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
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

- 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

**Data Preparation**
- Data tapes with performance data

**Data Extraction**
- 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)

**Transformation & Validation**
- Conduct internal loan valuation
  - Upload standardized data, enrich tape with missing data. Run valuation scenarios and impact of bank balance of portfolio sale
- Conform data tape
  - Conform data tape

**Seller Valuation & Due Diligence**
- Segment portfolio by servicer, collateral, region, required workout action or other
  - Zoom into each segment to review workout assumption
- Seller Valuation & Due Diligence

**Segmentation & Optimisation**
- Create optimal workout strategy, servicer & transaction structure
  - Identify deal opportunities with optimal transactions structures (e.g. ABS, outright sale, etc)
- Segment portfolio by servicer, collateral, region, required workout action or other
  - Zoom into each segment to review workout assumption

**Strategy & Deal Structures**
- Optimal Offer & Auction Process
  - Fine-tune final auction to optimise portfolio allocation and economic benefit
- Create optimal workout strategy, servicer & transaction structure

**Optimal Offer & Auction Process**
- Monitor servicer performance
  - Transfer to new servicer. Create detailed online collection reports, securitisation disclosures
- Optimal Offer & Auction Process

**Online Reports & Monitoring**
- Receive optimal investor prices on final transaction
  - Monitor servicer performance
- Monitor servicer performance

**Reporting**
- Market prices

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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
Disclaimer

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