

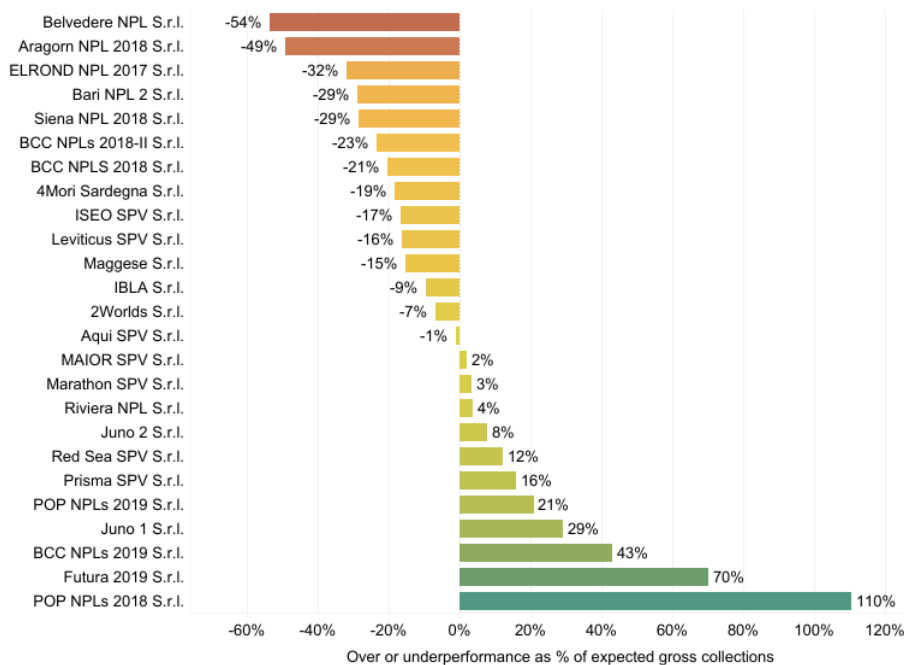
68% of Italian NPL securitisations set to under-perform by Q1 2021



Scope
Ratings

The performance of Italian NPL securitisations continues to deteriorate due to the fragile economic environment following the coronavirus outbreak. Short-term performance will be further affected by the national lockdown in November, which will trigger a second plunge in collections by year-end. Scope forecasts that by the first quarter of 2021 the number of transactions with collection volumes lagging business-plan forecasts will increase to 17 from 14 at the end of September, showing an average under-performance of 27%. If the slowdown in collections continues, the projected average period of time needed for transactions to amortise will exceed 10 years, according to Scope's new NPL Dynamic Coverage Index.

Performance of Italian NPL securitisations



Scope currently rates 28 public Italian NPL transactions with a GBV of EUR 78.0bn. Twenty five of these securitisations are GACS-eligible, accounting for 89% of total securitised gross book value.

This report provides a detailed analysis of the performance of transactions with at least one interest-payment date as of November 2020. This covers 25 transactions with an aggregated GBV of EUR 73 bn (94% of the total).

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Related Research

Italian NPL ABS Performance:
57% of Italian NPL securitisations
now under-performing (Jun-20)

Italian NPL ABS Performance:
profitability solid but half of
transactions behind on expected
timing (Feb-20)

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68% of Italian NPL securitisations expected to underperform by Q1 2021

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Two Scope indexes to track Italian NPL ABS performance

1. Scope performance outlook

The performance of transactions, when measured against business-plan expectations, may not be comparable, as underlying business plan assumptions may not be consistent. Scope's NPL Dynamic Coverage Index addresses this limitation by standardising collections against the size of the outstanding notes.

Scope has built two indexes that synthetically show the average dynamic performance of the Italian NPL transactions it has rated:

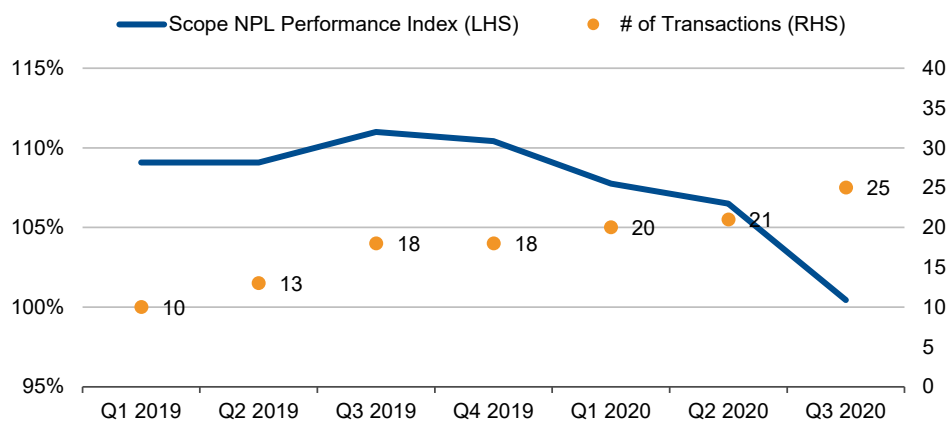
- (i) The **Scope NPL Performance Index** tracks the ratio between transactions' aggregated cumulative net¹ proceeds and the original cumulative business plan net forecasts (see **Figure 1**).
- (ii) The **Scope NPL Dynamic Coverage Index** represents the average number of years needed for transactions to amortise if the pace of collections remains unchanged. The index is based on the median of the net² yearly proceeds by outstanding liabilities (see **Figure 2**).

We expect that both indices will continue to deteriorate in the short term based on our projection of the slowdown in the pace of collections resulting from the coronavirus pandemic and the recent Italian lock-down.

Consequently, the Scope NPL Performance Index is likely to fall below 100, while the projected average number of years needed for transactions to amortise will exceed 10 years.

Scope NPL Performance Index to fall below 100%

Figure 1: Scope NPL Performance Index

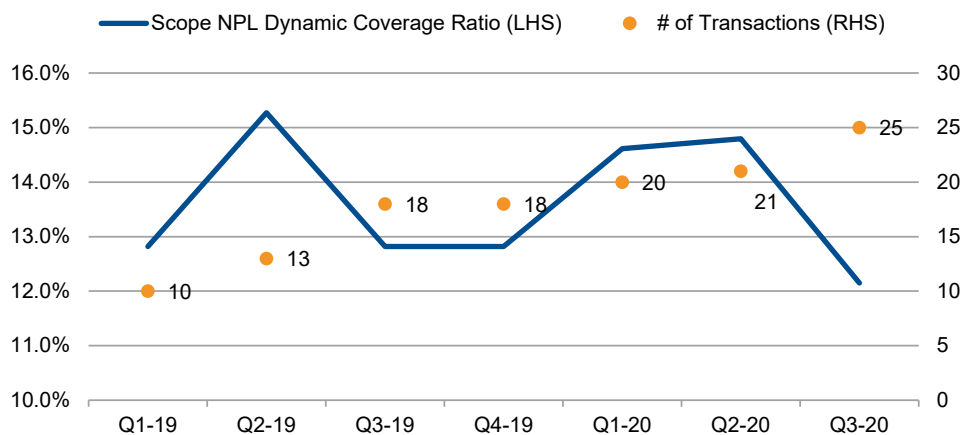


Source: Scope computations on servicers and payment reports.

¹ Net of servicing fees and legal costs.
² Net of servicing fees and legal costs.

Scope Dynamic Coverage Index to fall of about -18% versus Q3's

Figure 2: Scope NPL Dynamic Coverage Index



Source: Scope computations on servicers and payment reports.

17 of 25 transactions will under-perform by Q1 21

The number of transactions lagging business plan expectations will increase to 17 out of the universe of 25 transactions by the first quarter of 2021 up from 14, with an expected average³ under-performance of 27% in terms of gross collections versus original business-plan gross expected collections⁴.

Choosing the right work-out strategies will be key in mitigating the fragile economic environment and the risks brought about by the new lockdown measures. Extra-judicial strategies like discounted-pay-offs and note-sales will be vital in compensating for slower court proceedings. Prior to the November lock-down, courts were still dealing with previous backlogs. However, if servicers heavily rely on extra-judicial strategies, transaction profitability might deteriorate further.

2. Performance against servicers' projections

In Appendix II, we present a summary of Scope classification of transaction performance, based on the following metrics: Cumulative Collection Ratio (CCR), Net Present Value Profitability Ratio (NPVPR), cumulative gross and net collections, profitability measured on a nominal basis (i.e., with no discount), and structural performance events.

14 transactions under-perform at gross level; 12 at net level. The remainder over-perform

2.1. Cumulative collection volumes

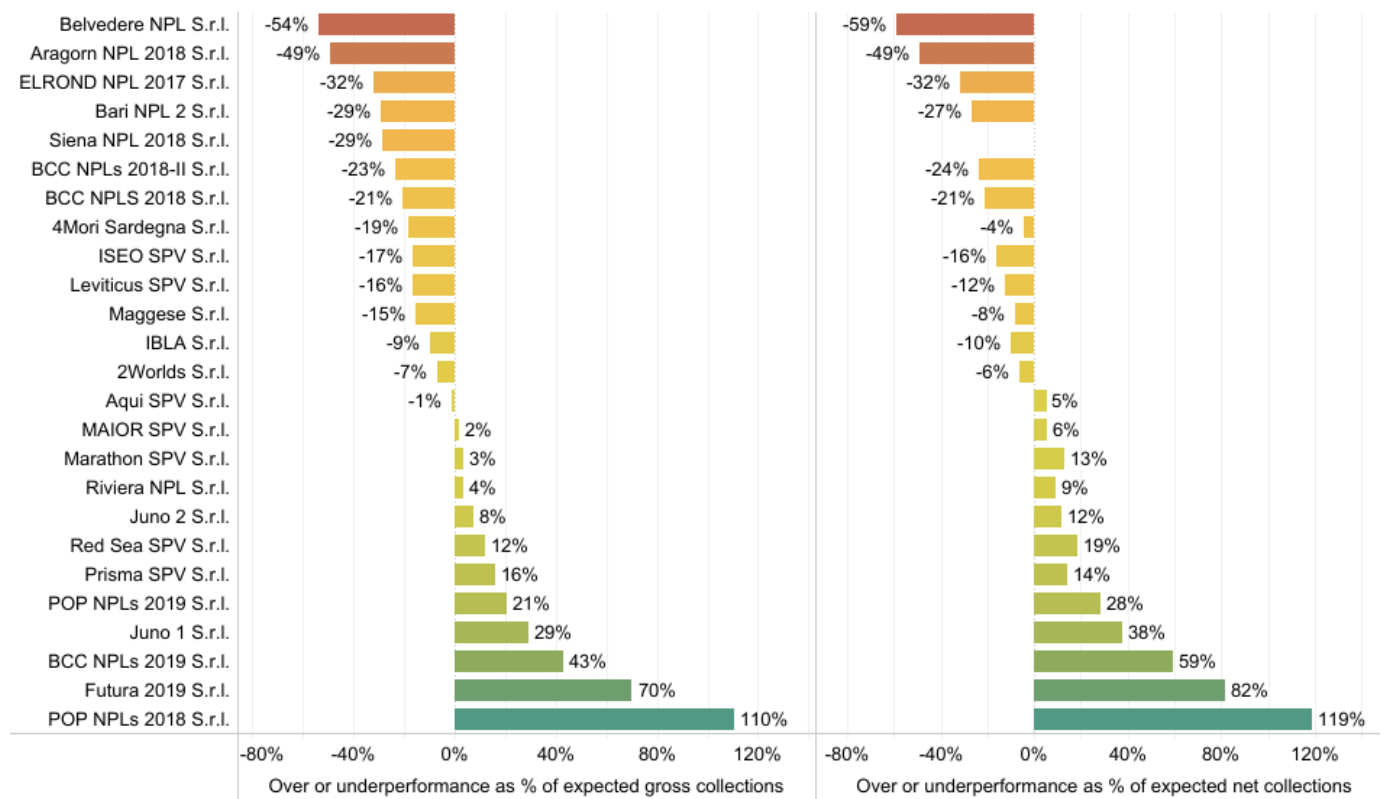
Figure 3 shows transactions performance against business-plan expectations. In terms of gross collections, 14 from 25 transactions are under-performing. In terms of net collections (i.e. net of servicing fees and legal costs), 12 from 25 under-perform.

Once reported recovery expenses have stabilised (see Section 4 on Recovery Expenses) net collections may become a better measure of performance. Indeed, available proceeds to pay due amounts under the notes are net of legal costs and, typically, servicing fees. Additionally, subordination and under-performance events are typically triggered by ratios measured at net rather than gross levels (Cumulative Net Collection and the Net Present Value Profitability ratios).

³ The average decrease is computed only in case of negative variations (i.e. only for transactions for which we forecast that gross collections will be lower than original business plan projections at the next interest payment date).

⁴ Scope's estimate relies on the projection of gross collections at next interest-payment-dates over cumulative gross business plan forecasts. Future collections are estimated based on the historical drop in proceeds caused by the pandemic outbreak.

Figure 3: Cumulative performance against business plans – gross and net⁵ levels

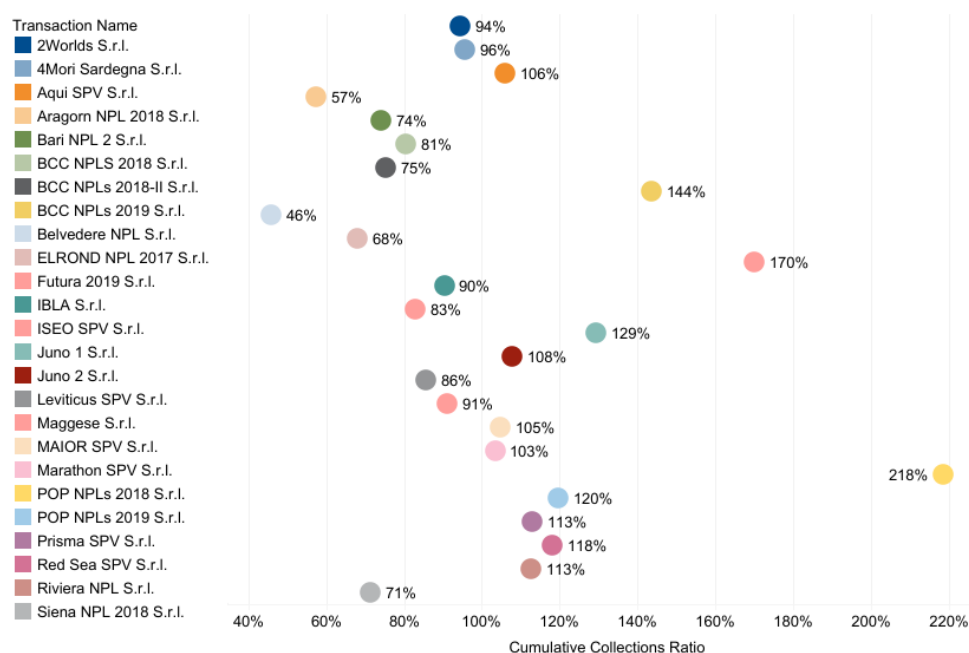


The chart measures transaction performance versus business plan expected collections
 Source: Scope computations on servicers and payment reports

⁵ Net levels refer to gross collections net of recovery and servicing expenses.

The Cumulative Collection Ratio (CCR) is the ratio of realised cumulative collections (gross or generally net of legal costs) and business plan expectations (gross or generally net of legal costs). The CCR is not the most accurate measure of transaction performance as its definition varies across transactions. This explains why Scope only refers to the gross collections to measure transaction performance, when comparing transactions.

Figure 4: Cumulative Collection Ratio



Source: Scope computations on servicers and payment reports

2.2. Cumulative profitability of closed positions

Profitability on closed positions⁶ is measured as ratio between the net collections allocated to a borrower whose position has been closed by the servicer, and the respective net recovery proceeds that were expected at closing according to the business plan.

With discounting effect, 22 out of 24 over-perform.

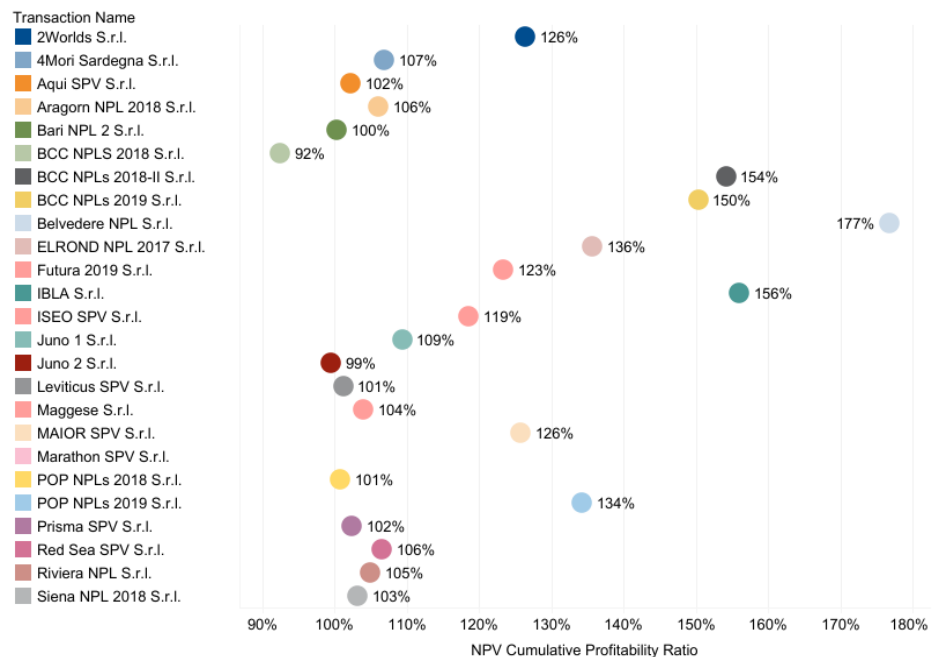
This ratio can be measured on a nominal or net present value basis. The latter is measured by the Net Present Value Profitability Ratio (NPVPR, see **Figure 5**). Based on this ratio, 22 out of 24 transactions are currently over-performing⁷.

The NPVPR is particularly relevant because under-performance events are typically based on this rather than the nominal ratio. This reflects that as part of the servicer recovery strategies, it may be considered as more economical to accelerate recoveries by accepting higher discounts. However, this strategy may also be driven by recovery volume targets.

⁶ A position is closed if the servicer does not expect any additional cash flows.

⁷The NPVPR is not reported for Siena NPL 2018 S.r.l., as this ratio is not responsible for any event (i.e. subordination and under-performance events). We in any case computed the profitability ratio on the last interest-payment date; this results into an over-performance of 103%. The NPVPR is not available for Marathon SPV S.r.l.. This leads to a set of 24 out of 25 transactions, as referenced in Figure 4b.

Figure 5: Cumulative profitability against business plans (NPVPR)

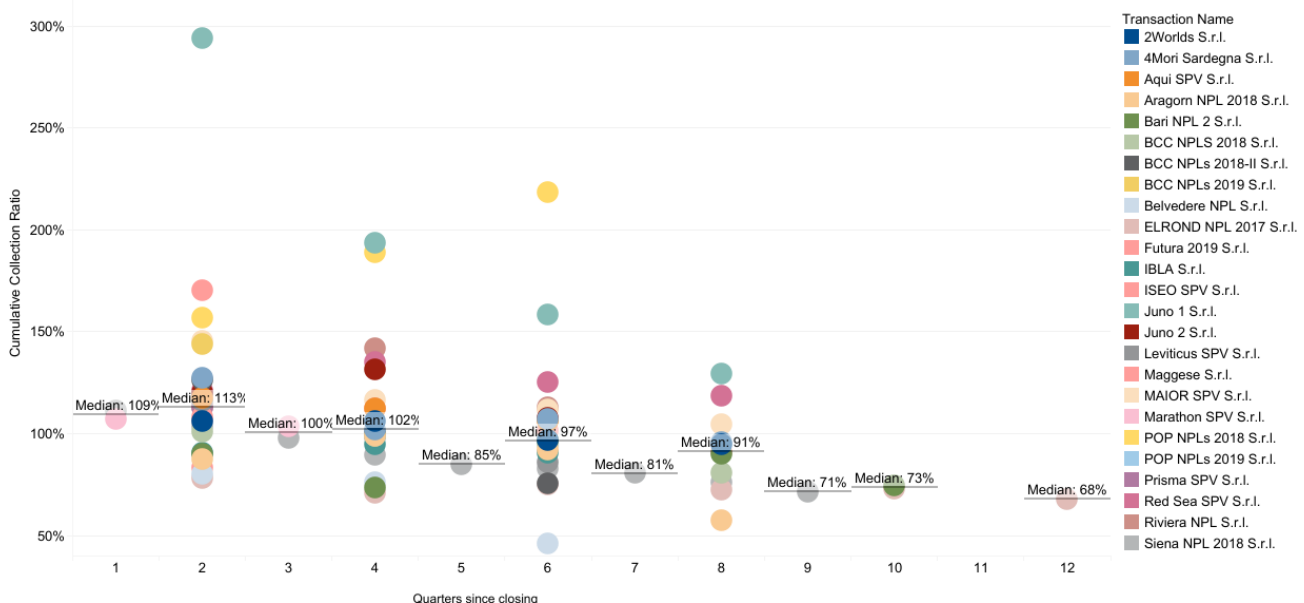


Source: Scope computations on servicers and payment reports

2.3. Dynamic collection volumes and profitability analysis – since closing

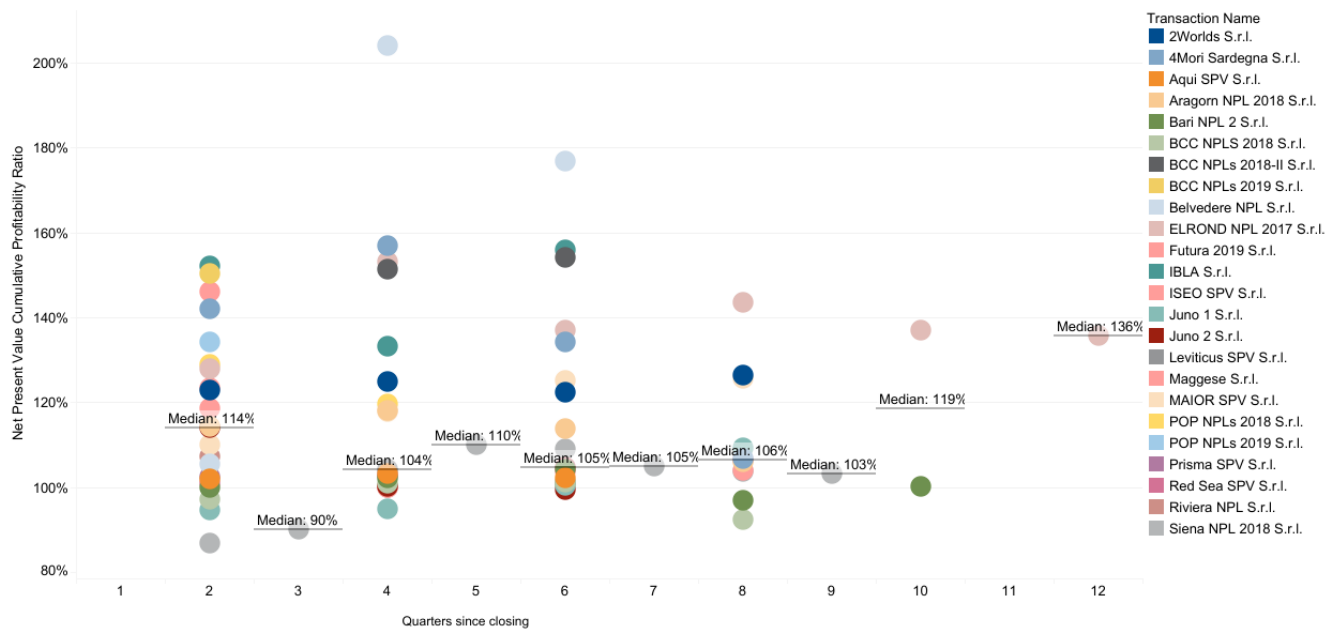
The median CCR ratio has been declining since transactions closed, while the median NPVR shows a more volatile trend (see **Figures 6 and 7**). The latter is computed on a portion of the portfolio, and it is particularly subject to the discretion of the servicer on closing of positions. Therefore, the CCR is a more robust measure of total portfolio performance, particularly during the first years of a transaction, when closed positions are still a small share.

Figure 6: CCR trend since closing



Siena NPL 2018 S.r.l. and Marathon SPV S.r.l. pay quarterly, the remainder pays semi-annually.
Source: Scope computations on servicers and payment reports

Figure 7: NPVPR trend since closing



Siena NPL 2018 S.r.l. and Marathon SPV S.r.l. pay quarterly, the remainder pays semi-annually.
Source: Scope computations on servicers and payment reports

2.4. Performance drivers

The table below summarises the most relevant performance drivers identified by Scope.

Performance drivers

Under-performance

1. **Difficult initial servicing on-boarding processes** delaying servicers' activities
2. **Slow-down in judicial proceedings** as a consequence of Covid-19
3. **Deterioration in borrower affordability and liquidity conditions**
4. **Real estate depreciation**

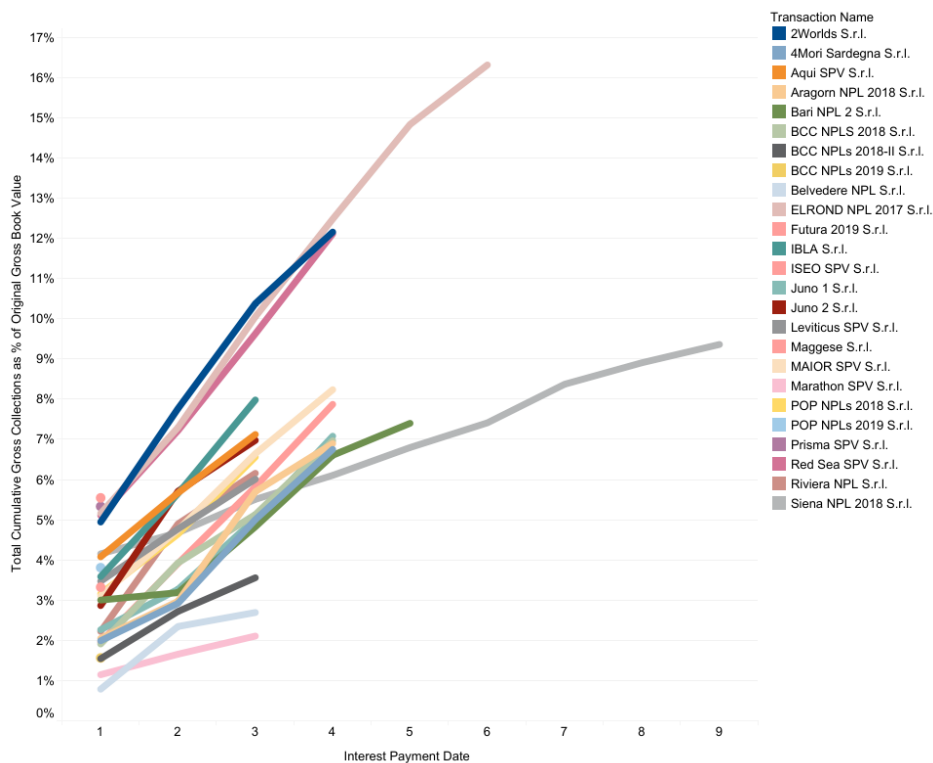
Over-performance

1. **Collections from cash-in-court positions or from loans that were already in advanced legal stages** and resolved faster than expected
2. **Sales prices above expectations** resulting from conservative business plan property appraisals
3. **Servicer's ability to reach extra-judicial agreements** resulting in frontloading of collections compared to original judicial forecasts

3. Recovery Strategy Analysis

Cumulative collections as a percentage of GVB range between 2% and 16% across transactions (see **Figure 8**).

Figure 8: Cumulative collections on original GBV



Source: Scope computations on servicers and payment reports

Servicers follow different recovery strategies, including discounted-pay-offs (DPOs), judicial and note sales processes. Recovery strategies are generally tailored to portfolio characteristics and economic considerations on loan profitability.

The core recovery strategy remains judicial proceedings with on average 49% of transaction collections, followed by DPOs (23%), and note sales (8%, see **Figure 9**). Other recovery sources such as REO disposals, through the implementation of Reoco structures, and guarantees executions (i.e. Confidi) have occasionally been adopted. Note sales have been increasing since the pandemic, as they have been compensating for the slowdown in judicial or out-of-court settlements. In October, note-sales reached their peak since the Covid-19 outbreak, representing 24% of monthly volumes.

Figure 9 also tracks indemnity proceeds, which may arise from a breach of representations and warranties provided by originators at the closing date⁸. For example, indemnities can relate to inaccuracy of the data tape information or of representations given in respect of portfolio exposures.

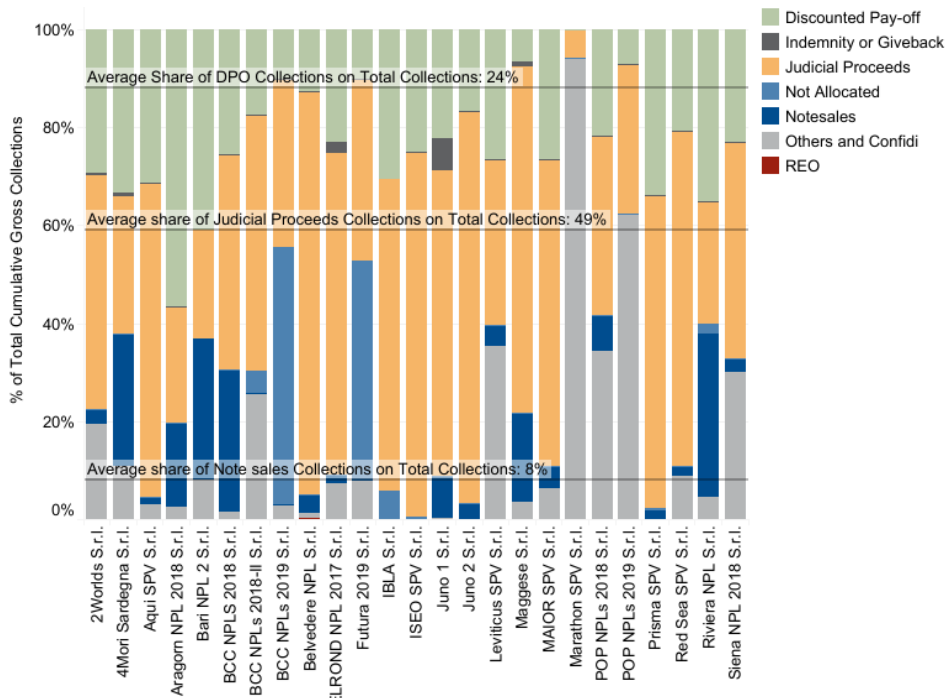
A high share of indemnity proceeds is a warning signal for the lack of accuracy in portfolio information, and it can impact servicers' original strategies and business plans.

Judicial routes as core recovery strategy

Note sales have been increasing since the pandemic

⁸ Issuers have the right to request indemnities during years one or two following transaction closing (depending on the contractual provisions).

Figure 9: Cumulative collections per recovery strategy, as of latest interest-payment date

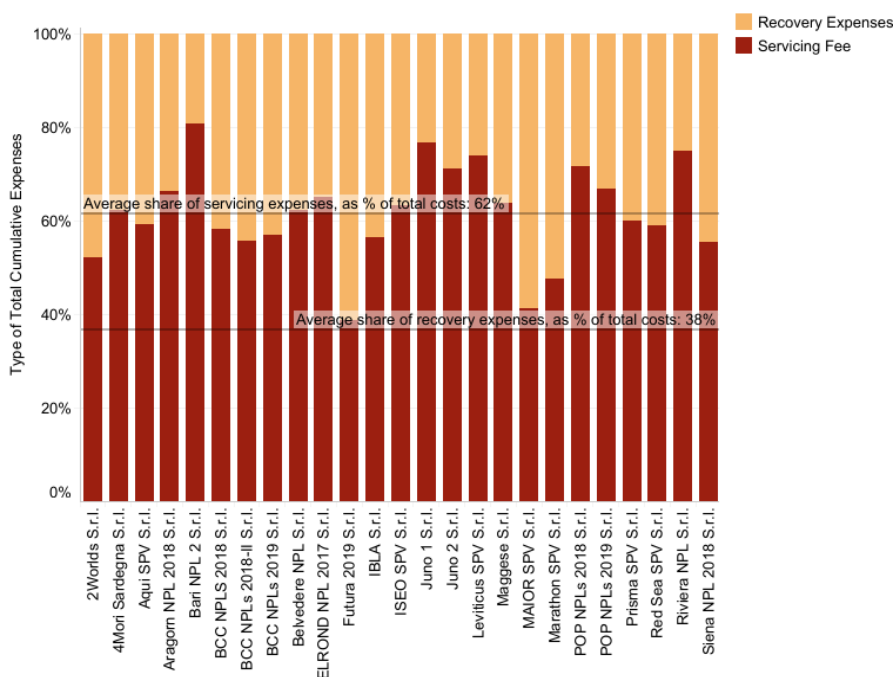


Source: Scope computations on servicers and payment reports

4. Recovery Expenses Analysis

Recovery expenses are mainly distributed between servicing fees and legal costs. On average, 62% of recovery expenses stemmed from servicing fees, while 38% stemmed from legal procedures.

Figure 10: Cumulative expenses per type



Source: Scope computations on servicers and payment reports

Recovery expenses are up to 12% of gross collections

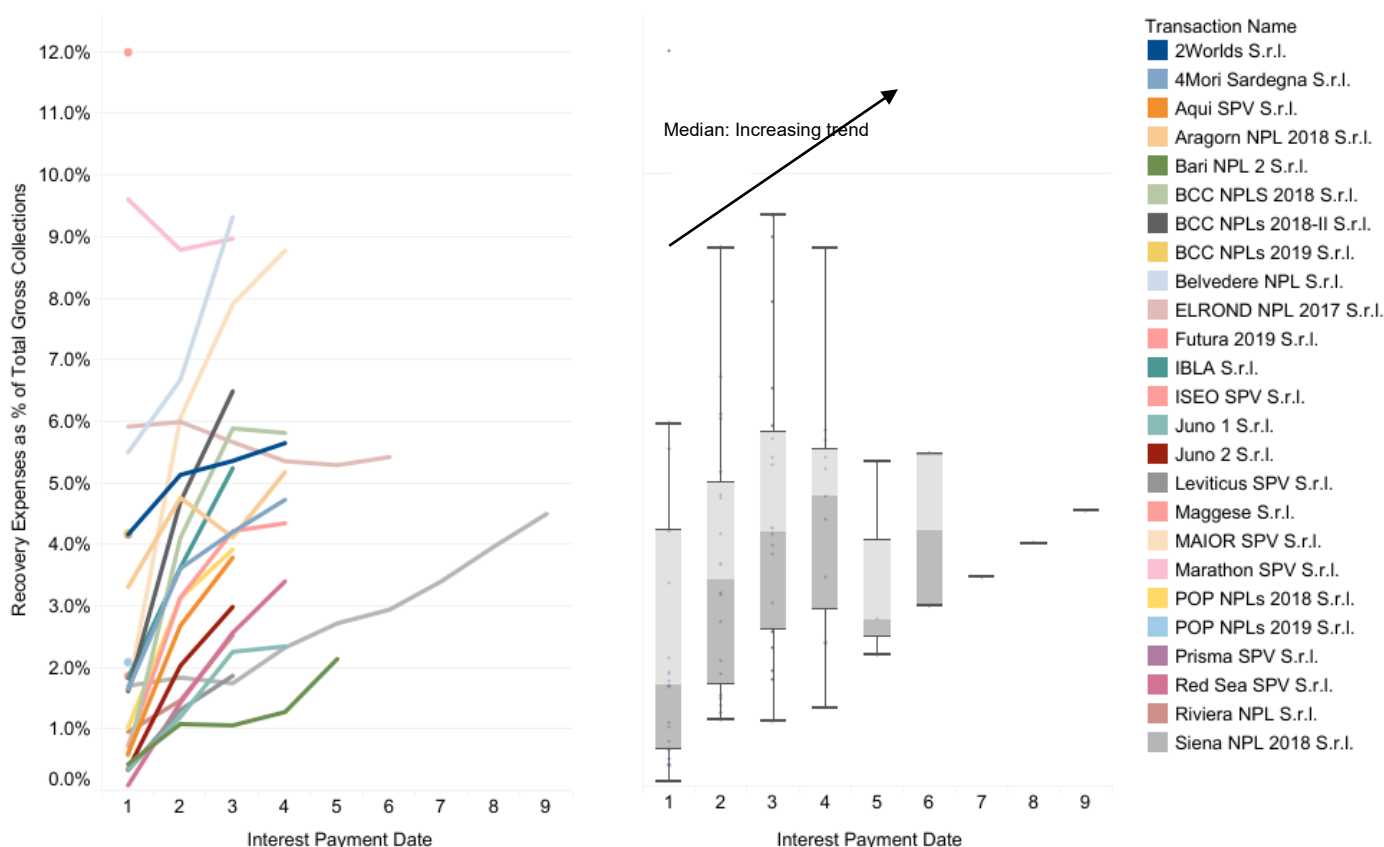
As represented in **Figure 11**, cumulative recovery expenses range from 1.9% to 12.0% of total gross collections, as of the last interest payment date. The choice of recovery strategies is an important driver of expenses, as some procedures are costlier than others.

Current recovery expense rates are likely an under-estimation of expected lifetime recovery expense rates, as reported expenses are generally low during the first interest-payment dates and tend to rise in subsequent periods as work-out strategies progress. **Figure 11** shows the rising median expense ratio, which has not yet shown signals of stabilisation.

Long portfolio onboardings can delay recovery costs if servicers do not initiate recovery activities. Additionally, in the initial periods, servicers might be focused on cash-in-court proceeds that typically do not have high associated expenses.

This explains why servicers have sustained recovery costs that were below their original projections, with median values varying between 33% and 67% of the original projections, across all interest-payment-dates⁹.

Figure 11: Recovery expense ratio–trend since closing and distribution



Source: Scope computations on servicers and payment reports

⁹ The median is computed considering 24 transactions out of 25 of the Sample, as for Siena NPL 2018 S.r.l. the expenses of the BP are not directly reported.

Subordination and/or under-performance events occurred in 9 out of 25 transactions

5. Structural Performance triggers

Transaction structures generally feature interest and servicing fee deferral events, aimed at protecting the position of noteholders whenever a transaction is performing significantly below the servicer's projections in terms of CCR and/or NPVPR.

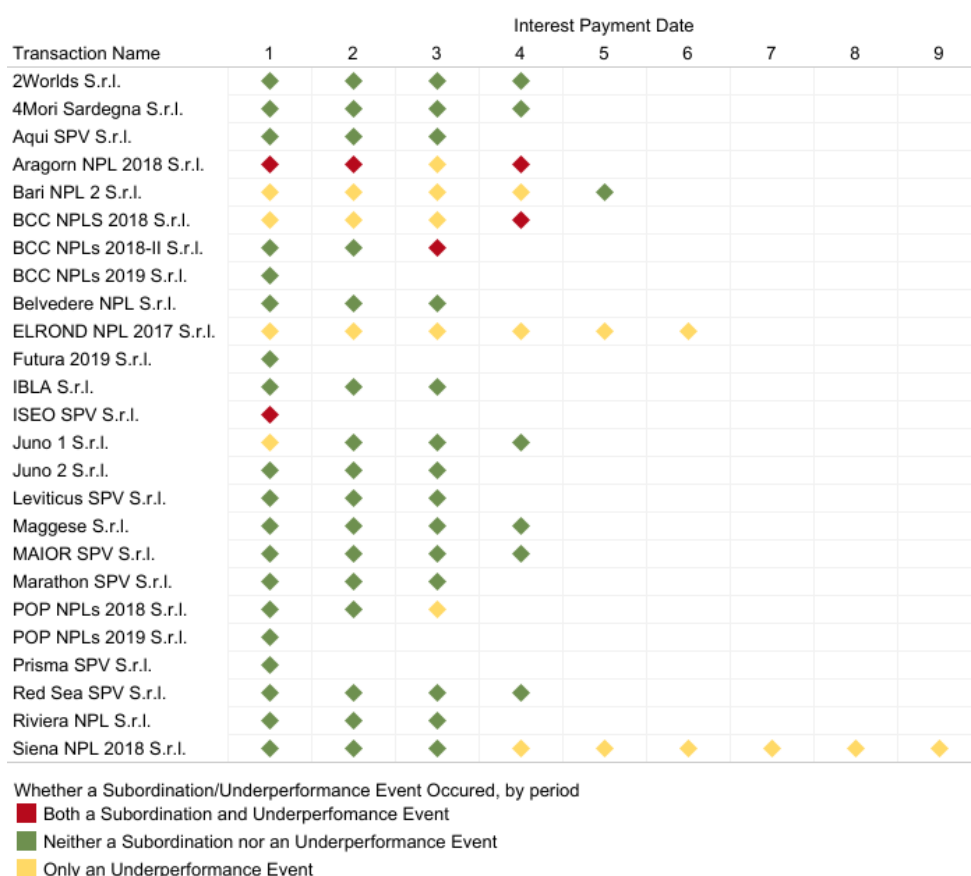
There are two types of deferral events:

An Interest Subordination Event, which triggers the deferral of class B interest below class A principal payments in the transaction order of priority. A Servicer Underperformance Event typically results in the partial deferral of servicing fees below class A and B liabilities.

A total of 9 out of 25 transactions have reported the occurrence of subordination and/or under-performance events, as shown in **Figure 12**.

The Rilancio Decree¹⁰ introduced the possibility for a temporary suspension of the deferral mechanism on servicing fees, applicable only for interest-payment-dates falling between May 2020 and July 2021¹¹. So far, the option was not exercised for any transactions rated by Scope.

Figure 12: Subordination and under-performance events



Source: Scope computations on servicers and payment reports

¹⁰ Law Decree n. 34, 19 May 2020.

¹¹ "Covid-19: GACS changes introduced by Rilancio Decree are credit neutral", 15 May 2020.



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Appendix I: Summary of trigger metrics and notes' ratings for the transactions analysed in the report (25 transactions)

Synthetic Monitoring Overview | Performance

Transaction Name	Latest IPD Referred	Latest IPD	NPV Cumulative Profitability Ratio @ Latest IPD	Cumulative Collections Ratio @ Latest IPD	Definition of Subordination Event	Subordination Event Trigger	# of Subordination Events	Definition of Underperformance Event	Underperformance Event Trigger	# of Underperformance Events
2Worlds S.r.l.	8/2/2020	4	126.4%	94.5%	Cum & NPV Profitability	85%	0	NPV Profitability	100%	0
4Mori Sardegna S.r.l.	7/31/2020	4	106.8%	95.5%	Cum & NPV Profitability	90%	0	NPV Profitability	100%	0
Aqui SPV S.r.l.	4/30/2020	3	102.2%	105.9%	Cum & NPV Profitability	95%	0	NPV Profitability	100%	0
Aragom NPL 2018 S.r.l.	7/31/2020	4	106.0%	57.3%	Cum & NPV Profitability	90%	3	Cum & NPV Profitability	100%	4
BCC NPLs 2018 S.r.l.	6/30/2020	4	92.4%	80.6%	Cum & NPV Profitability	90%	1	NPV Profitability	110%	4
BCC NPLs 2018-II S.r.l.	7/31/2020	3	154.1%	75.2%	Cum & NPV Profitability	80%	1	NPV Profitability	100%	1
BCC NPLs 2019 S.r.l.	7/31/2020	1	150.3%	143.7%	Cum & NPV Profitability	90%	0	NPV Profitability	100%	0
Bari NPL 2 S.r.l.	4/30/2020	5	100.2%	74.2%	NPV Profitability	90%	0	NPV Profitability	90%	4
Belvedere NPL S.r.l.	6/30/2020	3	176.8%	45.9%	Not applicable	Not available	0	NPV Profitability	90%	0
ELROND NPL 2017 S.r.l.	7/31/2020	6	135.6%	67.9%	Not applicable	Not available	0	Cum & NPV Profitability	100%	6
Futura 2019 S.r.l.	7/31/2020	1	123.3%	170.0%	Cum & NPV Profitability	100%	0	NPV Profitability	100%	0
IBLA S.r.l.	4/30/2020	3	156.0%	90.4%	Cum & NPV Profitability	85%	0	NPV Profitability	90%	0
ISEO SPV S.r.l.	7/31/2020	1	118.5%	83.0%	Cum & NPV Profitability	90%	1	Cum & NPV Profitability	95%	1
Juno 1 S.r.l.	7/31/2020	4	109.3%	129.2%	Cum & NPV Profitability	85%	0	NPV Profitability	95%	1
Juno 2 S.r.l.	7/31/2020	3	99.4%	107.7%	Cum & NPV Profitability	85%	0	NPV Profitability	95%	0
Leviticus SPV S.r.l.	7/31/2020	3	101.1%	85.7%	Cum & NPV Profitability	70%	0	NPV Profitability	100%	0
MAIOR SPV S.r.l.	7/31/2020	4	125.7%	104.6%	Cum & NPV Profitability	90%	0	NPV Profitability	95%	0
Maggese S.r.l.	7/31/2020	4	104.0%	91.1%	Cum & NPV Profitability	90%	0	NPV Profitability	95%	0
Marathon SPV S.r.l.	7/31/2020	3	Null	103.4%	Cumulative Collection Ratio	80%	0	Cumulative Collection Ratio	95%	0
POP NPLs 2018 S.r.l.	4/30/2020	3	100.7%	218.5%	Cum & NPV Profitability	90%	0	NPV Profitability	110%	1
POP NPLs 2019 S.r.l.	8/6/2020	1	134.2%	119.6%	Cum & NPV Profitability	Not available	0	Cum & NPV Profitability	90%	0
Prisma SPV S.r.l.	5/5/2020	1	102.4%	112.9%	Cum & NPV Profitability	90%	0	Cum & NPV Profitability	95%	0
Red Sea SPV S.r.l.	4/30/2020	4	106.4%	118.2%	Cum & NPV Profitability	70%	0	NPV Profitability	100%	0
Riviera NPL S.r.l.	7/31/2020	3	104.9%	112.7%	Cum & NPV Profitability	90%	0	Cum & NPV Profitability	100%	0
Siena NPL 2018 S.r.l.	7/30/2020	9	103.2%	71.3%	Cumulative Collection Ratio	50%	0	Cumulative Collection Ratio	90%	6



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Synthetic Monitoring Overview | Ratings

Transaction Name	Jurisdiction	Closing Date	Payment Frequency on Senior Note	Class A Rating at Closing	Class B Rating at Closing
2Worlds S.r.l.	Italy	6/25/2018	Semi-annual	BBB	B
4Mori Sardegna S.r.l.	Italy	6/21/2018	Semi-annual	A-	BB-
Aqui SPV S.r.l.	Italy	11/7/2018	Semi-annual	BBB-	NR
Aragom NPL 2018 S.r.l.	Italy	6/14/2018	Semi-annual	BBB-	B
BCC NPLs 2018 S.r.l.	Italy	7/10/2018	Semi-annual	BBB-	B+
BCC NPLs 2018-II S.r.l.	Italy	12/20/2018	Semi-annual	BBB	B+
BCC NPLs 2019 S.r.l.	Italy	12/19/2019	Semi-annual	Null	Null
Bari NPL 2 S.r.l.	Italy	4/30/2018	Semi-annual	BBB	B+
Belvedere NPL S.r.l.	Italy	12/21/2018	Semi-annual	BBB	NR
ELROND NPL 2017 S.r.l.	Italy	7/14/2017	Semi-annual	BBB-	B+
Futura 2019 S.r.l.	Italy	12/16/2019	Semi-annual	Null	Null
IBLA S.r.l.	Italy	9/5/2018	Semi-annual	BBB	B
ISEO SPV S.r.l.	Italy	12/16/2019	Semi-annual	Null	Null
Juno 1 S.r.l.	Italy	7/26/2018	Semi-annual	BBB+	NR
Juno 2 S.r.l.	Italy	2/8/2019	Semi-annual	BBB+	NR
Leviticus SPV S.r.l.	Italy	2/6/2019	Semi-annual	BBB	NR
MAIOR SPV S.r.l.	Italy	8/1/2018	Semi-annual	BBB	NR
Maggese S.r.l.	Italy	7/26/2018	Semi-annual	BBB	NR
Marathon SPV S.r.l.	Italy	12/5/2019	Quarterly	BBB+	BB
POP NPLs 2018 S.r.l.	Italy	11/16/2018	Semi-annual	BBB	B
POP NPLs 2019 S.r.l.	Italy	12/23/2019	Semi-annual	Null	Null
Prisma SPV S.r.l.	Italy	10/18/2019	Semi-annual	BBB+	B-
Red Sea SPV S.r.l.	Italy	6/15/2018	Semi-annual	BBB	NR
Riviera NPL S.r.l.	Italy	12/17/2018	Semi-annual	BBB-	B+
Siena NPL 2018 S.r.l.	Italy	5/10/2018	Quarterly	BBB+	NR

Source: Scope computations on servicers and payment reports



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Appendix II: Summary of transaction performance and key drivers

Transaction Name	Current performance on gross collections	Current performance on net collections	Current performance on Net Present Value Ratio	Current performance on CCR	Events* (S / U)
2Worlds S.r.l.	Under	Under	Over	Under	
4Mori Sardegna S.r.l.	Under	Under	Over	Under	
Aqui SPV S.r.l.	Under	Over	Over	Over	
Aragorn NPL 2018 S.r.l.	Under	Under	Over	Under	S/U
Bari NPL 2 S.r.l.	Under	Under	Over	Under	U
BCC NPLS 2018 S.r.l.	Under	Under	Under	Under	S/U
BCC NPLs 2018-II S.r.l.	Under	Under	Over	Under	S/U
BCC NPLs 2019 S.r.l.	Over	Over	Over	Over	
Belvedere NPL S.r.l.	Under	Under	Over	Under	
ELROND NPL 2017 S.r.l.	Under	Under	Over	Under	U
Futura 2019 S.r.l.	Over	Over	Over	Under	
IBLA S.r.l.	Under	Under	Over	Under	
ISEO SPV S.r.l.	Under	Under	Over	Under	S/U
Juno 1 S.r.l.	Over	Over	Over	Under	U
Juno 2 S.r.l.	Over	Over	Under	Over	
Leviticus SPV S.r.l.	Under	Under	Over	Under	
Maggese S.r.l.	Under	Under	Over	Under	
MAIOR SPV S.r.l.	Over	Over	Over	Over	
Marathon SPV S.r.l.	Over	Over	NA	Over	
POP NPLs 2018 S.r.l.	Over	Over	Over	Over	U
POP NPLs 2019 S.r.l.	Over	Over	Over	Over	
Prisma SPV S.r.l.	Over	Over	Over	Over	
Red Sea SPV S.r.l.	Over	Over	Over	Over	
Riviera NPL S.r.l.	Over	Over	Over	Over	
Siena NPL 2018 S.r.l.	Under	NA	Over	Over	U

*S means subordination event (responsible for mezzanine interest deferral), U means underperformance event (responsible for servicing fees deferral).

** no disc. means that the profitability is computed without the application of any discounting rule (i.e. ratio between cumulative current net collections and cumulative original business plan net collections, where the ratio is computed only for exhausted debt relationships, namely, closed borrowers).

Source: Scope computations



68% of Italian NPL securitisations expected to underperform by Q1 2021

Appendix III: 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 coordinated 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-	BB+	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 SCpA	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
BCC NPLs 2020 S.r.l.	30-Nov-20	88 BCCs, Banca Ifis S.p.A., Banca Popolare Valconca S.p.A.	doValue SpA	2,347	BBB	BBB	CC	CC	6mE+0.25%/6mE+8.0%	Y
GBV of GACS-eligible securitisations rated by Scope 2020 (EUR million)				4,724						
Total GBV of securitisations rated by Scope (EUR million)				78,044						



68% of Italian NPL securitisations expected to under-perform by Q1 2021

Appendix IV: Data disclaimer

Useful data for monitoring

In order to monitor performance, we analysed data provided by all relevant counterparties, including servicers, monitoring and paying agents. Servicing reports, updated business plan scenarios and collections at loan or borrower level represent part of the data analysed along with monitoring agent reports, investor reports and payment reports.

The stock of securitisations analysed for monitoring purposes is still recent, with the oldest transactions closed in 2017.

Data assumptions

For sake of comparison, Scope has synthetically computed the CCR, NPVPR and possibly other measures, for certain transactions.

This is applicable for:

- Aqui SPV S.r.l. and Juno 1 S.r.l. for which the NPVPR has been computed as the average between the NPVPR value as trigger for the interest subordination event and the NPVPR value as trigger for the under-performance event
- Belvedere NPL S.r.l. for which, given the presence of two servicers, CCR and NPVPR have been computed weighting each servicer's ratio with the relevant expected collections for each servicer's business plan.
- Siena NPL 2018 S.r.l., for which the NPVPR is not reported as it is not responsible for any event (i.e. subordination and under-performance events). We in any case computed the profitability ratio across interest- payment dates.

In case of transactions for which more than servicer was mandated, since under-performance events were based on the ratios of each servicer, we reported that the under-performance event occurred if it occurred for at least one servicer.

Scope has performed an extensive analysis on performance data, based on the information received from all relevant counterparties.

Even though reported data are deemed to be correct, Scope is not liable for any errors in the reported data.

In case certain data are found to be incorrect, please report this directly to the authors of the article.



68% of Italian NPL securitisations expected to under-perform by Q1 2021

Appendix V: Scope Research on Italian NPLs

Italian NPL ABS collections monthly: Italian NPL ABS: new lockdown will trigger a plunge in collections (November 2020)

Italian NPL ABS collections monthly: seasonality effect causes plunge in volumes (October 2020)

Italian NPL ABS collections on the way to a gradual recovery (September 2020)

Italian NPL ABS: collection data improves but uncertainties still linger (August 2020)

Italian NPL ABS: May collections pick up but Covid-19 still exerting significant impact (July 2020)

Italian NPL securitisation collections plunge on Covid-19 impacts (June 2020)

Covid-19: 2020 slowdown in Italian NPL securitization (April 2020)

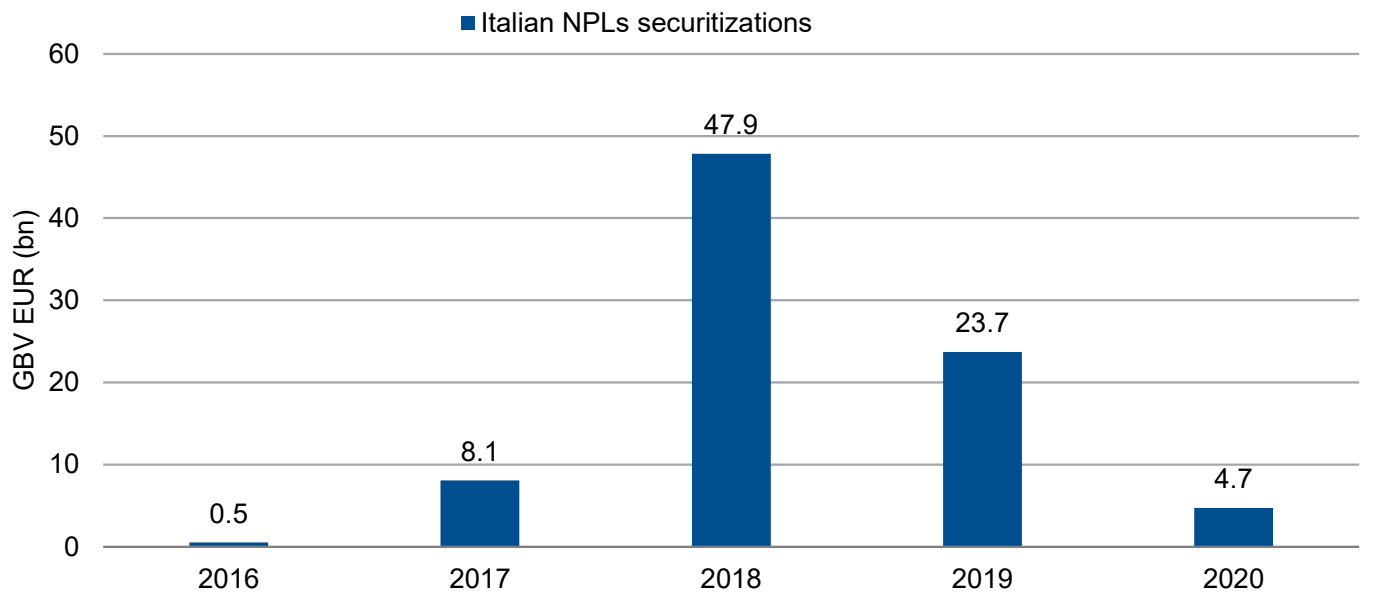
Covid-19: no immediate Italian NPL wave but defaults set to rise from 2021 (April 2020)

Italian UTP sales to pick up in 2019; securitisations to follow (April 2020)

Q2 update: 57% of Italian NPL securitisations now under-performing (June 2020)

Italian NPL ABS Performance: profitability solid but half of transactions behind on expected timing (February 2020)

Appendix VI: NPL market securitisations (2016-2020)



Source: Public data



68% of Italian NPL securitisations expected to underperform by Q1 2021

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