

Rev sells 300 million Npl to Seer Capital

-by Carlo Festa Wednesday 06 September 2017

The first transfer of NPLs by REV, the bad bank created to dispose of the 10.3 billion NPLs of Banca Etruria, Carichiati, Cariferrara and Banca Marche, has been completed. According to rumors, the company run by CEO Salvatore Immordino, is selling a €300 million non-performing loans portfolio to the US fund Seer Capital Management.

The portfolio will be managed by Locam SpA, a financial intermediary specialized in NPLs servicing based in Rome, controlled by Seer Capital since 2013.

The €300 million portfolio is mainly represented by small-ticket loans. Seer Capital is a New York based investor very active in Italy and in Europe. Its most significant investment in Italy is the one completed in March, when the investor rose to owning over 99% of the capital of Mediocredito Europeo S.p.A., a financial intermediary specialized in advancing loans secured the assignment of one fifth of the borrower's salary/pension. Mediocredito Europeo was established in 2012 and inherited the operations of Ktesios S.p.A., which was also specialized in consumer loans, and was originally controlled by the Oakwood fund.

The investment completed by Seer Capital in the portfolio of problematic loans from REV confirms the fund's activity in the Italian NPL market. On its end, with the sale of the first part of its portfolios, REV demonstrates the commitment to pursue the target to dispose of the pool of problem loans acquired from Banca Etruria, Carichiati, Cariferrara and Banca Marche. The aim is to create value within their large portfolio of non-performing loans, equivalent to approximately €10.3 billion in terms of gross book value.

So far, REV has collected about €180 million through ordinary management and through the disposal of individual real estate properties originally leased by the four banks.

REV's larger task is expected to be completed this coming fall. In October, the deadline has been set for the completion of the so-called "Rossini" project, run by consultant KPMG, which will involve the sale of a portfolio of approximately €1 billion of problem loans guaranteed largely by real estate properties: international investors including Bain, Fortress and Cerberus are currently working on the due diligence. Approximately 65% of these problematic loans were granted by Banca Marche, the rest coming from Banca Etruria, Carichiati and Cariferrara.