## The IPAF International Conference at the ADB

Regional Cooperation for Safeguarding Macroeconomic and Financial Stability

# **NPL Transaction Platform Technology**

Digital Solutions and Prerequisites for AMC



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## Introduction

- NPL Markets operates in 27 jurisdictions mainly in Europe, US, Canada, Brazil, Mexico and South Africa
- 850 institutional investors, 2m non-performing loans uploaded and valued across 950 portfolios
- More than 7.5m performing loans mapped and valued on the platform
- Access to derived data from over 15m loans, both performing and non-performing
- Our main clients include banks, specialised lenders, asset managers, hedge funds, private equity and servicers

### **Supranational partners**

- NPL Markets has a cooperation agreement with the International Finance Corporation (IFC) in Brazil and Mexico
- NPL Markets sits on the European Commission NPL Advisory Panel

#### Research & Awards

- Global NPL monitor and projections based on IMF WEO scenarios https://NPL Markets.com/en/research
- Structured Credit Investor 2022 Award: Contribution to Market Development

www.nplmarkets.com



# Transaction platform that delivers the full data value chain

## Technology and team expertise to streamline data preparation, valuation, reporting and disposal processes

#### Raw data download from source system

Loan, Borrower, Collateral, Legal, Collections, Provisions

#### Conform data tape

Match investor expectations and analytics data warehouse (NPL data templates or other tailor made templates)

#### **Conduct internal** loan valuation

Upload standardized data, enrich tape with missing data. Run valuation scenarios and impact of bank balance of portfolio sale

#### Segment portfolio by servicer, collateral, region, required workout

action or other

Zoom into each segment to review workout assumption

#### Create optimal workout strategy. servicer & transaction structure

Identify deal opportunities with optimal transactions structures (e.g. ABS, outright sale, etc)

#### Receive optimal investor prices on final transaction

Fine-tune final auction to optimise portfolio allocation and economic benefit

#### Monitor servicer performance

Transfer to new servicer. Create detailed online collection reports. securitisation disclosures

Data Extraction

Transformation

& Validation

Seller Valuation & Due Diligence

Segmentation & Optimisation

Strategy & Deal Structures

Optimal Offer &

**Auction Process** 

Online Reports & Monitoring

Data Preparation

Data tapes with performance data

Valuation & Analytics

Valuation assumptions and pricing parameters

Marketplace Market prices

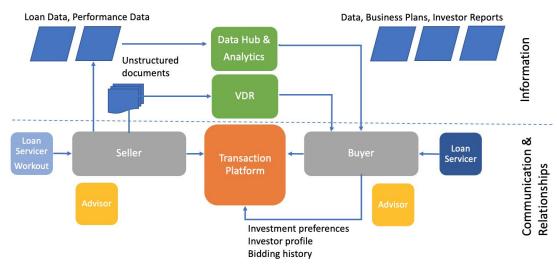
Reporting Performance data

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# What are the prerequisites for AMC to use technology, data & ecosystem?

- Marketplace & auction function available on demand
- Judicial and regulatory due diligence with local partners plus AMC, ADB, IFC
- Map and onboard investor universe and servicing providers
- Data hub & analytics: Identify data providers and data standards. Transform, validate and aggregate for automated valuation & reporting
- Additional functions: Transaction advice, creditor coordination, collateral valuation, data enrichment



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