

- 07-Oct-2020 11:03:47 AM - BANCO BPM CEO SAYS INTESA-UBI MERGER IS CATALYST FOR NEW DOMESTIC BANKING CONSOLIDATION
- 07-Oct-2020 11:07:13 AM - BANCO BPM CEO SAYS BANK COULD ANNOUNCE UTP LOANS SALE AT Q3 RESULTS IF GOOD PRICE, CONDITIONS REACHED

## Intesa-UBI deal set to spur further banking M&A - Banco BPM CEO - Reuters

07-Oct-2020 11:39:51 AM

MILANO, Oct 7 (Reuters) - Intesa Sanpaolo's ISP.MI takeover of smaller rival UBI is set to spur further banking consolidation in Italy, the head of the country's third-largest bank said on Wednesday.

Banco BPM has said it is open to considering potential tie-ups after Italy's biggest bank merger in years saw Intesa strengthen its position in Banco BPM's own home market in the wealthy north of the country.

"The Intesa-Ubi deal, by creating such a behemoth, has dugged such a big gap versus other competitors that it must make us all think about going in that same direction", Banco BPM CEO Giuseppe Castagna told the Credit Village business conference in Milan.

He also said Banco BPM may announce the sale of "unlikely to pay" (UTP) loans worth around 1 billion euros together with its third-quarter results if the bank met "a fair price" for the portfolio it has put on the block. (Full Story)

(Reporting by Andrea Mandalà; editing by Valentina Za)

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## Italy's Illimity evaluating bids on 2 bln euros of soured loans -exec - Reuters News

07-Oct-2020 06:05:06 PM

MILAN, Oct 7 (Reuters) - Illimity ILTY.MI is evaluating potential bids on 2 billion euros (\$2.4 billion) of impaired bank loans, a senior executive at the Italian bank said, as disposals resume after the hiatus caused by the coronavirus crisis.

Italy's 340 billion euro market for problem loans is Europe's biggest. After more than halving soured debts on their balance sheets in recent years to tackle the legacy of the previous slump, Italian banks are now bracing for an expected wave of defaults caused by COVID-19.

Market activity froze at the height of the healthcare emergency. It is now picking up, though foreign investors are sitting on the fence as they consider higher future risk because of a worsening macroeconomic outlook and slower recoveries.

"When it comes to the impact of the pandemic, we're simply seeing more caution on the part of international buyers ... they're offering slightly lower prices for loan portfolios," Illimity's head of distressed credit investments, Andrea Clamer, told Reuters on the sidelines of the 'Credit Village' conference on Wednesday.

"There are fewer international bidders at tenders, but Italy has a fairly good number of domestic players. We're currently assessing a series of loan portfolios with a gross book value of 2 billion euros."

Illimity, the digital bank and bad loan specialist founded by veteran Italian manager Corrado Passera, has acquired about 6 billion euros in impaired bank loans since starting operations in 2018.

Loans Illimity is looking at are in default or unlikely to be repaid in full, with a portfolio size that varies between 0.5 billion and 1 billion euros, Clamer said.

Illimity specialises in corporate loans.

Clamer said support measures the government had introduced for borrowers, such as debt holidays, applied only to those with performing loans and prompted some clients to settle non-performing debt to tap the aid schemes.

(\$1 = 0.8493 euros)

(Reporting by Valentina Za)

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