



## FLORENCE SCHOOL OF BANKING AND FINANCE

# **NON PERFORMING EXPOSURES: MANAGEMENT TOOLS, SUPERVISORY PROFILES AND POLICY GOALS**

Instructors:

**Andrea Resti** | Bocconi University (course director)

**Markus Aspegren** | European Commission, DG FISMA

**Valentina Borgonovi** | Unicredit

**Laurence Bogni-Bartholmé** | Lowell Group

**Oleg Shmeljov** | European Banking Authority

Sala Europa

Villa Schifanoia, Via Boccaccio 121 - Florence

**1 - 3 APRIL 2019**

## ■ PROGRAMME

### **1 APRIL**

13.45 - 14.00 Welcome and presentation of the school

14.00 - 15.30 **Session 1: Non-performing loans: the state of play in Europe (Andrea Resti)**

- Defining NPLs: the perspective of accountants, supervisors and risk managers
- The situation in the European Union, across countries and over the years
- How to deal with NPLs: management tools and policy options

15.30 - 16.00 *Coffee break*

16.00 - 17.30 **Session 2: Estimating recovery rates on non-performing exposures (Andrea Resti)**

- Defining recovery rates
- The main drivers of recoveries
- Setting up a model to estimate future recoveries

17.30 *Social activities outside the EUI (TBD)*

## **2 APRIL**

09.30 - 11.30 **Session 3: Turning NPLs into cash (Valentina Borgonovi)**

- NPL disposals: plain sales versus structured deals
- Structured deals: key steps and relevant variables
- Lessons learnt from past NPL deals

11.30 - 12.00 *Coffee break*

12.00 - 13.00 **Session 4: NPLs, loan supply, bank stability (Andrea Resti)**

- The link between NPL ratios and bank performance
- Conventional wisdom: zombie lending and capital constraints
- Do NPL sales improve loan supply?

13.00 - 14.00 *Lunch*

14.00 - 15.30 **Session 5: Dealing with NPLs in practice (Laurence Bogni-Bartholmé)**

- NPL servicing and work-out
- Real estate collateral: what to know
- Extracting value from real estate collateral
- Collateral sales and the dialogue with investors

15.30 - 16.00 *Coffee break*

16.00 - 17.15 **Session 6: Policy makers and NPLs: the available tools (Andrea Resti)**

- NPL sales
- Asset management companies
- Constrained provisioning

17.15 *Social activities outside the EUI (TBD)*

### **3 APRIL**

09.30 - 11.00

#### **Session 7: Supervisory initiatives on NPLs (Oleg Shmeljov)**

- Strengthening transparency and comparability
- Reducing the stock of NPLs: EBA NPL guidelines and supervisory dialogue
- Other supervisory tools and initiatives
- Reducing the risk of NPLs re-appearance: EBA Guidelines on loan origination and monitoring

11.00 - 11.30

*Coffee break*

11.30 - 13.00

#### **Session 8: Asset management companies and State aid rules (Markus Aspegren)**

- Asset management companies: possible structures and requirements
- Socially-desirable goals and how to achieve them
- Constraints on public sector support: how and why

13.00 - 14.00

*Light Lunch*