Italian NPL securitisation Outlook

Negative ratings drift is likely to abate but the overall outlook remains subdued as servicers' performance continues to undershoot expectations.

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Sovereign Outlook: Soft landing, turn of the global rate cycle balance fiscal and geopolitical risks, December 2023

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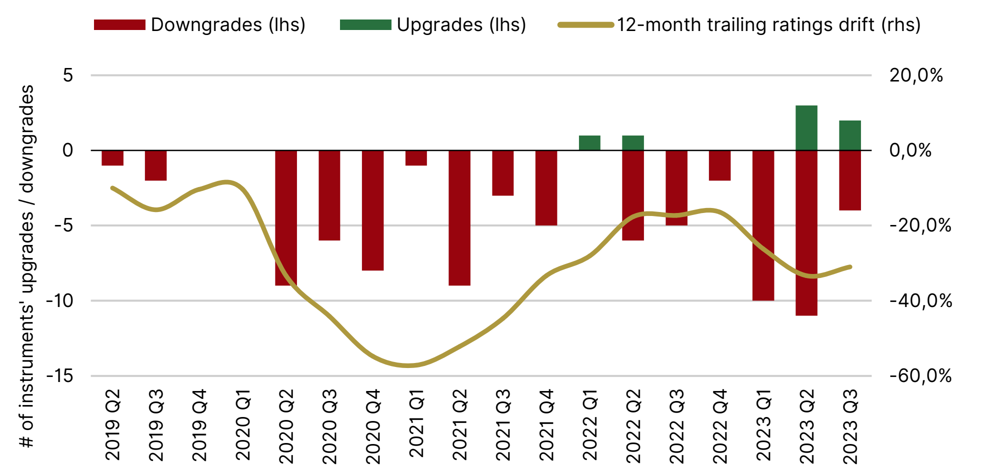
Scope's expectations for a global soft landing and for the normalisation of economic and monetary conditions, including slowing inflation and central bank easing, are likely to cause the negative ratings drift observed since 2019 to abate. However, we expect servicers' performance will continue to fall short of initial expectations while macroeconomic risks remain skewed to the downside. Notes issued between 2018 and 2020 may be particularly vulnerable[1], since they typically have weaker structural protection than more recent transactions.

Figure 1: Italian NPLs ratings drift



Ratings drifts is the ratio of the difference between aggregate rating upgrades and downgrades to the number of rated instruments at the beginning of the period. Source: Scope Ratings

1. Mid-term outlook

Our outlook on Italian NPL securitisations remains subdued but we expect the negative ratings drift to abate as economic and monetary policy conditions gradually normalise. Scope's baseline scenario for the global economy is for a soft landing and a turn of the global rate cycle, amidst ongoing geopolitical risks (see our Sovereign Outlook).

The impact of our economic and real estate projections on our Italian NPL outlook is neutral relative to 2023. We expect Italy's economic growth to remain moderate at 0.8% this year, slightly below its medium run potential of 1.0%. Residential house prices continue to be among the most stable in Europe, mainly supported by the relatively low leverage of the private sector: household debt

[1] 2017 vintage deals are already rated close to the floor of the rating scale.

stands at around 39.5% of GDP compared to the euro area average of 55.2%. We expect that nominal house prices will continue to increase moderately, in line with inflation expectations.

Monetary policy normalisation should support performance over the medium term.

This year, we will be watching out to see if the trend of increasing discounts on asset sales since the outbreak of the Covid pandemic stabilises. Moderating inflation expectations and normalising monetary policy around the globe should have a positive impact on distressed asset sales over the medium term. We anticipate that most central banks have reached peak rates and that the ECB's first cuts will start in the second half of 2024 at the latest. This will remove a significant source of uncertainty and instability, which has been particularly detrimental for the NPL asset class.

Narrowing of note sales discounts and a pick-up in ReoCo activity.

We will also be looking out for note sales discounts to narrow, and a revitalisation in ReoCo (Real Estate Owned Company[2]) activity. Over the years, recourse to note sales to support the flow of collections amid the slow pace of judicial processes has often come at the expense of higher than average liquidation haircuts, due to weak market liquidity conditions. Better market liquidity could also be reflected in an improvement of ReoCo performance, which has disappointed so far.

Most servicers expected to continue adjusting down their business plans.

Further downside adjustments to servicers' business plans would constitute a strong warning signal. We will be especially vigilant around particularly large revisions in business plan expectations and could penalise transactions if the servicers' revisions are not in our view credible. We do expect that most servicers will continue to adjust down their business plans, though, as under-performance relative to initial business plan projections is generally only recognised with a significant lag. For example, eight out of 48 business plans have never been adjusted although they have generally lagged initial expectations in varying degrees.

Key risks for Italian NPLs remain skewed to the downside, mainly driven by economic uncertainties.

Key risks for Italian NPLs remain skewed to the downside, mainly driven by economic uncertainties. Global growth and inflation remain exposed to geopolitical risks and a further supply-side shocks. At the country level, effects of monetary tightening could pass through to Italian households and SMEs with a lag, as the mortgage market is dominated by variable-rate mortgages. By the same token, a reversal of monetary policies is likely to take time to pass through to the real economy, especially if central bank policy rates take longer than expected to normalise.

2. Rating history

The asset class has suffered from a persistent negative ratings drift.

Since we rated our first Italian NPL securitisation in July 2017, we now rate 48 senior and 18 mezzanine tranches across public transactions as of December 2023. The asset class has suffered from persistent negative ratings drift since the second quarter of 2019 (Figure 1). Since the second quarter of 2019, we have downgraded 24 out of 48 senior and upgraded six tranches (see Appendix for more detail).

Most of the downgrades were driven by significantly higher than expected haircuts on secured exposures. Some transactions also experienced slower than expected judicial resolution and/or higher than expected expenses. The upgrades were mainly driven by faster-than-expected deleveraging of the notes.

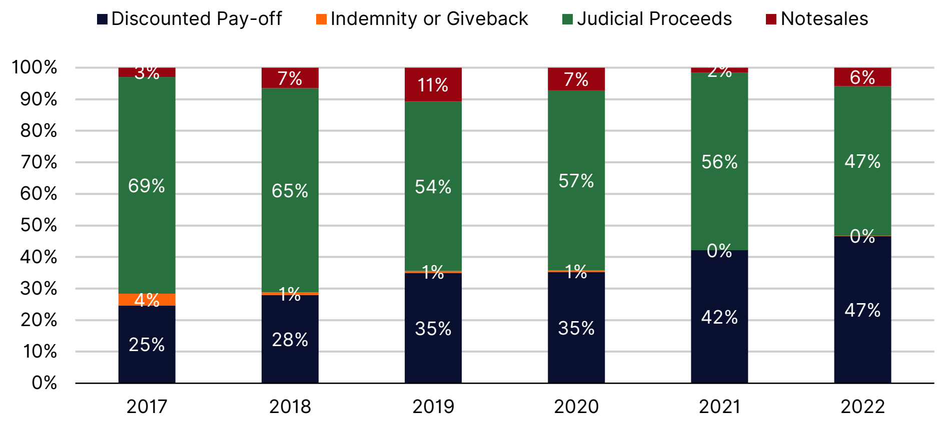
Downward ratings pressure has subsided over time.

Downward ratings pressure has subsided over time, as more recent vintages tend to exhibit a faster pace of collections relative to older vintages, as well as increased levels of credit enhancement.

The increasing pace of collections for newer vintages has been supported by a more frequent use of discounted pay-off agreements (DPOs) and note sales recovery strategies. These tend to be faster than judicial procedures (Figure 2).

[2] ReoCos act exclusively in the interests of securitisation noteholders. Their sole purpose is to participate in property auctions and manage and dispose of the properties they buy.

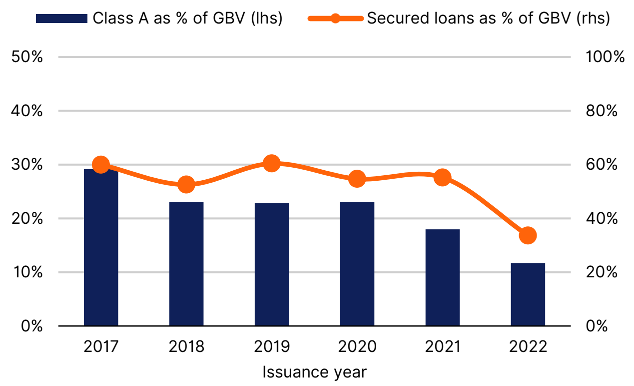
Figure 2: Distribution of recovery strategies, by issuance year[3]



Source: Transaction reporting, Scope Ratings

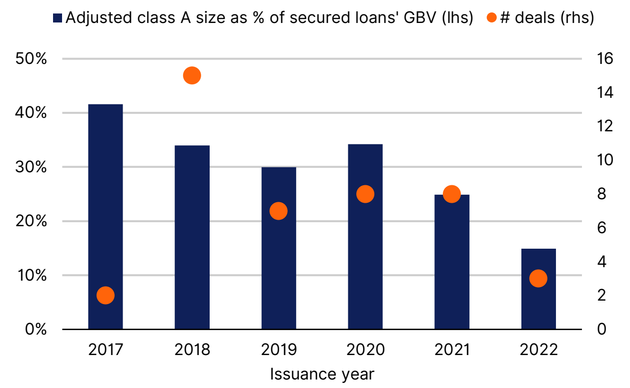
The size of senior notes as a percentage of gross book value (GBV) of 2021 and 2022 vintages has markedly decreased relative to previous vintages (Figures 3 and 4). This reflects more conservative business-plan assumptions, as asset sales prices relative to initial appraisal values have suffered a broad-based and continuous deterioration that coincided with the Covid outbreak (Figure 11 below).

Figure 3: Asset-liability (A-L) structure, by issuance year[4]



Sources: Transaction documents and Scope Ratings

Figure 4: Adjusted A-L structure, by issuance year[5]



Sources: Transaction documents and Scope Ratings

3. Key performance drivers of underlying NPL portfolios

3.1. Economic and real estate market conditions

Real estate market dynamics have generally aligned with our expectations.

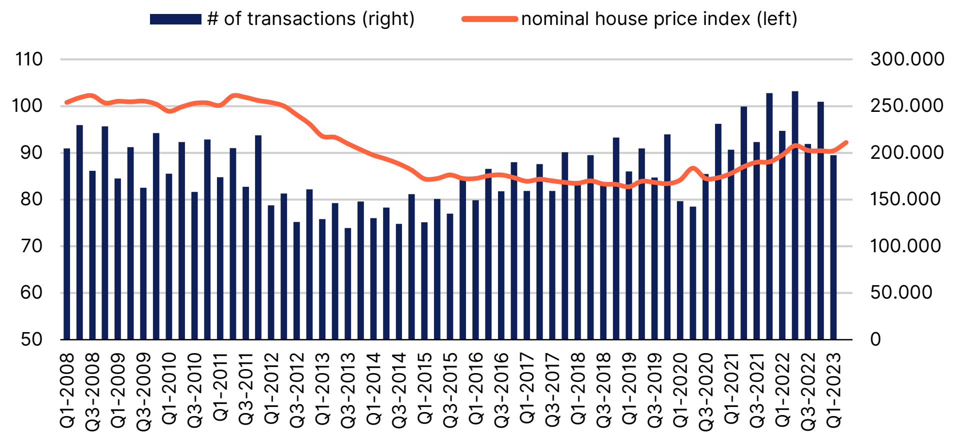
Real estate market dynamics have generally aligned with our expectations. When we rated our first Italian NPL securitisation in 2017 (Elrond), we said Italian real estate market fundamentals would be moderately supportive over the medium term. The Italian real estate market has moderately recovered since then. Nominal residential prices have recovered by about 10% since 2017 (Figure 5), supported by an even stronger increase in the number of transactions.

[3] Transactions also include a certain share of recoveries from cash-in-court positions or 'add-interim' collections, as well as a small share of recoveries that have not been allocated to any specific recovery procedure. We have assumed that such recoveries are evenly distributed between DPO and judicial proceeds.

[4] Lease NPL and fully unsecured NPL transactions have been excluded from the sample, due to their lack of comparability.

[5] Because the composition of portfolios varies in terms of their share of secured vs unsecured loans, the size of the class A relative to GBV could be misleading. The right-hand chart improves the comparability of such metrics across transactions by removing the contribution of unsecured loans, both in the denominator and the numerator. To adjust the numerator, we assume an unsecured recovery rate expectation of 10% for all transactions (i.e. Adjusted class A size = original class A size – unsecured GVB * 10%)

Figure 5: Residential house price index and number of transactions



Source: ISTAT and BIS

3.2. Asset-class specific factors

Higher-than-expected valuation haircuts

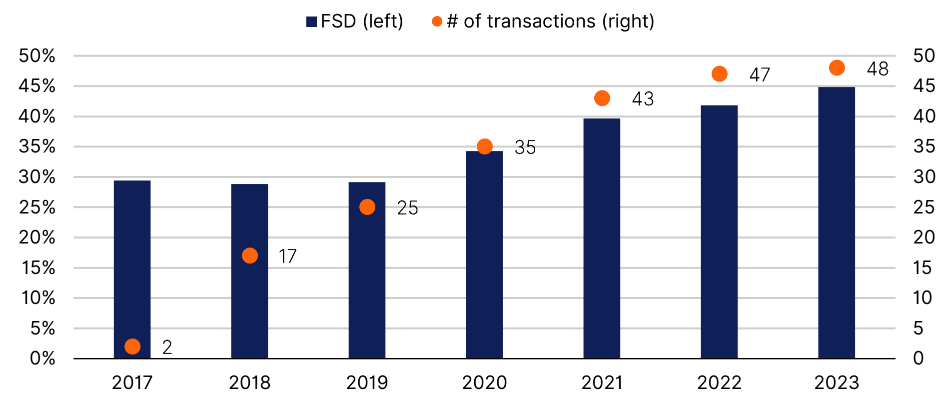
NPL collateral has been liquidated at significantly higher discounts than initially expected.

Despite moderately supportive real estate sector dynamics, NPL collateral has been liquidated at significantly bigger discounts than initially expected. Our assumptions were initially supported by servicers' historical data. However, we underestimated asset-class specific risks, resulting in higher-than-expected impairment values and liquidation discounts. We believe that these have been mainly driven by the long-lasting effect of the Covid pandemic (see section 3.4 below).

We have gradually increased our valuation haircut assumptions.

During the 2017-2019 period, we applied an average stress to indexed original appraisal values on outstanding securitisations (i.e. firesale stresses[6]) slightly below 30% on 25 transactions. Over time, we have gradually increased the stresses to about 45% on 48 transactions to reflect the deterioration in market conditions (Figure 6).

Figure 6: Scope's average firesale discount (FSD) assumptions



Source: Scope Ratings

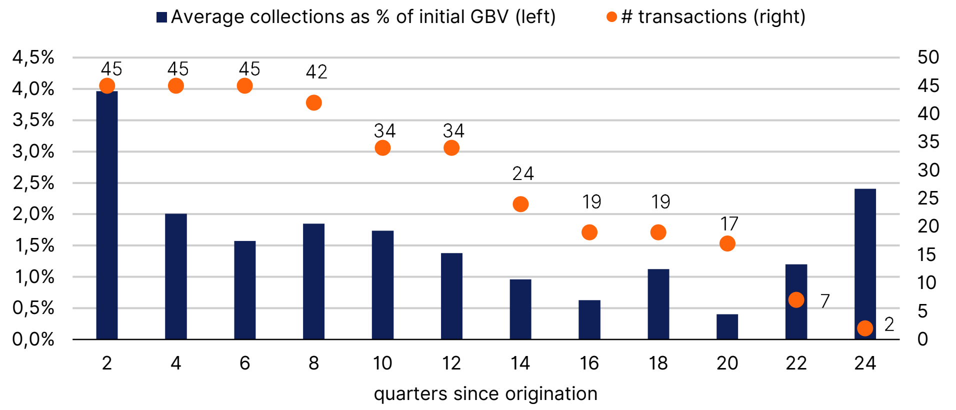
[6] The assumptions refer to a level of stress commensurate with a BBB rating. So-called firesale discount assumptions reflect the haircuts applied to indexed original valuations. The indexation factor reflects the change in a selected residential house price index since the respective original appraisal date.

Faster-than-expected collections

The pace of collections has exceeded our expectations.

In general, the pace of collections has exceeded our expectations, mainly because of the very significant share of extrajudicial recoveries (Figure 2 above), which we did not initially account for. Extrajudicial recoveries tend to conclude much more quickly than judicial proceedings. But extrajudicial recoveries are often executed at bigger than average discounts, particularly in the case of note sales. In addition, the pace of collections in early periods is biased by cash-in-court and ad-interim collections, which typically provide a one-off boost shortly after closing. The rate of collections relative to original GBV falls sharply a few periods after closing (Figure 7).

Figure 7: Average pace of collections



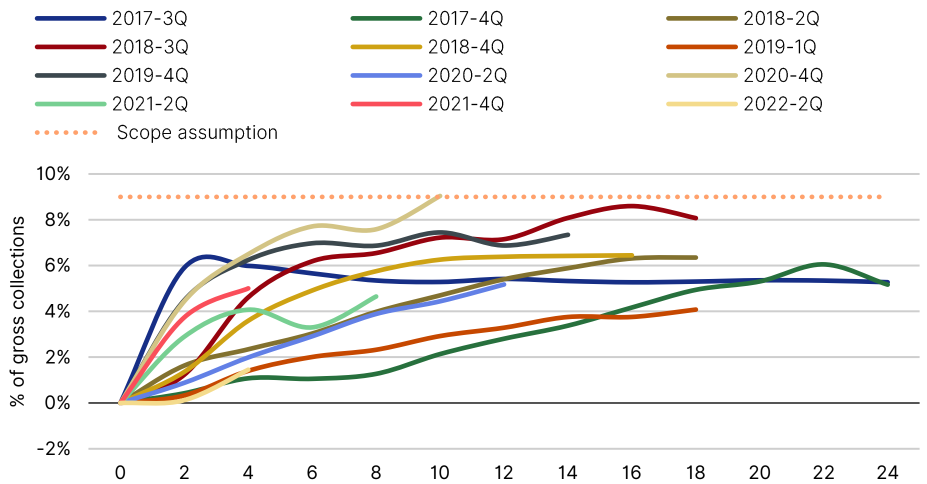
Source: Transactions' reporting and Scope Ratings

Expenses

Servicers have kept recovery expenses below our lifetime expectations on average.

Transaction expenses are evenly distributed between servicing fees and legal costs. Generally, servicers have kept recovery expenses below our lifetime expectations of about 9% relative to initial GBV (Figure 8).

Figure 8: Realised expenses by origination vintage[7]



Source: Transactions' reporting and Scope Ratings

[7] Lease NPL and fully unsecured NPL transactions excluded.

However, we do not believe that expense rates have stabilised. Lifetime expenses tend to be backloaded so we still consider our assumptions to be reasonable. Various factors can contribute to backloaded expenses. For instance, on initial interest payment dates, recovery expenses are typically low as servicers are mainly focused on portfolio on-boarding, which may delay recovery costs. Additionally, servicers might focus on cash-in-court proceeds that do not typically have high associated expenses. Also, we believe that extrajudicial recovery procedures, which typically have lower expenses than judicial routes, tend to be front-loaded as their likelihood of success diminishes over time.

3.3. Servicer assessments

Transaction performance by servicer has been dispersed.

Relative to the average rating we assigned to senior notes at closing for each servicer compared to current ratings[8], the average adjustment has been -2 notches while the average adjustment by servicer ranges from -5 to +2 notches (Figure 9).

Figure 9: Senior tranche ratings by special servicer

Special Servicer	# transactions outstanding	Average Class A rating at closing	Average current Class A rating	# notches
Cerved Credit Management SpA	4	BBB-	B	-5
doValue SpA	10	BBB	BB+	-2
Fire SpA	1	BBB	BBB	0
Gardant SpA	3	BBB	BB+	-2
Hoist Italia Srl	1	BBB+	A	+2
Ifis Servicing SpA	1	BBB+	BBB+	0
Intrum Italy SpA	3	BBB	BBB	0
Multiple servicers	8	BBB	BB	-3
Prelios Credit Servicing SpA	15	BBB	BB	-3
Guber Banca SpA	2	BBB	BBB-	-1
Total	48	BBB	BB+	-2

Transaction performance by servicers does not necessarily relate to servicing capabilities.

In our view, there is no conclusive evidence that the range in transaction performance among servicers relates to servicing capabilities. It is difficult to assess the relative strength of servicers as the composition of the portfolios they manage is not homogeneous. Portfolios may vary in terms of their origination vintage, their granularity, the geographical location of the assets, the share of unsecured exposures, seasoning of the exposures, or stages of the judicial procedures.

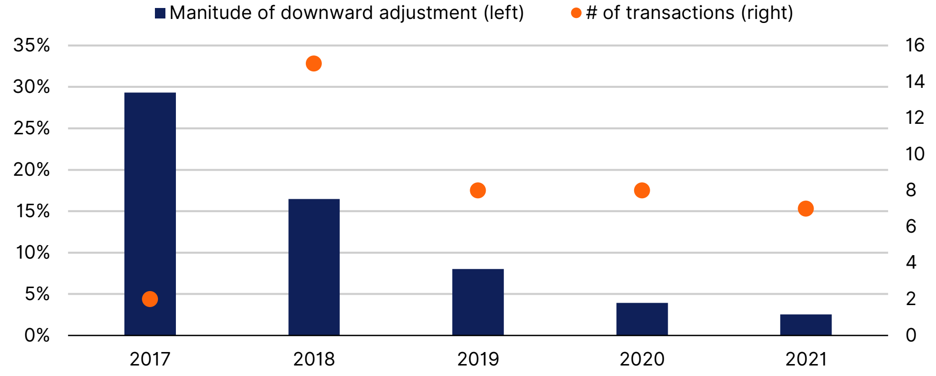
For example, three out of the four securitisations serviced by Cerved, were originated between 2017 and 2018 (see Appendix), which were the weakest vintages but mainly driven by structural transaction factors. The transactions serviced by Hoist and Ifis are outliers in that they relate to fully unsecured NPL portfolios, while the other transactions contain a mix of unsecured and secured positions.

Almost all the servicers have revised downward initial business plan projections.

Revisions to initial business plans are a key indicator of servicer performance. Almost all the servicers have revised down their initial business plan projections, while the business plans on eight out of 48 transactions have not been updated since issuance. Figure 10 shows the average revision to initial business plan collection estimates, by issuance year, excluding those business plans that have not yet been reviewed.

[8] Updated as of 19/12/2023

Figure 10: Average downward adjustment to initial business plan collection estimates, by issuance year



Source: Transactions' reporting, servicers' business plans, Scope Ratings

Scope's rating approach derives cash flow projections that are independent from initial business plan estimates.

Revisions to business plans need to be interpreted with caution. Initial projections are not always comparable across transactions, since some servicers make more optimistic assumptions than others. To avoid rating biases, Scope's rating approach stresses the importance of deriving cash flow projections that are independent but benchmarked against initial business plan estimates. As transactions season and the actual performance becomes available we incorporate that type of real operational experience in our updated cash flow projections and benchmark it with the updates in the business plans.

3.4. Covid impacts

Real estate data suggests that the impact of Covid was temporary and short-lived. For instance, residential prices and the volume of transactions dipped in 2019 and 2020, respectively, but have meaningfully recovered since then (Figure 5). In addition, core economic variables recovered strongly (Figure 11). Consequently, it is not appropriate to attribute under-performance to broad-based effects of the pandemic.

Figure 11: Italian economy core variables

Core variable	Source	2018	2019	2020	2021	2022
GDP per capita, USD '000s	IMF	34.9	33.6	31.8	35.7	34.1
Nominal GDP, USD bn	IMF	2,092.9	2,011.5	1,895.7	2,115.8	2,012.0
Real growth, %	IMF	0.9	0.5	-9.0	7.0	3.7
CPI Inflation, %	IMF	1.2	0.6	-0.1	1.9	8.7
Unemployment rate, %	WB	10.6	10	9.2	9.5	8.1

Italian NPLs have been disproportionately affected by asset-class specific repercussions of the Covid.

That said, we believe Italian NPLs have been disproportionately affected by asset-class-specific repercussions of Covid.

First, the change in the interest-rate regime triggered by the consequences of the pandemic has especially impacted non-income-producing distressed assets. While real estate asset prices have proven to be broadly resilient in an environment of high nominal rates, the key inflation-hedging attributes of performing real estate do not apply to NPLs i.e. NPLs do not benefit from stable nor inflation-indexed rental income[9] nor from access to relatively cheap and stable financing conditions.

[9] Or owner-equivalent rents

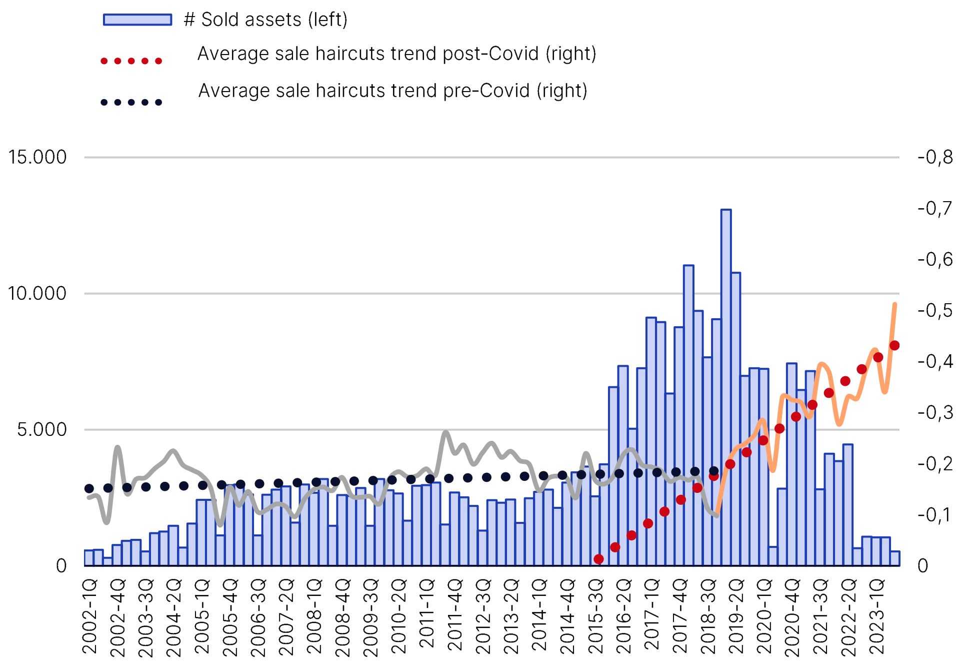
Second, the pandemic did build up a significant court backlog. Longer legal proceedings are particularly detrimental to secured NPLs as the underlying collateral tends to depreciate fast. In addition, a distinct feature of Italian NPLs compared to other jurisdictions such as Spain and Portugal is that they are less liquid as the legal framework does not allow for repossession of the assets. Properties must be sold through a lengthy auction process. Consequently, lenders and servicers are not incentivised to maintain assets (incurring operational expenses) or upgrade them (incurring capital expenditure). This exacerbates their depreciation rate.

Servicers have attempted to mitigate the slow pace of judicial proceedings through a strong focus on extrajudicial routes such as note sales and DPOs but often at higher-than-average haircuts. Similarly, some structures have attempted to overcome lenders' inability to repossess assets through the implementation of ReoCo structures, but only to a very limited extent and with limited success so far.

We will continue to monitor the accuracy of business plan appraisal values versus line-by-line asset sales data provided by servicers. We compare sales values against indexed appraisal values[10]. As of December 2023, our database comprises around 300,000 datapoints over the period 2002-2023 provided by 10 servicers. Aggregated and unfiltered data suggesting a regime-change roughly coincides with the Covid breakout (Figure 12). Between 2002 and 2018, average sales haircuts to indexed valuations were relatively stable and below the 20% mark. Since 2019 they have constantly increased, peaking at about 50% in Q4 2023, although the number of observations we have received for that period is still very low and inconclusive.

Distressed asset sales suffered a broad-based and continuous deterioration coinciding with the Covid outbreak.

Figure 12: Realised sales haircuts relative to indexed appraisal values



Source: Transactions' reporting, special servicers and Scope Ratings

10 We increase or decrease the original valuation proportional to the change in market house price indices between the valuation date and the sales date.

APPENDIX

Figure 13: List of public securitisations rated by Scope

Deal name/Link to Rating report	Issuance	Seller	Servicer (master and special)	GBV (million)	Scope class A rating		Scope class B rating		Coupon A/B	GACS (Y/N)
					At closing	Current	At closing	Current		
Elrond NPL 2017 Srl	17-Jul-17	Credito Valtellinese SpA, Credito Siciliano SpA	Cerved Credit Management SpA, Securitisation Services SpA	1,422	BBB-	CC	B+	C	6mE+0.5%/ 6mE+6%	Y
Bari NPL 2017 Srl	17-Dec-17	Banca Popolare di Bari Scpa, Cassa di Risparmio di Orvieto SpA	Prelios Credit Servicing SpA	345	BBB	C	B+	C	6mE+0.3%/ 6mE+6%	Y
Siena NPL 2018 Srl	18-May-18	Monte dei Paschi di Siena SpA, MPS Capital Services Banca per le Imprese SpA, MPS Leasing & Factoring SpA	Juliet SpA, Italfondiario SpA, Credito Fondiario SpA, Prelios Credit Servicing SpA	24,070	BBB+	BBB	Not Rated	Not Rated	3mE+1.5%/ 3mE+8%	Y
Aragorn NPL 2018 Srl	18-Jun-18	Credito Valtellinese SpA, Credito Siciliano SpA	Credito Fondiario SpA, Cerved Credit Management SpA	1,671	BBB-	CCC	B	C	6mE+0.5%/ 6mE+7%	Y
Red Sea SPV Srl	18-Jun-18	Banco BPM SpA and Banca Popolare di Milano SpA	Prelios Credit Servicing SpA	5,097	BBB	BB+	Not Rated	Not Rated	6mE+0.6%/ 6mE+6%	Y
4Mori Sardegna Srl	18-Jun-18	Banco di Sardegna SpA	Prelios Credit Servicing SpA	1,045	A-	BBB-	BB-	CCC	6mE+0.9%/ 6mE+8%	Y
2Worlds Srl	18-Jun-18	Banco di Desio e della Brianza SpA, Banca Popolare di Spoleto SpA	Cerved Credit Management SpA, Cerved Master Services SpA	1,002	BBB	B+	B	CC	6mE+0.4%/ 6mE+8%	Y
BCC NPLS 2018 srl	18-Jul-18	21 co-operative banks co-ordinated by Iccrea SpA and two banks belonging to ICCREA Banca SpA	Prelios Credit Servicing SpA	1,046	BBB-	B-	B+	C	6mE+0.4%/ 6mE+6%	Y
Juno 1 Srl	18-Jul-18	Banca Nazionale del Lavoro SpA	Prelios Credit Servicing SpA	957	BBB+	BBB+	Not Rated	Not Rated	6mE+0.6%/ 6mE+8%	Y
Maggese Srl	18-Jul-18	Cassa di Risparmio di Asti SpA, Cassa di Risparmio di Biella e Vercelli-Biverbanca SpA	Prelios Credit Servicing SpA	697	BBB	CCC	Not Rated	Not Rated	6mE+0.5%/ 6mE+6%	Y
Maior SPV Srl	18-Aug-18	Unione di Banche Italiane SpA and IW Bank SpA	Prelios Credit Servicing SpA	2,749	BBB	BBB-	Not Rated	Not Rated	6mE+0.5%/ 6mE+6%	Y
IBLA Srl	18-Sep-18	Banca Agricola Popolare di Ragusa ScpA	Italfondiario SpA	349	BBB	BBB+	B	B	6mE+0.6%/ 6mE+8%	Y
AQUI SPV Srl	18-Nov-18	BPER Banca SpA, Cassa di Risparmio di Saluzzo SpA and Cassa di Risparmio di Bra SpA	Prelios Credit Servicing SpA	2,082	BBB-	B+	Not Rated	Not Rated	6mE+0.5%/ 6mE+7%	Y
POP NPLS 2018 Srl	18-Nov-18	17 banks	Cerved Credit Management SpA, Cerved Master Services SpA	1,578	BBB	B+	B	C	6mE+0.3%/ 6mE+6%	Y
Riviera NPL Srl	18-Dec-18	Banca Carige SpA and Banca del Monte di Lucca SpA	Italfondiario SpA, Credito Fondiario SpA	964	BBB-	BB+	B+	CCC	6mE+0.65%/ 6mE+7%	Y
BCC NPLS 2018-2 Srl	18-Dec-18	73 co-operative banks	Italfondiario SpA	2,004	BBB	B+	B+	CC	6mE+0.3%/ 6mE+6%	Y
Belvedere SPV Srl	21-Dec-18	Gemini SPV Srl, Sirius SPV Srl, Antares SPV Srl, 1702 SPV Srl, Adige SPV Srl	Bayview Italia S.r.l. , Prelios Credit Servicing S.p.A.	2,541	BBB	CCC	Not Rated	Not Rated	6mE+3.25%/6%	N
Leviticus SPV Srl	19-Feb-19	Banco BPM SpA	Credito Fondiario SpA	7,385	BBB	BB-	Not Rated	Not Rated	6mE+0.6%/ 6mE+8%	Y
Juno 2 Srl	19-Feb-19	Banca Nazionale del Lavoro SpA	Prelios Credit Servicing SpA	968	BBB+	BBB-	Not Rated	Not Rated	6mE+0.6%/ 6mE+8%	Y
Prisma SPV Srl	18-Oct-19	Unicredit SpA	Italfondiario SpA, doValue SpA	6,057	BBB+	BB+	B-	CCC	6mE+1.5%/ 6mE+9%	Y
Marathon SPV Srl	05-Dec-19	Marte SPV Srl, Pinzolo SPV Srl	Hoist Italia Srl, Securitisation Services SpA	5027	BBB+	A	BB	BBB	1.8%/8%	N

Iseo SPV Srl	16-Dec-19	UBI Banca SpA	Italfondiario SpA, doValue SpA	858	BBB	BBB-	Not Rated	Not Rated	6mE+0.5%	Y
Futura 2019 Srl	16-Dec-19	Futura SPV Srl	Guber Banca SpA	1,256	BBB	BBB+	Not Rated	Not Rated	6mE+0.3%	N
BCC NPLs 2019 S.r.l.	19-Dec-19	68 banks	Italfondiario SpA, doValue SpA	1,324	BBB+	BB+	B-	CCC	6mE+0.3%/ 6mE+6.5%	Y
POP NPLs 2019 S.r.l.	23-Dec-19	12 banks	Prelios Credit Servicing SpA, Fire SpA	826.7	BBB	BB+	CCC	CC	6mE+0.3%/ 6mE+9.5%	Y
Diana SPV Srl	20-Jun-20	Banca Popolare di Sondrio SCpA	Prelios Credit Servicing SpA	1,000	BBB	BBB+	Not Rated	Not Rated	6mE+0.5%/ 6mE+9.0%	Y
Spring SPV Srl	20-Jun-20	BPER Banca SpA, Banco di Sardegna SpA, Cassa di Risparmio di Bra SpA	Prelios Credit Servicing SpA	1,377	BBB	BBB+	Not Rated	Not Rated	6mE+0.5%/ 6mE+9.5%	Y
BCC NPLs 2020 S.r.l.	30-Nov-20	88 BCCs, Banca Ifis S.p.A., Banca Popolare Valconca S.p.A.	doValue SpA	2,347	BBB	BBB-	CC	CC	6mE+0.25/ 6mE+8.0%	Y
Relais SPV S.r.l.	11-Dec-20	Unicredit Leasing S.p.A.	doValue SpA	1,583	BBB	BB+	Not Rated	Not Rated	6mE+1.5%/ 6mE+9.5%	Y
Buonconsiglio 3 S.r.l.	14-Dec-20	38 banks	Guber Banca SpA, Zenith Service S.p.A.	679	BBB	BB+	Not Rated	Not Rated	6mE+0.5%/ 6mE+9.5%	Y
Sirio NPL S.r.l.	16-Dec-20	UBI Banca SpA	Prelios Credit Servicing SpA	1,228	BBB	BBB	Not Rated	Not Rated	6mE+0.5%/ 6mE+9.5%	Y
Yoda SPV S.r.l.	18-Dec-20	Intesa Sanpaolo SpA	Intrum Italy SpA, Banca Finint SpA	6,033	BBB	BBB	Not Rated	Not Rated	3mE+0.5%/ 3mE+9.5	Y
POP NPLS 2020 Srl	23-Dec-20	15 banks	Credito Fondiario SpA, Fire SpA	920	BBB	BBB+	CC	CC	6mE+0.3%/ 6mE+12.0%	Y
Titan SPV Srl	28-Dec-20	Alba Leasing SpA, Release SpA, Banco BPM SpA	Prelios Credit Servicing SpA	335	BBB	BB+	Not Rated	Not Rated	6mE+0.5%/ 6mE+8.0%	Y
Summer SPV S.r.l.	30-Dec-20	BPER Banca SpA, Banco di Sardegna SpA	Fire SpA	322	BBB	BBB	Not Rated	Not Rated	6mE+0.5%/ 6mE+12.0%	Y
Aurelia SPV S.r.l.	22-Jun-21	Banco BPM SpA	Credito Fondiario SpA, CF Liberty SpA	1,510	BBB	BBB	Not Rated	Not Rated	6mE+0.5%/ 6mE+8.0%	Y
Palatino SPV S.r.l.	25-Jun-21	Credito Fondiario SpA	Credito Fondiario SpA	865	BBB	BBB	Not Rated	Not Rated	6mE+2.5%/6mE +3.5%/8%	N
Aporti SPV S.r.l.	28-Jun-21	Aporti S.r.l.	Prelios Credit Servicing SpA	356	BBB	BBB	Not Publicly Rated	Not Publicly Rated	6mE+2.8%/ 6mE + 7.25%	N
Olympia SPV S.r.l.	25-Nov-21	Unicredit SpA	Italfondiario SpA, doValue SpA	2,168	BBB	BBB	Not Rated	Not Rated	6mE+1.5%/ 6mE + 9.5%	Y
BCC NPLs 2021 S.r.l.	29-Nov-21	74 banks	Italfondiario SpA, doValue SpA	1,312	BBB	BBB	CCC	CCC	6mE+0.35%/ 6mE + 8.0%	Y
Buonconsiglio 4 S.r.l.	14-Dec-21	38 banks	Prelios Credit Servicing SpA	579	BBB	BBB	Not Rated	Not Rated	6mE+0.4%/ 6mE + 10.0%	Y
Grogu SPV S.r.l.	15-Dec-21	Intesa Sanpaolo SpA, BPER Banca SpA	Banca Finint SpA, Intrum Italy SpA, Prelios Credit Solutions SpA	3,077	BBB+	BBB+	Not Rated	Not Rated	3mE+0.75%/ 3mE + 9.5%	Y
Ortles 21 S.r.l.	17-Dec-21	Crédit Agricole Italy SpA, Crédit Agricole FriulAdria SpA, Credito Valtellinese SpA	Italfondiario SpA, doValue SpA, Cerved Credit Management SpA	1,834	BBB	BBB	Not Rated	Not Rated	3mE+0.3%/ 3mE + 9.5%	Y
Bela 2022 S.r.l.	19-Apr-22	illimity Bank S.p.A., Aporti S.r.l., Doria SPV S.r.l.	Cerved Credit Management S.p.A., Cerved Master Services S.p.A.	475	BBB	BBB	Not Rated	Not Rated	6mE+2.5%/ 6mE + 7.5%	N
Organa SPV S.r.l.	21-Apr-22	Intesa Sanpaolo S.p.A.	Banca Finanziaria Internazionale S.p.A., Intrum Italy S.p.A.	8,503	BBB	BBB	Not Rated	Not Rated	3mE+0.5%/ 3mE + 9.5%	Y
Itaca SPV S.r.l.	06-May-22	Unicredit S.p.A.	doNext S.p.A., doValue S.p.A.	1,128	BBB	BBB	Not Rated	Not Rated	6mE+1.0%/ 6mE + 9.5%	Y
Ifis NPL 2021-1	28-Jul-23	Ifis NPL Investing SpA	Ifis Servicing SpA	1,323	BBB+	BBB+	B	B	6mE+2.8%/ 6.0%	N
Andor SPV S.r.l.	18-Dec-23	Intesa Sanpaolo S.p.A.	Banca Finanziaria Internazionale S.p.A., Intrum Italy S.p.A.	1,318	BBB+	BBB+	Not Rated	Not Rated	4.25%/ 3mE + 10.0%	N

Source: Scope Ratings

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