

Italian CQS ABS

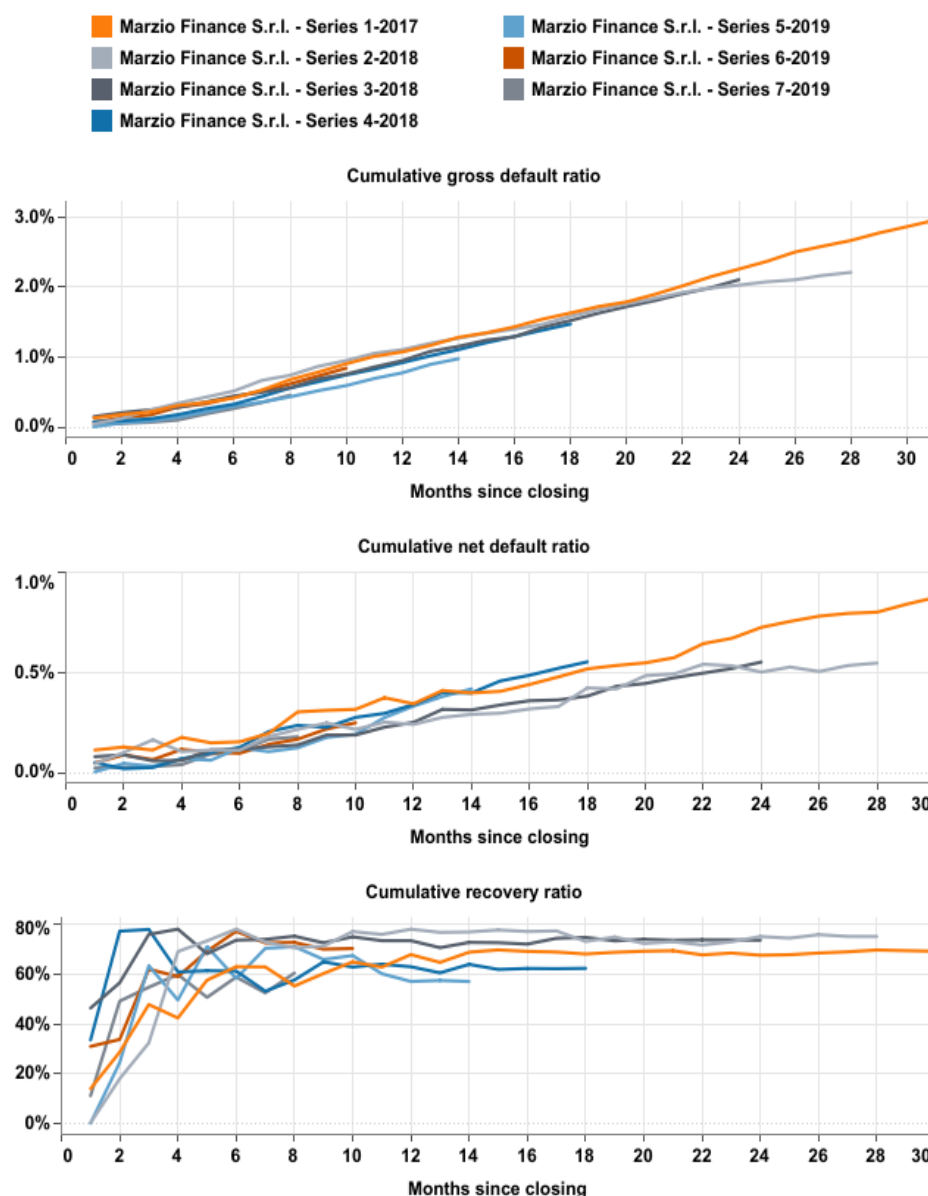
Marzio Finance S.r.l. performance snapshot



Scope
Ratings

Marzio Finance S.r.l. is a EUR 10bn securitisation programme of notes backed by 'cessione del quinto' and 'delegazione di pagamento' (CQS) loans. This report provides insight on the performance of the different series issued in the context of the programme¹.

Figure 1: Defaults and Recoveries



Cumulative gross default ratio = Outstanding balance of all defaulted receivables/Outstanding portfolio at closing
 Cumulative net default ratio = Outstanding balance of all defaulted receivables net of recoveries/Outstanding portfolio at closing
 Cumulative recoveries ratio = Cumulative recoveries/Outstanding balance of all defaulted receivables

Source: Investor and servicer reports by IBL Banca, Scope RatingSource

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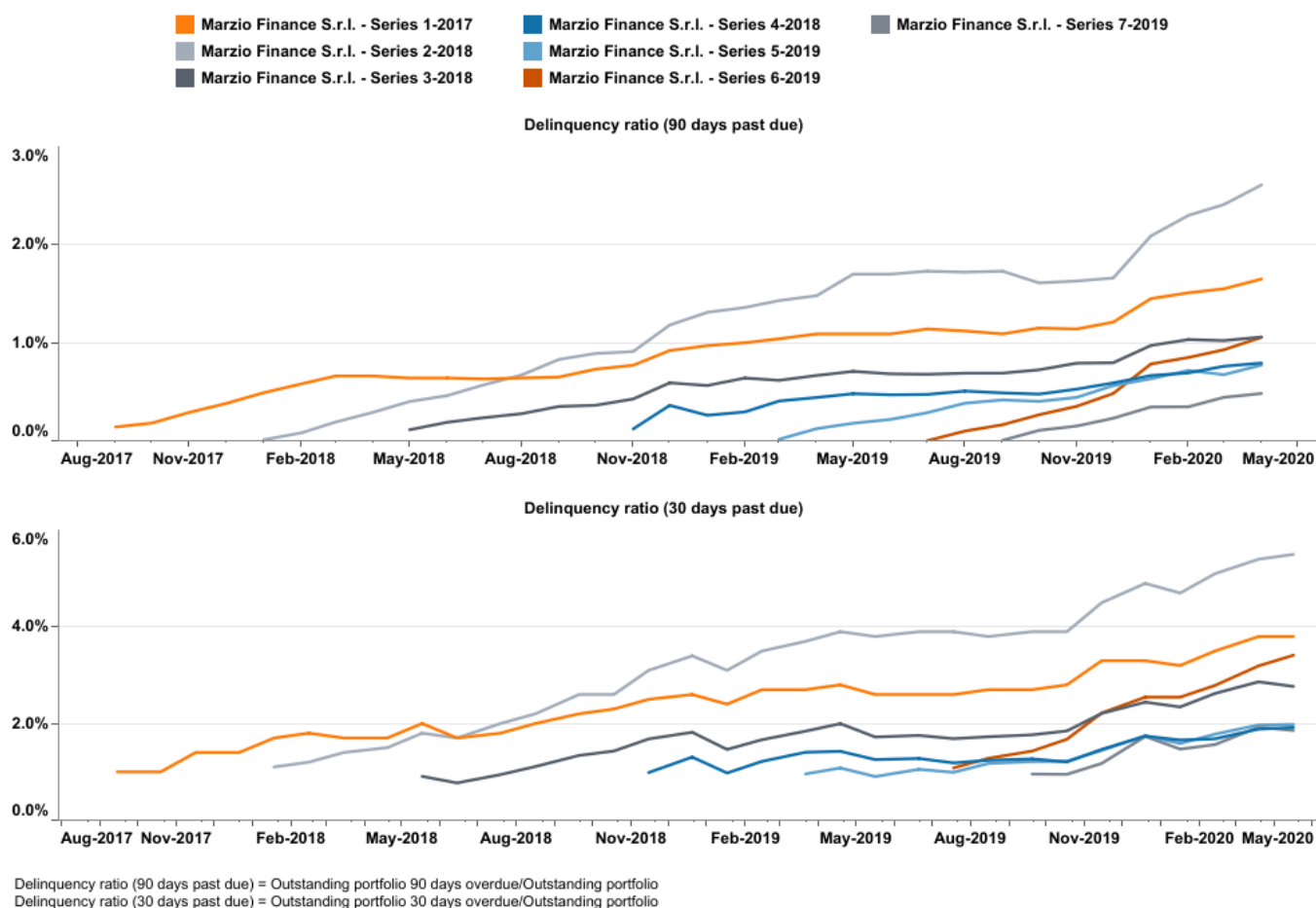
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Bloomberg: SCOP

¹ This report shows performance of the Series with at least six payment dates since closing up to May 2020.

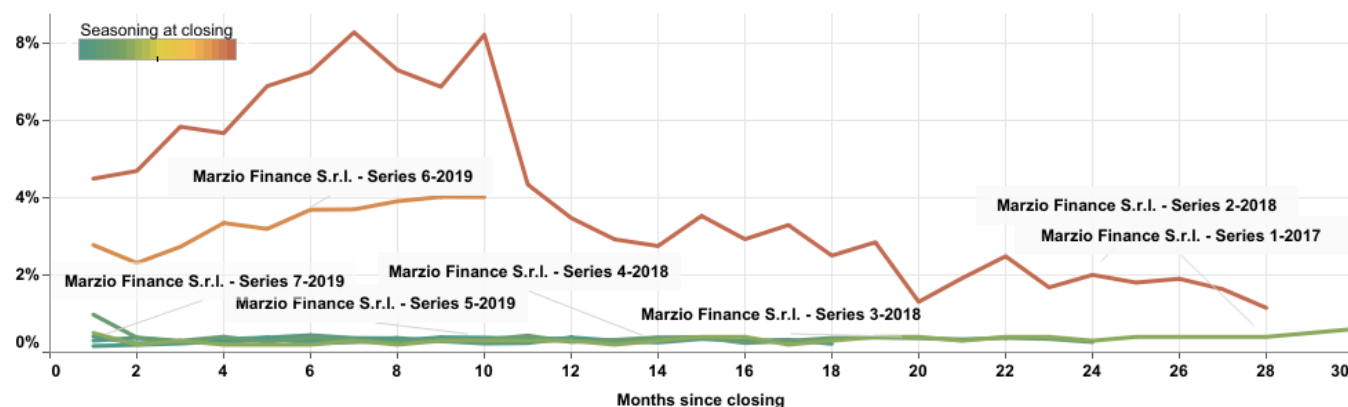
Figure 2: Delinquencies



Source: Investor and servicer reports by IBL Banca, Scope Ratings

Figure 3: Dynamic prepayment rate

- CQS loans can be refinanced only after 40% of the loan has been repaid. The high share of seasoned loans in Series 2 and Series 6 explains the higher prepayment rates compared to the other series



Dynamic prepayment rate = Periodic prepayments amount/Outstanding portfolio balance

Source: Investor and servicer reports by IBL Banca, Scope Ratings

Figure 4: Life insurance company exposure*

Insurance company	Marzio Finance S.r.l. - Series 1-2017	Marzio Finance S.r.l. - Series 2-2018	Marzio Finance S.r.l. - Series 3-2018	Marzio Finance S.r.l. - Series 4-2018	Marzio Finance S.r.l. - Series 5-2019	Marzio Finance S.r.l. - Series 6-2019	Marzio Finance S.r.l. - Series 7-2019
Aviva Life SpA	14.3%		25.4%	27.6%	28.8%		30.4%
Axa France Vie SA	22.2%	10.0%	18.9%	5.9%	5.2%	22.0%	4.7%
Axeria Prevoyance SA		0.0%		0.0%		0.1%	0.0%
Cardif Assurance Vie SA	21.4%		13.2%	17.9%	18.0%	28.3%	16.1%
Cattolica Previdenza				0.0%		0.4%	0.1%
CF Assicurazioni SpA					1.8%		5.7%
Ergo Previdenza SpA		18.2%	0.1%	0.0%		3.7%	0.5%
Eurovita SpA	0.3%		4.3%	6.5%	4.7%		0.1%
Genertel Life Spa	9.9%		15.2%	16.6%	14.2%	3.5%	14.0%
Hdi Assicurazioni SpA	16.2%	24.7%	12.7%	11.5%	10.0%	18.5%	9.4%
Italiana Assicurazioni SpA	11.1%	0.3%	5.8%	4.4%	2.8%	7.0%	3.3%
Metlife Europe Limited	0.2%	11.6%	0.1%	0.0%	0.0%	7.6%	0.6%
Net Insurance Life SpA	4.3%	22.7%	4.2%	9.6%	14.5%	6.1%	15.1%
Società Cattolica di Assic.ni		1.7%					
Vittoria Assicurazioni SpA	0.1%	10.9%	0.2%	0.0%		2.8%	0.1%

Change (%) since closing

Insurance company	Marzio Finance S.r.l. - Series 1-2017	Marzio Finance S.r.l. - Series 2-2018	Marzio Finance S.r.l. - Series 3-2018	Marzio Finance S.r.l. - Series 4-2018	Marzio Finance S.r.l. - Series 5-2019	Marzio Finance S.r.l. - Series 6-2019	Marzio Finance S.r.l. - Series 7-2019
Aviva Life SpA	0.9%		0.8%	0.6%	0.3%		0.4%
Axa France Vie SA	0.5%	2.0%	0.2%	-0.3%	-0.2%	1.7%	0.0%
Cardif Assurance Vie SA	0.2%		0.0%	-0.2%	-0.2%	0.2%	-0.2%
Cattolica Previdenza				0.0%		-0.1%	0.0%
CF Assicurazioni SpA					0.0%		0.1%
Ergo Previdenza SpA		-3.8%	-0.2%	0.0%		-0.1%	-0.1%
Eurovita SpA	0.0%		0.2%	0.3%	0.2%		0.0%
Genertel Life Spa	-0.1%		-0.1%	0.0%	0.0%	0.9%	0.2%
Hdi Assicurazioni SpA	-0.2%	0.7%	-0.1%	0.0%	0.1%	-0.5%	0.1%
Italiana Assicurazioni SpA	-0.8%	-0.1%	-0.1%	0.0%	0.1%	0.7%	0.0%
Metlife Europe Limited	-0.1%	-0.2%	-0.2%		0.0%	-2.2%	-0.3%
Net Insurance Life SpA	-0.3%	1.4%	-0.4%	-0.4%	-0.4%	-0.3%	0.0%
Società Cattolica di Assic.ni		-0.4%					
Vittoria Assicurazioni SpA	-0.2%	0.5%	-0.1%	0.0%	0.0%	-0.3%	0.0%

*Top exposures are highlighted in red

Source: Investor and servicer reports by IBL Banca, Scope Ratings

Figure 5: Credit insurance company exposure

Insurance company	Marzio Finance S.r.l. - Series 1-2017	Marzio Finance S.r.l. - Series 2-2018	Marzio Finance S.r.l. - Series 3-2018	Marzio Finance S.r.l. - Series 4-2018	Marzio Finance S.r.l. - Series 5-2019	Marzio Finance S.r.l. - Series 6-2019	Marzio Finance S.r.l. - Series 7-2019
Aviva Italia SpA			2.5%	7.4%	7.8%		7.7%
Axa France Iard SA	20.8%	9.8%	18.4%	5.6%	4.9%	20.2%	4.3%
Cardif Assurances Risques Divers SA	11.4%		10.4%	12.0%	11.9%	11.5%	8.6%
CF Assicurazioni SpA					1.8%		5.7%
Generali Italia SpA	9.9%		15.2%	16.4%	14.1%	3.5%	13.8%
Hdi Assicurazioni SpA	16.2%	24.7%	12.7%	11.5%	10.0%	18.5%	9.4%
Net Insurance SpA	3.9%	20.1%	4.0%	9.4%	14.2%	5.4%	12.3%
No Credit Insurance	37.6%	37.9%	36.6%	37.7%	35.3%	38.5%	38.4%
Vittoria Assicurazioni SpA	0.1%	7.5%	0.1%	0.0%		2.4%	0.0%

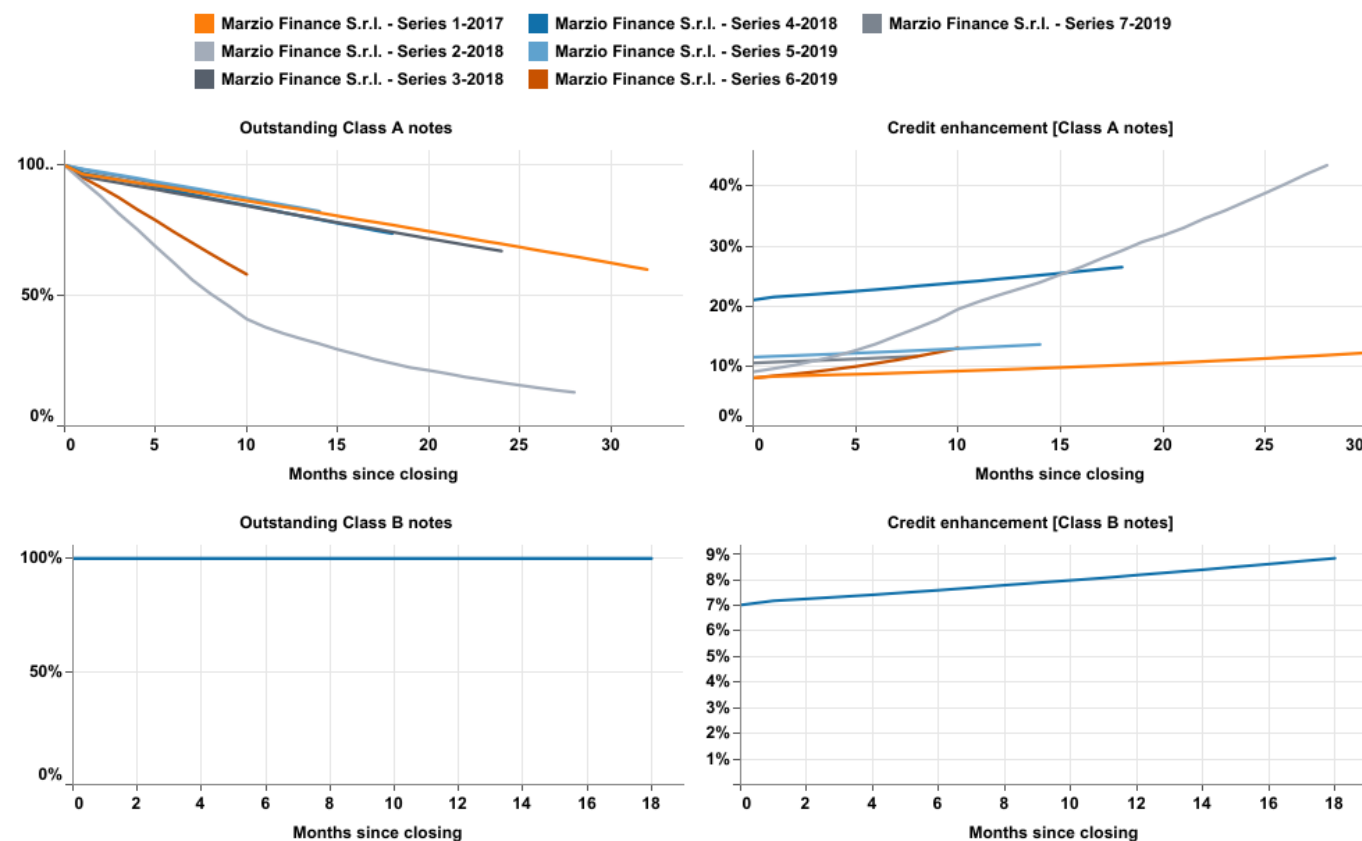
Change (%) since closing

Insurance company	Marzio Finance S.r.l. - Series 1-2017	Marzio Finance S.r.l. - Series 2-2018	Marzio Finance S.r.l. - Series 3-2018	Marzio Finance S.r.l. - Series 4-2018	Marzio Finance S.r.l. - Series 5-2019	Marzio Finance S.r.l. - Series 6-2019	Marzio Finance S.r.l. - Series 7-2019
Aviva Italia SpA			0.0%	-0.1%	-0.2%		0.0%
Axa France Iard SA	0.4%	2.0%	0.1%	-0.3%	-0.2%	1.3%	0.0%
Cardif Assurances Risques Divers SA	0.1%		0.0%	-0.1%	-0.1%	-0.1%	0.0%
CF Assicurazioni SpA					0.0%		0.1%
Generali Italia SpA	-0.1%		-0.1%	0.0%	0.0%	0.9%	0.2%
Hdi Assicurazioni SpA	-0.2%	0.7%	-0.1%	0.0%	0.1%	-0.5%	0.2%
Net Insurance SpA	-0.3%	1.5%	-0.4%	-0.4%	-0.4%	-0.2%	-0.1%
No Credit Insurance	0.2%	-3.8%	0.5%	0.8%	0.8%	-1.2%	-0.2%
Vittoria Assicurazioni SpA	-0.2%	-0.3%	-0.1%	0.0%	0.0%	-0.3%	0.0%

Source: Investor and servicer reports by IBL Banca, Scope Ratings

Figure 6: Notes amortisation and evolution of credit enhancement

- High prepayment rates in Series 2 and Series 6 have led to faster amortisation of Class A notes of these series



Credit enhancement [Class A notes] = 1- Outstanding balance of Class A notes/Total notes outstanding balance
 Credit enhancement [Class B notes] = Outstanding balance of Class J notes/Total notes outstanding balance
 Outstanding Class A notes = Current Class A outstanding balance/Class A outstanding balance at closing
 Outstanding Class B notes = Current Class B outstanding balance/Class B outstanding balance at closing

Source: Investor reports by IBL Banca, Scope Ratings

Figure 7: Reserve and Cash trap trigger status

	Marzio Finance S.r.l. - Series 1-2017	Marzio Finance S.r.l. - Series 2-2018	Marzio Finance S.r.l. - Series 3-2018	Marzio Finance S.r.l. - Series 4-2018	Marzio Finance S.r.l. - Series 5-2019	Marzio Finance S.r.l. - Series 6-2019	Marzio Finance S.r.l. - Series 7-2019
Cash reserve at target level	Yes	Yes	Yes	Not applicable	Not applicable	Not applicable	Not applicable
Liquidity reserve at target level	Not applicable	Not applicable	Not applicable	Yes	Yes	Yes	Yes
Additional reserve at target level	Not applicable	Not applicable	Not applicable	Yes	Yes	Yes	Yes
Cash trapping trigger breached?	No	No	No	No	No	No	No

Source: Investor Reports by IBL Banca, Scope Ratings



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