

Italian NPL ABS collections monthly: seasonality effect causes plunge in volumes



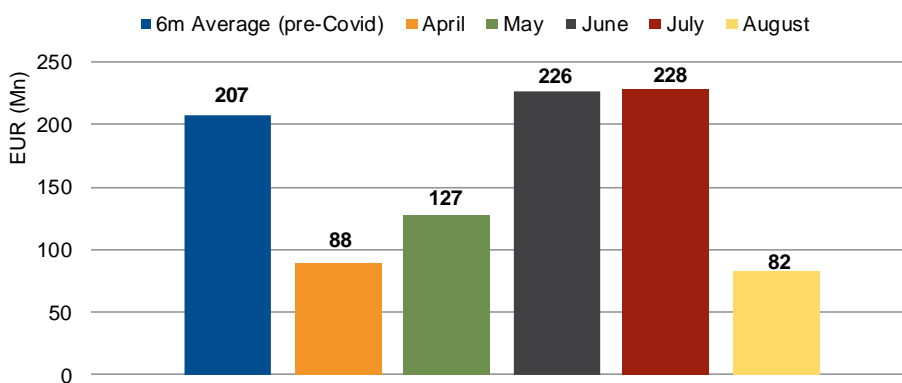
August collection volumes were 53% lower than the average of the previous four months but this was mainly attributable to seasonality effects rather than a plunge per se in recoveries. A similar decrease (60%) was registered in August 2019.

The seasonality effect is explained by national vacation periods during which contacts and settlements with borrowers were more difficult than usual for servicers; and limited court activity where only urgent proceedings were conducted. As a result, both judicial and extra-judicial recovery strategies were impacted.

August performance relied mainly on judicial proceeds, accounting for about half of allocated monthly volumes. The remainder allocated collections stemmed mainly from extra-judicial proceedings (19%) and note sales (3%)¹.

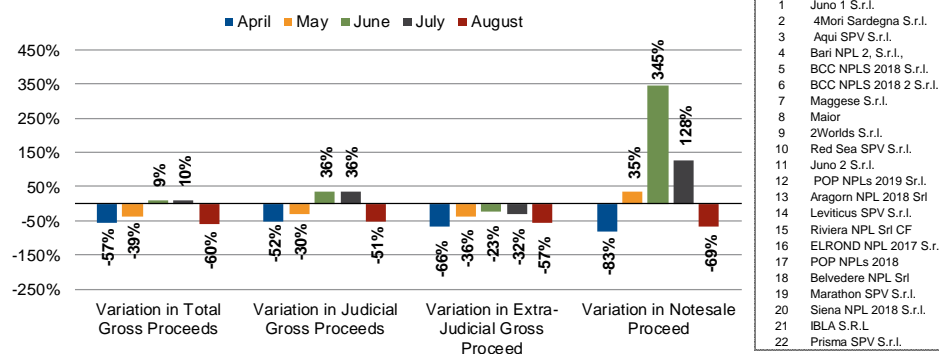
This report shows the performance of the Italian NPL securitisations rated by Scope on a deal-by-deal basis, based on monthly servicing reports available to August 2020.

Figure 1. Total gross proceeds (pre- and post-Covid scenarios) – all transactions*



*6m Average (pre-Covid) refers to the average volumes that were registered from Sep-19 to Feb-20. Source: Scope calculations on servicing reports

Figure 2. Post-Covid % variation in collection volumes (monthly collections vs average of six months pre-Covid*) – all transactions



*The % variation is computed comparing collections from April until August, with the average volumes that were registered pre-Covid (i.e. the six months from Sep-19 to Feb-20). For transaction no.22 the August monthly servicing report was not available. Based on their closing dates, the average was computed only for the period Dec-19-Feb-20 for transactions nos.19,12 and for the period Oct-19-Feb-20 for transaction no. 22. The variation in total gross proceeds was computed on a set of 21 transactions (all apart transaction no.22), while the variation in judicial, extra-judicial and note sale proceeds was computed on a set of 18 transactions (excluding transactions nos. 20, 21, 22), based on the availability of collections per type of recovery strategy. Source: Scope calculations on servicing reports

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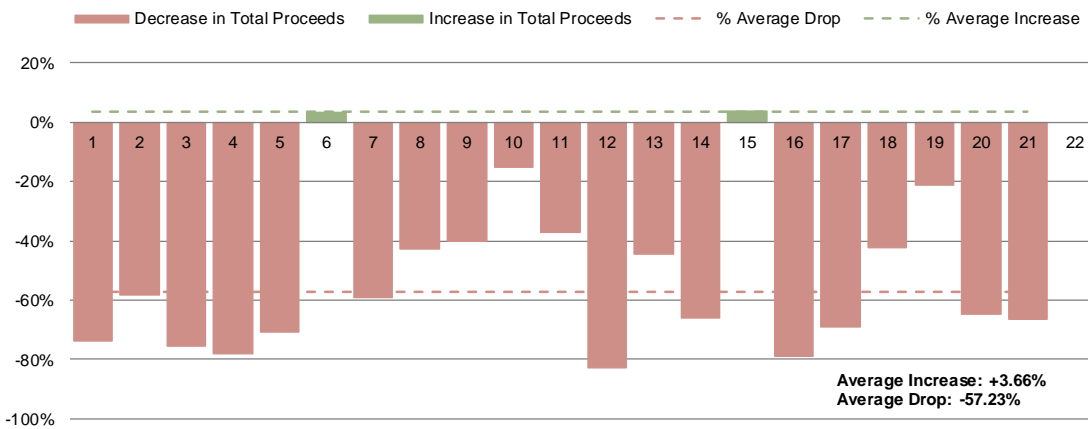
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¹ About 28% August collections have not yet been allocated to a recovery strategy type.

Figure 3. Total gross proceeds (% variation) – August versus average of 6 months pre-Covid*

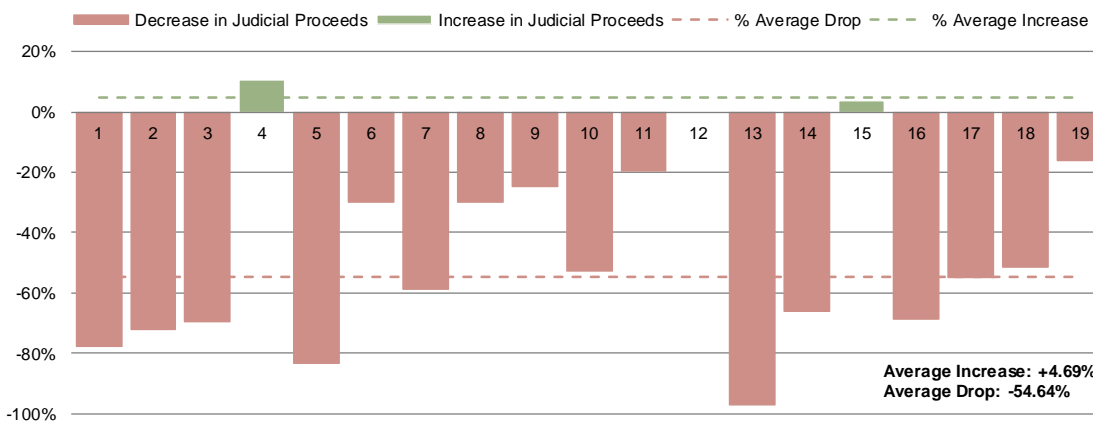


| Nb. | Transactions |
|-----|------------------------|
| 1 | Juno 1 S.r.l. |
| 2 | 4Mori Sardegna S.r.l. |
| 3 | Aqui SPV S.r.l. |
| 4 | Bari NPL 2, S.r.l., |
| 5 | BCC NPLs 2018 S.r.l. |
| 6 | BCC NPLs 2018 2 S.r.l. |
| 7 | Maggese S.r.l. |
| 8 | Maior |
| 9 | 2Worlds S.r.l. |
| 10 | Red Sea SPV S.r.l. |
| 11 | Juno 2 S.r.l. |
| 12 | POP NPLs 2019 Sr.l. |
| 13 | Aragorn NPL 2018 Srl |
| 14 | Leviticus SPV S.r.l. |
| 15 | Riviera NPL Srl CF |
| 16 | ELROND NPL 2017 S.r.l. |
| 17 | POP NPLs 2018 |
| 18 | Belvedere NPL Srl |
| 19 | Marathon SPV S.r.l. |
| 20 | Siena NPL 2018 S.r.l. |
| 21 | IBLA S.R.L |
| 22 | Prisma SPV S.r.l. |

* The variations in total proceeds (%) were computed comparing August collections with average volumes pre-Covid (i.e. the six months from Sep-19 to Feb-20). Based on their closing dates, the average was computed only for the period Dec-19-Feb-20 for transactions nos. 12 and 19. August servicing report was not available for transaction no. 22.. The average drop was computed only considering those transactions with a negative variation, while the average increase was computed only considering transactions with a positive variation.

Source: Scope calculations on servicing reports

Figure 4. Judicial gross proceeds (% variation) – August versus average 6 months pre-Covid*

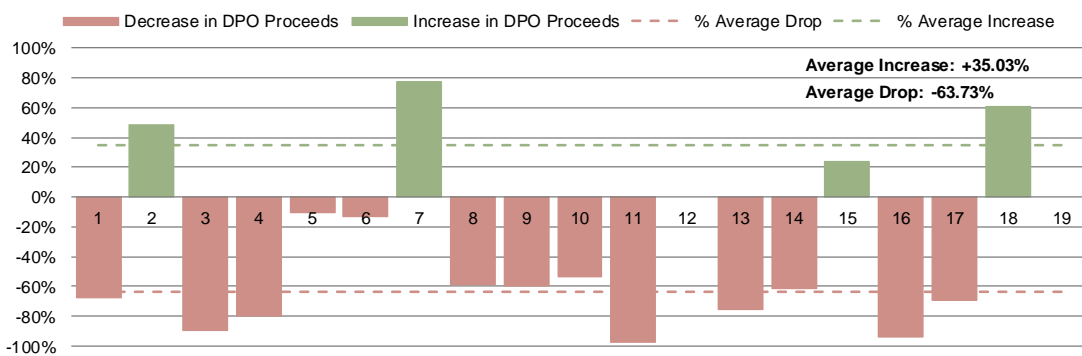


| Nb. | Transactions |
|-----|------------------------|
| 1 | Juno 1 S.r.l. |
| 2 | 4Mori Sardegna S.r.l. |
| 3 | Aqui SPV S.r.l. |
| 4 | Bari NPL 2, S.r.l., |
| 5 | BCC NPLs 2018 S.r.l. |
| 6 | BCC NPLs 2018 2 S.r.l. |
| 7 | Maggese S.r.l. |
| 8 | Maior |
| 9 | 2Worlds S.r.l. |
| 10 | Red Sea SPV S.r.l. |
| 11 | Juno 2 S.r.l. |
| 12 | POP NPLs 2019 Sr.l. |
| 13 | Aragorn NPL 2018 Srl |
| 14 | Leviticus SPV S.r.l. |
| 15 | Riviera NPL Srl CF |
| 16 | ELROND NPL 2017 S.r.l. |
| 17 | POP NPLs 2018 |
| 18 | Belvedere NPL Srl |
| 19 | Marathon SPV S.r.l. |
| 20 | Siena NPL 2018 S.r.l. |
| 21 | IBLA S.R.L |
| 22 | Prisma SPV S.r.l. |

*The chart refers to a sample of 19 transactions out of the 22, since monthly collections by recovery strategy were not available for transactions nos. 20, 21, 22. The variation in judicial proceeds (%) were computed comparing August collections with average pre-Covid volumes (i.e. the six months from Sep-19 to Feb-20). Based on their closing dates, the average was computed only for the period Dec-19-Feb-20 for transactions nos. 12 and 19. The average drop was computed only for transactions showing a negative variation, while the average increase was computed only considering those transactions with a positive variation.

Source: Scope calculations on servicing reports

Figure 5. Extra-judicial proceeds (% variation) – August versus average 6 months pre-Covid*

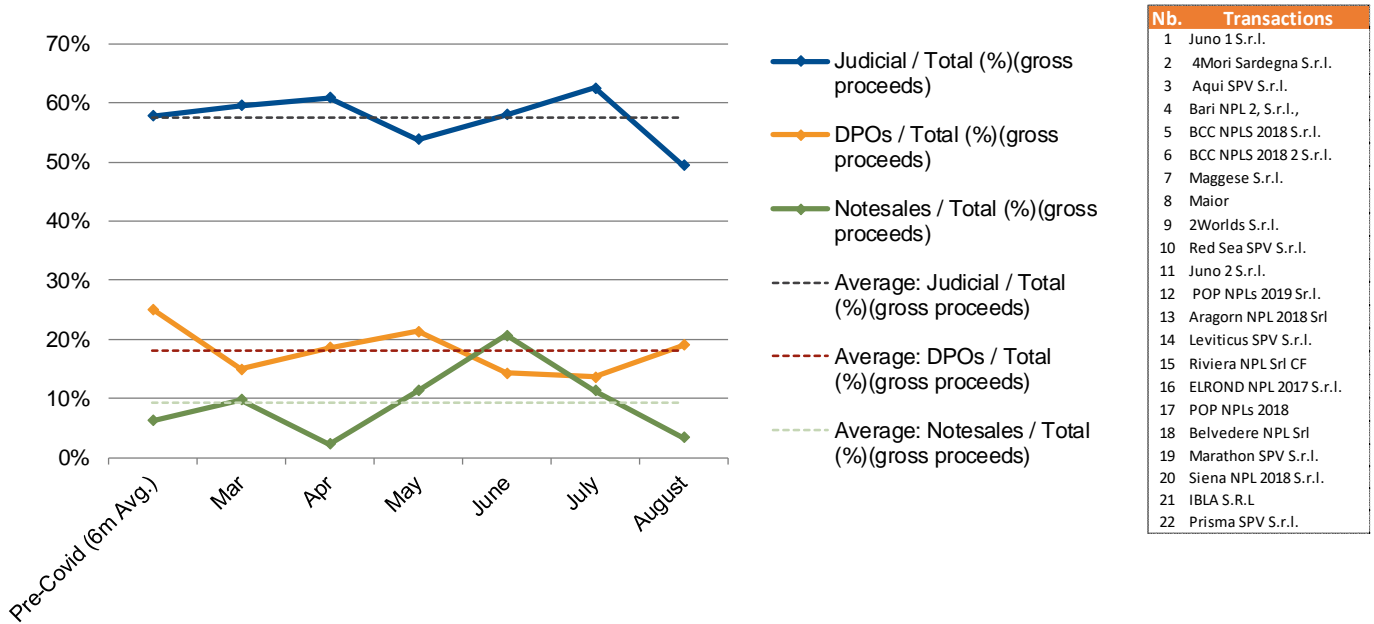


| Nb. | Transactions |
|-----|------------------------|
| 1 | Juno 1 S.r.l. |
| 2 | 4Mori Sardegna S.r.l. |
| 3 | Aqui SPV S.r.l. |
| 4 | Bari NPL 2, S.r.l., |
| 5 | BCC NPLs 2018 S.r.l. |
| 6 | BCC NPLs 2018 2 S.r.l. |
| 7 | Maggese S.r.l. |
| 8 | Maior |
| 9 | 2Worlds S.r.l. |
| 10 | Red Sea SPV S.r.l. |
| 11 | Juno 2 S.r.l. |
| 12 | POP NPLs 2019 Sr.l. |
| 13 | Aragorn NPL 2018 Srl |
| 14 | Leviticus SPV S.r.l. |
| 15 | Riviera NPL Srl CF |
| 16 | ELROND NPL 2017 S.r.l. |
| 17 | POP NPLs 2018 |
| 18 | Belvedere NPL Srl |
| 19 | Marathon SPV S.r.l. |
| 20 | Siena NPL 2018 S.r.l. |
| 21 | IBLA S.R.L |
| 22 | Prisma SPV S.r.l. |

* DPO refers to discounted payoff strategies. The chart refers to a sample of 19 transactions out of the 22, since monthly collections by recovery strategy were not available for transactions nos. 20, 21, 22. The decrease and increase in DPO proceeds (%) were computed comparing August collections with average pre-Covid volumes (i.e. the six months from Sep-19 until Feb-20). Based on their closing dates, the average was computed only for the period Dec-19-Feb-20 for transactions nos. 12 and 19. The average drop was computed only considering transactions with a negative variation, while the average increase was computed only considering transactions with a positive variation. Transaction no. 19 does not report DPOs as collection type.

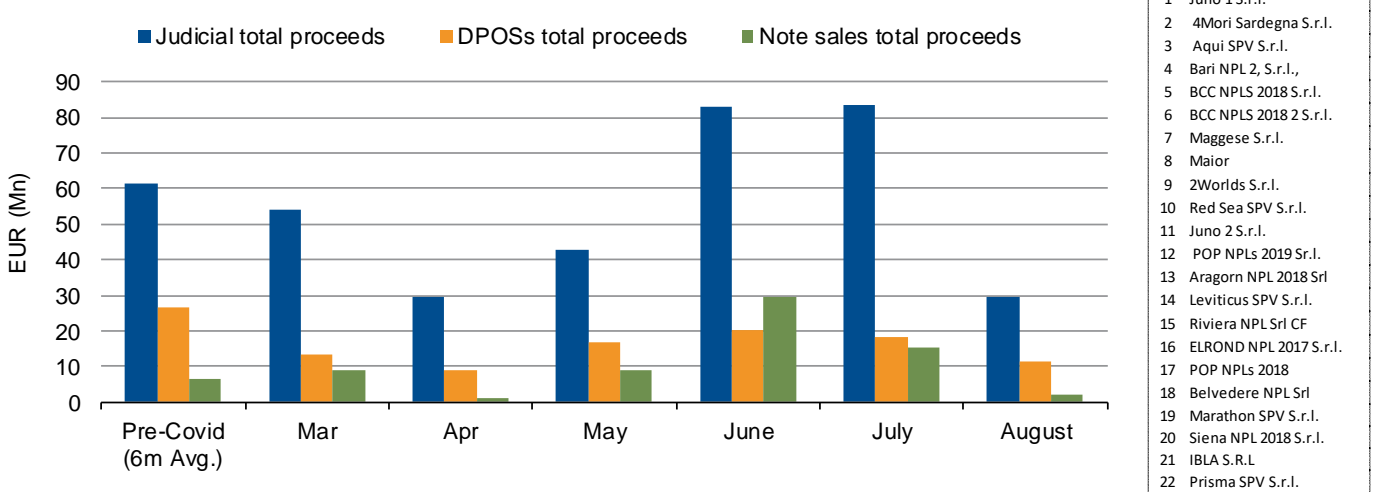
Source: Scope calculations on servicing reports

Figure 6. Share of judicial and extra-judicial proceeds in total gross proceeds*



* The chart refers to a sample of 19 transactions out of the 22, since monthly collections by recovery strategy were not available for transactions nos. 20, 21, 22. "Pre-Covid (6m Avg.)" refers to the average pre-Covid collections registered from Sep-19 until Feb-20. Source: Scope calculations on servicing reports.

Figure 7. Judicial and extra-judicial proceeds*



* The chart refers to a sample of 19 transactions out of the 22, since monthly collections by recovery strategy were not available for transactions nos. 20, 21, 22. "Pre-Covid (6m Avg.)" refers to average pre-Covid collections (Sep-19 until Feb-20). Source: Scope calculations on servicing reports.



Italian NPL ABS collections on the way to a gradual recovery

I. Appendix –NPL securitisations rated by Scope

| Deal name/Link to Rating report | Issuance | Seller | Servicer (master and special) | GBV (million) | Scope class A rating | | Scope class B rating | | Coupon A/B | GACS (Y/N) |
|---|-----------|---|---|---------------|----------------------|---------|----------------------|-----------|-------------------|------------|
| | | | | | At closing | Current | At closing | Current | | |
| Elrond NPL 2017 Srl | 17-Jul-17 | Credito Valtellinese SpA, Credito Siciliano SpA | Cerved Credit Management SpA, Securitisation Services SpA | 1,422 | BBB- | B+ | B+ | CCC | 6mE+0.5%/6mE+6% | Y |
| Bari NPL 2017 Srl | 17-Dec-17 | Banca Popolare di Bari SpA, Cassa di Risparmio di Orvieto SpA | Prelios Credit Servicing SpA | 345 | BBB | BB- | B+ | CC | 6mE+0.3%/6mE+6% | Y |
| GBV of GACS eligible securitisations rated by Scope 2017 (EUR million) | | | | 1,767 | | | | | | |
| Siena NPL 2018 Srl | 18-May-18 | Monte dei Paschi di Siena SpA, MPS Capital Services Banca per le Imprese SpA, MPS Leasing & Factoring SpA | Juliet SpA, Italfondario SpA, Credito Fondiario SpA, Prelios Credit Servicing SpA | 24,070 | BBB+ | BBB+ | Not Rated | Not Rated | 3mE+1.5%/3mE+8% | Y |
| Aragorn NPL 2018 Srl | 18-Jun-18 | Credito Valtellinese SpA, Credito Siciliano SpA | Credito Fondiario SpA, Cerved Credit Management SpA | 1,671 | BBB- | B+ | B | CC | 6mE+0.5%/6mE+7% | Y |
| Red Sea SPV Srl | 18-Jun-18 | Banco BPM SpA and Banca Popolare di Milano SpA | Prelios Credit Servicing SpA | 5,097 | BBB | BBB- | Not Rated | Not Rated | 6mE+0.6%/6mE+6% | Y |
| 4Mori Sardegna Srl | 18-Jun-18 | Banco di Sardegna SpA | Prelios Credit Servicing SpA | 1,045 | A- | A* | BB- | B+ | 6mE+0.9%/6mE+8% | Y |
| 2Worlds Srl | 18-Jun-18 | Banco di Desio e della Brianza SpA, Banca Popolare di Spoleto SpA | Cerved Credit Management SpA, Cerved Master Services SpA | 1,002 | BBB | BBB- | B | B- | 6mE+0.4%/6mE+8% | Y |
| BCC NPLs 2018 srl | 18-Jul-18 | 21 co-operative banks co-ordinated by Iccrea SpA and two banks belonging to ICCREA Banca SpA | Prelios Credit Servicing SpA | 1,046 | BBB- | BB- | B+ | CC | 6mE+0.4%/6mE+6% | Y |
| Juno 1 Srl | 18-Jul-18 | Banca Nazionale del Lavoro SpA | Prelios Credit Servicing SpA | 957 | BBB+ | BBB+ | Not Rated | Not Rated | 6mE+0.6%/6mE+8% | Y |
| Maggese Srl | 18-Jul-18 | Cassa di Risparmio di Asti SpA, Cassa di Risparmio di Biella e Vercelli-Biverbanca SpA | Prelios Credit Servicing SpA | 697 | BBB | BBB- | Not Rated | Not Rated | 6mE+0.5%/6mE+6% | Y |
| Maior SPV Srl | 18-Aug-18 | Unione di Banche Italiane SpA and IW Bank SpA | Prelios Credit Servicing SpA | 2,749 | BBB | BBB | Not Rated | Not Rated | 6mE+0.5%/6mE+6% | Y |
| IBLA Srl | 18-Sep-18 | Banca Agricola Popolare di Ragusa SpA | Italfondario SpA | 349 | BBB | BBB | B | B | 6mE+0.6%/6mE+8% | Y |
| AQUI SPV Srl | 18-Nov-18 | BPER Banca SpA, Cassa di Risparmio di Saluzzo SpA and Cassa di Risparmio di Bra SpA | Prelios Credit Servicing SpA | 2,082 | BBB- | BBB- | Not Rated | Not Rated | 6mE+0.5%/6mE+7% | Y |
| POP NPLs 2018 Srl | 18-Nov-18 | 17 banks | Cerved Credit Management SpA, Cerved Master Services SpA | 1,578 | BBB | BBB | B | B | 6mE+0.3%/6mE+6% | Y |
| Riviera NPL Srl | 18-Dec-18 | Banca Carige SpA and Banca del Monte di Lucca SpA | Italfondario SpA, Credito Fondiario SpA | 964 | BBB- | BBB- | B+ | B+ | 6mE+0.65%/6mE+7% | Y |
| BCC NPLs 2018-2 Srl | 18-Dec-18 | 73 co-operative banks | Italfondario SpA | 2,004 | BBB | BBB- | B+ | B | 6mE+0.3%/6mE+6% | Y |
| Belvedere SPV Srl | 21-Dec-18 | Gemini SPV Srl, Sirius SPV Srl, Antares SPV Srl, 1702 SPV Srl, Adige SPV Srl | Bayview Italia S.r.l., Prelios Credit Servicing S.p.A. | 2,541 | BBB | BBB | Not Rated | Not Rated | 6mE+3.25%/6% | N |
| GBV of GACS eligible securitisations rated by Scope 2018 (EUR million) | | | | 45,311 | | | | | | |
| GBV of securitisations rated by Scope 2018 (EUR million) | | | | 47,852 | | | | | | |
| Leviticus SPV Srl | 19-Feb-19 | Banco BPM SpA | Credito Fondiario SpA | 7,385 | BBB | BBB | Not Rated | Not Rated | 6mE+0.6%/6mE+8% | Y |
| Juno 2 Srl | 19-Feb-19 | Banca Nazionale del Lavoro SpA | Prelios Credit Servicing SpA | 968 | BBB+ | BBB+ | Not Rated | Not Rated | 6mE+0.6%/6mE+8% | Y |
| Prisma | 18-Oct-19 | Unicredit SpA | Italfondario SpA, doValue SpA | 6,057 | BBB+ | BBB+ | B- | B- | 6mE+1.5%/6mE+9% | Y |
| Marathon SPV Srl | 05-Dec-19 | Marte SPV Srl, Pinzolo SPV Srl | Hoist Italia Srl, Securitisation Services SpA | 5027 | BBB+ | BBB+ | BB | BB | 1.8%/8% | N |
| Iseo SPV Srl | 16-Dec-19 | UBI Banca SpA | Italfondario SpA, doValue SpA | 858 | BBB | BBB | Not Rated | Not Rated | 6mE+0.5% | Y |
| Futura 2019 Srl | 16-Dec-19 | Futura SPV Srl | Guber Banca SpA | 1,256 | BBB | BBB | Not Rated | Not Rated | 6mE+0.3% | N |
| BCC NPLs 2019 S.r.l. | 19-Dec-19 | 68 banks | Italfondario SpA, doValue SpA | 1,324 | BBB+ | BBB+ | B- | B- | 6mE+0.3%/6mE+6.5% | Y |
| POP NPLs 2019 S.r.l. | 23-Dec-19 | 12 banks | Prelios Credit Servicing SpA, Fire SpA | 826.7 | BBB | BBB | CCC | CCC | 6mE+0.3%/6mE+9.5% | Y |
| GBV of GACS-eligible securitisations rated by Scope 2019 (EUR million) | | | | 17,419 | | | | | | |
| GBV of securitisations rated by Scope 2019 (EUR million) | | | | 23,702 | | | | | | |
| Diana SPV Srl | 20-Jun-20 | Banca Popolare di Sondrio SpA | Prelios Credit Servicing SpA | 1,000 | BBB | BBB | Not Rated | Not Rated | 6mE+0.5%/6mE+9.0% | Y |
| Spring SPV Srl | 20-Jun-20 | BPER Banca SpA, Banco di Sardegna SpA, Cassa di Risparmio di Bra SpA | Prelios Credit Servicing SpA | 1,377 | BBB | BBB | Not Rated | Not Rated | 6mE+0.5%/6mE+9.5% | Y |
| GBV of GACS-eligible securitisations rated by Scope 2020 (EUR million) | | | | 2,376 | | | | | | |
| Total GBV of securitisations rated by Scope (EUR million) | | | | 75,697 | | | | | | |

*Under review for downgrade.



Italian NPL ABS collections on the way to a gradual recovery

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