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Digital NPL trading platforms attract new buyer groups



A key factor in our industry consists in specialization - encompassing financial, economic and due diligence skills to expertise the real estate

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Key Tech Trends Moving the NPL Market

The NPL industry learned a great deal during the Great Financial Crisis (GFC). While there is no consensus as to when the Next Financial Crisis (NFC) will hit Europe, there is agreement that it is approaching and it is likely to be as big.

Author: Gifford S West, Managing Director, Alpine Tremont LLC



Setting new standards: Customized NPL, “high quality service made in Italy”

Italy among the European Countries has a long history with Non-Performing Loans (NPLs). As the Italian market was strongly affected by the financial crisis in 2008, advisors and/or asset management companies had time to restructure themselves to support investors and banks, to handle the enormous volume of new NPLs. Long before the outbreak of the pandemic, the Italian market of servicing companies thus had sufficient time to engineer processes, develop appropriate technologies and manage their administration to best meet these challenges. Indeed, the Italian NPLs servicing market in the last years became more and more competitive and challenging, also because investors started to specialise much more in selecting non-performing portfolios. At the same time, servicers had to become verticalized in asset class to meet the investors needs and expectations in terms of know-how and specialisation.

Today, servicers are aware that a main pillar is to invest in technologies to support the fast-growing stock of NPLs. Through the optimisation of information flow among multidisciplinary stakeholders, involved in operational processes, it is possible to collect complex data encompassing different perspectives. The aim is not just to be able to capture complex data more quickly and to process it in a targeted manner, but also to make workflows more efficient by simplifying them. There is a clear awareness that investment in innovative technology is needed to accelerate the ongoing process of adaptation, but in our opinion it is still not enough.

A key factor in our industry also consists in specialization. In the past, NPL portfolios managed by servicers were much more diversified – also because the investors were buying several types of asset classes and mostly focused on multi-asset strategies. As a result of the crisis, investors focused on a specific investment strategy. Consequently, service providers also began to focus more and more on a specific asset class. This enabled them to adapt their management, processes, and technologies in the most successful way to support national and international investors. On another note, Banks also needed to be supported by specialised advisors and experts in asset class to evaluate and manage their stocks in the most efficient and value-enhancer way.

A third major point, which will become even more important in the future, is human capital. The human capital, in addition to sophisticated technologies, is essential for the development of in-depth services. To become a specialised servicer requires a complex organizational set of skills and know-how covered by the entire team members from financial, economic, and legal due diligence knowledge to expertise in the real estate sector.

We strongly believe that there is a big opportunity for the Italian NPL servicing market to raise the market standard: instead of a massive standardization of services – a massive customization.



Ahead
of the
game.

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Therefore, there is an intensive challenge to attract talents and invest in their ongoing development, as well as specialization to develop and deliver the entire value chain. After all, you cannot build such complex organizations without a strong technical and financial background to be able to successfully support NPLs buyers and sellers. In this unusual historical period, medium to small servicers have a great opportunity to adapt themselves faster than the big ones - who must carry out heavy organisational re-engineering and cultural changes. Instead, fast, flexible, and adaptive servicer's organizational models will become the market leaders thanks to an integrated investment approach: distinctive processes, unique technologies, and human capital.

In the next few months, after the end of the debt moratorium, Italian banks will be overwhelmed by small and medium corporate NPLs, which were the most affected by the lockdowns and outbreak of the Corona virus. We strongly believe that there is a big opportunity for the Italian NPL servicing market to raise the market standard: instead of a massive standardization of services – a massive customization. Italy is known worldwide for handmade products and high quality goods. Our goal is to bring the "Italian style and culture" into the servicing industry, distinguishing ourselves by "high quality service Made in Italy".

WIBEATS is one of the very last Italian Asset Management and Loan Service groups, highly specialised in the selection, evaluation, management, and sale of performing and non-performing real estate portfolios. The Group's mission is to support Banks and real estate owners in the management and/or disposal of their portfolios, and to assist national and international institutional investors in expanding into the Italian real estate market, thanks to its organisation and award-winning know-how in managing complex real estate assets.

Today the companies that are part of the WIBEATS Group are:

WIBITA an asset manager specialized in debt servicing. WIBITA carries out its activities on behalf of Institutional Investors, International Investment funds and Italian Banks providing due diligence and underwriting services in the context of sale processes of non-performing portfolios. The corporate track record in the real estate management field is over € 8 / bil under management between performing and distressed assets. In the field of debt servicing, the company has its own legal team, a spin-off of the previous professional experience, specialized in negotiation and judicial and extrajudicial credit recovery, with a track record of over € 1.8 / bil managed over the last 8 years. WIBITA is RICS Certified.

BFORMS an asset & engineering management company founded in 2009 by a team of managers with over 30 years of experience. BFORMS engineers service and management of entire real estate portfolios nationwide. BFORMS quickly positioned itself on the real estate market as a multi-awarded innovative company, whose unique skills are recognized by major banking and investment groups, among which are Unicredit GROUP, Unicredit Credit Management, Coima SGR, Equiter Intesa Sanpaolo, etc. BFORMS is RICS Certified.

WiMOVE a specialised real estate brokerage company, whose mission is to create a unique platform to manage a National network of 140 highly motivated professionals. WiMOVE promotes and sells assets all over Italy. WiMOVE is a tech-driven asset trading platform that serves selected clients.

EXECUTIVE BIO

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Francesca Torino @ CEO and co-founder of WiBEATS group and BForms, Board Member of WIBITA @ specialized in Asset Management. Francesca is the CEO and co-founder of WiBEATS group and BForms, Board Member of WIBITA. Francesca works mainly with foreign investors interest to invest in the Italian real estate distressed and not distressed market. More than 15 years of experience in valuations, fund raising, real estate project development, facility management, business planning and strategic advisory. • She occupied executive positions in Real Estate Companies in Italy, Austria and Kingdom of Saudi Arabia. • Degree in International Business, Nottingham Trent University, London. Professional certificate at New York University, CIMA master course London.

