



Virtual Data Rooms (VDR) for NPL Transactions Best-Practice Overview

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About Intralinks

Intralinks is a leading financial technology provider for the global banking, deal making and capital markets communities. As pioneers of the virtual data room, our technology enables and secures the flow of information, empowering our customers to work more productively and with complete confidence. Intralinks facilitates strategic initiatives such as mergers and acquisitions, capital raising and investor reporting. Our solutions enhance these activities by streamlining operations, reducing risk, improving client experiences and increasing visibility. We've earned the trust and business of more than 99 percent of the Fortune 1000 and have executed over \$34.7 trillion worth of financial transactions on our platform.

Close the deal. Faster.



“These guidelines were created in response to my prior experience working at one of the largest European Bad Banks, managing 200 data rooms while disposing approximately \$300 billion in divestitures.”

– Paul McLean, Value Engineer, Intralinks



“There is a lack of standardization across the industry, and firms are challenged with changing regulatory and accounting standards that vary from country to country. Having all of your portfolios in one place gives you tighter control and more insight into your overall credit workout strategy.”

– Michelle WU, Director Product Marketing & Strategy, DCM, Intralinks

Lifecycle of a Virtual Data Room for NPL Transactions





Deal Preparation

Defining VDR Folder Structure*

- Build the folder structure as it will be viewed by the buyer groups (not based on ease of data collection)
- For a multi-asset deal, replicate the same folder structure for each asset to ensure uniformity in the VDR
- Make sure folder structure is easily expandable to include new document types that might be uploaded during due diligence
- Keep documents with similar protection in the same folder to minimize the time it takes to permission documents

Collecting Documents

- Keep document names as short as possible – a clear, concise naming convention ensures quicker and easier document searches
- Double check that all documents can be opened and that the appropriate document protection (no download, no print, etc.) has been assigned
- In Excel, record the collection process to keep track of documents that are missing or only partially supplied

**Time spent up front to ensure a good folder structure will result in significant time savings at later stages of the asset divestiture.*




Opening the Data Room

Managing the Workflow Process

- To add control to your workflow it is important to determine:
 - » Which in-house resources will coordinate, manage and audit the VDR
 - » Which reports should be run to generate the most valuable business insight
 - » A process for content sign-off

Managing Users, Groups & Permissions

- Leverage your Intralinks Representative to set up a VDR template
 - » Provide default settings based on your organization's particular needs
 - » Speed up the process of managing a VDR
- Key considerations to make sure users are placed in appropriate groups:
 - » What can each group / user type do?
 - » Who can each group / user type see?
 - » Who can see each group / user type?



Large-scale divestiture processes typically require teams to spend five hours per day receiving and responding to questions over email, logging them in Excel, and taking phone calls. Over two months, this would amount to more than 25 days of resource.

“

“I advise my clients against using a manual method to answer buyer questions. Using our centralized Q&A tool, you can save time and reduce heavy administrative burdens. Your team’s resources can be deployed to higher-value activities surrounding the workout strategy.”

– Daniel McKenna, Account Executive, Intralinks



Managing Due Diligence

Q&A

- Buyers are able to ask questions and get answers all in one place
- Questions can be auto-delegated to a subject matter expert (SME) within your firm based on category and priority
- Multiple SMEs can collaborate on answers, add comments to existing questions and attach related documents to questions

Ongoing Document Upload

- Establish a workflow for adding new documents
- If the document type already exists on the VDR, new documentation should be dropped in the relevant existing folder

Reporting

- Establish a working timeline for audit report extraction
- Keep track of user activity to gauge buyer interest



Compliance, Archive & Deletion

Where has your information gone?

- Ensure a smooth transition at close with a complete record of all documents and actions. At close, Intralinks supplies you with a Compliance Archive DVD, allowing you to drill down into every part of the deal.

Is deletion required?

- Incidents such as changes in market conditions may delay an individual asset disposal for an extended period of time. If a VDR has been created and populated, it may be possible to put the VDR into storage (or a hold phase) as an alternative to deleting it. The VDR can then be reopened (or resumed) at a later date.

What about archiving?

- From time to time you may wish to create an offline copy of your VDR for reference or regulatory compliance purposes. Depending on size, archives are available via FTP, or on a DVD (<4GB) or hard drives (>4GB).



Benefits of implementing VDR best practices for NPL transactions

- ✓ Minimize cost
- ✓ Maximize proceeds
- ✓ Remain risk averse
- ✓ Accelerate credit recovery



Intralinks: More than a VDR

We offer technology to address every stage of your asset sale, and we are the leading partner for more than \$30 trillion in strategic transactions.

Explore our capabilities:

- **Intralinks Deal Team Exchange** – a platform to begin setting up your data room
- **Intralinks Virtual Data Room for Debt Capital Markets** – the most widely adopted VDR platform for due diligence
- **Intralinks Designer** – the fastest bulk uploader of users and documents to populate your VDR
- **IRM by design™** – lifetime control of deal documents even after download
- **Intelligence Reports** – advanced reports that show you comprehensive detail on buyer activity
- **Intralinks Q&A** – a tool to help you quickly track and effectively respond to bidder requests
- **Intralinks Professional Services** – dedicated support team for bespoke technology needs