Summer SPV S.r.l.

Italian Non-Performing Loan ABS

Ratings

Tranche	Rating	Size (EUR m)	% of GBV	% of notes	Coupon	Final maturity
Class A	BBB_{SF}	85.4	26.5%	88.6%	6m Euribor + 0.5%	Oct 2040
Class B	NR	10.0	3.1%	10.4%	6m Euribor + 12.0%	Oct 2040
Class J	NR	1.0	0.3%	1.0%	15% + Variable return	Oct 2040
Total		96.4				

Scope's quantitative analysis is based on the portfolio provided by the originators. Scope's Structured Finance Ratings constitute an opinion about relative credit risks and reflect the expected loss associated with the payments contractually promised by an instrument on a particular payment date or by its legal maturity. See Scope's website for the SF Rating Definitions.

Transaction details

Transaction type	Static cash securitisation
Asset class	Non-performing loans ('NPLs')
Issue date	30 December 2020
Issuer	Summer SPV S.r.l.
Originator and seller	BPER Banca S.p.A. ('BPER') Banco di Sardegna S.p.A. ('BDS')
Master servicer	Banca Finanziaria Internazionale S.p.A. ('Banca FinInt')
Special servicer	Fire S.p.A. ('Fire')
Gross-book value ('GBV')	EUR 322m
Portfolio cut-off date	31 July 2020
Transfer Date	18 December 2020
Key portfolio characteristics	The pool is composed of secured loans (48.7% of GBV, of which 44.4% senior secured and 4.3% junior secured) as well as unsecured loans (51.3% of GBV). Borrower type is equally distributed between individuals (51.1%) and corporates (48.9%). Secured loans are backed by residential and non-residential properties (73.5% and 26.5% of the total first-lien property value, respectively) that are mainly located in the south of Italy (57.8%) followed by northern (32.0%), and central (10.2%) regions. The issuer is entitled to receive all the portfolio collections received since the cut-off date.
Payment frequency	Semi-annual (April and October)
Key structural features	The notes have been structured in accordance with requirements of the GACS scheme.The transaction structure comprises three tranches of sequential, principal-amortising notes, an amortising liquidity reserve equal to 4% of the class A outstanding balance, and an interest rate cap spread agreement on the class A notes.
Hedging provider	J.P. Morgan AG
Other key counterparties	BPER (limited recourse loan provider) BNP Paribas Securities Services, Milan Branch (agent bank, account bank, cash manager and principal paying agent) Banca FinInt (corporate servicer, calculation agent, monitoring agent and noteholders' representative) Cerved Master Servicer S.p.A. (back-up master servicer)
Arranger	J.P. Morgan Securities plc

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Related Research

Italian NPL collections plateauing 10%-15% below pre-Covid levels (January 2021)

Italian NPL ABS: October collections show weaker than expected recovery (December 2020)

68% of Italian NPL securitisations set to underperform by Q1 2021 (December 2020)

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Rating rationale (summary)

The rating is primarily driven by the expected recovery amounts and timing of collections from the NPL portfolio. The recovery amounts and timing assumptions consider the portfolio's characteristics as well as our economic outlook for Italy and the assessment of the special servicer's capabilities. The rating is supported by the structural protection provided to the notes, the absence of equity leakage provisions, the liquidity protection provided by the cash reserve, and the interest rate hedging agreement. The rating also addresses exposures to the key transaction counterparties.

We performed a specific analysis for recoveries, using different approaches for secured and unsecured exposures. For senior secured exposures, collections were mainly based on the most recent property appraisal values, which were stressed to account for, appraisal type, liquidity, and market value risks. Recovery timing assumptions were derived using line-by-line asset information detailing the type of legal proceeding, the court issuing the legal proceeding, and the stage of the proceeding as of the cut-off date. For unsecured and junior secured exposures, we used historical line-by-line market-wide recovery data on defaulted loans between 2000 and 2019 and considered the special servicer's capabilities when calibrating lifetime recoveries. We also analysed historical data provided by the servicer.

Rating drivers and mitigants

Positive rating drivers

Secured portfolio mostly backed by residential properties. 73.5% of the secured loans are backed by residential assets, which tend to be more liquid than non-residential properties. The share of residential assets is higher than in peer transactions rated by Scope.

Above-average collateralisation. A significant share of the portfolio (58.6% of the secured loans) has a loan-to-value lower than 75%. This increases the support provided by real estate collateral to secured loans.

Borrowers' granularity. The pool is highly granular, with the top 10 and top 100 borrowers representing, respectively, 1.5% and 11% of total GBV, which is low compared to other Italian NPL transactions rated by Scope.

Interest rate risk hedging. Interest rate risk on the class A notes is mitigated through a cap spread hedging structure, with an increasing upper bound rate applied to class A base rate, ranging from 0.2% to 1.4%, and a fixed lower bound rate at 0%. In addition, a cap is embedded in the class A Euribor component, aligned with the upper bound rate of the cap spread. The cap spread notional schedule is aligned with our expected amortisation profile of class A notes.

Negative rating drivers and mitigants

High share of statistical and AVM valuations. Most of the portfolio's collateral appraisals (61.2%) are either statistical or were conducted with an automated valuation model ('AVM') by external appraisers, which are generally less accurate than desktop or drive-by valuations.

Significant portion of legal proceedings in initial stages. Around 76.3% of the secured loans are in the initial legal phase or are yet to have proceedings initiated. This figure reduces to 64.5% if we excluded secured loans under an out-of-court procedure. Expected time for collections for loans in initial phases is longer than for those in more advanced legal stages.

Seasoned unsecured and junior secured portfolio. The weighted average time since default is around 4 years for the unsecured and junior secured portfolio. Most unsecured recoveries are realised in the first years after a default according to historical data.

Upside rating-change drivers

Rapid economic growth following the pandemic crisis. A scenario of rapid economic recovery would improve liquidity and affordability conditions and would prevent a sharp deterioration of collateral values. This could positively affect the rating, enhancing servicer performance on collection volumes.

Servicer outperformance on recovery timing. The pandemic led to a slowdown of the courts' activity. An outperformance on recovery timing could occur if courts advance on legal proceedings backlogs faster than expected.

Downside rating-change drivers

Long lasting pandemic crisis. Recovery rates are generally highly dependent on the macroeconomic climate. Our baseline scenario foresees a 9.6% gross domestic product contraction in 2020 before rebounding with growth of 5.6% in 2021. If current crisis will last beyond our baseline scenario, liquidity conditions could deteriorate, reducing servicer performance on collection volumes. This could negatively impact the rating.

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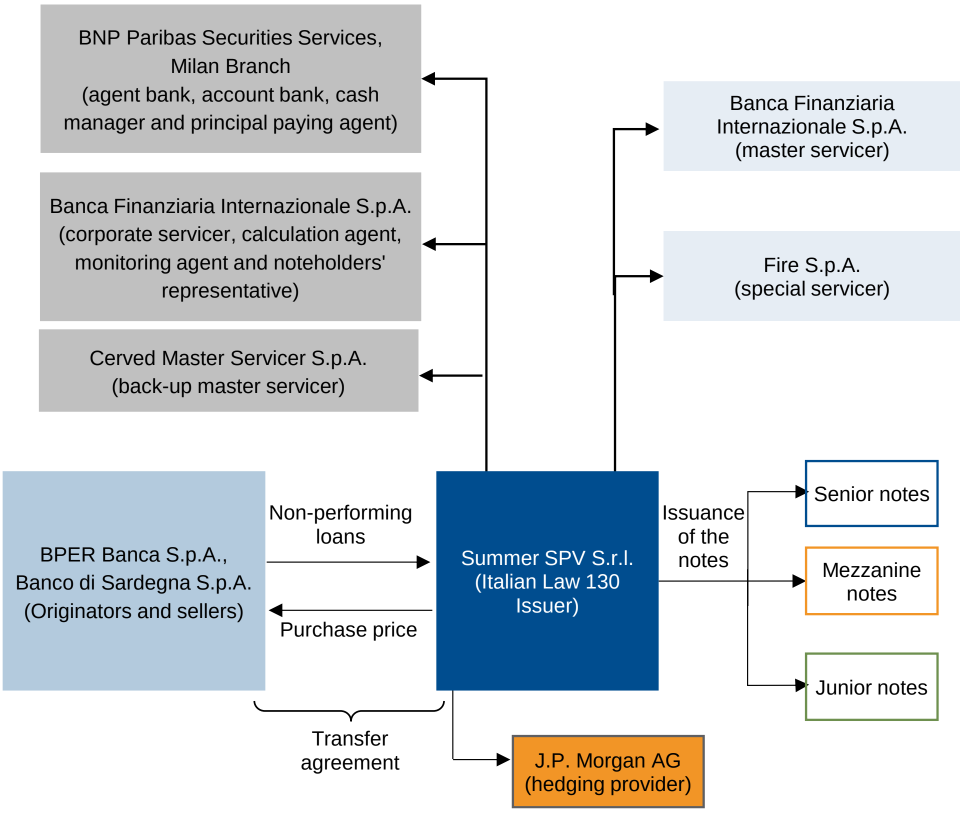
1. Transaction diagram

Figure 1: Transaction diagram



Sources: transaction documents, Scope Ratings.

2. Macroeconomic environment

Low economic growth poses significant challenges to NPL recovery expectations

The current significant cyclical downturn and low nominal growth expectations pose challenges for secured and unsecured NPL portfolio recoveries, as weak macroeconomic conditions may curtail demand for real estate assets as well as for workout options on unsecured business and personal loans.

Supported by growth-enhancing fiscal stimulus to address the economic and public-health consequences of this crisis, alongside accommodative borrowing and investment conditions anchored by the extraordinary interventions of the ECB, our estimate of the Italian economy's medium-run growth potential is a weak 0.7%, which compares with pre-crisis output growth that averaged 0.2% over 2010-19.

The ECB's monetary policy response and the EU Recovery Fund of EUR 750bn over 2021-26 have anchored Italy's access to capital markets at record-low rates and enabled a significant fiscal response by the Italian government to the current crisis. In 2020, Italian authorities executed meaningful budget stimulus of around 6% of GDP. The government's latest budgetary plans contained in the Documento di Economia e Finanza envisage discretionary measures in 2021 amounting to a fiscal expansion of 1.4% of GDP, including monies for southern Italian regions and support for businesses.

We expect GDP growth to rebound to 5.6% in 2021 after contracting by 9.6% in 2020

Under our baseline scenario, we foresee the Italian economy contracting by 9.6% in 2020 but rebounding with growth of 5.6% in 2021. This scenario assumes a firmer foothold for the recovery by the spring of 2021 after an easing of the anticipated double-dip contraction in Q4 amid a gradual re-opening of the economy. Even so, recovery in 2021 will remain uneven and subject to setbacks in the short term.

There are both upside and downside risks to these baseline projections for 2021. Under a stressed scenario of a full renewed lockdown by Q1 2021, we estimate a further contraction of GDP next year of 0.7%.

In addition, the prolonged crisis and loss of investment may have attenuated Italy's growth potential. Longer-term plans for reform face challenges, moreover, including from policy implementation and structural increases in public debt ratios – which restrict available fiscal space.

Italy's public debt ratio has steadily increased across multiple business cycles, from 104% of GDP at end-2001, to 135% by end-2019 and around 160% in 2020 under our baseline expectations. As we move ahead in this decade, additional shocks with potential adverse impacts on debt trajectory remain likely.

3. Special servicer review

3.1. Introduction

We conducted an operational review on the special servicer, Fire. In our view the special servicer's capabilities and processes to manage the securitised portfolio are adequate.

Portfolio recovery assumptions consider our assessment of the special servicer's capabilities

Our assessment of the special servicer's capabilities addresses, among other aspects, its corporate structure, business processes, collateral appraisal procedures, servicing IT systems, business discontinuity risks and transaction-specific aspects such as portfolio onboarding, asset manager allocation and asset disposal strategies (i.e., business plan). This assessment was considered when deriving our recovery rate and recovery timing assumptions for both unsecured and secured positions.

In addition, we conducted a virtual property tour on a small sample of properties from the securitised portfolio. This is part of our assessment of portfolio collateral valuations and secured recovery expectations, captured through our haircuts based on property and appraisal types.

3.2. Corporate overview

Fire ranks among the top 10 Italian servicers by AUM

Founded in 1992 in Messina, Fire is among the top 10 Italian special servicers by assets under management (AUM), with approximately EUR 22bn as of December 2020. As a special servicer, it specialises in the servicing of small-medium sized secured and unsecured NPLs, the latter comprising more than 70% of NPL volume under management (by GBV). Ranking among the unlisted Italian servicers, it also has experience as special servicers in other GACS securitisations.

3.3. Servicing model

Fire offers integrated servicing solutions through the credit life cycle and across asset classes. This is enabled by multiple branches across Italy and a network of external agents supporting collection, appraisal and brokering functions.

Onboarding of portfolios is a largely automated process as Fire relies exclusively on a proprietary tool. The loan management system is mainly used for managing and monitoring legal procedures and documentation, including property auctions, as well as coordination with their network of supporting agents. This system also feed underlying databases, which inform automated reports for both internal and external agents.

Fire uses a predictive model to cluster borrowers based on expected recovery rates. These models are based on public and aggregate historical data, which includes performance data for more than 2.5 million unsecured positions. Portfolio managers then set strategic objectives for each cluster under their management and are in-charge of data-to-day activities conducted by asset/loan managers.

4. Portfolio characteristics

4.1. Representations and warranties

The representations and warranties on the receivables provided by the originators are aligned with market standards. Relevant representations are:

- All loans are denominated in euros and governed by Italian law.
- All receivables are valid for transfer without any limitations and free encumbrances and enforceable to the extent of their GBV.
- Borrowers have been reported by the originator as defaulted by the Credit Bureau of the Bank of Italy as of the transfer date.
- All real estate assets with a first lien mortgage are located in Italy and, to the knowledge of each originator, are existing.
- As of the cut-off date, individual borrowers were resident in Italy and corporate borrowers have their registered office in Italy (except for three borrowers, two corporate and one individual).
- Borrowers are not employees, managers or directors of the originators.
- Bankruptcy proceedings related to bankrupt debtors are ongoing as of the cut-off date.
- All information provided in the transaction's data tape is true, complete and accurate.

4.2. Key portfolio stratifications

Figure 2 provides a high-level view on portfolio characteristics as of the cut-off date. Detailed loan-level portfolio stratifications are provided in Figures 3-12 and in Appendix I.

Figure 2: Portfolio summary

	All	Senior secured	Junior secured	Unsecured
Number of loans	23,473	2,172	281	21,020
Number of borrowers	15,172			
Gross book value (EUR m)	322.0	142.9	13.9	165.3
% of gross book value		44.4%	4.3%	51.3%
Cash in court (% of GBV)	0.5%			
Collections since cut-off date (% of GBV)	2.2%			
Weighted average seasoning (years)	3.3	2.4	5.2	3.9
Collateral values (EUR m)		351.8	71.6	

Sources: transaction data tape, calculations by Scope Ratings

We adjusted the pool's gross book value using information on collections and sold properties since the cut-off date. The analysis excluded portfolio's loans, which we assumed to be closed, based on collections already received (EUR 6.9m as of transfer date) and estimated cash-in-court (EUR 1.7m relative to first-lien property value).

These adjustments reduced the portfolio's gross book value from EUR 322m to EUR 305m. Collections received since the cut-off date will be part of the issuer's available proceeds at the first payment date. We assumed the amount of cash-in-court would be received within three years.

Our analysis is performed on a loan-by-loan level, considering all information provided to us in the context of the transaction as well as publicly available information. Loans are defined as ‘senior secured’ if they are guaranteed by first-lien mortgages, ‘junior secured’ if they are guaranteed by second or lower-lien mortgages, ‘unsecured’ otherwise. Unless otherwise stated, unsecured loans include junior secured loans.

Stratification data reported below reflect our aggregation by loans and may be based on conservative mapping assumptions applied to address missing data.

Figure 3: Distribution by borrower type (% of GBV)

Figure 4: Distribution by loan type (% of GBV)

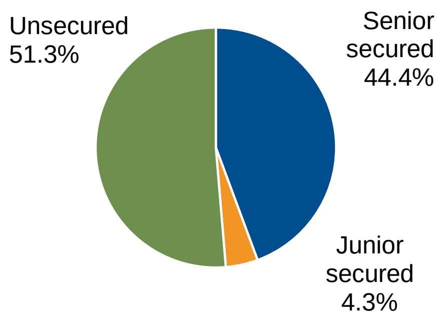


Figure 5: Distribution by recovery procedure (% of GBV)

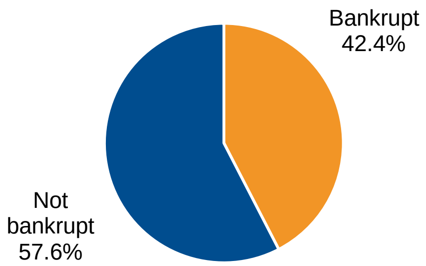


Figure 6: Distribution by recovery stage (secured loans, % of GBV)

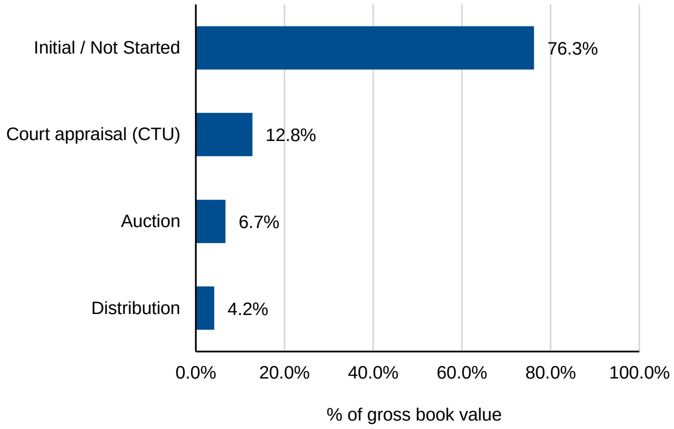


Figure 7: Distribution by court bucket (% of GBV)

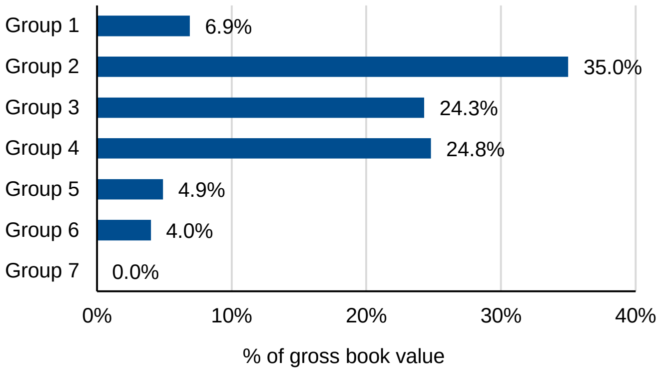
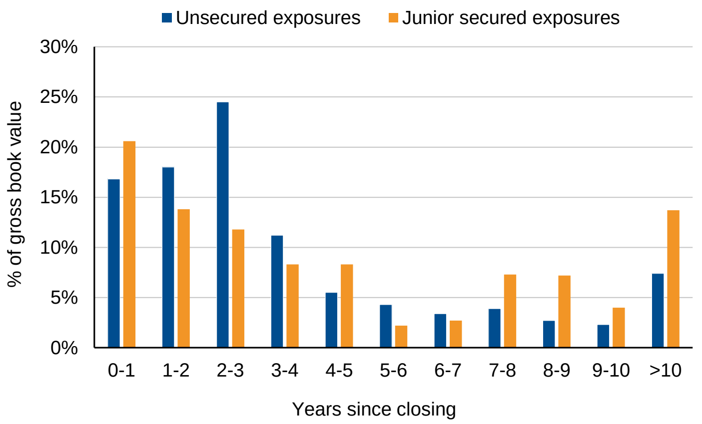


Figure 8: Unsecured and junior secured seasoning (% of GBV)



Sources: transaction data tape, calculations by Scope Ratings

Figure 9: Distribution by collateral type (% of collateral)

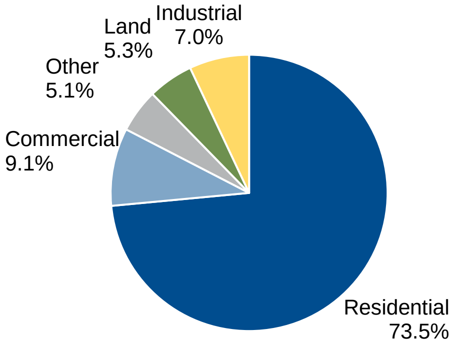


Figure 10: Distribution by valuation type (% of collateral)

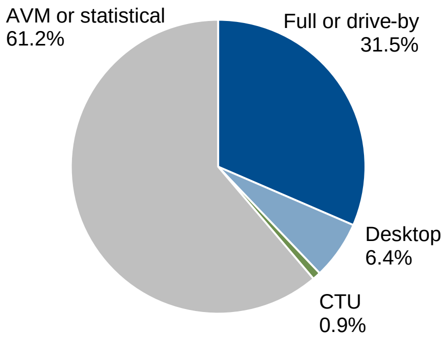


Figure 11: Distribution by collateral location (% of collateral)

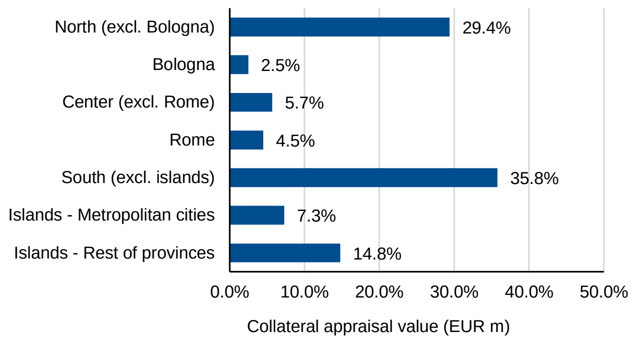
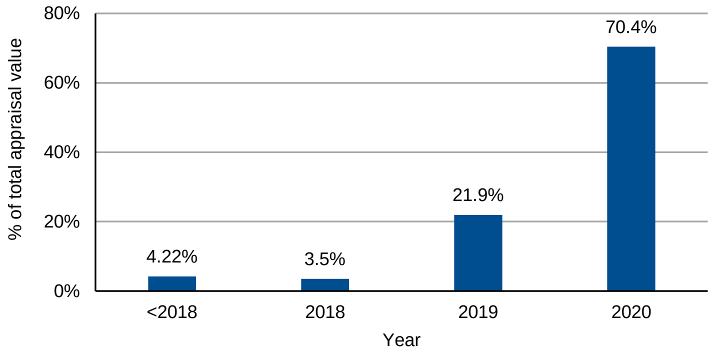


Figure 12: Distribution by valuation date (% of collateral)



Sources: transaction data tape, calculations by Scope Ratings

5. Portfolio analysis

Under our NPL ABS rating methodology, we test the resilience of a rated instrument against deterministic, rating-conditional stresses. We apply higher stresses as the instrument's rating becomes higher. We follow a bottom-up approach to derive transaction-specific assumptions. This involves an analysis of loan and borrower attributes, the type of security, the security appraisal value, and applicable recovery procedures. The approach enables us to develop an independent view on the relevant risks. We also consider any relevant insights from the servicer's business plan, peer comparisons and market data. We also account for the current macro-economic scenario, taking a forward-looking view on the macro-economic developments.

Figure 13 summarises the stressed recovery rate assumptions applied for the analysis of the class A.

Figure 13: Summary of assumptions

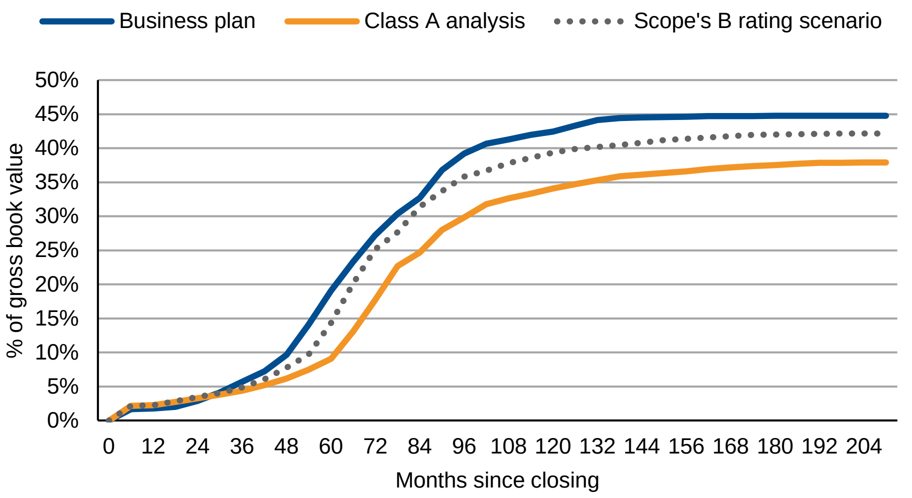
	Class A analysis
Secured recovery rate (% of secured GBV)	70.4%
Unsecured recovery rate (% of unsecured GBV)	12.1%
Total recovery rate (% of total GBV)	**38.0%**
Secured collections weighted average life (years)	7.0
Unsecured collections weighted average life (years)	4.9
Total collections weighted average life (WAL)	**6.6**

Sources: Scope Ratings

Stressed class A recovery rate assumptions are about 15% below business plan target

Figure 14 compares our lifetime gross collections and recovery timing assumptions for the entire portfolio with the servicer business plan. These assumptions are derived by blending secured and unsecured recovery expectations. Our assumptions on the recovery rate for class A is about 15% below business plan target and involve a longer period (WAL of 6.6 years for the class A analysis vs. WAL of about 5.6 years from the business plan).

Figure 14: Business plan's gross cumulative recoveries vs. Scope's assumptions[1]



Sources: Servicer business plan, Scope Ratings

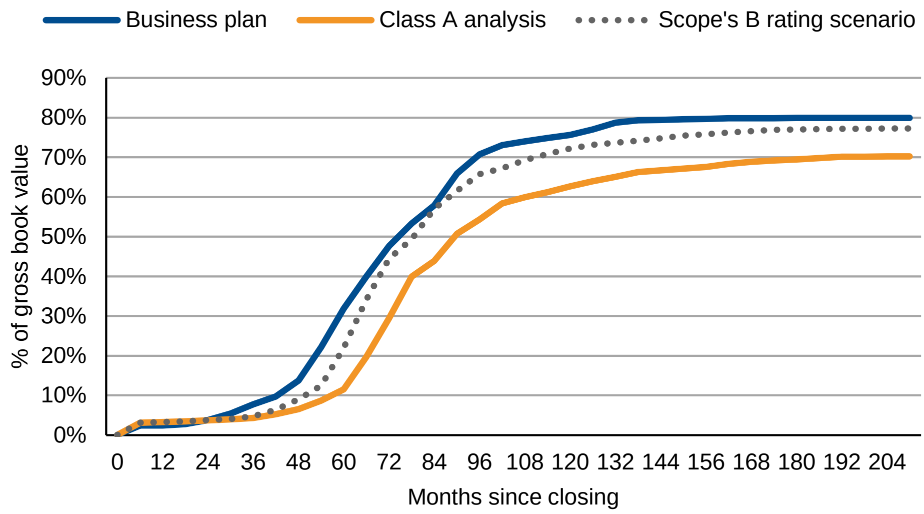
5.1. Analysis of secured portfolio segment

Valuation haircuts address forward-looking market value and liquidity risks

Figure 15 shows our lifetime gross collections vectors for the secured segment compared to those from the servicer's business plan. Our analytical approach consists of estimating the security's current value based on property appraisals and then applying security-value haircuts to capture forward-looking market value and liquidity risks. Recovery timing assumptions are mainly determined by the efficiency of the assigned court (based on historical data on the length of the proceedings), the type and stage of legal proceeding. Our analysis also considers concentration risk and the servicer's business plan.

[1] Scope classifies a loan as senior secured if there is an underlying first-lien claim to a secured asset and reports gross collections against such loans as senior secured recovery amounts. The servicers' business plan classification is done at the borrower level, whereby a borrower with at least one qualifying senior secured loan (consistent with Scope's definition) is classified as senior secured.

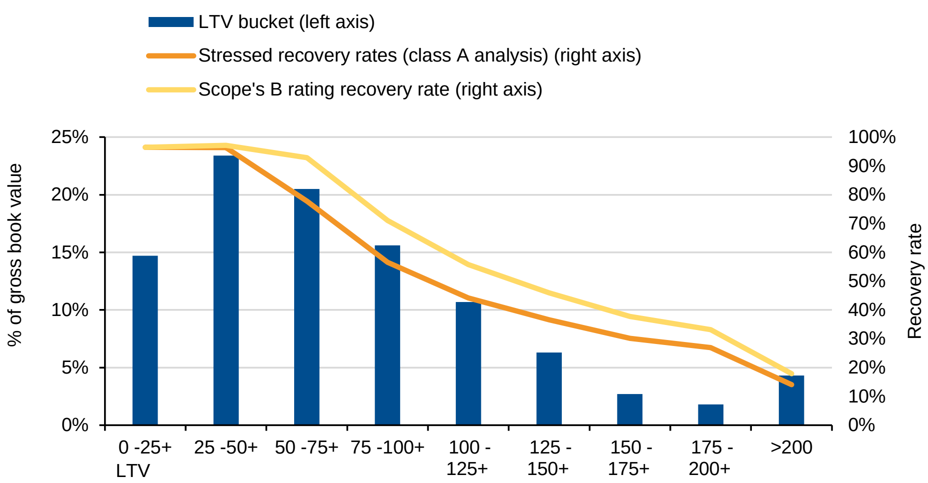
Figure 15: Business plan's gross cumulative recoveries for secured loans vs. Scope's assumptions



Sources: Servicer business plan, Scope Ratings

Figure 16 shows the secured loans' distribution by loan-to-value (LTV) bucket as well as our recovery rate assumptions for each LTV bucket under our rating-conditional stresses applied for the class A and the base case scenario (B rating scenario)

Figure 16: Secured loans' distribution by LTV and Scope's expected secured recoveries



Sources: transaction data tape, calculation by Scope Ratings

5.1.1. Valuations analysis

Appraisal type haircuts range between 0% and 20%

We applied rating-conditional haircuts ranging from 0% to 20%, reflecting our view of the level of quality and accuracy of each valuation type: full or drive-by valuations are generally more accurate than desktop or CTU valuations.

Figure 17: Scope's transaction-specific valuation haircuts

Valuation type	% of collateral value	Class A analysis haircut
Full or drive-by	31.5%	-
Desktop	6.4%	5%
CTU	0.9%	10%
AVM or statistical	61.2%	20%

Sources: Transaction data tape; calculations and/or assumptions by Scope Ratings

5.1.2. Property market value assumptions

Figure 18 details our assumptions about property price changes over the transaction's life commensurate with class A rating. These assumptions are i) specific to the transaction and to the geographical area; ii) based on an analysis of historical property price volatility; and iii) based on fundamental metrics relating to property affordability, property profitability, private sector indebtedness, the credit cycle, population dynamics and long-term macroeconomic performance.

Figure 18: Scope's transaction-specific price change assumptions

	North						Centre			South			Islands	
Region	Milan	Turin	Genoa	Bologna	Venice	Others	Rome	Florence	Others	Naples	Bari	Others	Metropol-itan cities	Rest of provinces
Class A analysis	-13%	-11%	-11%	-11%	-13%	-13%	-17%	-15%	-15%	-13%	-13%	-15%	-13%	-15%
Portfolio distribution (%)	1.3	1.7	0.5	2.5	0.3	25.6	4.5	0.3	5.4	3.3	0.7	31.8	7.3	14.8

Sources: Transaction data tape; calculations and/or assumptions by Scope Ratings

5.1.3. Collateral liquidity risk

Property type haircuts range between 40% and 50%

Asset liquidity risk is captured through additional fire-sale haircuts applied to collateral valuations. Figure 19 shows the rating-conditional haircuts applied for the class A analysis. These assumptions are based on historical distressed property sales data (including those provided by the servicer) and reflect our view that non-residential properties tend to be less liquid, resulting in higher distressed-sale discounts.

Figure 19: Scope's transaction-specific fire-sale discount assumptions

Collateral type	% of collateral value	Class A analysis haircut
Residential	73.5%	35%
Non-residential	26.5%	40% - 45%

Sources: Transaction data tape; calculations and/or assumptions by Scope Ratings

5.1.4. Concentration risk

We addressed borrower concentration risk by applying a 10% rating-conditional recovery haircut to the 10 largest borrowers for the class A notes analysis. The largest 10 and 100 borrowers account for 1.5% and 11.0% of the portfolio's gross book value, respectively.

5.1.5. Residual claims after security enforcement

A secured creditor may initiate enforcement actions against a debtor if the sale proceeds of the mortgaged property are insufficient to repay the related outstanding debt. Secured creditors generally rank as unsecured creditors for amounts that have not been satisfied with the security's enforcement. The creditor's right to recover its claim arises with an enforceable title (i.e., a judgment or an agreement signed before a public notary).

Partial credit to residual claims after security enforcement for loans to individuals

Based on market wide historical data, we gave credit to residual claims on 10% of the loans to individuals. Recovery strategies do not typically focus on collecting residual claims, as the relevant costs may be higher than the potential proceeds. On the other hand, residual claims can be enforced in a profitable way for some individual borrowers, as the elapsed time after a default may have a positive impact. An individual may, for example, find new sources of income over time and become solvent again. Therefore, the servicer may opt to maximise recoveries when it is cost-efficient to do so, even after the security has been enforced. For corporate loans, we gave no credit to potential further recoveries on residual claims after the security has been enforced.

5.1.6. Tribunal efficiency

We applied line-by-line time-to-recovery assumptions considering the court in charge of the proceedings, the type of legal proceeding (i.e., bankruptcy or non-bankruptcy), and the current stage of the proceeding.

The total length of the recovery processes is mainly determined by the efficiency of the assigned court and the type of legal proceeding. To reflect this, we grouped Italian courts into seven categories, based on public data on the average length of bankruptcy and foreclosure proceedings between 2015 and 2019 (Figure 20). We applied a rating-conditional timing stress for both bankruptcy and non-bankruptcy procedures: 3.3 years and 1.6 year were respectively added to the total legal procedures' length for the class A analysis.

Figure 20: Total length of the recovery process by court group in years

Court group	Bankruptcy proceedings	Non-bankruptcy proceedings	Percentage of courts*
1	4	2	6.9%
2	6	3	35.0%
3	8	4	24.3%
4	10	5	24.8%
5	12	6	4.9%
6	14	7	4.0%
7	18	9	0.0%

* Percentages incorporate our assumptions with reference to courts not included in available information.

5.2. Analysis of unsecured portfolio segment

Unsecured portfolio analysis is based on statistical data

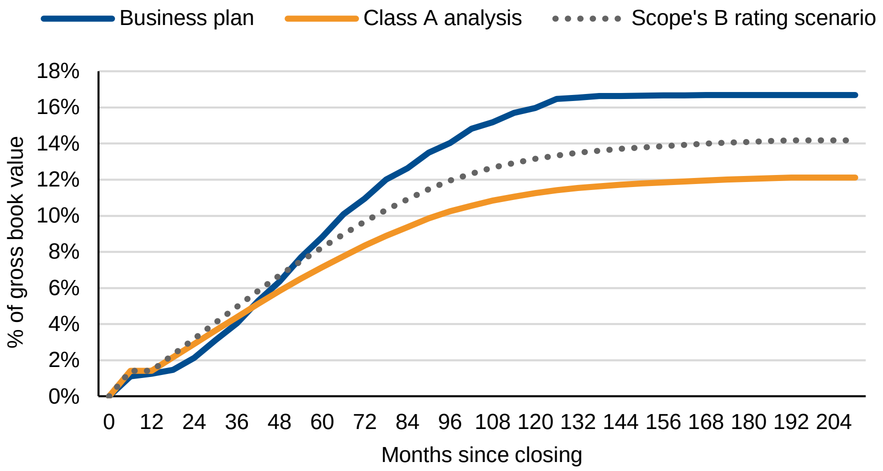
Our unsecured recovery assumptions are primarily based on market-wide historical data on unsecured recovery rates. We also considered servicer-specific historical recovery data, as well as our view on the quality of the servicer's recovery procedures.

Transaction-specific assumptions reflect the key characteristics of the unsecured portfolio segment, such as debtor types (i.e., individual or corporate) and the type of recovery procedure. For instance, bankruptcy proceedings are generally slower and typically result in lower recoveries than non-bankruptcy proceedings.

Ageing of the unsecured portfolio drives recoveries

Finally, transaction-specific assumptions are re-calibrated to reflect the ageing of the unsecured portfolio segment, as we consider aged unsecured NPLs to have a lower likelihood of recovery. The unsecured loans in the portfolio (including also junior secured loans) are classified as defaulted for a weighted average of 4 years, which is average to transaction peer levels.

Figure 21: Servicer's unsecured[2] recoveries vs. Scope's assumptions



Sources: Servicer's business plan, Scope Ratings

6. Key structural features

The structure comprises three classes of notes with fully sequential principal amortisation: senior class A, mezzanine class B, and junior class J.

Class A will pay a floating rate indexed to six-month Euribor plus a margin of 0.5%. Class B will pay a floating rate indexed to six-month Euribor plus a margin of 12.0%. The Class B interest (and a portion of the special servicer fees) are subordinated to class A principal payments if certain under-performance events are triggered.

The GACS guarantee ensures interest and principal are paid by the final maturity of the class A notes. Our rating on the class A notes does not consider the coverage of the GACS guarantee but considers its potential cost (i.e., GACS premium) if the guarantee is added to the structure.

Non-timely payment of class A interest would trigger accelerated waterfall

Non-timely payment of interest on the senior notes (unless the GACS guarantee is in place), among other events such as the issuer's unlawfulness, would accelerate the repayment of class A through the full subordination of class B payments.

6.1. Combined priority of payments

The issuer's available funds (i.e., collection amounts received from the portfolio, the cash reserve, payments received under the interest rate cap agreement, insurance payments and indemnity payments from the originators) will be used in the following simplified order of priority:

[2] The comparison considers unsecured and junior secured loans as per servicer's business plan.

Figure 22: Simplified priority of payments and available funds

Pre-enforcement priority of payments
1) Servicer expenses and senior servicer fees
2) Limited-recourse loan interest
3) GACS guarantee premium
4) Class A interest
5) Cash reserve replenishment
6) Limited-recourse loan principal
7) Class B interest[3] (provided that no interest subordination event has occurred)
8) Class A principal
9) Class B interest (upon occurrence of the interest subordination event)
10) Class B principal and servicer mezzanine fees (provided that a servicer underperformance event has occurred)
11) Class J interest
12) Class J principal and servicer junior fees (provided that a servicer underperformance event has occurred)
13) Any residual amount as class J variable return

Sources : Transaction documents and Scope Ratings

6.2. Interest subordination event

Class B interest subordination event is aligned with requirements of the GACS Scheme

The occurrence of an interest subordination event results in class B interest being paid under item 9 of the waterfall above. An interest subordination event occurs if i) the cumulative net collection ratio[4] ('CCR') falls below 90% of the servicer's business plan targets; ii) the NPV cumulative profitability ratio[5] ('NPVPR') falls below 90%; or iii) any amount of class A interest is unpaid.

An interest subordination event is curable, according to the following rules:

1. If, on a subsequent payment date, the CCR is between 90% and 100%, class B interest accruing on that payment date will be payable senior to the class A principal repayment. These mechanisms are aligned with the requirements of the GACS Scheme[6].

2. If, on a subsequent payment date, the CCR returns above 100%, due and unpaid class B interest is paid senior to class A principal.

6.3. Servicing fee structure and alignment of interests

6.3.1. Servicing fees and servicer underperformance event

The servicing fee structure links the level of fees paid to the servicer with the portfolio's performance, mitigating potential conflicts of interest between the servicer and noteholders. The special servicer will be entitled to both an annual base fee and a performance fee.

The exact level of fees is subject to the GBV size and the type of recovery strategy (judicial vs. extra-judicial). Extra-judicial strategies and lower tickets generally bear higher performance fees relative to collection amounts. Considering the portfolio composition,

[3] Euribor component, if positive, is paid under item 9 of the priority of payments

[4] 'Cumulative net collection ratio' is defined as the ratio between: i) the cumulative net collections; and ii) the net expected cumulative collections. Net collections are calculated as the difference between gross collections and recovery expenses, excluding servicing fees.

[5] 'NPV cumulative profitability ratio' is defined as the ratio between: i) the sum of the present value of the net collections for all receivables relating to closed positions; and ii) the sum of the target price (based on the servicer's initial business plan) of all receivables relating to closed positions.

[6] Italian law decree No. 18 of 14 February 2016 converted into law No. 49 of 8 April 2016, s subsequently amended and supplemented under Italian law decree No. 22 of 25 March 2019, converted into Italian law No. 41 of 20 May 2019.

we assumed an average performance fee of 4.6% and 11.5% (plus VAT) for secured and unsecured exposures, respectively.

Servicing fee structures reasonably align the interests of the servicer and the noteholders

The occurrence of a servicer underperformance event results in 5%-25% of the servicer performance fees being subordinated to class A principal payments, based on the level of underperformance. This portion is then paid under items 10 and 12 of the above simplified priority of payments, as mezzanine or junior servicing fees, respectively. A servicer underperformance event occurs either if the CCR or the NPVPR falls below a given threshold, as shown in Figure 23.

Figure 23: Servicing fee subordination mechanism CCR and NPVPR

CCR lower than 85%	• 15% as servicer mezzanine fee • 10% as servicer junior fee
CCR greater than 85% and lower than 90% or NPVPR lower than 85%	• 15% as servicer mezzanine fee • 5% as servicer junior fee
NPVPR greater than 85% and lower than 90%	• 10% as servicer mezzanine fee • 5% as servicer junior fee
NPVPR greater than 90% and lower than 95%	• 5% as servicer mezzanine fee • 0% as servicer junior fee

An underperformance event is curable if on any subsequent payment date, both the CCR and the NPVPR return above 100%. However, all mezzanine and junior servicer fees accrued and subordinated in previous periods shall remain subordinated.

6.3.2. Servicer monitoring

Monitoring function protects noteholders' interests

An overview of the servicer's activities and calculations, prepared by the monitoring agent, mitigates operational risks and moral hazard that could negatively impact noteholder interests.

The servicer is responsible for the servicing, administration, and collection of receivables as well as the management of legal proceedings. The monitoring agent will verify the calculations of key performance ratios and amounts payable by the issuer and check a random sample of loans.

The monitoring agent will report to a committee that represents the interests of both junior and mezzanine noteholders. The committee can authorise the revocation and replacement of the special servicer upon a servicer termination event. The monitoring agent can also authorise the sale of the receivables (acting upon instructions of the committee), the closure of debt positions, and the payment of additional costs and expenses related to recovery activities.

6.3.3. Special servicer termination events

In the event of a special servicer termination event, the monitoring agent will assist the issuer to find a suitable replacement for the special servicer.

A special servicer termination event includes i) insolvency; ii) an unremedied breach of obligations; iii) failure to pay any amount due to the issuer within two business days from the collections' reconciliation date; iv) an unremedied breach of representation and warranties; v) loss of legally eligibility to perform obligations under the servicing agreement; vi) after 24 months since closing, the occurrence of two consecutive underperformance event; and vii) following the enforcement of the GACS guarantee, if the cumulative net collection ratio has been lower than 100% for two consecutive collection dates.

6.4. Liquidity protection

Cash reserve provides liquidity protection to class A notes

A cash reserve will be funded at closing through a limited-recourse loan provided by BPER. The cash reserve target amount at each payment date will be equal to 4.0% of the total outstanding balance of class A notes.

The cash reserve is available to cover any shortfalls in interest payments on the class A notes as well as any items senior to them in the priority of payments. Following the implementation of the GACS guarantee, any liquidity shortfalls will primarily be covered by the guarantor, with the cash reserve mainly mitigating the time it takes between the draw on the guarantee and the actual payment.

6.5. Interest rate hedge

Due to the non-performing nature of the securitised portfolio, the issuer will not receive regular cash flows and the collections will not be linked to any defined interest rate. On the liability side, the issuer will pay a floating coupon on the notes, defined as six-month Euribor plus a 0.5% margin on the class A and a 12.0% margin on class B. Coupon on class A and B are floored at zero.

Interest rate risk on class A notes is mitigated through a cap spread structure and a cap embedded in the notes

An interest rate cap spread partially mitigates the risk of increased liabilities on the class A notes due to a rise in Euribor (Figure 24). The base rate on the class A notes will be capped with an upper bound rate ranging from 0.2% in April 2021 to 1.4% until October 2035, while it will be floored with a lower bound rate equal to 0% until October 2035. Under the cap agreement, the issuer receives the difference, if positive, between six-month Euribor and the lower bound rate and pays the difference, if positive, between six-month Euribor and the upper bound rate, following a pre-defined notional schedule. In addition, a cap is embedded in the class A Euribor component, aligned with the upper bound rate of the cap spread.

The notional schedule of the cap spread on class A notes is aligned with our expected class A amortisation profile (see Figure 25). A delay in recoveries beyond our class A recovery timing vector would increase interest rate risk exposure, as it would create a gap between the transaction's cap notional amount and the class A notes' outstanding principal.

Figure 24: Cap spread on class A notes

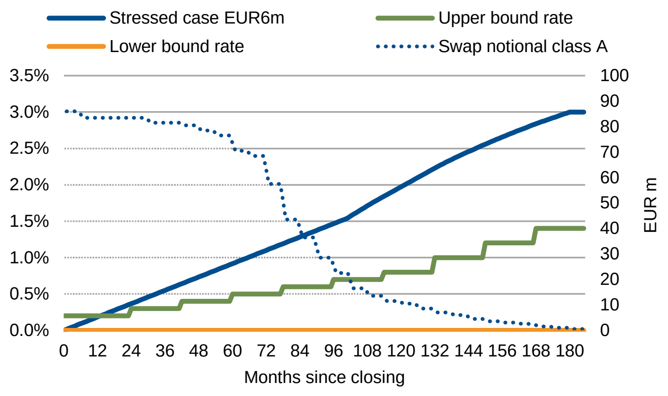
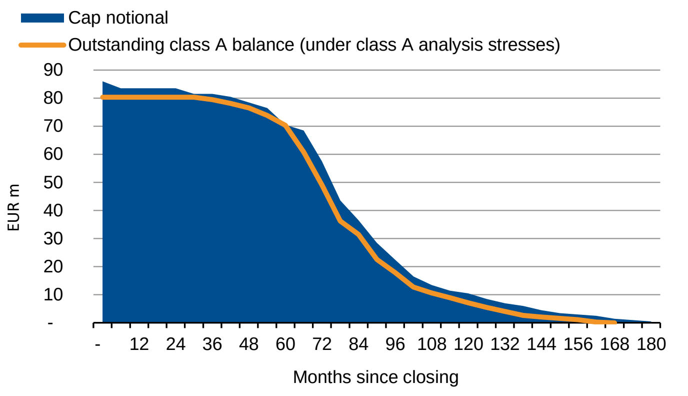


Figure 25: Cap notional vs outstanding class A notes



Sources: Transaction documents, Bloomberg and Scope Ratings

7. Cash flow analysis and rating stability

Our cash flow analysis considers the structural features of the transaction

Scope analysed the transaction's specific cash flow characteristics. Rating-conditional gross recovery vectors reflect Scope's asset assumptions. The analysis considers the capital structure, the coupon payable on the notes and the hedging structure, as well as, the servicing fees structure, the transaction senior fees and legal costs, the latter assumed to be equivalent to 9% of gross collections.

Our rating reflects expected loss over the instrument's weighted average life

The rating assigned to the class A notes reflects the expected losses over the instruments' weighted average life commensurate with the Scope's idealised expected loss table.

We tested the resilience of the rating against deviations from expected recovery rates and recovery timing. This analysis has the sole purpose of illustrating the sensitivity of the rating to input assumptions and is not indicative of expected or likely scenarios. We tested the sensitivity of the analysis to deviations from the main input assumptions: i) recovery rate level; and ii) recovery timing.

For class A, the following shows how the results change compared to the assigned credit rating in the event of:

- a decrease of the portfolio's recovery rate by 10%, minus two notches.
- an increase in the recovery lag by one year, zero notches.

8. Sovereign risk

No mechanistic rating cap linked to sovereign risk

Sovereign risk does not limit the rating. The risks of an institutional framework meltdown, legal insecurity, or currency convertibility problems due to an Italian exit from the euro area, a scenario, which Scope views as highly unlikely, are not material for the notes' rating.

9. Counterparty risk

Counterparty risk does not limit the transaction's rating

In our view, none of the counterparty exposures constrain the rating achievable by this transaction. We considered counterparty substitution provisions in the transaction and, when available, Scope's ratings or other public ratings on the counterparties. We also considered eligible investment criteria in the transaction documents for cash amounts held by the issuer.

The transaction is mainly exposed to counterparty risk from the following counterparties: i) BPER and BDS as originators, regarding representations and warranties, ii) BPER as limited-recourse loan provider; iii) Fire as special servicer; iv) BNP Paribas Securities Services, Milan Branch as agent bank, account bank, cash manager and principal paying agent; v) Banca FinInt as master servicer, corporate servicer, calculation agent, noteholders' representative and monitoring agent; vi) Cerved Master Servicer S.p.A. as back-up master servicer and vii) J.P. Morgan AG as cap counterparty.

9.1. Servicer disruption risk

A servicer disruption event may have a negative impact on the transaction's performance. The transaction incorporates servicer-monitoring that mitigates operational risk, and a back-up master servicer appointed at closing and special servicer replacement arrangements that mitigate disruption risk.

9.2. Commingling risk

Limited commingling risk

Commingling risk is limited, as debtors will be instructed to pay directly into an account held in the name of the issuer. In limited cases, in which the servicer receives payments from a debtor, the servicer will transfer the amounts within two business days from the payment reconciliation. In case the originators receive payments from debtors, they will transfer these amounts into the collection account within five business days.

9.3. Claw-back risk

Limited claw-back risk

The sellers have provided on the issue date: i) a solvency certificate signed by a representative duly authorised and ii) a certificate from the chamber of commerce confirming that the relevant seller is not subject to any insolvency or similar proceedings. This mitigates claw-back risk, as the issuer should be able to prove it was unaware of the seller's insolvency as of the transfer date.

Assignments of receivables made under the Italian Securitisation Law are subject to claw-back in the following events:

(i) pursuant to article 67, paragraph 1, of the Italian Bankruptcy Law, if the bankruptcy declaration of the relevant originator is made within six months from the purchase of the relevant portfolio of receivables, provided the receivables' sale price exceeds their value by more than 25% and the issuer cannot prove it was unaware of the originator's insolvency, or

(ii) pursuant to article 67, paragraph 2, of the Italian Bankruptcy Law, if the adjudication of bankruptcy of the relevant originator is made within three months from the purchase of the relevant portfolio of receivables, provided the receivables' sale price does not exceed their value by more than 25% and the originator's insolvency receiver can prove the issuer was aware of the originator's insolvency.

9.4. Enforcement of representations and warranties

Representations and warranties limited by time and amount

The issuer will rely on the representations and warranties, limited by time and amount, provided by the originators in the transfer agreement. If a breach of a representation and warranty materially and adversely affects a loan's value, the originators may be obliged to indemnify the issuer for damages within 10 business days following the expiry of the period of opposition or within 10 business days following the reach of an agreement after the arise of a challenge or within 10 business days after court's decision in case of challenge without a subsequent agreement.

However, the above-mentioned representations and warranties are only enforceable by the issuer within 24 months from the issue date.

The total indemnity amount will be capped to a maximum of 30% of the portfolio purchase price. Furthermore, the indemnity amounts will be payable only above a minimum amount threshold of EUR 65,000 on an aggregate basis, and EUR 6,000 on a single-loss basis, once the aggregated minimum amount threshold is reached.

10. Legal structure

10.1. Legal framework

Transaction documents governed by Italian and English Law

The transaction documents are governed by Italian Law, whereas English Law governs the interest cap agreement and the deed of charge.

The transaction is fully governed by the terms in the documentation and any changes are subject to the counterparties' consent.

10.2. Use of legal opinions

Scope had access to the legal opinions produced for the issuer, which provide comfort on the legally valid, binding and enforceable nature of the contracts.

11. Monitoring

Ongoing rating monitoring

Scope will monitor this transaction based on the performance reports, updated loan by loan reports, as well as on public information. The rating will be monitored on an ongoing basis.

Scope analysts are available to discuss all the details of the rating analysis

Scope analysts are available to discuss all the details surrounding the rating analysis, the risks to which this transaction is exposed and the ongoing monitoring of the transaction.

12. Applied methodology

For the analysis of the transaction Scope applied its Non-Performing Loan ABS Rating Methodology and the Methodology for Counterparty Risk in Structured Finance, both available on www.scoperatings.com.

I. Appendix I – deal comparison

Transaction	Summer	Sirio NPL	Buonconsiglio 3	POP NPLS 2020	Yoda SPV	BCC NPLS 2020	Spring SPV	Diana SPV	POP NPLS 2019	Futura	Iseo SPV	BCC NPLS 2019	Marathon	Prisma	Juno 2	Leviticus SPV	Belvedere SPV	BCC NPLs 2018-II	Riviera NPL	POP NPLS 18	Aqui	IBLA (Ragusa)	4Mori Sardegna	Aragorn NPL 2018
Closing	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Nov-20	Jun-20	Jun-20	Dec-19	Dec-19	Dec-19	Dec-19	Dec-19	Oct-19	Feb-19	Feb-19	Dec-18	Dec-18	Dec-18	Nov-18	Nov-18	Sep-18	Jun-18	Jun-18
Originators	BPER Banca, Banco di Sardegna	UBI Banca	38 Banks	15 Banks	Intesa Sanpaolo	90 Banks	BPER, Banco di Sardegna, CR Bra	BPS	12 Banks	53 Banks	UBI Banca	68 Banks	17 Fin. Inst.	Unicredit	BNL	BPM	multiple	73 Banks	Carige & Lucca	17 Banks	BPER Banca	Banca di Ragusa	Banco di Sardegna	Creval
Master servicer	Banca Finint	Prelios	Zenith	Credito Fondiario	Intrum	Italfondiario	Prelios	Prelios	Prelios	Guber Banca	Italfondiario	Italfondiario	Securitisation Services	Italfondiario	Prelios	Prelios	Prelios	Italfondiario	Credito Fondiario	Cerved	Prelios	Italfondiario	Prelios	Credito Fondiario
Special servicer	Fire	Prelios	Guber Banca	Credito Fondiario & Fire	Intrum	doValue	Prelios	Prelios	Prelios, Fire	Guber Banca	doValue	doValue	Hoist Italia	doValue	Prelios	Prelios	Prelios, BVI	Italfondiario	Credito Fondiario, Italfondiario	Cerved	Prelios	Italfondiario	Prelios	Cerved, Credito Fondiario
General portfolio attributes																								
Gross book value (EUR m)	322	1,228	679	919.9	6.033	2347.1	1377.3	999.7	826.7	1,256	857	1,324	5,027	6,057	968	7,385	2,541	1,954	964	1,510	2,082	330	900	1,676
Number of borrowers	15,172	14,313	3,671	3,978	22,282	9,580	2,544	2,981	6,633	9,639	6,401	8,596	324,282	52,419	1,120	19,747	13,678	10,089	3,606	6,578	6,255	1,598	11,412	4,171
Number of loans	23,473	22,471	6,520	8,128	74,312	17,246	11,669	4,813	16,718	16,152	8,373	15,944	412,795	137,813	3,609	49,404	31,266	22,041	9,776	17,093	21,279	4,805	20,098	8,289
WA seasoning (years)	3.3	3.4	3.7	3.4	5.5	3.8	4.6	4.0	6.1	5.5	3.5	3.4	7.5	5.3*	3.5*	3.8*	6.7*	1.8*	2.0*	2.9*	3.9	2.2*	4.8*	2.5
WA seasoning (years) - unsecured portfolio	4.0	3.5	4.4	3.8	5.9	4.5	4.9	4.4	7.7	6.2	4.6	4.2	7.5	6.8*	3.9*	4.4*	6.7*	2.5*	2.5*	3.5*	4.5	2.7*	6.4*	3.2
WA LTV buckets (% or secured portfolio)																								
bucket [0-25]	14.7	4.5	1.6	4.6	3.9	3.3	5.2	2	4.3	2.3	1.4	3.4	N/A	3	1.8	3.5	2	4	3.8	5.5	3	2.8	5.7	2.0
bucket [25-50]	23.4	12.2	7.9	9	8.9	7.7	13.4	7.4	10.3	5.5	5.4	9.9	N/A	8	8	9.2	4.9	9.4	11.7	11.4	11.4	7.4	14.6	4.2
bucket [50-75]	20.5	17.2	11.9	12.9	15.6	13.1	18.2	11.4	12.4	8	10.4	11.9	N/A	13.2	15.4	12.6	5.4	13.2	12.9	17.5	17.8	12.5	21.8	8.2
bucket [75-100]	15.6	18.6	14.2	19.2	13.8	13.5	15	19	17.4	7.2	15.8	14.6	N/A	15	15.6	14.8	8.5	14.8	10.7	14.9	17.9	16.3	20.4	13.9
bucket [100-125]	10.7	12.7	10.7	16.7	13.9	11.7	12.8	10.2	11.7	10.1	17.7	13.6	N/A	12.7	11.2	9.5	6.8	10.3	12	13.8	12.2	15.9	12.8	22.3
bucket [125-150]	6.3	6.7	10.6	10.2	6.9	9.5	6.2	7.5	8.6	9.5	15.7	8.5	N/A	10.6	10.9	6.9	8.6	9.1	8	10.1	8.5	12.1	4.0	17.9
bucket [150-175]	2.7	4.4	10.1		6.5	4.9	3.9	8.6	6.2	6.4	10.3	8.8	N/A	8.5	3.7	6.9	4.8	7.2	8.3	5.6	4.8	7.3	1.8	11.9
bucket [175-200]	1.8	6	7.6	27.4	3.3	5.4	3.9	3.7	3.7	3.8	7.2	6.7	N/A	6.3	7.8	4.7	5.2	4.5	3.3	7.4	4.1	6.6	4.4	3.7
bucket > 200	4.3	17.6	25.5		27.1	31	21.1	30.2	25.5	47.2	16.1	22.6	N/A	22.8	25.5	31.9	53.9	27.6	29.5	13.8	20.4	19.2	14.5	16.0
Cash in court (% of total GBV)	0.5	1.4	1.3	0.3	0.9	0.4	3.0	3.3		1.1	1.6	1.1	N/A	1.8	5.9	2.0	2.7	0.8	1.2	1.3	3.1	2.2	18.3	0.5
Loan types (% of total GBV)																								
Secured first-lien	44.4	53.7	65.5	55.9	41.2	59.8	52.5	64.7	46.9	45.7	92.2	65.9	0	64	57.7	50.5	41.0	58.4	39.4	53.9	57	67.2	56.1	67.3
Secured junior-lien	4.3	7.6	4.0	9.0	3.7	7.5	42.4	3.4	5.3	6.1	3.3	7.9	0	0.4	3	5.6	8.2	10.0	9.0	8.8	2.5	2.1	0.6	8.1
Unsecured	51.3	38.7	30.5	35.1	55.1	32.7	5.1	31.9	47.7	48.2	4.5	26.2	100	35.7	39.3	43.9	50.8	31.6	51.6	37.3	40.5	30.8	43.3	24.6
Syndicated loans	0.0	3.2	6.2	1.1	1.3	6.4	14.0	0.0	1.4	2.4	0	5.2	0	0	7.5		0	3.6	0	3	2.2	0.5	3.3	1.8
Debtors (% of total GBV)																								
Individuals	51.1	7	26.4	25.3	10.6	16.6	11.1	21.5	27.8	22	100	20.7	57.4	100	7.7	14.7	12.0	20.9	13.2	22.9	16.4	25.6	24.4	9.9
Corporates or SMEs	48.9	93	73.6	74.7	89.4	83.4	88.9	78.5	72.2	78	0	79.3	42.6	0	92.3	85.3	88.0	79.1	86.8	77.1	83.6	74.4	75.6	90.1
Procedure type (% of total GBV)																								
Bankrupt	42.4	53.2	64.9	55.1	49.8	59.1	52.8	22	51.5	64.2	0.9	60.5	N/A	0.7	69.9	71.7	82.2	59.6	72.7	56.6	44	13.2	39.1	55.0
Non-bankrupt	57.6	46.8	35.1	44.9	50.2	40.9	47.2	78	48.5	35.8	99.1	39.5	N/A	99.3	30.1	28.3	17.8	40.4	27.3	43.4	56	86.8	60.9	45.0
Borrower concentration (% of GBV)																								
Top 10	1.5	7.8	8.7	9.1	5.2	6.1	11.5	8.7	5.6	4.8	1.7	5.3	0	0.4	19	5.4	9.1	3.8	22.6	7.3	8	6.5	8	8.3
Top 100	11.0	30.3	38.4	35.3	19.6	25.1	39.7	34.7	26.6	21.5	7.4	26	0	1.7	56.2	20.3	24.2	19.4	45.5	26.4	26.5	26.9	27.7	39.5
Collateral distr. (% of appraisal val.)																								
North	32.0	51.6	64.7	62.2	36.6	42.8	39.2	83.8	21.2	74.1	50.7	38.1	N/A	37.1	32.8	71.1	48.8	34.1	79.3	20.9	48.5	0.3	1.3	58.5
Centre	10.2	25.2	21.7	12.4	24.3	40.6	8.3	9.7	8.7	14.6	21.1	35.6	N/A	24.2	38.9	17.4	23.6	47.5	12.3	36.3	8.1	0	11.5	18.4
South	57.8	23.2	13.6	25.4	39.1	16.5	52.5	6.5	70.1	11.3	28.2	26.3	N/A	38.6	28.3	11.4	27.6	18.4	8.3	42.9	43.4	99.8	87.4	23.1
Collateral type (% of appraisal val.)																								
Residential	73.5	35.3	35.3	46.6	38	31.6	32.8	46.6	54.4	47.1	94.8	43.8	N/A	90.1	34.8	41.6	41.9	36.9	40.6	41.7	33.9	57.8	51.3	43.4
Commercial	9.1	23.5	27.8	22.3	16.7	20.9	22.1	17.9	22.2	10.6	1.6	18.8	N/A	4.5	21.1	9.5	9.6	19.2	7.2	27.4	19.5	18.4	23.7	22
Industrial	7.0	16.5	15.0	9.9	26.3	21.1	12.4	11.5	6.1	21.2	2.1	15.3	N/A	0	16	5.3	7.2	13.9	17.3	16.2	15	9.6	11.3	15.3
Land	5.3	12.4	17.3	9.5	14.5	14.2	14.7	12.5	6	12.1	0.7	14.2	N/A	1	9	16.2	8.8	18.0	14.7	8.6	10.6	9.3	6.2	0.0
Other or unknown	5.1	12.3	4.7	11.7	4.5	12.2	18.0	11.6	11.3	9	0.7	7.9	N/A	4.4	19.1	27.5	32.5	12.1	20.2	6.1	21	4.9	7.6	19.3
Valuation type (% of appraisal val.)																								
Full or drive-by	31.5	16.9	58.1	46.1	31.1	57.4	74.3	62	25.9	0.9	0	57.7	N/A	0	56.8	32.3	31.4	29.2	21.4	45.5	48.3	60.5	38.8	96.1
Desktop	6.4	36.8	23.4	22.5	23.4	19.4	11.4	9.8	11	53.2	71.1	19.9	N/A	0	24.8	31.7	36.1	21.6	35.7	13.8	34	33.3	40	1.2
CTU	0.9	17.7	13.9	20	23.2	10.3	13.4	19.1	14.3	21.1	28.2	9	N/A	29.7	10.4	5.5	0.0	22.3	7.7	26	11	3.1	20.5	2.7
Other	61.2	28.6	4.6	11.4	22.3	12.9	0.9	9.1	48.8	0.8	0.7	13.4	N/A	70.3	8	30.5	32.5	26.9	35.2	14.7	6.7	3.1	0.6	0
Secured ptf proc. stage (% of GBV)																								
Initial	76.3	65.2	52.6	57.7	64.2	51.2	67.4	63.5	56.2	43.1	64.4	55.7	N/A	50.9	29.5	65.5	52.4	59.8	68.5	44.6	52.5	49.7	61.2	66.6
CTU	12.8	14.7	26.6	22.6	15.5	18.4	4.2	2.5	16.1	15.1	9.6	22.4	N/A	22.8	17	10.0	0.0	14.7	5.7	31.7	13.7	28.8	18.3	23.4
Auction	6.7	14.1	16.6	12.8	15.2	18.5	13.7	22.3	16.6	24.3	19.9	17.2	N/A	22.1	35.4	16.6	38.3	23.7	22.9	20.7	28.5	10.9	20.5	4.7
Distribution	4.2	6.0	4.2	7	5.1	11.9	14.6	11.8	11.1	17.4	6.1	4.8	N/A	4.3	18.1	8.0	9.3	1.7	2.4	3	5.4	10.7	0	5.5
Summary of assumptions (BBB rating conditional stress)																								
Remaining lifetime recovery rate (%)																								
Secured (=net LTV after all stresses)	70.4	50.2	43.1	48.9	45.4	43.8	53.1	47.7	52	36.7	54.7	54.7	N/A	46.2	61.2	51.8	36.7	55.6	52	61.8	58.8	55.3	66.2	48.3
Unsecured	12.1	12.9	8.2	8.7	6.3	11.6	9.5	8.9	9.7	7.6	16.5	16	9.1	1.4	8.6	10.2	7.3	15.3	13.2	10.9	12.8	12.4	9.9	16.8
Total	38.0	32.9	31.1	31.2	22.4	30.8	32.4	34	29.5	20.9	52.4	41.5	9.1	31.8	38.8	31.2	19.4	38.8	28.3	38.6	39.1	42.1	41.8	40.6
Weighted average life of collections (yrs)																								
Secured	7.0	7.6	7.4	7.6	7.2	8.3	6.0	3.8	7.2	6.57	5.4	7.1	N/A	5.6	5.7	8	8.2	7.3	7.1	7.2	6.5	7	7.2	7.9
Unsecured	4.9	4.3	4.8	4.7	3.3	5.2	3.6	4.4	3.5	3.4	4.8	4.5	3.08	3.2	3.6	4.5	5.2	5	4.6	4.7	4	4.8	4.2	4.2
Total	6.6	6.8	5.9	7.2	6.6	7.7	5.4	5.1	6.6	5.94	5.4	6.8	3.1	5.4	5.5	7.5	6.4	6.9	6.4	6.9	6.1	6.8	6.9	7.9
Structural features																								
Liquidity reserve (% of class A notes)	4	4	4	4	4	3	5	4.5	4.5	4.5	4	3	3	4	4	4	4	3	4	4	5	7.5	4.9 (% of A and B)	5.0
Class A Euribor cap strike	0.2%-1.4%	0.6%-3.75%	0.6%-3.75%	0.2%-1.6%	0%-0.75%	0.5%-1.2%	0.2%-1.6%	0.6%-3.75%	0	0.2%-3.0%	0.3%-1.25%	0.3% - 2.5%	N/A	0.2%-1.25%	0.4% - 2.5%	0.25% -1.5%	0.5%	0.42%-1%	0.3%	0.5%-2.5%	0.3	0.1%-2.0%	0.3% -1.25%	0%-0.1%
Class A																								
% of GBV	26.5	23.6	22.7	26.3	16.7	22.2	23.2	23.5	20.9	12.6	39.1	26.8	5.7	20	21.1	19.5	12.4	23.8	18.2	27.0	26.16	24.4	22.2	30.5
Credit enhancement	73.5	76.4	77.3	73.7	83.3	77.8	76.8	76.5	79.1	87.4	60.9	73.2	94.3	80	78.9	80.5	87.6	76.2	81.8	73.0	73.84	75.6	77.8	69.5
Class B																								
% of GBV	3.1	2.9	3.1	2.72	3.5	1.7	1.5	3.5	3	2.9	2.9	4	0.7	1.3	4.9	3	3	3	3.1	3.2	3.02	2.6	1.2	4.0
Credit enhancement	70.3	73.5	74.2	70.98	79.9	76.1	75.3	73	76.1	84.5	58	77.2	99.3	78.7	74	77.5	84.6	73.2	78.7	69.8	70.82	73	76.6	65.5
Final rating at closing																								
Class A	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB+	BBB+	BBB+	BBB+	BBB	BBB	BBB	BBB-	BBB	BBB-	BBB	A-	BBB-
Class B	NR	NR	NR	CC	NR	CC	NR	NR	CCC	NR	NR	B-	BB	B-	NR	NR	NR	B+	B+	B	NR	B	BB-	B

* the weighted average seasoning includes Scope's qualitative adjustment driven by the special servicer's superior capacity to treat unsecured loans compared to an originator.
** This includes loans with no ongoing legal proceeding or loans where the nature of the proceeding is unknown.

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