Ortles 21 S.r.l.

Italian Non-Performing Loan ABS

Ratings

Tranche	Rating	Size (EUR m)	% of notes	% of GBV	Coupon	Final maturity
Class A	BBB_{SF}	340.0	86%	18.5%	6m Euribor + 0.3%	Oct 2045
Class B	NR	40.0	10%	2.2%	6m Euribor + 9.5%	Oct 2045
Class J	NR	14.3	4%	0.8%	12% + Variable return	Oct 2045
Total		394.3	100%	21.5%		

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	17 December 2021
Issuer	Ortles 21 S.r.l.
Originators and sellers	Crédit Agricole Italia S.p.A., Crédit Agricole FriulAdria S.p.A., Credito Valtellinese S.p.A.
Master servicer	Italfondiario S.p.A.
Special servicers	Cerved Credit Management S.p.A. ('CCM') doValue S.p.A. ('doValue')
Gross-book value ('GBV')	EUR 1,834m
Cut-off dates	30 April 2021 (for 85.9% of the GBV) 31 August 2021 (for 14.1% of the GBV)
Transfer date	3 December 2021
Key portfolio characteristics	The securitised pool is composed of secured loans for a share of 44.7% of the portfolio's GBV and of unsecured loans for a share of 51.2% of the portfolio's GBV. Remaining exposures are junior secured loans (4.1% of the portfolio's GBV). Loans were granted mainly to corporate debtors (74.7% of the GBV). Properties with first-lien mortgages are located mainly in the north of Italy (66.8% of the secured collateral value), while 17.8% and 15.4% are in the center and south of Italy, respectively. A significant portion of the secured loans are backed by residential properties (40.7% of the secured collateral value), followed by land (17.5%), industrial properties (16.7%), commercial properties (13.8%) and other type of assets (11.5%).
Payment frequency	Semi-annual (April and October)
Key structural features	The notes have been structured in compliance with requirements of the GACS (Garanzia sulla Cartolarizzazione delle Sofferenze) scheme. The transaction structure comprises three tranches of sequentially 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	Crédit Agricole Corporate & Investment Bank
Other key counterparties	BNP Paribas Securities Services, Milan Branch (agent bank, account bank, cash manager and paying agent) Zenith Service S.p.A. (representative of the noteholders, calculation agent, back-up servicer, monitoring agent and corporate services provider) Crédit Agricole Italia S.p.A. (limited recourse loan provider)
Arrangers	Crédit Agricole Corporate & Investment Bank, J.P. Morgan AG

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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 assessment of the special servicer's capabilities. Our credit risk analysis also considers the structural protection provided to the notes, the absence of equity leakage provisions, the liquidity protection, the interest rate hedging agreement, and the exposure to the main transaction counterparties.

Our approach to projecting recoveries depends on whether the exposure is secured or unsecured. For secured exposures, we mainly derived expected collections from the latest property appraisal values, which we stressed based on appraisal type, liquidity, and market value risks. Security value haircuts were calibrated using the servicer's historical repossession data. Recovery timing assumptions were derived using line-by-line asset information detailing the type of legal proceeding, the respective court responsible for the proceeding, and the legal stage of the proceeding as of the portfolio transfer date. For unsecured and junior secured, we considered market-wide line-by-line data on loans that defaulted during 2000-19, the special servicer's capabilities and servicer-specific historical data.

Rating drivers and mitigants

Positive rating drivers

More than half of the pool is already managed by the servicers. Both special servicers are currently managing a portion of the portfolio (47.6% of the GBV is already managed by doValue, while 13.8% of the GBV is already managed by CCM). This can reduce the time to complete the on-boarding activities of the portfolio, including the set-up of the servicing strategies.

Properties concentrated in the north of Italy. The collateral backing the secured loans is mostly concentrated in the north of Italy (66.8% of total collateral value), which benefits from the country's most dynamic economic conditions and, in general, the most efficient tribunals.

Underperformance events linked to servicers' performance. If servicers' performance falls below their own business plans, their fees are partially subordinated and deferred to the class A payments. This strengthens the alignment of interest between the transaction's counterparties.

Interest rate risk hedged. Interest rate risk on the class A notes is partially mitigated through a cap spread hedging structure, with an increasing upper bound rate applied to class A base rate, ranging from 0.2% to 1.2%, 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

Presence of portfolio features that could decrease recoveries. The originators have represented that the pool contains loans with the following features: i) passive lawsuit already started by the borrowers or the guarantors that can led to a possible reduction of the receivables' exposure (6.4% of the GBV); ii) receivables for which the loan documentation was partially missing at closing (3.9% of the GBV); iii) loans guaranteed by confiscated properties (1% of GBV); iv) secured loans with mortgages for which the consolidation period has not elapsed (0.6% of the GBV); and v) corporate and individuals that are not resident in Italy (0.4% of the GBV). We have considered these features in its analysis by applying a stress on the recovery amount.

Weaker than average representations and warranties. The issuer will not be entitled to claim any indemnities related to any fact or circumstance that was already ascertainable for i) a portion of the portfolio analysed by the special servicers during their own due diligence (representing 10% of the GBV), and ii) a portion of the portfolio already managed by the special servicers (representing 55% of the GBV). We have incorporated this risk into the analysis considering, among other factors, some high-level information received on the activities performed by the servicers during the on-boarding of these sub-portfolios, although the specific activities performed have not been explained in the transaction documentation.

Significant portion of legal proceedings in initial stages. Around 67.4% of the secured loans (in terms of GBV) are in the initial legal phase or are yet to have proceedings initiated. This results in a longer expected time for collections than for loans in more advanced phases.

Significant portion of unsecured loans. The securitised portfolio has an above average share of unsecured loans, for which recovery rates are typically lower compared to secured loans.

Upside rating-change drivers

Faster judicial recovery timings. The pandemic led to a slowdown in court activity. An outperformance on recovery timing could occur if courts advance on proceeding backlogs faster than expected.

Rapid economic growth following the pandemic crisis. A scenario of rapid economic recovery would improve liquidity and affordability conditions and prevent a sharp deterioration in collateral values. This could enhance transaction's performance on collection volumes, with a potential positive impact on the rating.

Downside rating-change drivers

Long-lasting pandemic crisis. Covid-19 impacts may weigh negatively on portfolio's performance, as an economic downturn may deteriorate borrowers' affordability and real estate market liquidity conditions, reducing servicer performance on collection volumes.

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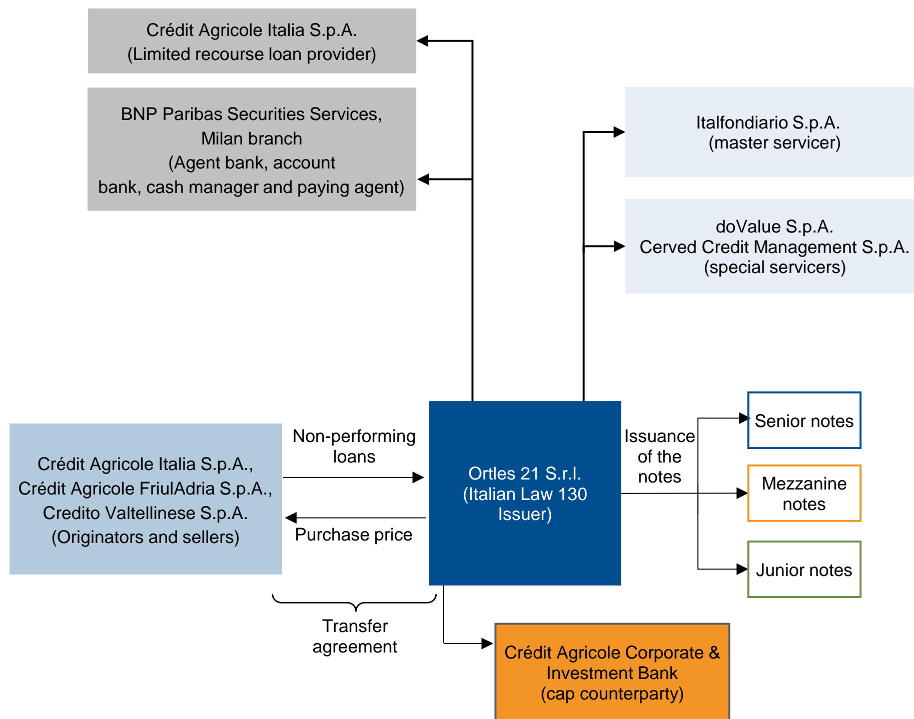
1. Transaction diagram

Figure 1: Transaction diagram



Sources: Transaction documents, Scope Ratings.

2. Macroeconomic environment

After a severe 9.0% economic contraction during 2020, Italy's economy has seen robust recovery this year, with an estimated annual growth rate of 6.6% – revised up from our above-consensus estimate of 5.6% for this year in entering 2021, followed by 4.7% in 2022, as advanced vaccination rates ease vulnerability to severe virus waves, while the manufacturing sector proves comparatively resilient to supply chain bottlenecks vis-à-vis performance in peer economies. In addition, job-market support measures during this crisis have proven effective. The unemployment rate stood at 9.2% as of September 2021, under a pre-crisis level of 9.7%, although employment still counts around 400,000 fewer workers compared with before this pandemic crisis. We expect an average unemployment rate of 9.6% this year, easing further to 8.5% in 2022. Downside risk to the economic outlook has heightened over recent weeks, driven by resurgence of virus in Italy and main trade partners. In addition, the inflation outlook poses risk to the recovery, with very high Harmonised Index of Consumer Prices (HICP) inflation of 4.1% for the euro area and 3.2% in Italy as of October.

After 2022, we expect the Italian recovery to moderate in direction of our more modest estimate of medium-run growth potential of 0.8%, constrained by challenges of tepid productivity gains and adverse demographic change, but supported nevertheless by the government investment programme, as well as by continued accommodative borrowing conditions anchored via policies of the European Central Bank. The government headed by Prime Minister Mario Draghi enjoys a robust parliamentary majority, underpinning expectation of continued reform, which, together with increasing public investment expenditure anchored via EUR 192bn of Next Generation EU funding, support the medium-run growth outlook. A strong economic recovery has been also reflected in improvements in government finances, with a deficit for this year expected to fall

significantly under initial estimates, although remaining elevated at around 7.5% of gross domestic product (GDP), before further moderation to 5.4% in 2022. Public debt will temporarily revert to a moderately declining trajectory, towards 146% of GDP by 2026 from 156% last year, with however an elevated stock continuing to pose challenges as concerns long-run debt sustainability, especially under a context of normalisation of monetary policies.

3. Special servicers review

3.1. Introduction

We conducted an operational review on the special servicers, CCM and doValue. In Scope's view the special servicers' capabilities and processes to manage the securitised portfolio are adequate.

Our assessment of the special servicers' capabilities addresses, among other aspects, their corporate structure, business processes, collateral appraisal procedures, servicing IT systems, business discontinuity risks and transaction-specific aspects such as portfolio onboarding for those exposures not yet serviced, 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

CCM and doValue are among the top 3 Italian special servicers by asset under management ('AUM') with approximately EUR 35bn[1] and EUR 78bn[2] of NPLs under management, respectively. Both servicers have experience as special servicer in other GACS securitisations.

doValue is the largest special servicer in Italy, Spain and Cyprus, and one of the largest players in Greece (total AUM in Europe reached EUR 160bn by GBV in June 2021). The company has grown significantly in recent years through mergers and acquisitions: with Italfondiario in 2016, with Altamira (Spanish servicer) in 2019 and with Eurobank FPS (Greek servicer) in June 2020. Listed in the Milan stock exchange, doValue is 27% controlled by funds managed by affiliates of Fortress/SoftBank, 10% by Bain Capital, and around 50% of free float.

CCM is the third largest special servicer in Italy by AUM and the company has grown its AUM from EUR 12.5bn in 2015 to approximately EUR 41.7bn in December 2020, across both the performing and non-performing segment. CCM is part of Cerved Group and is active also in Romania and Greece.

3.3. Servicing model

CCM and doValue are full-suite servicers, offering master servicing, special servicing solutions, real estate and other ancillary services. Both servicers have multiple branches across Italy and a network of external lawyers and agents supporting legal, collection, appraisal and brokering functions.

Onboarding of portfolios is a largely automated process for both servicers, with doValue relying on a proprietary credit management system, while CCM uses a servicing platform developed in partnership with an external vendor. Both servicing systems are used for

[1] As of December 2020
[2] As of June 2021

managing and monitoring legal procedures and documentation, including real estate auctions, as well as coordination with their network of supporting agents. These systems also feed underlying databases, from which automated reports are generated for both internal and external agents.

CCM allocates loans to asset managers according to the ticket size and the amount of expected gross proceeds, identifying three different loan segments: top, medium and small. Top loans include trophy assets and large positions that are managed with a bespoken approach. Medium loans include medium-size secured and unsecured loans where the recovery strategy focuses on reaching an out-of-court solutions with the borrowers. Small loans include small unsecured loans, deficiency exposures, loans with no recoveries expected, and are managed with a more industrialised approach.

doValue’s loan managers are segmented primarily by ticket size (small, medium and large). Large tickets are managed with a tailormade approach and are allocated to senior loan managers. Medium tickets are allocated to loan managers specialised by debtor type (corporate / retail), collateral type (secured / unsecured) and geography. Small tickets are managed by a dedicated unit with a standardised approach and with the support of external specialised operators.

4. Portfolio characteristics

4.1. Representations and warranties

The securitised pool comprises secured and unsecured Italian NPLs originated and sold by Crédit Agricole Italia S.p.A., Crédit Agricole FriulAdria S.p.A. and Credito Valtellinese S.p.A. The portfolio will be managed by doValue and CCM (see Figure 2 for the distribution of the pool by originator and special servicer).

Figure 2: Distribution by originator and special servicer

	GBV (EUR m)	% of GBV
Originators and sellers		
Crédit Agricole Italia S.p.A.	1,339.6	73.0%
Crédit Agricole FriulAdria S.p.A.	221.2	12.1%
Credito Valtellinese S.p.A.	273.6	14.9%
Special servicers		
doValue S.p.A.	1,439.8	78.5%
Cerved Credit Managment S.p.A.	394.5	21.5%

Sources: Transaction data tape, calculations by Scope Ratings

The representations and warranties on the receivables provided by the originators are not fully aligned with those of peer transactions we rate, as the issuer will not be entitled to claim any indemnities related to any fact or circumstance that was already ascertainable for:

i. a portion of the portfolio analysed by the special servicers during their own due diligence (representing 10% of the GBV); and

ii. a portion of the portfolio already managed by the special servicers (representing 55% of the GBV).

We have incorporated this risk into the analysis considering, among other factors, some high-level information received on the activities performed by the servicers during the on-boarding of these sub-portfolios, although the specific activities performed have not been explained in the transaction documentation.t.

The representations and warranties provided by the originators include the following (as of transfer date):

- All loans are denominated in euros and governed by Italian law.
- All receivables are in the full and exclusive ownership of the sellers and are free from restraints and encumbrances.
- All receivables and voluntary mortgages have been executed in compliance with the applicable law and regulations and are valid for transfer without limitations.
- All voluntary mortgages are valid and enforceable and have been duly created and renewed.
- All receivables have been reported as defaulted by the Credit Bureau of the Bank of Italy.
- All real estate assets exist and are located in Italy.
- Each voluntary mortgage has the lien indicated in the data tape.
- None of the borrowers is an employee of the sellers.
- There are no claims against a commercial company whose bankruptcy proceeding has already ended.
- All information contained in certain fields of the loan data tape are true and accurate.

The originators have also represented that the pool contains loans with the following features, which could decrease the level of recoveries:

- Passive lawsuit already started by the borrowers or the guarantors that can led to a possible reduction of the receivables' exposure (6.4% of the GBV).
- Receivables for which the loan documentation was partially missing at closing (3.9% of the GBV).
- Loans guaranteed by confiscated properties (1% of GBV).
- Secured loans with mortgages for which the consolidation period has not elapsed (0.6% of the GBV).
- Corporate and individuals that are not resident in Italy (0.4% of the GBV).

The issuer will not be entitled to claim any indemnities for these loans.

4.2. Key portfolio stratifications

Figure 3 provides a high-level view of portfolio characteristics as of the cut-off date. Detailed loan-level portfolio stratifications are provided in Figures 4-13.

Figure 3: Portfolio summary

	All	Senior secured	Junior secured	Unsecured
Number of loans	33,448	3,107	367	29,974
Number of borrowers	13,510			
GBV (EUR m)	1,834.3	820.2	75.1	938.9
% of GBV		44.7%	4.1%	51.2%
Cash in court (% of GBV)	0.3%			
Collections since cut-off date (% of GBV)	1.2%			
Weighted average seasoning	4.1	3.0	5.1	5.0
Collateral values (EUR m)		844.1	273.4	

Sources: Transaction data tape, calculations by Scope Ratings

We adjusted the pool's GBV 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 22.5m as of October 2021) and estimated cash-in-court (EUR 4.7m relative to first-lien property value). We also adjusted the pool's GBV to incorporate in the analysis the presence of those portfolio features that in our view could decrease future recoveries.

These adjustments reduced the portfolio's GBV from EUR 1,834m to EUR 1,734m. 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 at the loan-level, considering the 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, and 'unsecured'. Unless stated otherwise, we treat junior secured loans as unsecured loans.

Stratification data provided below reflects our portfolio aggregation at the loan-level and includes conservative mapping assumptions in case of missing data.

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

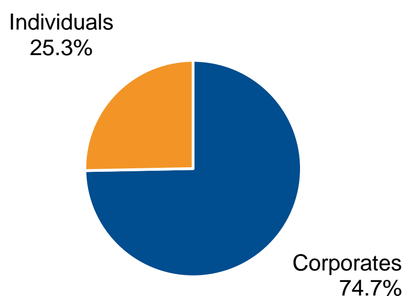


Figure 5: Distribution by loan type (% of GBV)

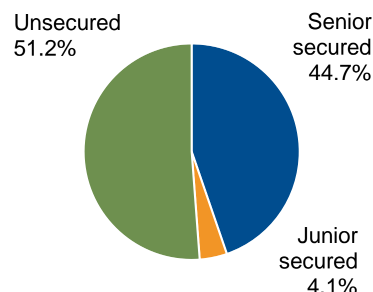


Figure 6: Distribution by recovery procedure (% of GBV)

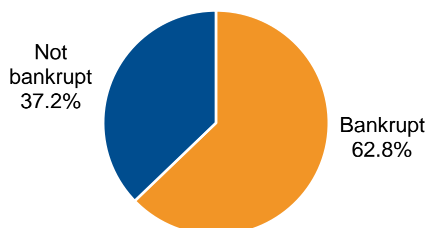


Figure 7: Distribution by recovery stage for secured loans (% of GBV)

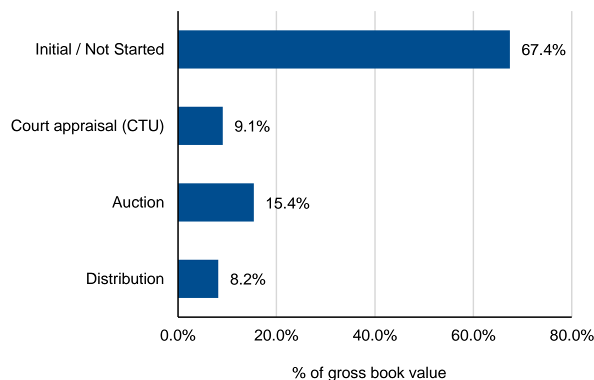


Figure 8: Distribution by court bucket for secured loans (% of GBV)

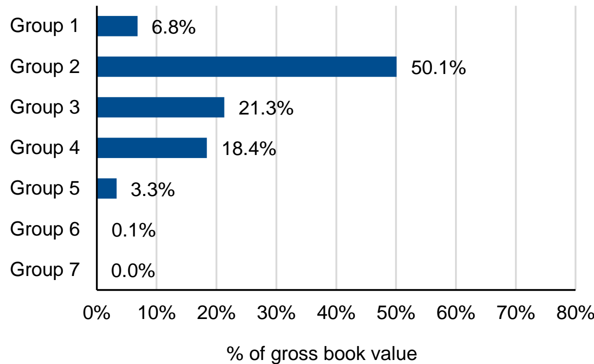


Figure 9: Unsecured and junior secured seasoning (% of GBV)

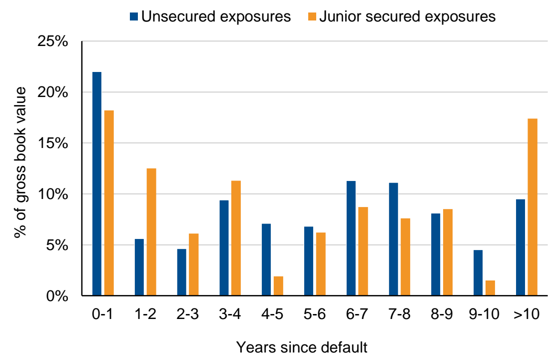


Figure 10: Distribution by collateral type for secured loans (% of appraisal value)

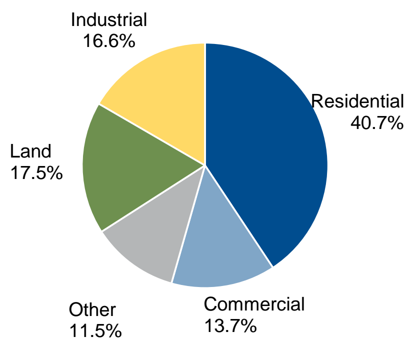


Figure 11: Distribution by valuation type for secured loans (% of appraisal value)

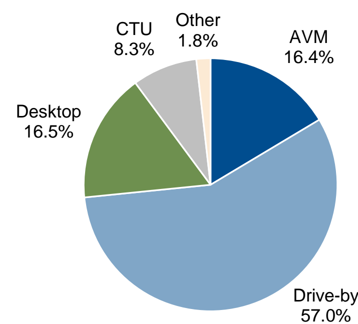


Figure 12: Distribution by collateral location (% of appraisal value)

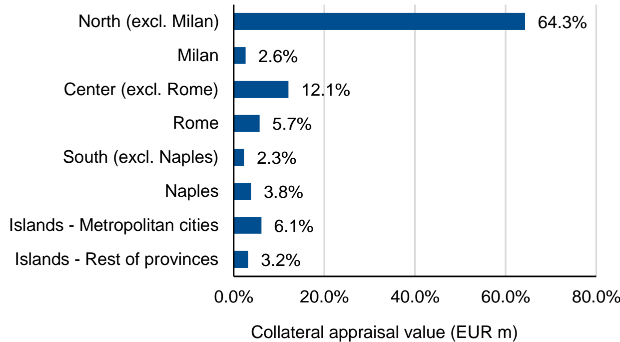
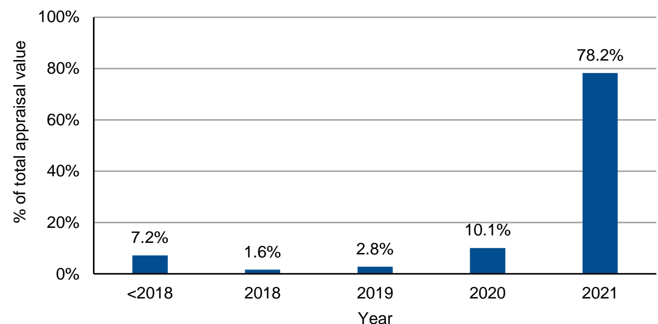


Figure 13: Distribution by valuation date (% of appraisal value)



Sources: transaction data tape, calculations by Scope Ratings

5. Portfolio analysis

Following 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 recovery procedures and strategies. 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, historical data and operational review, peer comparisons and market data. We also account for the current macroeconomic scenario, taking a forward-looking view on the macroeconomic developments.

Figure 14 summarises the recovery rate assumptions applied in the analysis of the class A notes.

Figure 14: Summary of assumptions

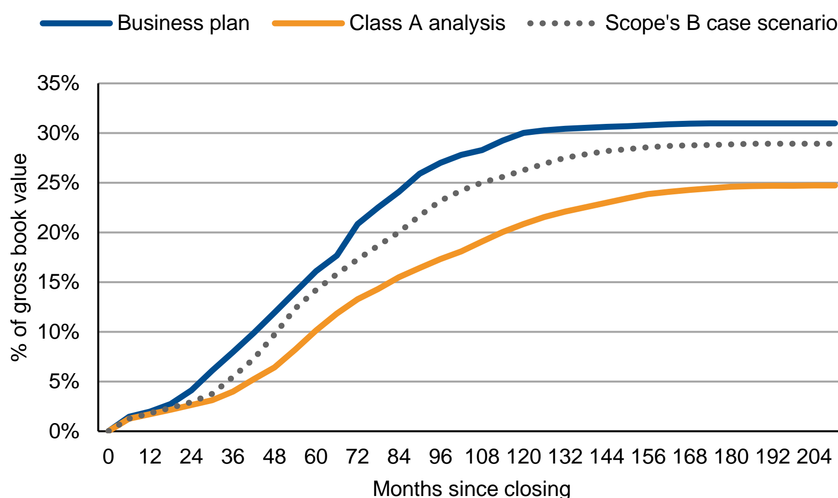
	Class A analysis
Secured recovery rate (% of secured GBV)	41.1%
Unsecured recovery rate (% of unsecured GBV)	11.5%
Total recovery rate (% of total GBV)	**24.7%**
Secured collections, weighted average life (WAL in years)	7.3
Unsecured collections, WAL (years)	4.5
Total collections, WAL (years)	**6.5**

Sources: Transaction data tape, Scope Ratings

Class A recovery rate assumptions are about 20% below business plan target

Figure 15 compares our lifetime gross collections and recovery timing assumptions for the entire portfolio with the servicer business plan, for class A and our B case scenario. These assumptions are derived by combining secured and unsecured recovery expectations, together with cash-in-court and ad-interim collections. We only considered cash-in-court and ad-interim collections allocated to specific receivables. Our recovery rate assumptions for the class A notes are 20% below the business plan target. Our calculation of the expected life is longer than the servicer's projections (6.5-year WAL for the class A notes analysis versus 5.2-year WAL in the business plan).

Figure 15: Scope's assumptions[3] vs. business plan's gross cumulative recoveries



Sources: Servicer business plan, Scope Ratings

5.1. Analysis of secured portfolio segment

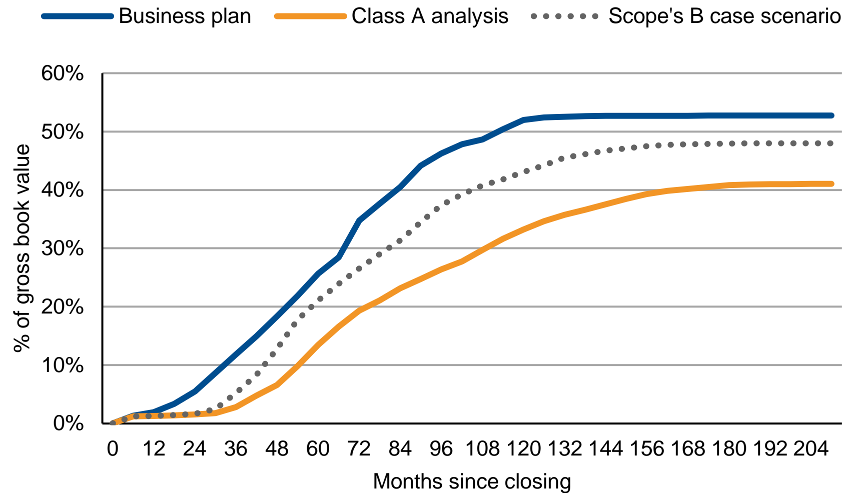
Valuation haircuts address forward-looking market value and liquidity risks

Figure 16 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), and the type and stage of legal

[3] Scope's and the servicer's recovery rates are reported on a gross level and include cash-in-court and collections since the cut-off dates.

proceeding. Our analysis also considers concentration risk, the servicer's business plan and the available workout options.

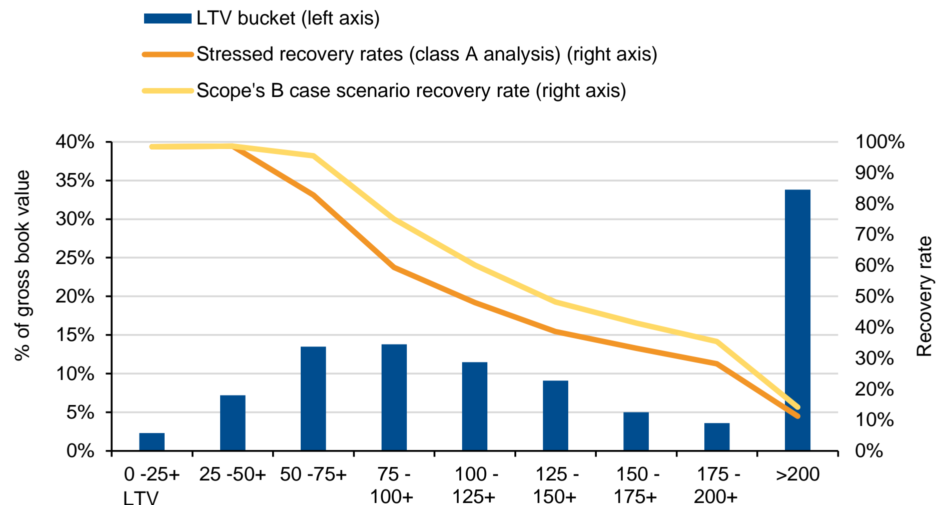
Figure 16: Scope's assumptions[4] vs. business plan's gross cumulative recoveries - secured loans



Sources: Servicer business plan, Scope Ratings

Figure 17 shows the secured loans' distribution by LTV bucket as well as our recovery rate assumptions for each LTV bucket under our rating-conditional stresses applied for class A notes and our B case scenario.

Figure 17: Secured loans' distribution by LTV and Scope's expected secured recoveries



Sources: Transaction data tape, calculation by Scope Ratings

[4] Scope's and the servicer's recovery rates are reported on a gross level and include cash-in-court and collections since the cut-off dates. We define secured loans as those guaranteed by at least a first-lien mortgage, based on a loan-by-loan analysis. Business plan secured recoveries are those related to borrowers with at least a first-lien mortgage, as per servicer's classification in the provided business-plan. resulting from Scope's loan-by-loan classification of the exposures. The chart displays servicer's expected collections in relation to a secured portfolio of EUR 955mn, resulting from servicer's borrower-by-borrower classification of the exposures.

5.1.1. Appraisal analysis

Appraisal type haircuts range between 0% and 20% for the class A analysis

We applied rating-conditional haircuts ranging from 0% to 20% for the class A analysis, reflecting our view on the quality and accuracy of the underlying appraisals. Drive-by valuations are generally more accurate than CTU or AVM valuations.

Figure 18: Scope's transaction-specific valuation haircuts

Valuation type	% of secured collateral value	Class A analysis haircut
Drive-by	57.0%	0%
Desktop	16.5%	5%
CTU	8.3%	10%
AVM	16.4%	20%
Other	1.8%	20%

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

5.1.2. Property market value assumptions

Figure 19 details our assumptions about property price changes over the transaction's life commensurate with the class A rating. These assumptions are i) specific 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 19: 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	-10%	-10%	-10%	-8%	-10%	-11%	-16%	-13%	-14%	-12%	-11%	-14%	-12%	-14%
Portfolio distribution (%)	2.6	2.5	0.3	0.2	1.5	59.8	5.7	0.8	11.3	3.8	0.0	2.3	6.1	3.2

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

5.1.3. Collateral liquidity risk

Fire-sale discounts range between 30% and 45% for class A analysis

Asset liquidity risk is captured through additional fire-sale haircuts applied to collateral appraisals. Figure 20 shows the rating-conditional haircuts applied for the class A analysis. These transaction specific assumptions are based on historical distressed market-wide sales data (including those provided by the servicer), consider the specific servicing strategies applied context in this transaction, and reflect our view that non-residential properties tend to be less liquid, resulting in higher distressed-sale discounts.

Figure 20: Scope's transaction-specific fire-sale discount assumptions

Collateral type	% of secured collateral value	Class A analysis haircut
Residential	40.7%	30-35%
Non-residential	59.3%	35%-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 6.8% and 26.4% 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 in full. Secured creditors generally rank equally with unsecured creditors for amounts that have not been satisfied with the security's enforcement. The creditor's right to recover its claim, whether secured or unsecured, 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 21). We applied rating-conditional timing stresses to bankruptcy and non-bankruptcy procedures: 2.7 years and 1.4 year were respectively added to the total legal procedures' length for the class A analysis.

Figure 21: Total length of the recovery process for secured loans, by court group in years[5]

Court group	Bankruptcy proceedings	Non-bankruptcy proceedings	Percentage of courts[6]
1	4	2	6.8%
2	6	3	50.1%
3	8	4	21.3%
4	10	5	18.4%
5	12	6	3.3%
6	14	7	0.1%
7	18	9	0.0%

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

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 factor in servicer-specific historical recovery data, as well as our view on the quality of the servicer's recovery procedures.

Transaction-specific assumptions also reflect the key characteristics of the unsecured portfolio segment, such as average loan size, debtor types (i.e.: individual or corporate)

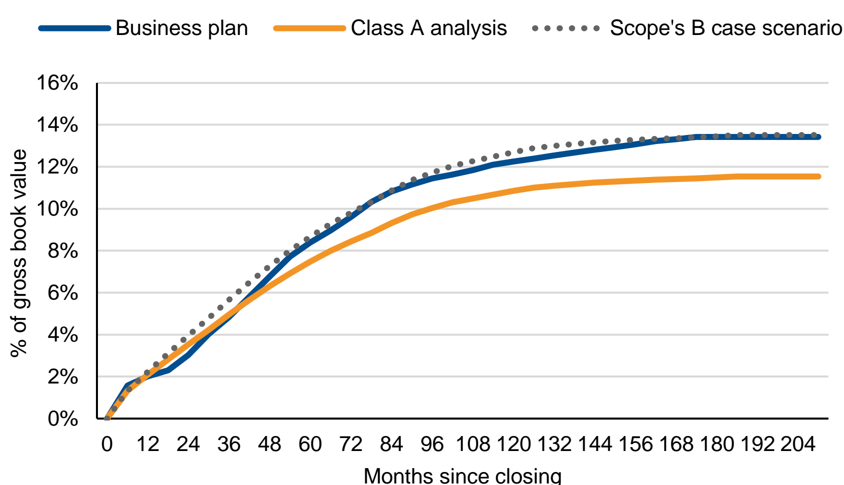
[5] The total length of the recovery process does not include the rating-conditional timing stresses per proceeding type.
[6] Percentages incorporate our assumptions on courts not included in available information.

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 is aligned market average

Finally, transaction-specific assumptions were re-calibrated to reflect the ageing of the unsecured portfolio, as we consider aged unsecured NPLs to have a lower likelihood of recovery. The unsecured loans in the portfolio (including junior secured loans) are classified as defaulted for a weighted average of 5.0 years, which is aligned with the average of transaction peer levels.

Figure 22: Scope's assumptions[7] vs. business plan's recoveries – unsecured loans



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 0.3%. Class B will pay a floating rate indexed to six-month Euribor plus a margin of 9.5%. 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[8] 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 an 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., collections from the portfolio, the cash reserve, payments received under the interest rate cap spread agreement, insurance payments and indemnity payments from the originators) will be used in the following simplified order of priority:

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[7] Scope's and the servicer's recovery rates are reported on a gross level and include collections since the cut-off dates. We define unsecured loans as those not guaranteed by at least a first-lien mortgage, based on a loan-by-loan analysis. Business plan unsecured recoveries relate to borrowers whose loans are fully unsecured or are guaranteed by junior liens.

[8] 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.

Figure 23: 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[9] (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 events

Class B interest subordination event is aligned with the GACS requirements

The occurrence of an interest subordination event results in class B interest being paid under item 9 of the waterfall above. Class B interest will be subordinated if one or the following events occurs: i) the cumulative net collection ratio[10] (CCR) falls below 90% of the servicer's business plan targets; or ii) the NPV cumulative profitability ratio[11] (NPVPR) falls below 90%; or iii) any due 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.
2. If, on a subsequent payment date, the CCR returns above 100%, all due and unpaid class B interest is paid senior to class A principal under item 12 of Figure 23.

6.3. Servicing fee structure and alignment of interests

6.3.1. Servicing fees

The servicing fee structure links the level of fees paid to the servicers with the portfolio's performance, mitigating potential conflicts of interest between the servicers and noteholders. The special servicers 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, we assumed an average performance fee of 3.3% and 5.9% (plus VAT) for secured and unsecured exposures, respectively.

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

[10] '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.

[11] '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 exhausted debt relationships; and ii) the sum of the target price (based on the servicer's initial business plan) of all receivables relating to exhausted debt relationships.

Servicing fee structure reasonably aligns the interests of the servicer and the noteholders

The occurrence of a servicer underperformance event results in 5%-20% 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 24.

Figure 24: Servicing fee subordination mechanism

CCR and NPVPR lower than 90%	• 15% as servicer mezzanine fee • 5% as servicer junior fee
NPVPR greater than 90% and lower than 95%	• 5% as servicer mezzanine fee • 5% as servicer junior fee
NPVPR greater than 95% and lower than 100%	• 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. Special 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 special servicers are 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 a 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 in finding 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' 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, if the cumulative net collection ratio has been lower than 90% for two consecutive collection dates; 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 Crédit Agricole Italia S.p.A. 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 0.3% margin on the class A and a 9.5% margin on class B. Coupon on class A and B are floored at zero.

An interest rate cap spread partially mitigates interest rate risk on class A 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 25). The base rate on the class A notes will be capped with an upper bound rate ranging from 0.2% in April 2022 to 1.2% until October 2038, while it will be floored with a lower bound rate equal to 0% until October 2038. 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 26). 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 25: Interest rate cap spread on class A notes

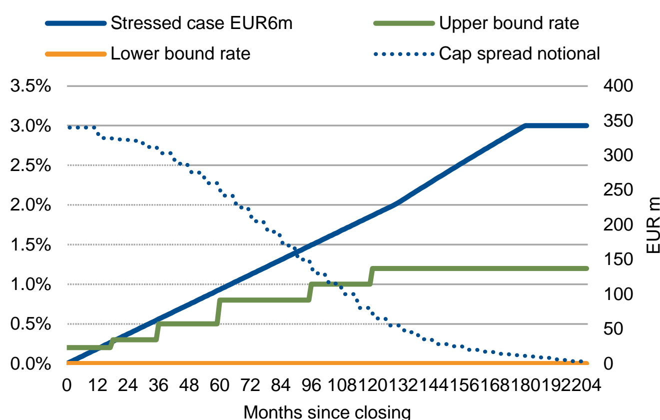
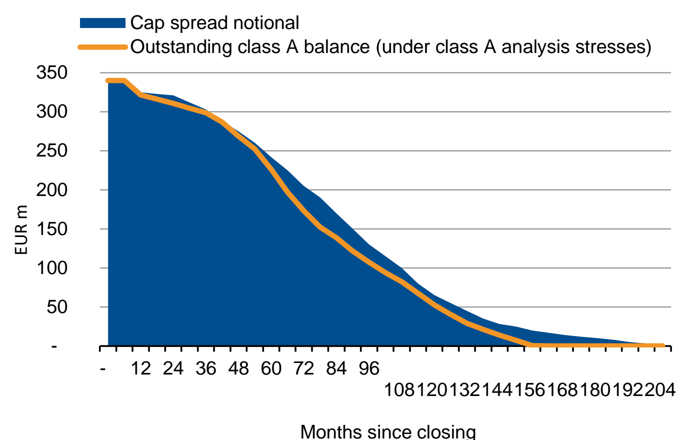


Figure 26: Interest rate cap spread notional vs outstanding class A notes



Sources: Transaction documents, Bloomberg and Scope Ratings

6.6. ReoCo structure

The transaction foresees the option, upon request of the mezzanine and junior noteholders, to activate a Real Estate Operating Company ('ReoCo') structure. If so, the Issuer has undertaken to notify and provide adequate information to the rating agencies and the GACS guarantor.

7. Cash flow analysis and rating stability

Our cash flow analysis considers the structural features of the transaction

We analysed the transaction's specific cash flow characteristics. Asset assumptions were captured through rating-conditional gross recovery vectors. 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. Legal costs are assumed to amount to 9% of gross collections.

We performed sensitivities with significantly lower collections from the sub-portfolios for which the issuer is not entitled to claim indemnities (as described in section 4.1). Results of those sensitivities were also considered by the rating committee when assigning the rating.

Our rating reflects expected losses over the instruments' weighted average life

The rating assigned to the class A notes reflects the expected losses over the instruments' weighted average life commensurate with our 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 in 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 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 we view 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) Crédit Agricole Italia S.p.A., Crédit Agricole FriulAdria S.p.A., Credito Valtellinese S.p.A. as originators, sellers and representations and warranties providers; ii) Crédit Agricole Italia S.p.A. as limited recourse loan provider; iii) Italfondiario S.p.A. as master servicer; iv) doValue S.p.A. and Cerved Credit Management S.p.A. as special servicers; v) Zenith Service S.p.A. as representative of the noteholders, calculation agent, back-up servicer, monitoring agent and corporate services provider; vi) BNP Paribas Securitise Services, Milan Branch as agent bank, account bank, cash manager and paying agent ; vii) Crédit Agricole Corporate & Investment Bank 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 servicers 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 servicers receive payments from a debtor, the servicers 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 ten business days.

9.3. Claw-back risk

Limited claw-back risk

The originators 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 will mitigate 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 in 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 18 months from the issue date.

The total indemnity amount is payable only if its aggregate value exceeds certain thresholds, different for each originator (EUR 1,500,000 for Crédit Agricole Italia S.p.A., EUR 200,000 for Crédit Agricole FriulAdria S.p.A. and EUR 300,000 for Credito Valtellinese S.p.A.). The total indemnity amount is capped at 20% of the portfolio's purchase price. Furthermore, indemnity amounts will be payable only if they exceed EUR 30,000 on a single-loss basis.

The issuer will not be entitled to claim any indemnities related to any fact or circumstance that was already ascertainable for a portion of the portfolio as described in section 4.1.

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 spread 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, with the most senior noteholders at the date of the decision having superior voting rights.

10.2. Use of legal opinions

We 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

We will monitor this transaction based on performance reports, updated loan-by-loan reports, and other public information. The rating will be monitored on an ongoing basis.

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, we applied our Non-Performing Loan ABS Rating Methodology, Methodology for Counterparty Risk in Structured Finance, and General Structured Finance Rating Methodology, available on www.scoperatings.com.

Appendix I – Deal comparison

Transaction	Ortles 21	Grogu SPV	Buonconsiglio 4	BCC NPLs 2021	Olympia	Aporti	Palatino SPV	Aurelia SPV	Summer SPV	Sirio NPL	Buonconsiglio 3
Closing	Dec-21	Dec-21	Dec-21	Nov-21	Nov-21	Jun-21	Jun-21	Jun-21	Dec-20	Dec-20	Dec-20
GACS	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
Originators/Sellers	Crédit Agricole Italia, Credito Valtellinese	Intesa Sanpaolo, BPER Banca	38 Banks	77 Banks	Unicredit	illimity Bank	6+ Italian Banks	Banco BPM SpA	BPER Banca, Banco di Sardegna	UBI Banca	38 Banks
Master servicer	Italfondiario	Banca FinInt	Prelios	Italfondiario	Italfondiario	Prelios	Credito Fondiario	Credito Fondiario	Banca FinInt	Prelios	Zenith
Special servicer	Cerved Credit Management, doValue	Prelios, Intrum	Prelios	doValue	doValue	Prelios	Credito Fondiario	Credito Fondiario Liberty	Fire	Prelios	Guber Banca
General portfolio attributes											
Gross book value (EUR m)	1,834.3	3,076.5	578.7	1.311.9	2,167.5	355.9	865.2	1,510.0	322.0	1,228.1	679.1
Number of borrowers	13,510	9,734	4,809	6,784	11,945	424	2,188	3,304	15,172	14,313	3,671
Number of loans	33,448	51,618	9,001	11,270	38,527	2,043	5,559	10,411	23,473	22,471	6,520
WA seasoning (years)	4.1	4.6	4.6	4.2	4.3	5.6	7.7	2.2	3.3	3.4	3.7
WA seasoning (years) - unsecured portfolio	5	5.1	4.7	4.3	5.1	6.7	6.5	2.1	4.0	3.5	4.4
WA LTV buckets (% or secured portfolio)											
bucket [0-25]	2.3	2.6	4	2.3	5.5	2.5	3	2.6	14.7	4.5	1.6
bucket [25-50]	7.2	7.5	10.4	7.4	14.7	19.2	6.2	9.6	23.4	12.2	7.9
bucket [50-75]	13.5	12.5	12.2	11.5	13.9	11.4	7.9	15.3	20.5	17.2	11.9
bucket [75-100]	13.8	14	15.4	12.8	15.1	8.7	7.3	25.3	15.6	18.6	14.2
bucket [100-125]	11.5	13.8	15.1	7.8	10.8	10.3	7.4	14.1	10.7	12.7	10.7
bucket [125-150]	9.1	9.9	7.6	9.3	8.9	5.5	7.8	8.4	6.3	6.7	10.6
bucket [150-175]	5	4.4	4.7	7	6.9	0.9	6.2	6	2.7	4.4	10.1
bucket [175-200]	3.6	4.8	3.8	5.6	3.4	3.5	5.5	2.2	1.8	6	7.6
bucket > 200	33.8	30.5	26.6	36.2	20.9	37.9	48.7	16.4	4.3	17.6	25.5
Cash in court (% of total GBV)	0.3	1.6	1.5	0.1	0.5	1.4	1.4	0.4	0.5	1.4	1.3
Loan types (% of total GBV)											
Secured first-lien	44.7	50.7	53.9	63.6	35.2	68.5	81	44.3	44.4	53.7	65.5
Secured junior-lien	4.1	4.6	6.3	6.3	5.3	4.5	5.8	6	4.3	7.6	4.0
Unsecured	51.2	44.7	39.7	30.1	59.5	27	13.3	49.7	51.3	38.7	30.5
Syndicated loans	5.2	7.30	5.3	3.9	3.5	8.4	6.9	0.8	0.0	3.2	6.2
Debtors (% of total GBV)											
Individuals	25.3	18.8	26.8	19.9	27.8	5.6	27.3	14.6	51.1	7	26.4
Corporates or SMEs	74.7	81.20	73.2	80.1	72.2	94.4	72.7	85.4	48.9	93	73.6
Procedure type (% of total GBV)											
Bankrupt	62.8	60.6	23.7	73.4	62.0	47.9	44.5	29.1	42.4	53.2	64.9
Non-bankrupt	37.2	39.4	76.3	26.6	38.0	52.1	55.5	70.9	57.6	46.8	35.1
Borrower concentration (% of GBV)											
Top 10	6.8	10.3	7.9	7.4	13.8	35.9	19.8	14.6	1.5	7.8	8.7
Top 100	26.4	30.8	33.6	30.5	30.9	77.9	54.6	39.8	11.0	30.3	38.4
Collateral distr. (% of appraisal val.)											
North	66.8	40.4	44.5	43.4	38.9	46.7	56.6	70.5	32.0	51.6	64.7
Centre	17.8	38.7	38.7	38	24.4	20.6	21.2	21.5	10.2	25.2	21.7
South	15.4	20.9	16.8	18.5	36.7	32.7	22.2	8.1	57.8	23.2	13.6
Collateral type (% of appraisal val.)											
Residential	40.7	46.1	49.0	32.8	66.3	32.7	60.5	42.6	73.5	35.3	35.3
Commercial	13.7	21.8	20.5	22.8	16.6	28.5	16.4	27.8	9.1	23.5	27.8
Industrial	16.6	20.5	12.5	21.6	9.9	18.1	7.6	14.1	7.0	16.5	15.0
Land	17.5	7.1	11.0	15.4	5.2	9.6	10.1	8.5	5.3	12.4	17.3
Other or unknown	11.5	4.4	7.0	7.3	2	11.1	5.4	7	5.1	12.3	4.7
Valuation type (% of appraisal val.)											
Full or drive-by	57	31.9	40.9	53.5	13.5	0.6	5.6	27.3	31.5	16.9	58.1
Desktop	16.5	48.5	28.5	24.5	38.1	26.3	37	67.3	6.4	36.8	23.4
CTU	8.3	5.3	11.2	9.1	15.5	24.0	10.9	5.4	0.9	17.7	13.9
Other	18.2	14.3	19.4	12.9	32.9	49.1	46.5	0	61.2	28.6	4.6
Secured ptf proc. stage (% of GBV)											
Initial	67.4	68.3	63.3	70.5	82.2	78.9	70.4	77.4	76.3	65.2	52.6
CTU	9.1	7.4	1.4	12.1	3.2	3.1	8.5	5.1	12.8	14.7	26.6
Auction	15.4	20.5	26.9	14.7	13.8	17.5	16.2	13.9	6.7	14.1	16.6
Distribution	8.2	3.8	8.4	2.7	0.8	0.5	4.9	3.7	4.2	6.0	4.2
Remaining lifetime recovery rate (%)											
Secured (=net LTV after all stresses)	41.1	39.3	42.8	42.9	49.1	39.8	28.2	54.1	70.4	50.2	43.1
Unsecured	11.5	6.80	10.3	11	5.8	4.4	4.3	13.8	12.1	12.9	8.2
Total	24.7	23.3	27.8	31.2	21.1	28.6	11.3	31.6	38.0	32.9	31.1
Weighted average life of collections (yrs)											
Secured	7.3	6.5	9.1	7.7	7.57	7.7	7.3	7	7.0	7.6	7.4
Unsecured	4.5	3.8	4.7	5.3	4.1	3.1	2.9	4	4.9	4.3	4.8
Total	6.5	6.1	8.3	7.6	6.9	7.1	3	6.3	6.6	6.8	5.9
Liquidity reserve (% of class A notes)	4	4.0	4.0	3	5.0	4.5	4.5	4.5	4	4	4
Class A Euribor cap strike	0.2% - 1.2%	0.1%-1.6%	0.1%-1.25%	0.5% - 1.2%	0.1%-4.95%	0%-1%	0.09%-3.0%	0.0%-3.0%	0.2%-1.4%	0.6%-3.75%	0.6%-3.75%
Class A											
% of GBV	18.5	15.0	20.3	21.6	12.0	18.2	15.6	22.7	26.5	23.6	22.7
Credit enhancement	81.5	85.0	79.7	78.4	88.0	81.0	84.4	77.3	73.5	76.4	77.3
Class B											
% of GBV	2.2	1.2	2.9	3	1.2	2.7	2.7	2.7	3.1	2.9	3.1
Credit enhancement	79.3	83.8	76.8	75.4	86.8	78.4	81.7	74.7	70.3	73.5	74.2
Class A	BBB	BBB+	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB
Class B	NR	NR	NR	CCC	NR	NR	NR	NR	NR	NR	NR

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