals from banks. In June, approvals were signed to allow securitisations to issue notes to certain debtors in order to boost the prospects of a recovery.

Debtwire, Creditflux's sister publication, has reported on several Italian NPL deals in the past few months. They include Unicredit's Project Fino (€17.7 billion), Banco BPM's upcoming Project Sun (just under €2 billion) and Intesa Sanpaolo's Project Beyond the Clouds (€2.1 billion).