Outlook of the European non-performing loans market

simmons + simmons

We advise a broad range of stakeholders on restructuring and special situations transactions including the sale and purchase of debt, equity or insolvency claims against stressed and distressed and the sale, purchase and work-out of portfolios of non-performing loans.

Our practice

- Cross-disciplinary practice
- Innovative solutions and products
- International alignment
- Transactional expertise

Key international mandate experience

- Advising Citigroup Global Markets Limited, as arranger, and Citibank N.A., London Branch, as senior Notes subscriber, in the context of a private securitisation transaction whereby an SPV incorporated under Italian Law No. 130 of 30 April 1999, was to purchase three portfolios of non-performing loans originating from three financial institutions with an overall gross book value of over €2bn. The junior Notes issued in the context of the securitisation were to be subscribed by funds managed by Cerberus.
- Advising UniCredit, as sole arranger and lender in two loans in favour of two SPVs, controlled by private investors, in relation to the financing of the acquisition of non-performing loans through the securitisation of receivables.
- National Asset Loan Management Limited and Irish Bank Resolution Corporation Limited – assisting the Irish governmental agency, which manages non-performing assets, in relation to a debt restructuring of a UK debtor with assets in Italy and the subsequent sale of receivables and asset sale to third parties.
- Advising hedge fund managers in the acquisition from Spanish banks and disposals in secondary market transactions of more than 10 NPL portfolios (both secured and unsecured) with an aggregate GBV of more than EUR 15 Billion. Together with the negotiation and termination of the related servicing agreements.
- Advising Spanish banks in the repackaging of a portfolio of non-performing mortgage loans.
- Advising on the acquisition of distressed and performing loan portfolios –Project Prince (€360m Lloyds portfolio) and the structuring of a bid for Project Pitlane (€1bn Lloyds portfolio).
- Advising a multinational investment bank on the acquisition of several non-performing loan portfolios from Portuguese originators, including the securitisation and refinancing of such portfolios.

Key considerations

1. Regulation
2. Transferability
3. Security package
4. Enforcement
5. Bankruptcy and insolvency issues

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Key contacts

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“They have a very organised team. They're excellent on the legal side and they're very user-friendly.”

“Overall, the team works well and delivers in a coordinated fashion.”

“Great cooperation in each country.”

- Chambers and Partners

“The team is always available and makes the client feel like the number one priority”

- Legal 500