

Italian NPL collections: poor April volumes upset positive trend set in Q1



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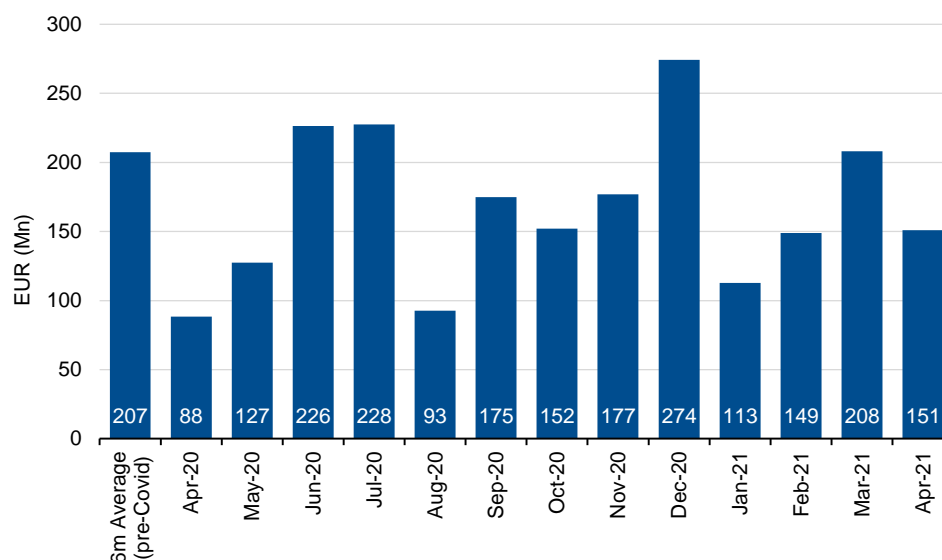
Italian NPL collections in April dropped 27% month over month to EUR 151m. This marks a clear reversal from the positive tone of the first quarter of the year, where volumes reached 184% of January 2021 totals. The Italian government is easing lockdown measures and passing new laws aimed at sustaining economic recovery, but the latest collections data shows that the short-term recovery in the performance of Italian securitisations is still uncertain and linked among other things to future economic developments.

April's decline was due to a decrease in judicial and other unclassified proceeds. April volumes are back to February's 2021, signaling that March performance did not define a prompt rise in volumes. One year after the Covid-19 outbreak, monthly volumes are 9.2% lower than the April 2020 to April 2021 average and still 27% below the six-month pre-Covid average.

The share of judicial collections in April (64.1%) was in line with March, while the share of Discounted Payoffs (DPOs) and note sales in April came out at 33.2% and 2.6% respectively, compared with 30.9% and 5.1% in March.

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 April 2021.

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



Source: Scope calculations on servicing reports

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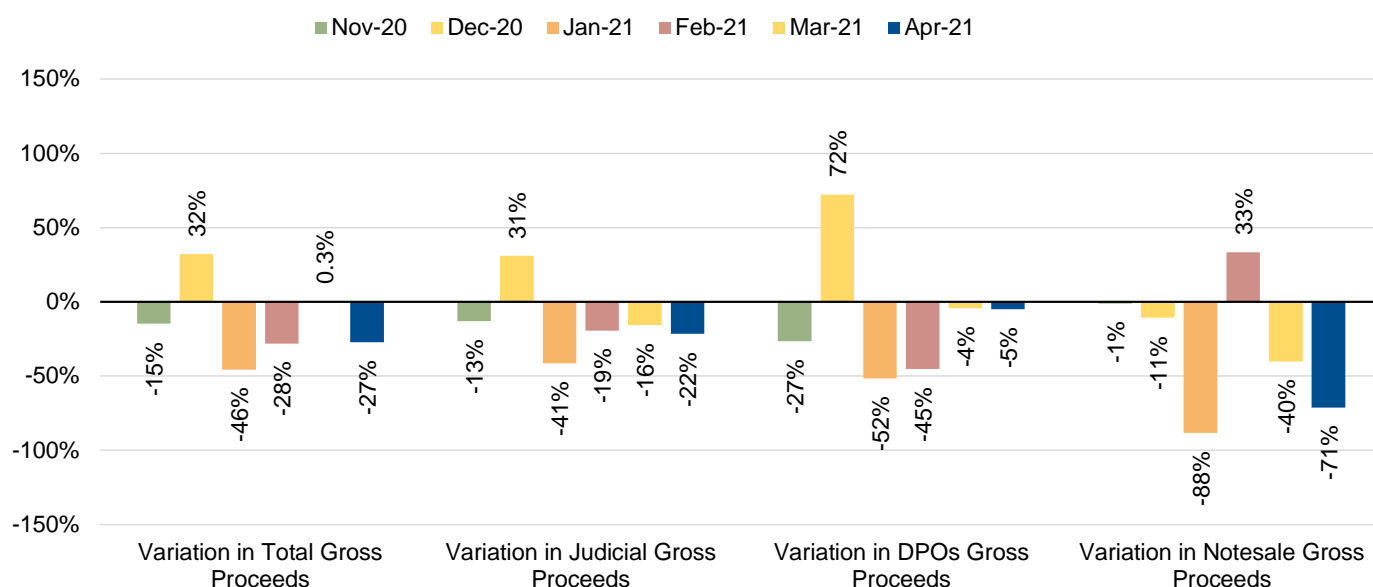
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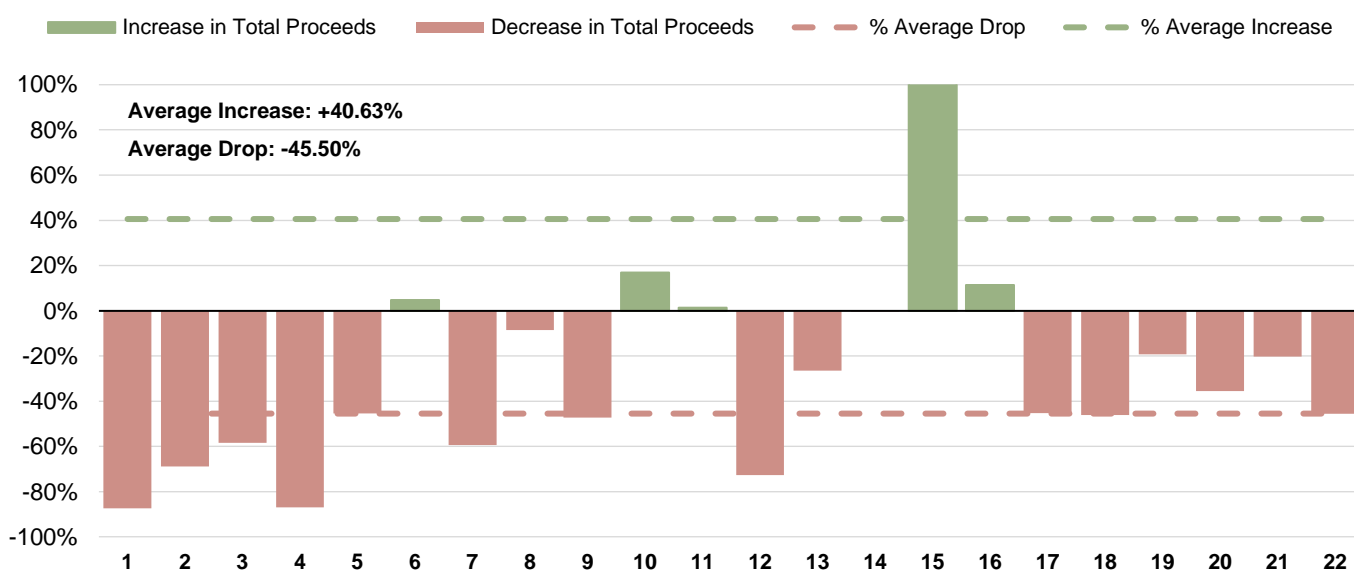
Figure 2. Variation in collection volumes (trailing six months vs. six months pre-Covid volume)



Source: Scope calculations on servicing reports.

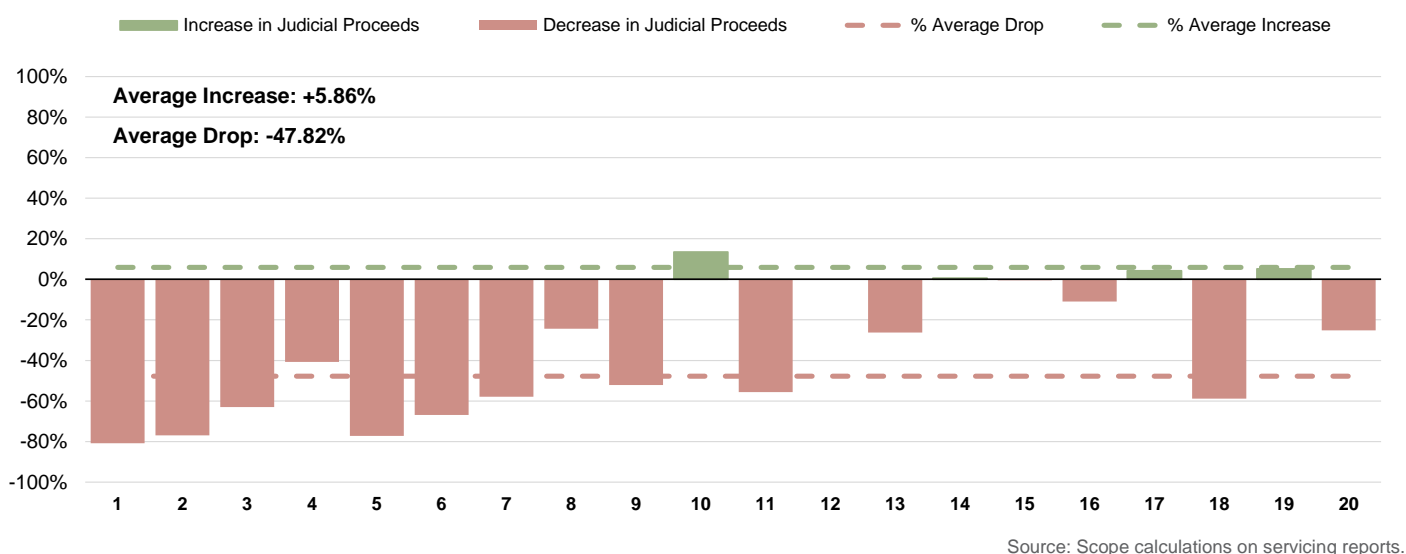
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---------------------|-----------------------|----------------------|--------------------|------------------------|------------------------|-------------------|---------------------|-----------------------|--------------------|-------------------|
| Juno 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) – April versus average of 6 months pre-Covid



Source: Scope calculations on servicing reports.

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



| 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 S.r.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) – April versus average 6 months pre-Covid

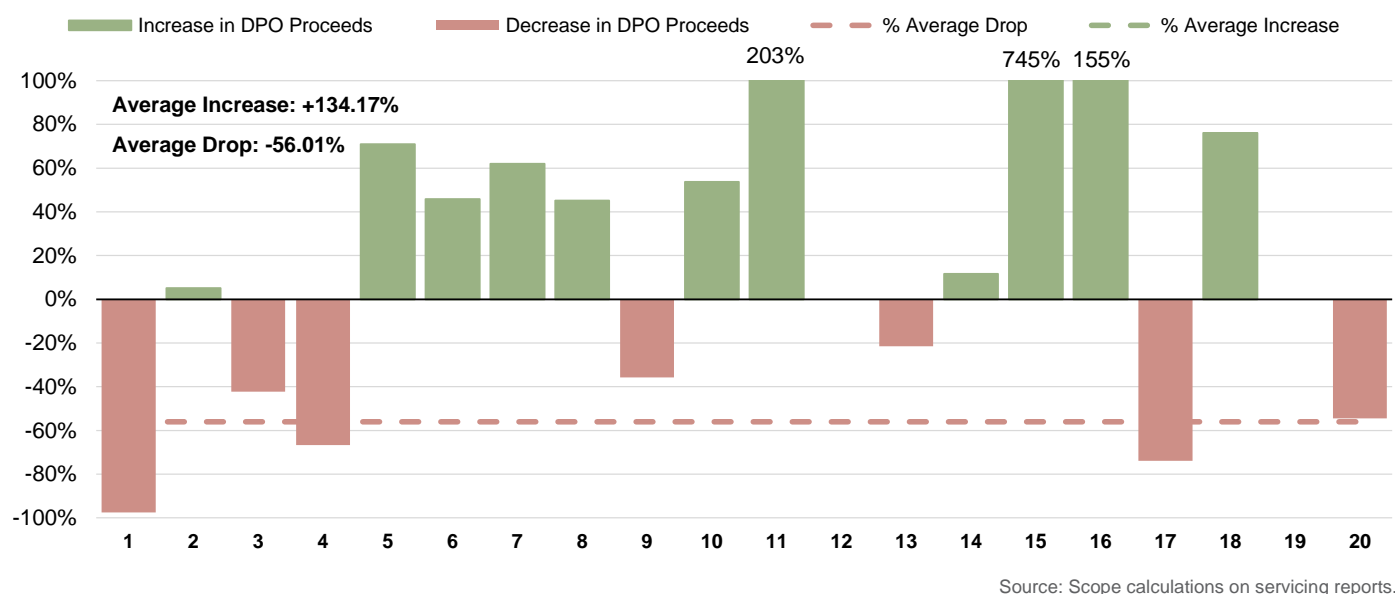
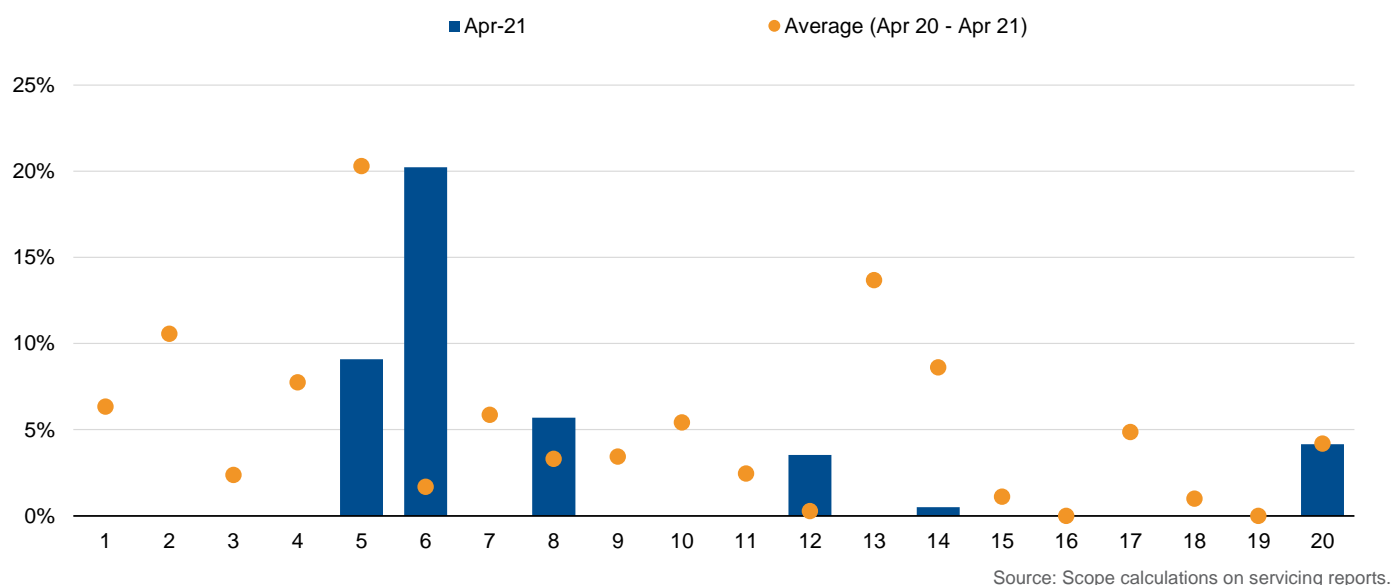


Figure 6. Share of April 2021 note sales proceeds in total gross proceeds



| 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

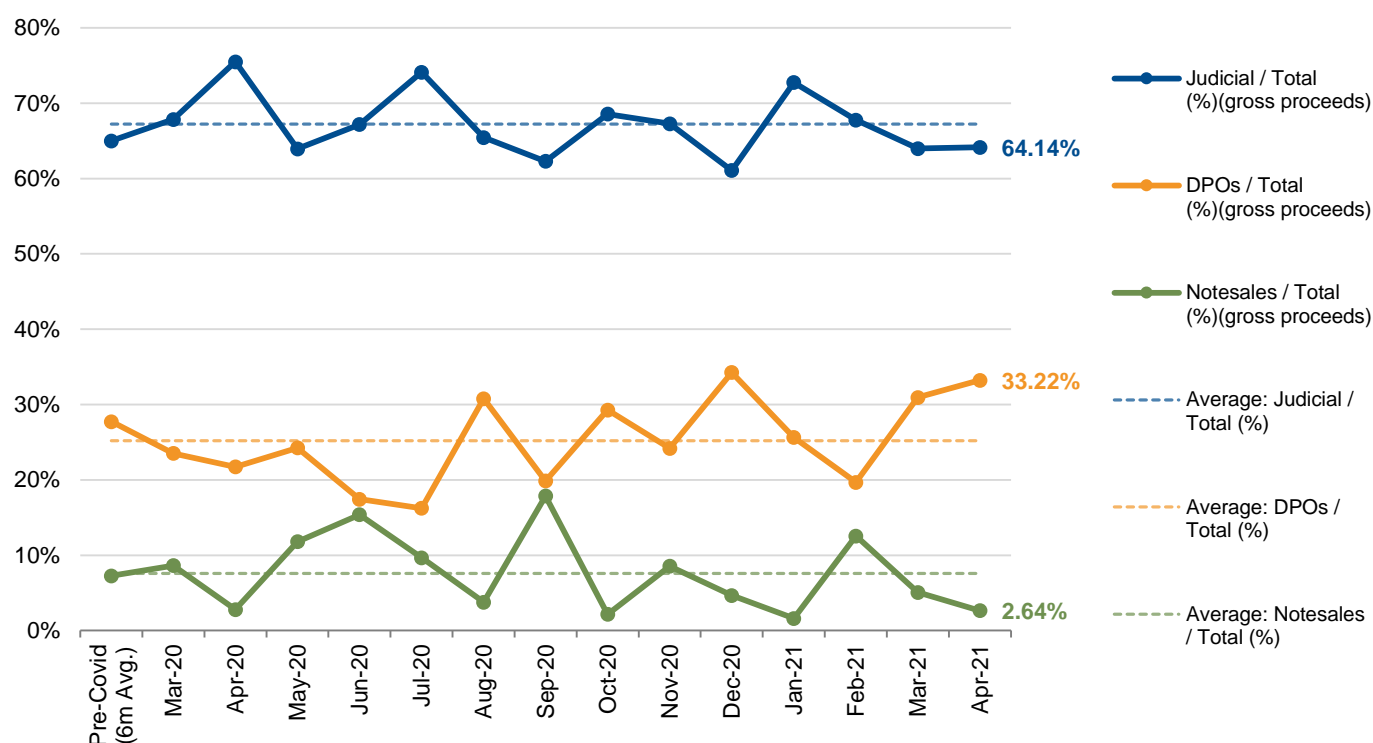
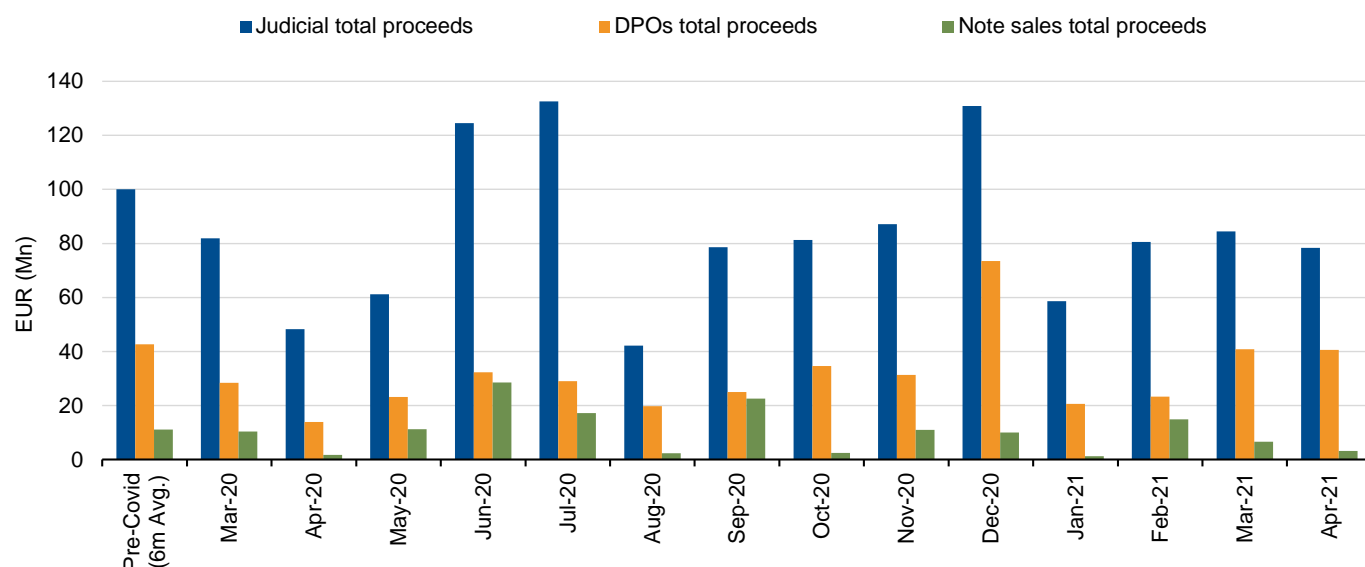


Figure 8. Judicial and extra-judicial proceeds



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 April 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 April 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 April 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 April 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.

Italian NPL collections: April contradicts the first quarter positive trend

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 | | |
| 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 Scpa, Cassa di Risparmio di Orvieto SpA | Prelis 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, Prelis 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 | Prelis 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 | Prelis Credit Servicing SpA | 1,045 | A- | BBB+ | 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 | Prelis 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 | Prelis 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 | Prelis Credit Servicing SpA | 697 | BBB | BB | 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 | Prelis 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 | Prelis 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- | BB+ | B+ | CCC | 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., Prelis Credit Servicing S.p.A. | 2,541 | BBB | BB+ | 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 | Prelis 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+3.0% | 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 | Prelis 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 | Prelis 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 | Prelis 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 |
| Relais SPV S.r.l. | 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 |
| Buonconsiglio 3 S.r.l. | 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 |
| Sirio NPL S.r.l. | 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 |
| Yoda SPV S.r.l. | 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 |
| POP NPLS 2020 Srl | 23-Dec-20 | 15 banks | Credito Fondiario SpA, Fire SpA | 920 | BBB | BBB | CC | CC | 6mE+0.3%/6mE+12.0% | Y |
| Titan SPV Srl | 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 |
| Summer SPV S.r.l. | 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 |
| GBV of GACS-eligible securitisations rated by Scope 2020 (EUR million) | | | | 15,824 | | | | | | |
| GBV of securitisations rated by Scope 2020 (EUR million) | | | | 15,824 | | | | | | |
| IFIS NPL 2021-1 SPV Srl | 19-Mar-21 | Ifis NPL Investing SpA | Ifis Servicing SpA | 1,323 | A- | A- | B+ | B+ | 6mE+2.15%/6.0% | N |
| GBV of GACS-eligible securitisations rated by Scope 2021 (EUR million) | | | | 0 | | | | | | |
| GBV of securitisations rated by Scope 2021 (EUR million) | | | | 1,323 | | | | | | |
| Total GBV of securitisations rated by Scope (EUR million) | | | | 90,467 | | | | | | |



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