



## Company Presentation



# 1. Summary



- CAF is a servicer managing residential mortgages, commercial loans, and consumer finance loans, both on performing, unlikely to pay loans and non-performing loans, on behalf of third parties. CAF also supplies due diligence advisory services to Italian Banks and international investors.
- Authorized to performing servicing activities in compliance with art. 115 TULPS, currently manages throughout Italy a total loan portfolio of € 8.5 billion made up of € 2.8 billion in residential and commercial mortgage loans and € 5.7 billion in unsecured and deficiency loans granted to small and midsize enterprises or households.
- Strongly focussed on banking and financial loans, not managing tax, health or commercial receivables, the company operates in four distinct business areas, alongside valuation and advisory activities:
  - Portfolios entrusted to management by international investors and securitization vehicles.
  - Portfolios outsourced by Banks operating in the Italian market.
  - Phone collection processes, referring to specific mandates from third parties, particularly in the context of consumer credit, as well as internal portfolios services falling within different areas, limited to the lowest unsecured credit.
  - Closing processes related to the activities following the definition of agreements with debtors, credit transfers and post-guarantee activities in the execution and concourse procedures, in addition to the monitoring of receipts.
- Since 2005, CAF has been appointed as advisors in more than 120 different deals assessing the documentation, gathering information on borrowers and guarantors, data processing and updating on CAF or bank IT system, drafting business plan for each loan, estimating cash-flows and timing.
- Real estate activities have been performed on distressed assets in parallel with all due diligence process and on each asset linked to loan under management (yearly review). More than 24,000 evaluations on different assets have been carried out: residential, industrial, commercial, hotel under development, that have been put up to guarantee distressed loans.
- With offices in Rome, Milan and Orte CAF employs more than 190 resources, supported by an external network of lawyers, real estate appraisers and brokers, home-collection agencies. The core element of CAF information technology (IT) architecture is its loan management system (MIS).
- In 2017 CAF has been acquired by Intrum Group.

## Strategy

*Ensure both superior service for our clients and stable profitability and cash generation for CAF.*

*CAF is committed to maintaining a sound organization through a firm compliance regime and rigorous internal processes.*

## 2. History



2004 CAF was founded

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2005 Advisory and Due diligence processes of NPL portfolios for Merrill Lynch and Credit Suisse.

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2006 Management of CAF's 1st NPL secured portfolio for an Investor (Deutsche Bank AG).

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2008 Asset management agreement with Varde.

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2009 Management of the 1st NPL unsecured portfolio for an Bank (BNL BNP Paribas).

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2010 CAF entered the NPL consumer sector.

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2011 Due Diligence of the biggest NPL secured portfolio traded in Italy after the crisis; servicing started in 2012.

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2012 Management of CAF's 1st performing secured portfolio for an Investor (JP Morgan).

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2013 New Servicing Agreements with Blackstone for secured portfolios and D. E. Shaw for NPL consumer portfolios and with AnaCap for NPLunsecured.

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2014 CAF reaches over 5bn of AUM. CAF appointed as outsourcer by Intesa San Paolo.

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2015 CAF has been appointed by Lone Star to service a € 400 million GBV NPL portfolio of both secured – unsecured positions.

Acquisition by an US private equity firm.

CAF appointed as outsourcer by MPS and Veneto Banca.

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2016 CAF appointed as outsourcer by Bayview.

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2017 CAF selected by Quaestio/Atlante/Credito Fondiario to carry out data remediation processes on portfolios belonging to Banca Popolare di Vicenza.

CAF appointed by REV Gestione Crediti to manage around 10.000 positions stemming from 4 Bad Banks.

CAF appointed for managing part of the BTC portfolio sold by Intesa San Paolo to Bayview / CRC.

Due diligence on 8 thousand groups for over € 4 billion GBV (over 1,000 individual exposure groups above 3 MLN €) on behalf of BNP Paribas.

New portfolios acquired and entrusted to management by Oaktree, Bayview / CRC and De Shaw.

Acquisition by the Intrum Iustitia – Lindorff Group.

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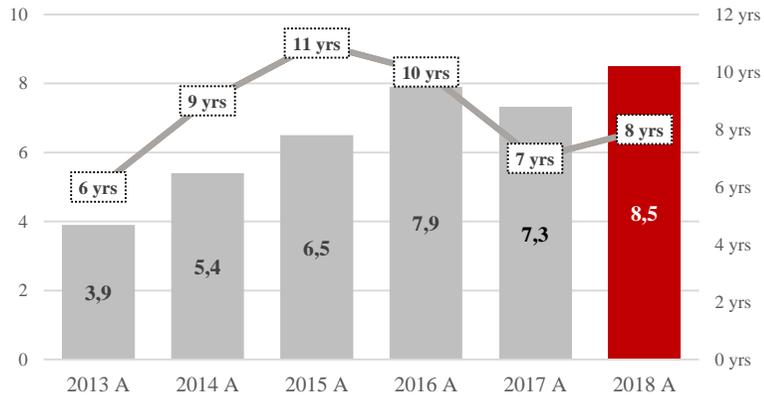
2018 CAF appointed to manage around 12.500 positions for over € 1 billion GBV.

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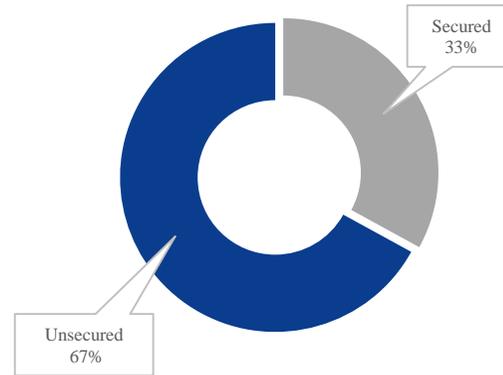


### 3. AuM Trend and Details

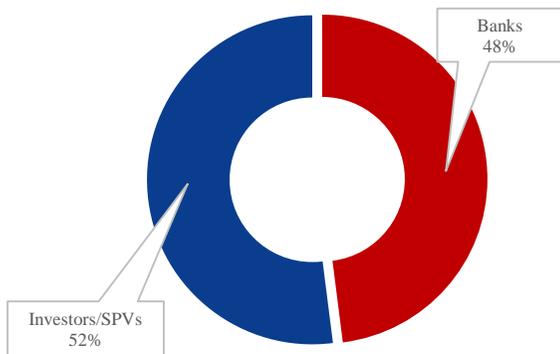
AUM (GBV €bn) & Avg default vintage (years)



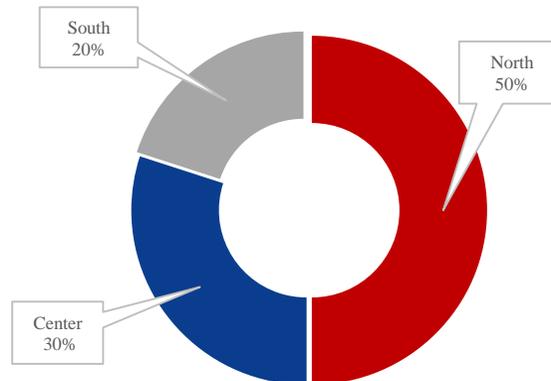
AUM by Asset Class\*



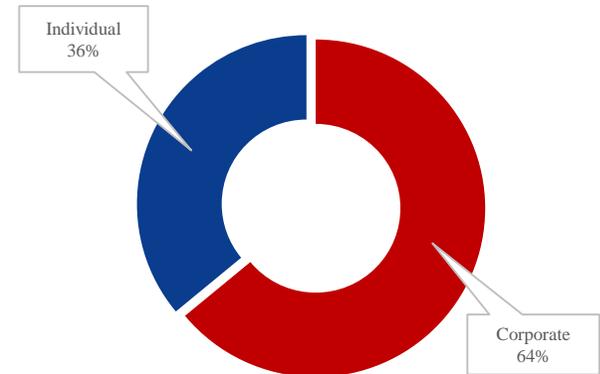
AUM by Clients\*



AUM by debtor location\*

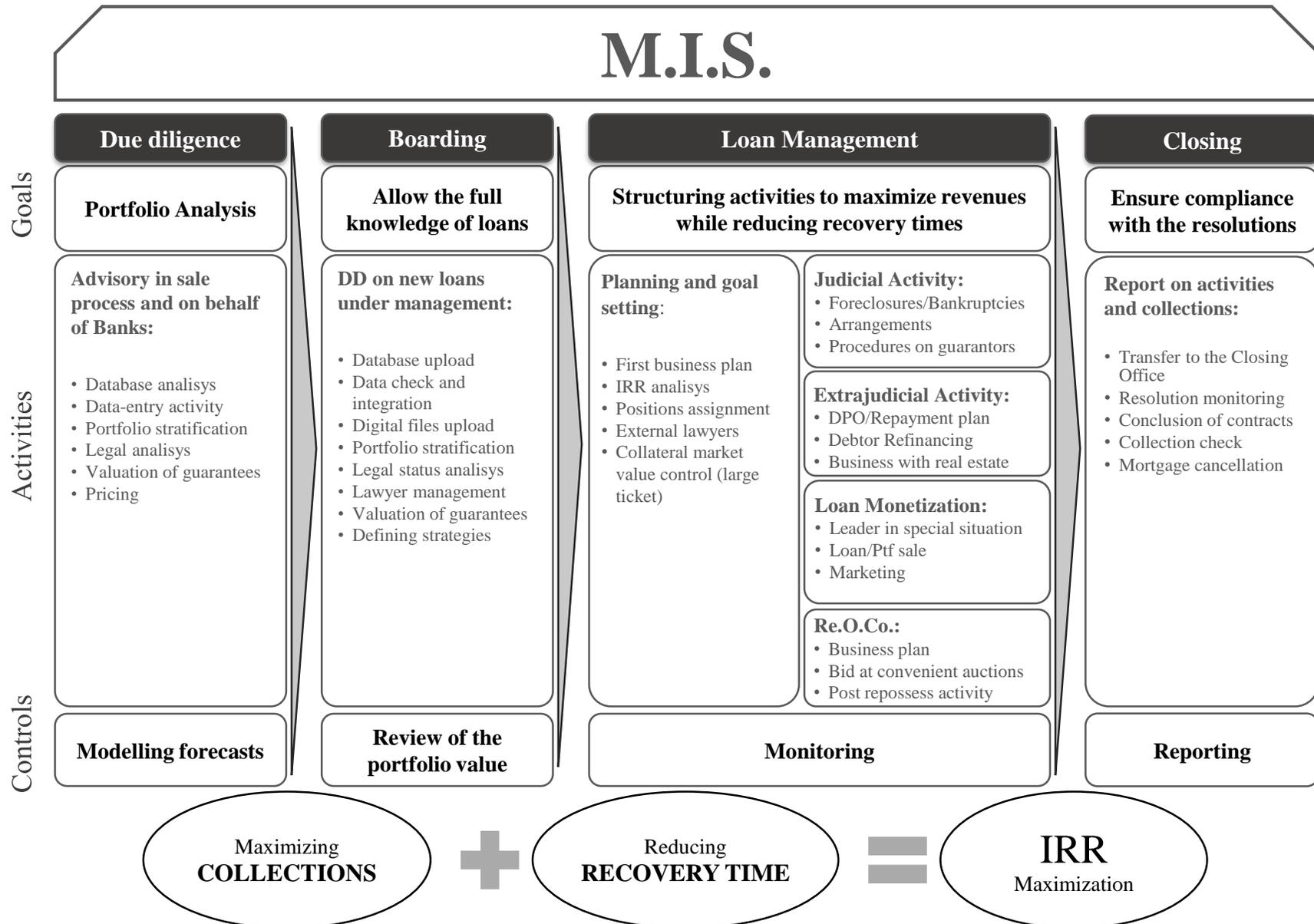


AUM by Client Type\*



\* Data as of 30<sup>th</sup> June, 2018

## 4. Activities and Objectives

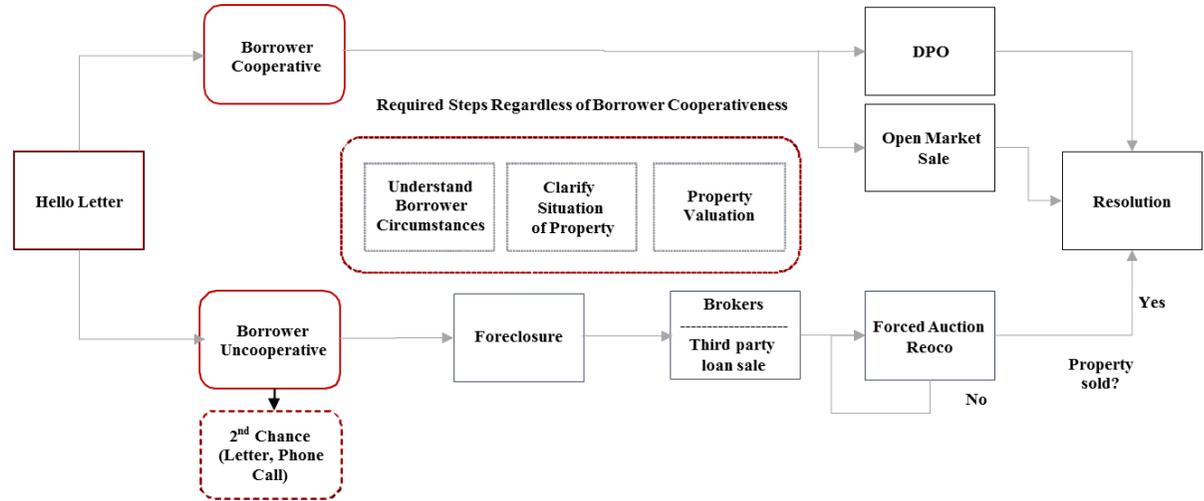


# 5. Loan Management



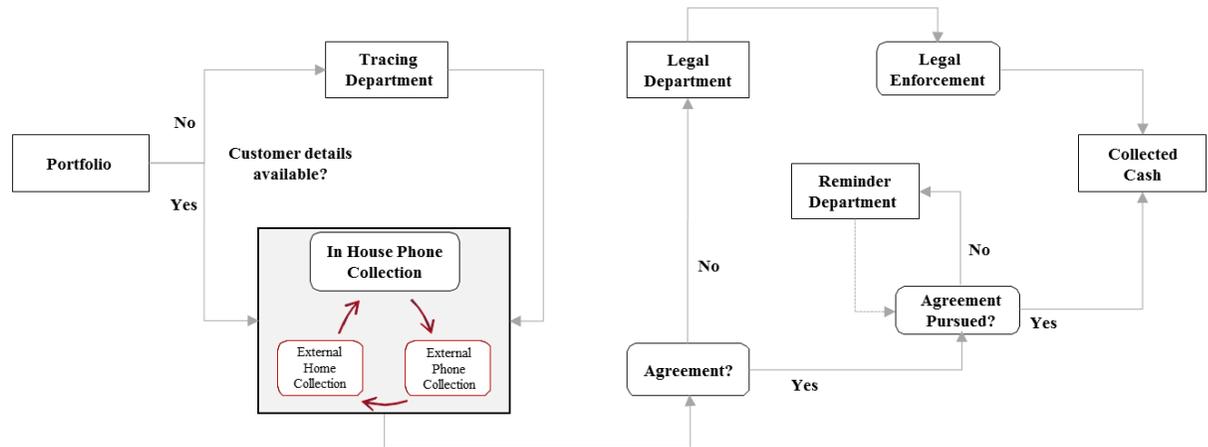
## Secured

In order to maximize collection amounts and at the same time minimize timing, we focus on exit strategies with orderly property sale processes.



## Unsecured

The approach is mainly based on Phone collection (calls and letters) and Home collection. After the contact with the debtors/guarantors, the Loan Manager will identify debtors' propensity to pay: **(i) can't pay; (ii) won't pay; (iii) will pay.** Depending on debtors' situation, both negative (judicial enforcement procedures) and positive (discounts and payment plans) negotiation tools are used.



*This macro-procedure can be adapted following prorfolio's characteristics and its own contractual conditions.*



## 6. IT – Management System

CAF has developed an internal web-based management system (M.I.S.), now owned by a company (Misoft) of the group, which records fundamental data for the evaluation and management of distressed loans (debtors, credit lines, loans, real estate, guarantees, mortgages, legal procedures, etc.), becoming the work platform for all the people involved in the evaluation and management processes (managers, lawyers, brokers, investors, suppliers, clients, etc.).

The screenshot shows the MIS web interface with a table of real estate properties. The table has columns for Allegati, Cod. immobile, Rilasciato, Duplicato, Nc duplicati, Tipo immobile, Indirizzo, Civico, Città, Valutazione, MgCoperti, MgScopeff, MgTotali, and Azioni. The data rows show multiple entries for residential properties in Castelvetrano (Trapani).

Below the screenshot is a flow diagram with five boxes connected by arrows:

- Combined**: management of the evaluation and reporting processes in a single system
- Integrated**: ability to interface to banking systems and official Courts websites
- Flexible**: programmed to be easily used and Modified
- Functional**: custom built to meet the needs of the investors
- Safe**: monitoring of activities, data protection, segregation of environments



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