

# Italian NPL collections: volumes rising but lost ground still needs to be recovered



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Ratings

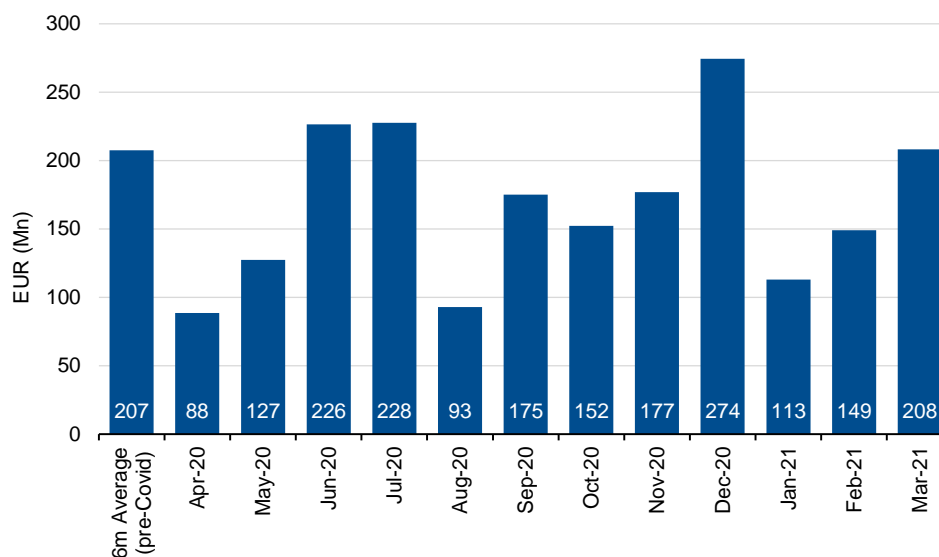
Italy's path to economic recovery is still uncertain, but month-on-month NPL collections increased in March to EUR 208m. Rising volumes since January are a positive sign, but more is needed to recover lost ground. Higher collections in the first quarter of the year have certainly set a positive tone. But except for December, volumes over the past six months have still been lower than they were pre-pandemic.

Collection volumes in March were 40% higher than February. The increase is mainly attributable to Discounted Pay-offs (DPOs), which grew 75% versus February, and accounted for a significant share of March collections. Collections from judicial strategies showed a mild increase versus February, while recoveries from note sales fell by 55%.

Even though note sales have been quite volatile, some transactions have evidenced a high reliance on this strategy. For instance, in the last 12 months, the share of notes sales in total collections was 51% for BCC NPLs 2018 S.r.l., 30% for 4 Mori Sardegna S.r.l., and 22% for Juno 1 S.r.l. Siena NPL 2018 S.r.l. and Leviticus SPV S.r.l. have frequently carried out note sales in the last 12 months, although their share of total collections was more modest, at an average of 4% and 9%.

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 March 2021.

**Figure 1. Total gross proceeds (pre-Covid and during Covid)**



Source: Scope calculations on servicing reports

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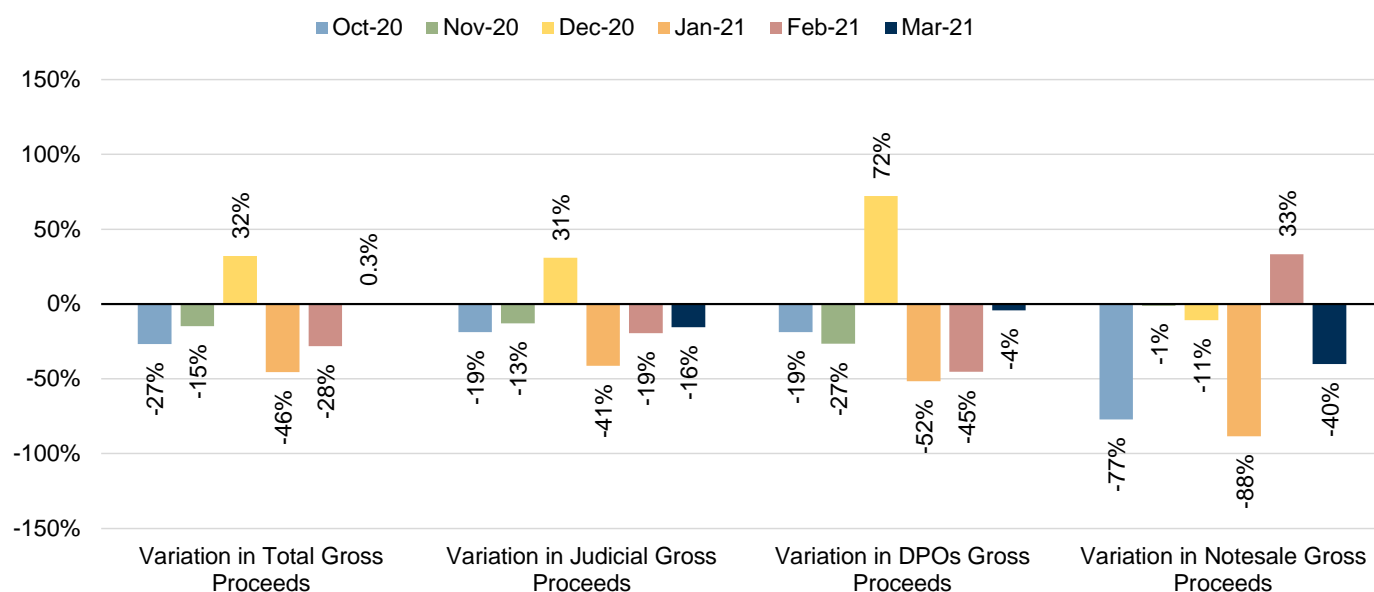
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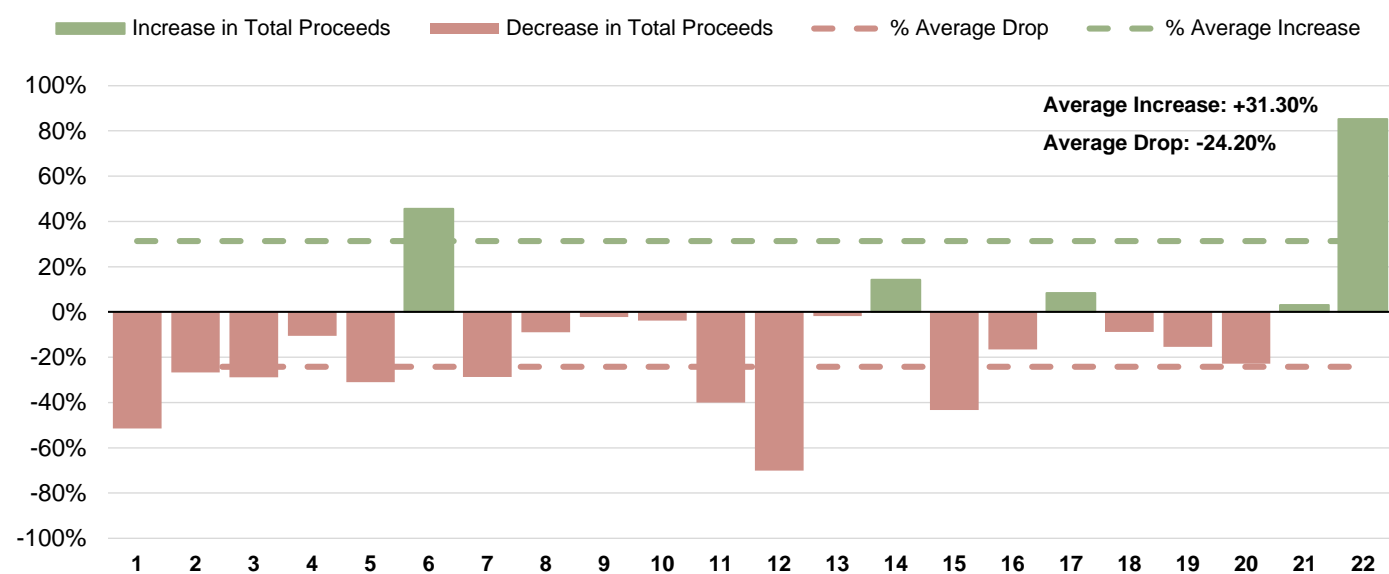
**Figure 2. Variation in collection volumes (trailing six months vs. six months pre-Covid volume)**



Source: Scope calculations on servicing reports.

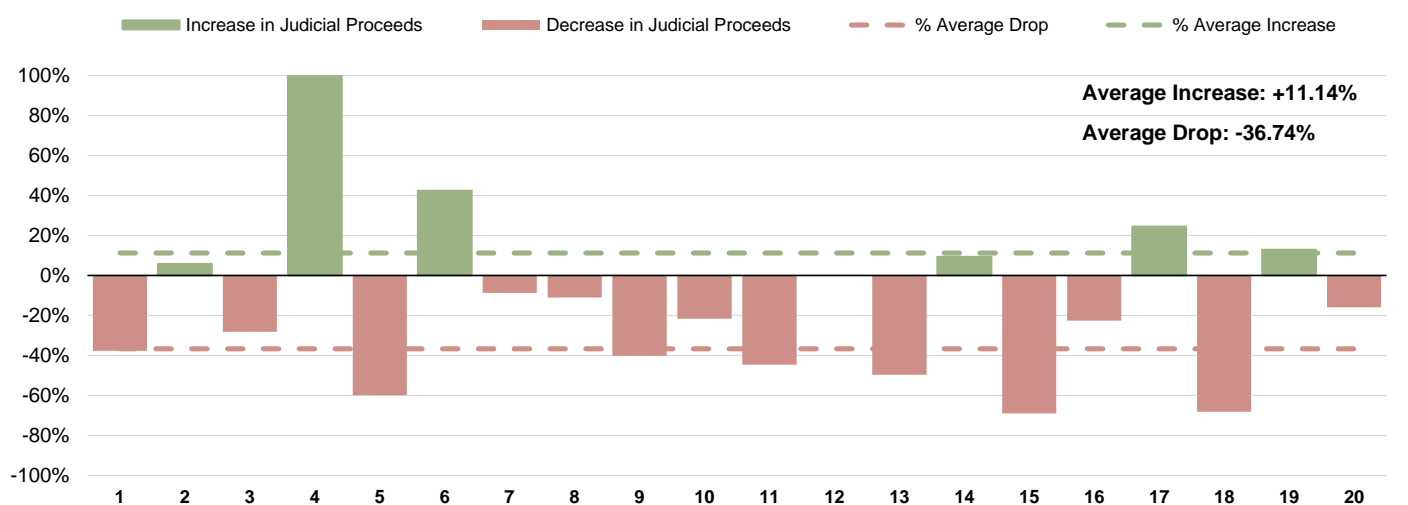
1	2	3	4	5	6	7	8	9	10	11
Juno 1 S.r.l.	4Mori Sardegna S.r.l.	Aqui SPV S.r.l.	Bari NPL 2, S.r.l.,	BCC NPLS 2018 S.r.l.	BCC NPLS 2018 2 S.r.l.	Maggese S.r.l.	Maior	2Worlds S.r.l.	Red Sea SPV S.r.l.	Juno 2 S.r.l.
12	13	14	15	16	17	18	19	20	21	22
POP NPLs 2019 Sr.l.	Aragorn NPL 2018 Srl	Leviticus SPV S.r.l.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

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



Source: Scope calculations on servicing reports.

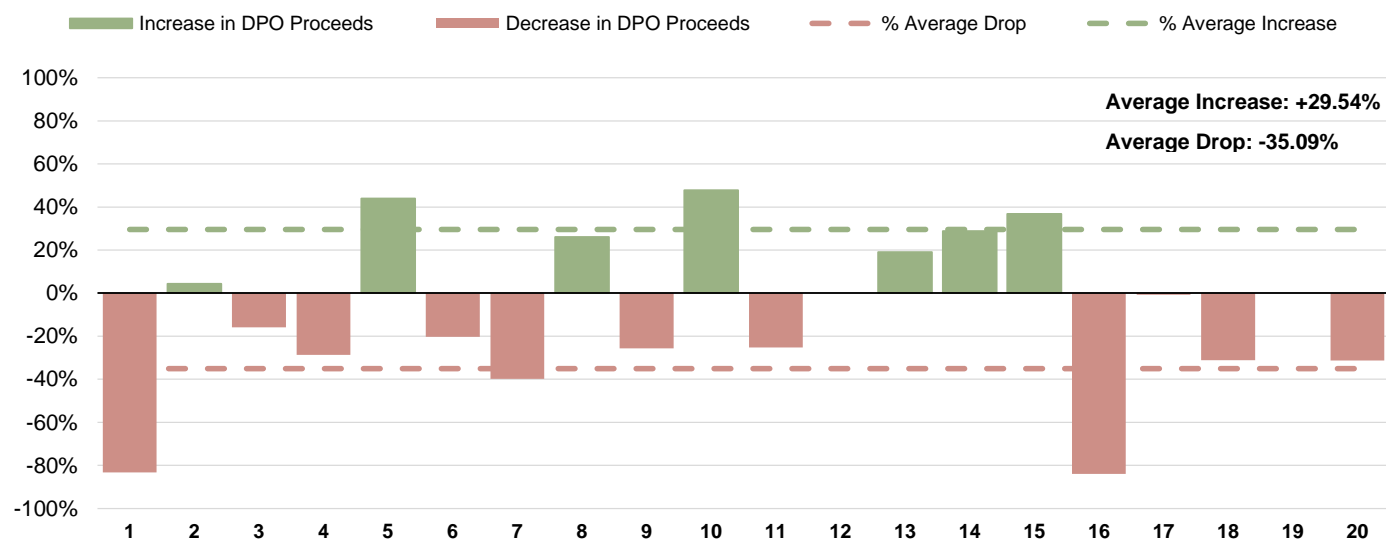
**Figure 4. Judicial gross proceeds (% variation) – March versus average 6 months pre-Covid**



Source: Scope calculations on servicing reports.

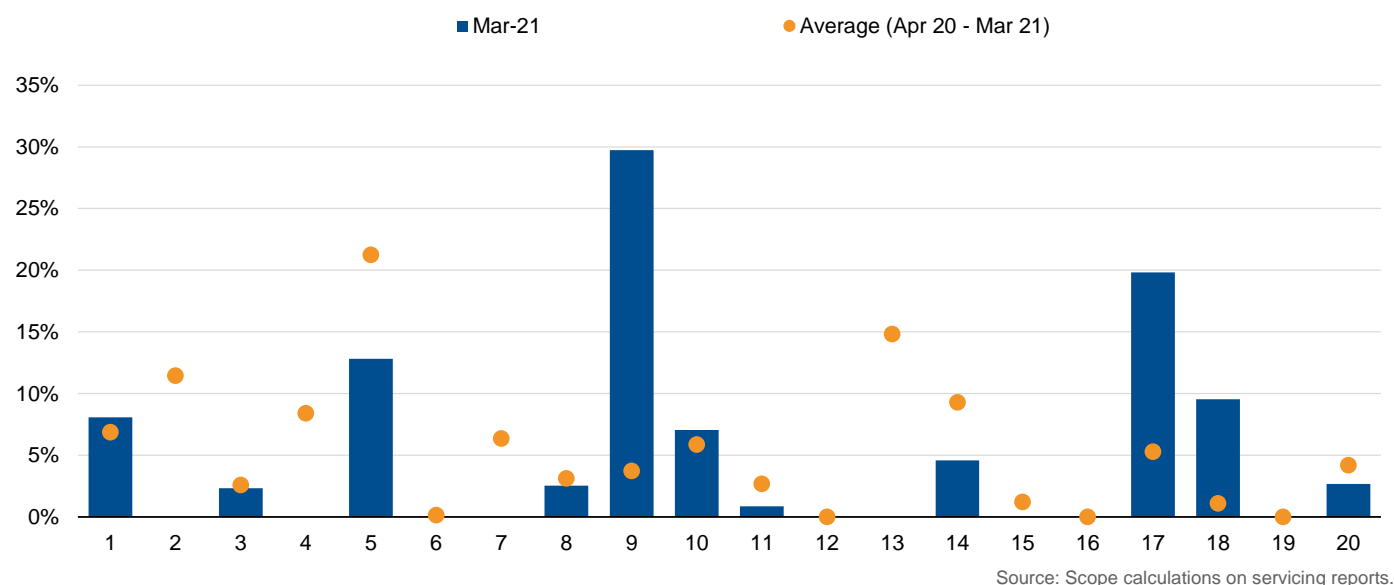
1	2	3	4	5	6	7	8	9	10	11
Juno 1 S.r.l.	4Mori Sardegna S.r.l.	Aqui SPV S.r.l.	Bari NPL 2, S.r.l.,	BCC NPLS 2018 S.r.l.	BCC NPLS 2018 2 S.r.l.	Maggese S.r.l.	Maior	2Worlds S.r.l.	Red Sea SPV S.r.l.	Juno 2 S.r.l.
12	13	14	15	16	17	18	19	20	21	22
POP NPLs 2019 Sr.l.	Aragorn NPL 2018 Srl	Leviticus SPV S.r.l.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

**Figure 5. DPOs proceeds (% variation) – March versus average 6 months pre-Covid**



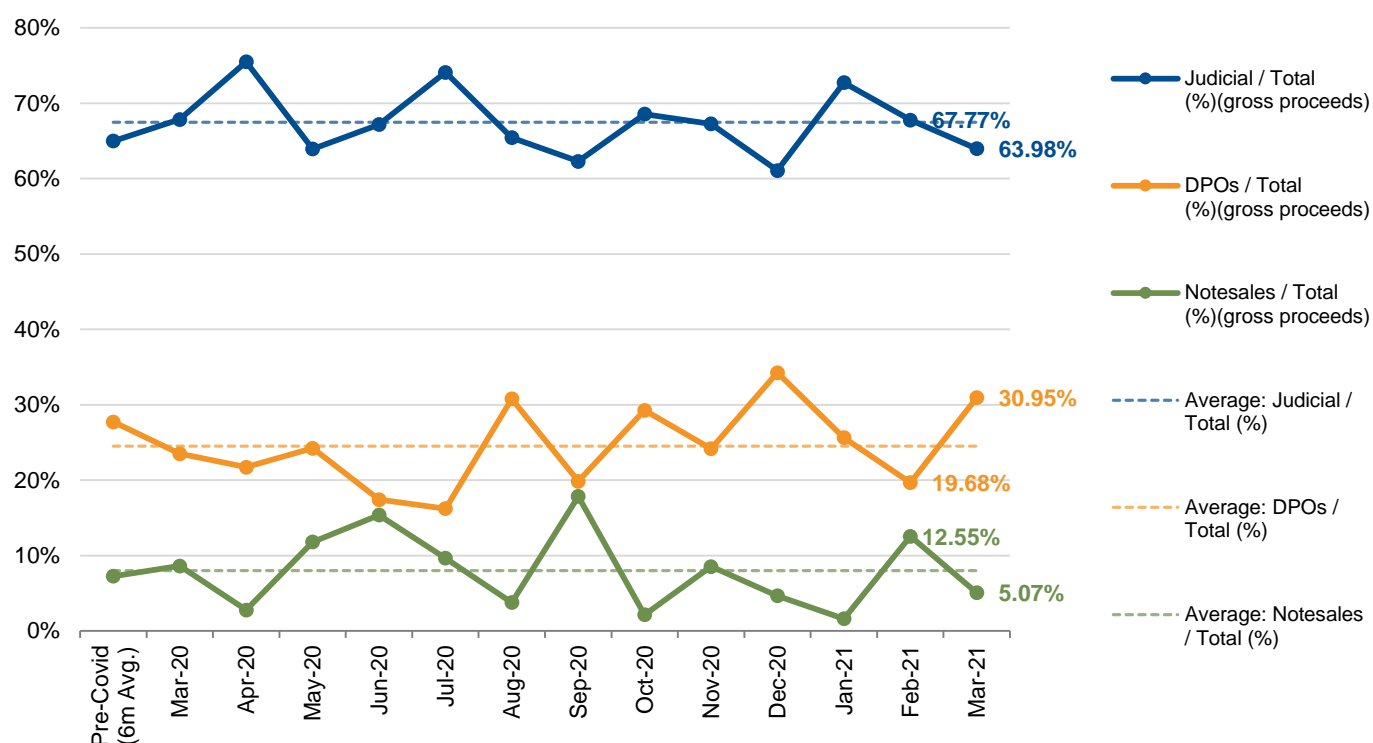
Source: Scope calculations on servicing reports.

Figure 6. Share of March 2021 note sales proceeds in total gross proceeds



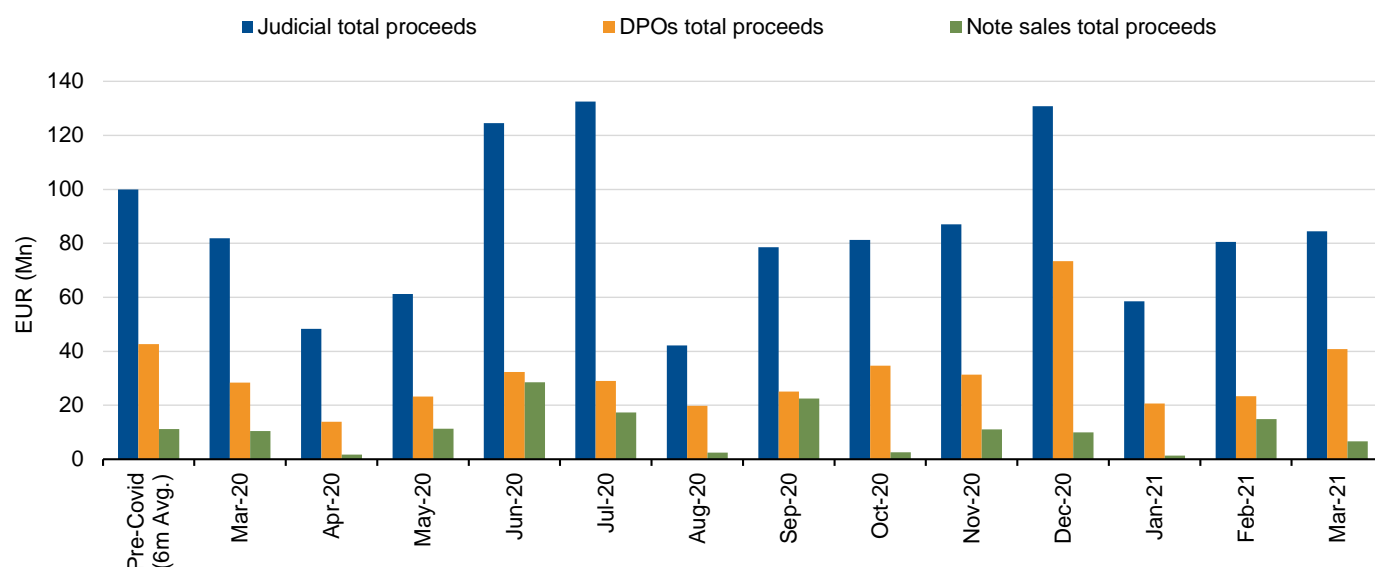
1	2	3	4	5	6	7	8	9	10	11
Juno 1 S.r.l.	4Mori Sardegna S.r.l.	Aqui SPV S.r.l.	Bari NPL 2, S.r.l.,	BCC NPLS 2018 S.r.l.	BCC NPLS 2018 2 S.r.l.	Maggese S.r.l.	Maior	2Worlds S.r.l.	Red Sea SPV S.r.l.	Juno 2 S.r.l.
12	13	14	15	16	17	18	19	20	21	22
POP NPLs 2019 Sr.l.	Aragorn NPL 2018 Srl	Leviticus SPV S.r.l.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

Figure 7. Share of collections per recovery strategy



Source: Scope calculations on servicing reports.

**Figure 8. Judicial and extra-judicial proceeds**



Source: Scope calculations on servicing reports.

**Footnotes:**

Figure 1: 6m Average (pre-Covid) refers to the average volumes registered from Sep-19 to Feb-20.

Figure 2: The % variation is computed comparing collections between Apr 2020 and March 2021 with average volumes registered 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.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 22 transactions, while the variation in judicial, extra-judicial and note sale proceeds was computed on a set of 20 transactions (excluding transactions nos. 21, 22), based on the availability of collections per type of recovery strategy.

Figure 3: The variations in total proceeds (%) were computed comparing March 2021 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. 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.

Figure 4: The chart refers to a sample of 20 transactions out of the 22, since monthly collections by recovery strategy were not available for transactions nos. 21, 22. The variation in judicial proceeds (%) was computed comparing March 2021 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.

Figure 5: DPO refers to discounted payoff strategies. The chart refers to a sample of 20 transactions out of the 22, since monthly collections by recovery strategy were not available for transactions nos. 21, 22. The decrease and increase in DPO proceeds (%) were computed comparing March 2021 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.

Figure 6: The chart refers to a sample of 20 transactions out of the 22, since monthly collections by recovery strategy were not available for transactions nos. 21, 22.

Figure 7: The chart refers to a sample of 20 transactions out of the 22, since monthly collections by recovery strategy were not available for transactions nos. 21, 22. "Pre-Covid (6m Avg.)" refers to the average pre-Covid collections registered from Sep-19 until Feb-20.

Figure 8: The chart refers to a sample of 20 transactions out of the 22, since monthly collections by recovery strategy were not available for transactions nos. 21, 22. "Pre-Covid (6m Avg.)" refers to average pre-Covid collections Sep-19 until Feb-20.

Figures 2, 4 to 8: These charts have been updated based on the availability of transaction no.20 data per recovery strategy.

Figures 5 and 8: The term extra-judicial strategy refers to both DPO and note sales strategies.

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## I. Appendix – NPL securitisations rated by Scope

Deal name/Link to Rating report	Issuance	Seller	Servicer (master and special)	GBV (mn)	Scope class A rating		Scope class B rating		Coupon A/B	GACS (Y/N)
					At closing	Current	At closing	Current		
<a href="#">Elron NPL 2017 Srl</a>	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
<a href="#">Bari NPL 2017 Srl</a>	17-Dec-17	Banca Popolare di Bari SpA, Cassa di Risparmio di Orvieto SpA	Prelis Credit Servicing SpA	345	BBB	BB-	B+	CC	6mE+0.3%/6mE+6%	Y
<b>GBV of GACS eligible securitisations rated by Scope 2017 (EUR million)</b>				<b>1,767</b>						
<a href="#">Siena NPL 2018 Srl</a>	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, Prelis Credit Servicing SpA	24,070	BBB+	BBB+	Not Rated	Not Rated	3mE+1.5%/3mE+8%	Y
<a href="#">Aragom NPL 2018 Srl</a>	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
<a href="#">Red Sea SPV Srl</a>	18-Jun-18	Banco BPM SpA and Banca Popolare di Milano SpA	Prelis Credit Servicing SpA	5,097	BBB	BBB-	Not Rated	Not Rated	6mE+0.6%/6mE+6%	Y
<a href="#">4Mori Sardegna Srl</a>	18-Jun-18	Banco di Sardegna SpA	Prelis Credit Servicing SpA	1,045	A-	BBB+	BB-	B	6mE+0.9%/6mE+8%	Y
<a href="#">2Worlds Srl</a>	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
<a href="#">BCC NPLS 2018 srl</a>	18-Jul-18	21 co-operative banks co-ordinated by Iccrea SpA and two banks belonging to ICCREA Banca SpA	Prelis Credit Servicing SpA	1,046	BBB-	BB-	B+	CC	6mE+0.4%/6mE+6%	Y
<a href="#">Juno 1 Srl</a>	18-Jul-18	Banca Nazionale del Lavoro SpA	Prelis Credit Servicing SpA	957	BBB+	BBB+	Not Rated	Not Rated	6mE+0.6%/6mE+8%	Y
<a href="#">Maggese Srl</a>	18-Jul-18	Cassa di Risparmio di Asti SpA, Cassa di Risparmio di Biella e Vercelli-Biverbanca SpA	Prelis Credit Servicing SpA	697	BBB	BB	Not Rated	Not Rated	6mE+0.5%/6mE+6%	Y
<a href="#">Maior SPV Srl</a>	18-Aug-18	Unione di Banche Italiane SpA and IW Bank SpA	Prelis Credit Servicing SpA	2,749	BBB	BBB	Not Rated	Not Rated	6mE+0.5%/6mE+6%	Y
<a href="#">IBLA Srl</a>	18-Sep-18	Banca Agricola Popolare di Ragusa SpA	Italfondario SpA	349	BBB	BBB	B	B	6mE+0.6%/6mE+8%	Y
<a href="#">AQUI SPV Srl</a>	18-Nov-18	BPER Banca SpA, Cassa di Risparmio di Saluzzo SpA and Cassa di Risparmio di Bra SpA	Prelis Credit Servicing SpA	2,082	BBB-	BB+	Not Rated	Not Rated	6mE+0.5%/6mE+7%	Y
<a href="#">POP NPLS 2018 Srl</a>	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
<a href="#">Riviera NPL Srl</a>	18-Dec-18	Banca Carige SpA and Banca del Monte di Lucca SpA	Italfondario SpA, Credito Fondiario SpA	964	BBB-	BB+	B+	CCC	6mE+0.65%/6mE+7%	Y
<a href="#">BCC NPLS 2018-2 Srl</a>	18-Dec-18	73 co-operative banks	Italfondario SpA	2,004	BBB	BBB-	B+	B	6mE+0.3%/6mE+6%	Y
<a href="#">Belvedere SPV Srl</a>	21-Dec-18	Gemini SPV Srl, Sirius SPV Srl, Antares SPV Srl, 1702 SPV Srl, Adige SPV Srl	Bayview Italia S.r.l., Prelis Credit Servicing S.p.A.	2,541	BBB	BB+	Not Rated	Not Rated	6mE+3.25%/6%	N
<b>GBV of GACS eligible securitisations rated by Scope 2018 (EUR million)</b>				<b>45,311</b>						
<b>GBV of securitisations rated by Scope 2018 (EUR million)</b>				<b>47,852</b>						
<a href="#">Leviticus SPV Srl</a>	19-Feb-19	Banco BPM SpA	Credito Fondiario SpA	7,385	BBB	BBB-	Not Rated	Not Rated	6mE+0.6%/6mE+8%	Y
<a href="#">Juno 2 Srl</a>	19-Feb-19	Banca Nazionale del Lavoro SpA	Prelis Credit Servicing SpA	968	BBB+	BBB+	Not Rated	Not Rated	6mE+0.6%/6mE+8%	Y
<a href="#">Prisma</a>	18-Oct-19	Unicredit SpA	Italfondario SpA, doValue SpA	6,057	BBB+	BBB+	B-	B-	6mE+1.5%/6mE+9%	Y
<a href="#">Marathon SPV Srl</a>	05-Dec-19	Marte SPV Srl, Pinzolo SPV Srl	Hoist Italia Srl, Securitisation Services SpA	5027	BBB+	BBB+	BB	BB	1.8%/8%	N
<a href="#">Iseo SPV Srl</a>	16-Dec-19	UBI Banca SpA	Italfondario SpA, doValue SpA	858	BBB	BBB	Not Rated	Not Rated	6mE+0.5%	Y
<a href="#">Futura 2019 Srl</a>	16-Dec-19	Futura SPV Srl	Guber Banca SpA	1,256	BBB	BBB	Not Rated	Not Rated	6mE+3.0%	N
<a href="#">BCC NPLS 2019 S.r.l.</a>	19-Dec-19	68 banks	Italfondario SpA, doValue SpA	1,324	BBB+	BBB+	B-	B-	6mE+0.3%/6mE+6.5%	Y
<a href="#">POP NPLS 2019 S.r.l.</a>	23-Dec-19	12 banks	Prelis Credit Servicing SpA, Fire SpA	826.7	BBB	BBB	CCC	CCC	6mE+0.3%/6mE+9.5%	Y
<b>GBV of GACS-eligible securitisations rated by Scope 2019 (EUR million)</b>				<b>17,419</b>						
<b>GBV of securitisations rated by Scope 2019 (EUR million)</b>				<b>23,702</b>						
<a href="#">Diana SPV Srl</a>	20-Jun-20	Banca Popolare di Sondrio SCpA	Prelis Credit Servicing SpA	1,000	BBB	BBB	Not Rated	Not Rated	6mE+0.5%/6mE+9.0%	Y
<a href="#">Spring SPV Srl</a>	20-Jun-20	BPER Banca SpA, Banco di Sardegna SpA, Cassa di Risparmio di Bra SpA	Prelis Credit Servicing SpA	1,377	BBB	BBB	Not Rated	Not Rated	6mE+0.5%/6mE+9.5%	Y
<a href="#">BCC NPLS 2020 S.r.l.</a>	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
<a href="#">Relais SPV S.r.l.</a>	11-Dec-20	Unicredit Leasing S.p.A.	doValue SpA	1,583	BBB	BBB	Not Rated	Not Rated	6mE+1.5%/6mE+9.5%	Y
<a href="#">Buonconsiglio 3 S.r.l.</a>	14-Dec-20	38 banks	Guber Banca SpA, Zenith Service S.p.A.	679	BBB	BBB	Not Rated	Not Rated	6mE+0.5%/6mE+9.5%	Y
<a href="#">Sirio NPL S.r.l.</a>	16-Dec-20	UBI Banca SpA	Prelis Credit Servicing SpA	1,228	BBB	BBB	Not Rated	Not Rated	6mE+0.5%/6mE+9.5%	Y
<a href="#">Yoda SPV S.r.l.</a>	18-Dec-20	Intesa Sanpaolo SpA	Intrum Italy SpA, Banca Finint SpA	6,033	BBB	BBB	Not Rated	Not Rated	3mE+0.5%/3mE+9.5%	Y
<a href="#">POP NPLS 2020 Srl</a>	23-Dec-20	15 banks	Credito Fondiario SpA, Fire SpA	920	BBB	BBB	CC	CC	6mE+0.3%/6mE+12.0%	Y
<a href="#">Titan SPV Srl</a>	28-Dec-20	Alba Leasing SpA, Release SpA, Banco BPM SpA	Prelis Credit Servicing SpA	335	BBB	BBB	Not Rated	Not Rated	6mE+0.5%/6mE+8.0%	Y
<a href="#">Summer SPV S.r.l.</a>	30-Dec-20	BPER Banca SpA, Banco di Sardegna SpA	Fire SpA	322	BBB	BBB	Not Rated	Not Rated	6mE+0.5%/6mE+12.0%	Y
<b>GBV of GACS-eligible securitisations rated by Scope 2020 (EUR million)</b>				<b>15,824</b>						
<b>GBV of securitisations rated by Scope 2020 (EUR million)</b>				<b>15,824</b>						
<a href="#">IFIS NPL 2021-1 SPV Srl</a>	19-Mar-21	Ifis NPL Investing SpA	Ifis Servicing SpA	1,323	A-	A-	B+	B+	6mE+2.15%/6.0%	N
<b>GBV of GACS-eligible securitisations rated by Scope 2021 (EUR million)</b>				<b>0</b>						
<b>GBV of securitisations rated by Scope 2021 (EUR million)</b>				<b>1,323</b>						
<b>Total GBV of securitisations rated by Scope (EUR million)</b>				<b>90,467</b>						



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