

Italian NPL collections: seasonality effects explain 56% plunge vs July



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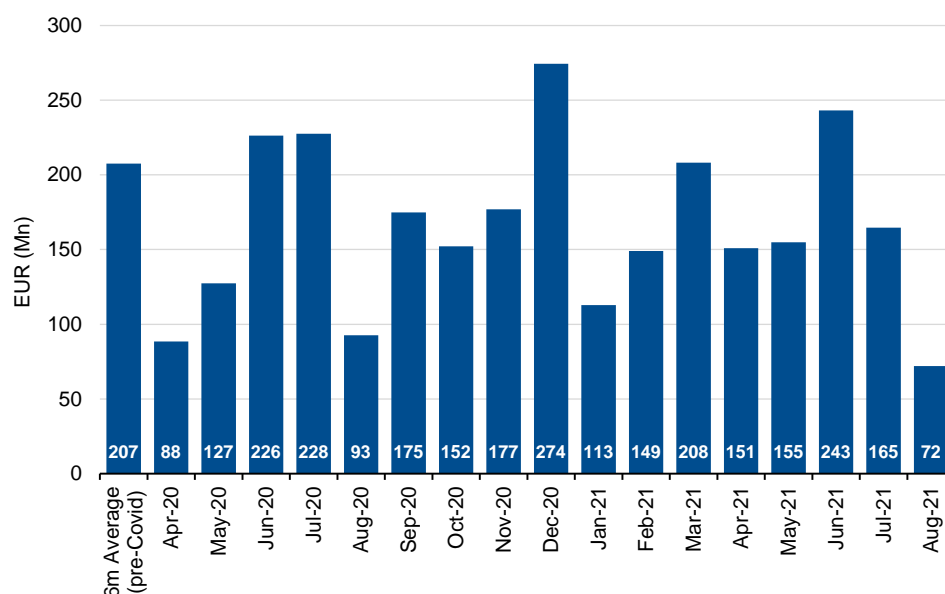
Italian NPL collections suffered a 56% monthly reduction in August to EUR 72m, consistent with August of the previous two years and explained by seasonality effects that impacted both judicial and extra-judicial proceeds.

Servicers struggle to contact borrowers and reach agreements with them during Italy's nationwide summer vacation period when business activity significantly reduces. Additionally, court activity is limited to the most urgent proceedings only. Both factors impacted the sector's performance regardless of servicers' recovery strategies.

All transactions saw lower collections in August 2021 than the six-month pre-Covid average. In August 2020, collections on just two transactions were slightly above the pre-Covid average but even then, the overall month-on-month decline was 59%. The month-on-month drop in August 2019 was 60%.

This report shows the performance of the Italian NPL securitisations rated by Scope on a deal-by-deal basis based on monthly servicing reports available to August 2021.

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



Source: Scope calculations on servicing reports

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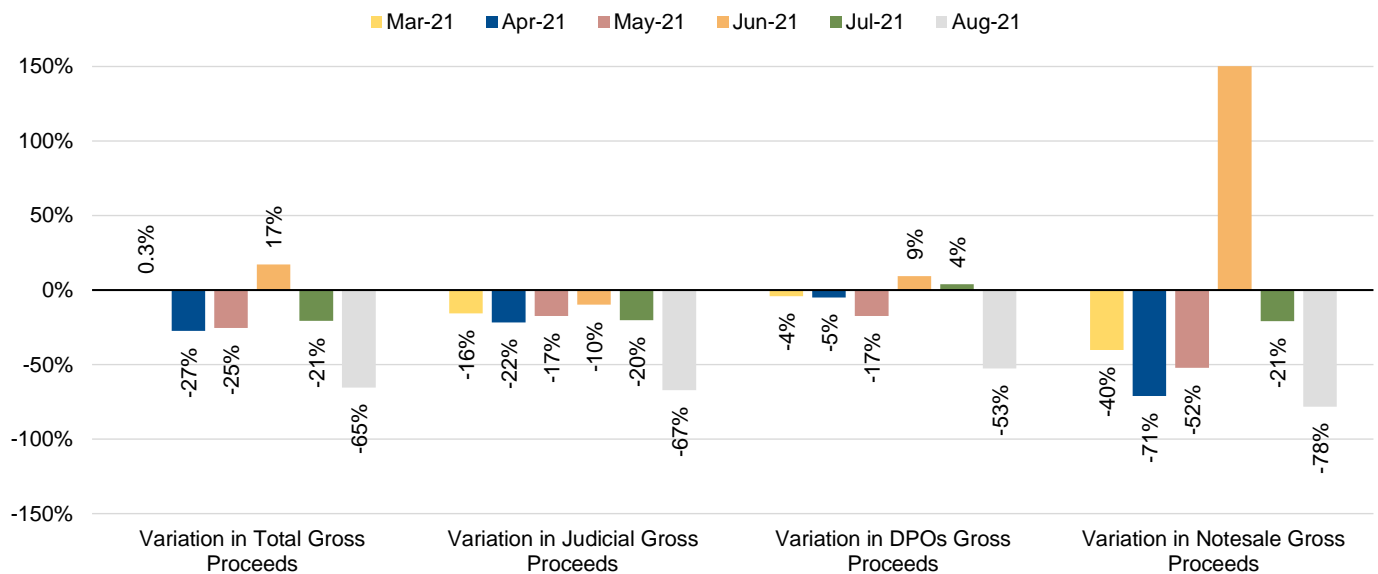
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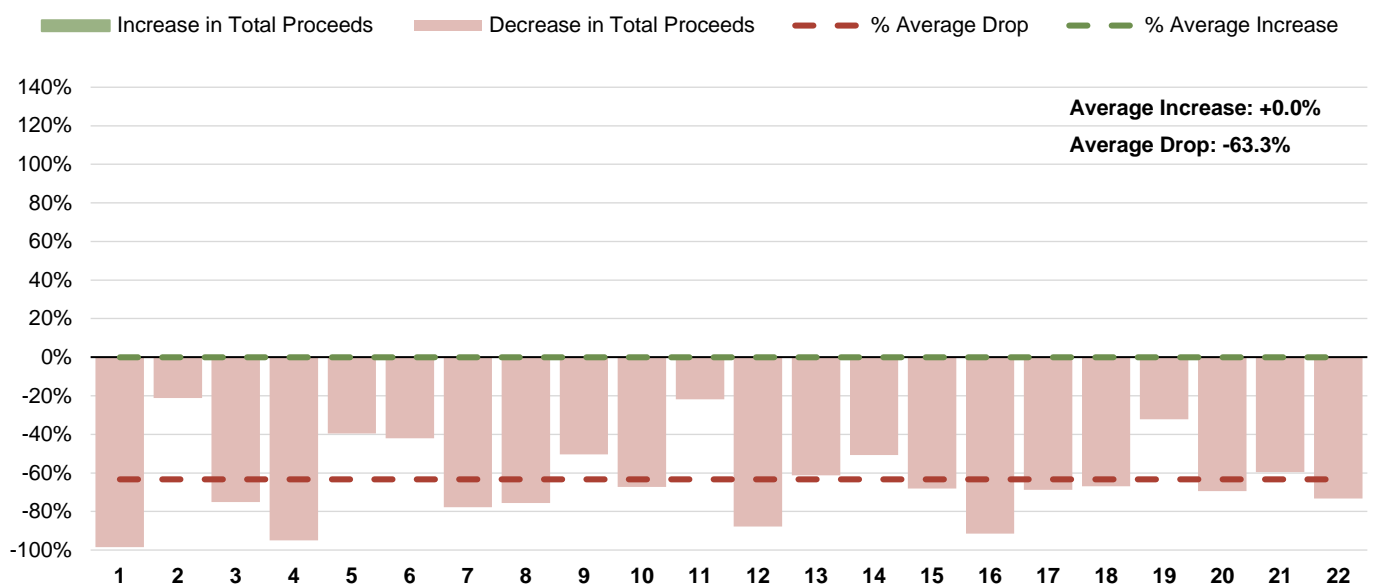
Figure 2. Variation in collection volumes (trailing six months vs. six months pre-Covid volume)



Source: Scope calculations on servicing reports.

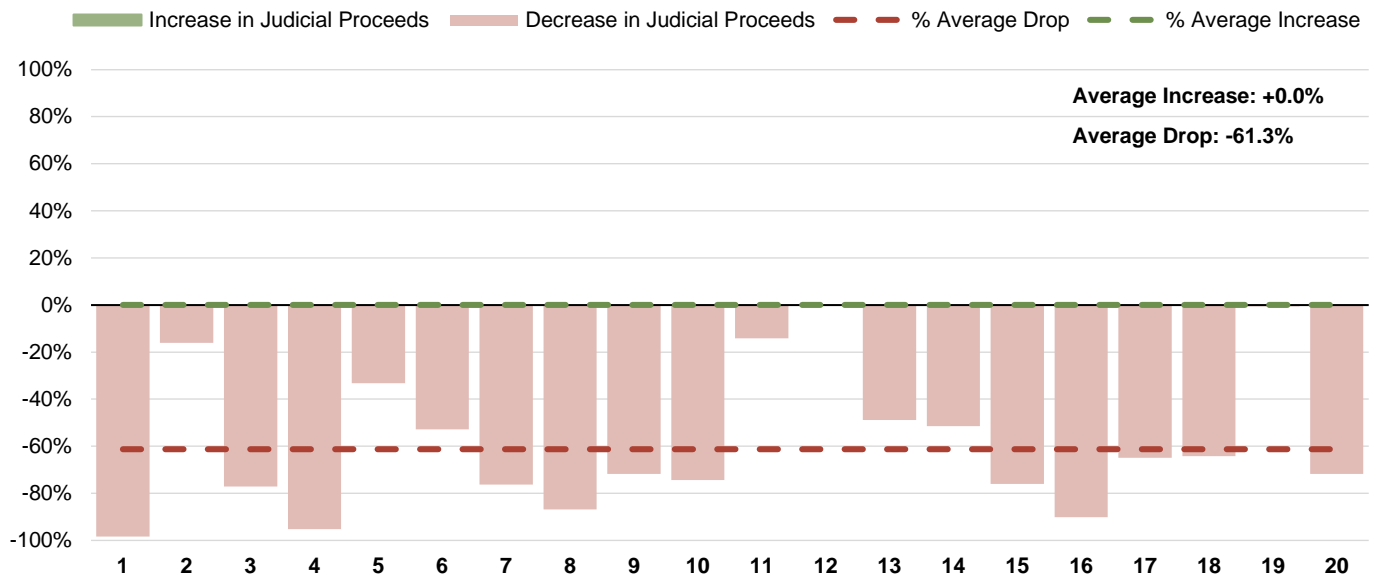
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---------------------|-----------------------|----------------------|---------------------|------------------------|------------------------|-------------------|---------------------|-----------------------|--------------------|-------------------|
| Juno 1 S.r.l. | 4Mori Sardegna S.r.l. | Aqui SPV S.r.l. | Bari NPL 2, S.r.l., | BCC NPLS 2018 S.r.l. | BCC NPLS 2018 2 S.r.l. | Maggese S.r.l. | Maior | 2Worlds S.r.l. | Red Sea SPV S.r.l. | Juno 2 S.r.l. |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| POP NPLs 2019 Sr.l. | Aragorn NPL 2018 Srl | Leviticus SPV S.r.l. | Riviera NPL Srl CF | ELROND NPL 2017 S.r.l. | POP NPLs 2018 | Belvedere NPL Srl | Marathon SPV S.r.l. | Siena NPL 2018 S.r.l. | IBLA S.R.L | Prisma SPV S.r.l. |

Figure 3. Total gross proceeds (% variation) – August versus average of 6 months pre-Covid



Source: Scope calculations on servicing reports.

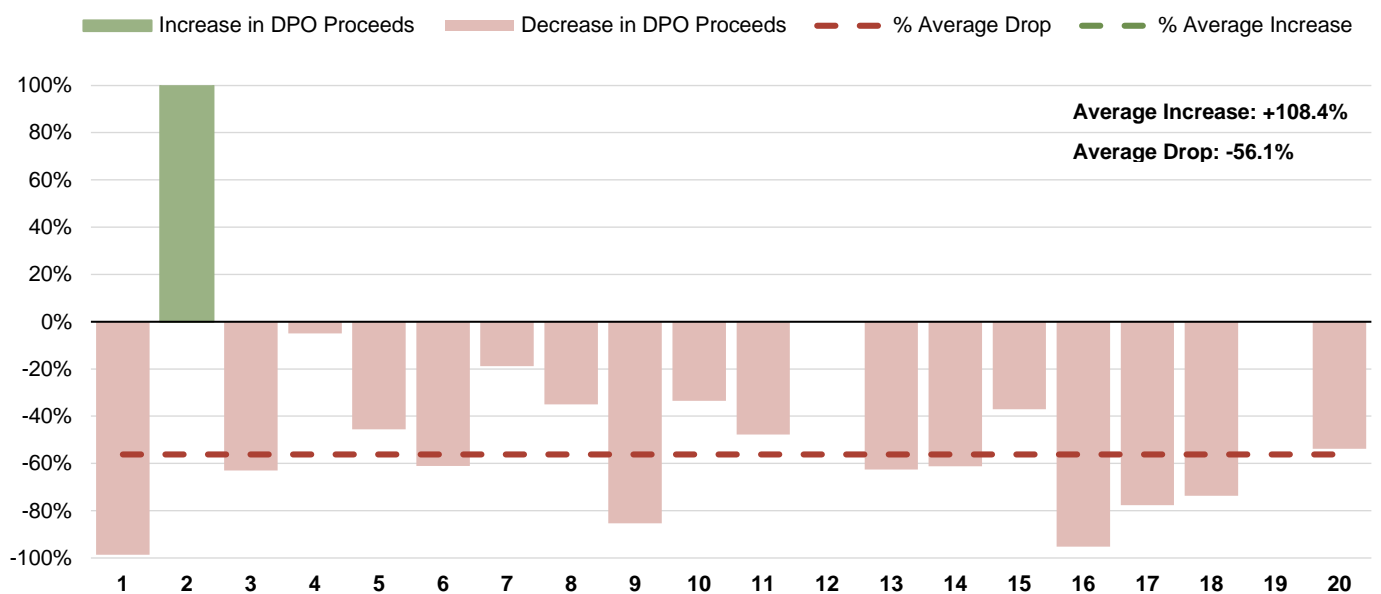
Figure 4. Judicial gross proceeds (% variation) – August versus average 6 months pre-Covid



Source: Scope calculations on servicing reports.

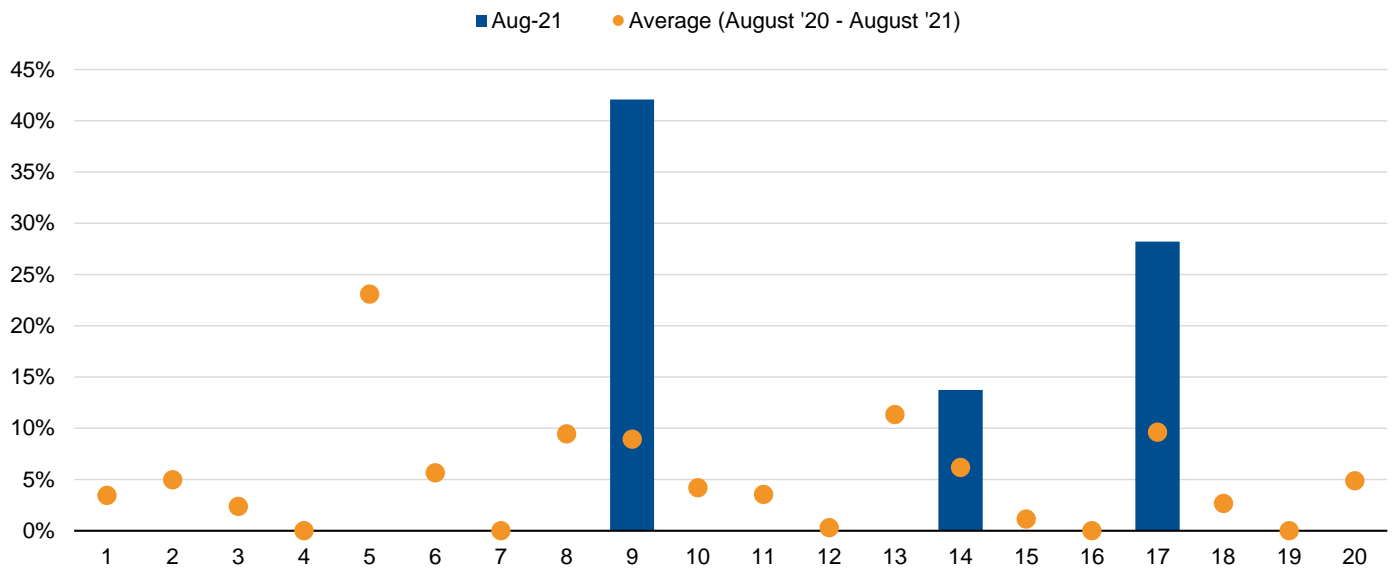
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---------------------|-----------------------|----------------------|---------------------|------------------------|------------------------|-------------------|---------------------|-----------------------|--------------------|-------------------|
| Juno 1 S.r.l. | 4Mori Sardegna S.r.l. | Aqui SPV S.r.l. | Bari NPL 2, S.r.l., | BCC NPLS 2018 S.r.l. | BCC NPLS 2018 2 S.r.l. | Maggese S.r.l. | Maior | 2Worlds S.r.l. | Red Sea SPV S.r.l. | Juno 2 S.r.l. |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| POP NPLs 2019 Sr.l. | Aragorn NPL 2018 Srl | Leviticus SPV S.r.l. | Riviera NPL Srl CF | ELROND NPL 2017 S.r.l. | POP NPLs 2018 | Belvedere NPL Srl | Marathon SPV S.r.l. | Siena NPL 2018 S.r.l. | IBLA S.R.L | Prisma SPV S.r.l. |

Figure 5. DPOs proceeds (% variation) – August versus average 6 months pre-Covid



Source: Scope calculations on servicing reports.

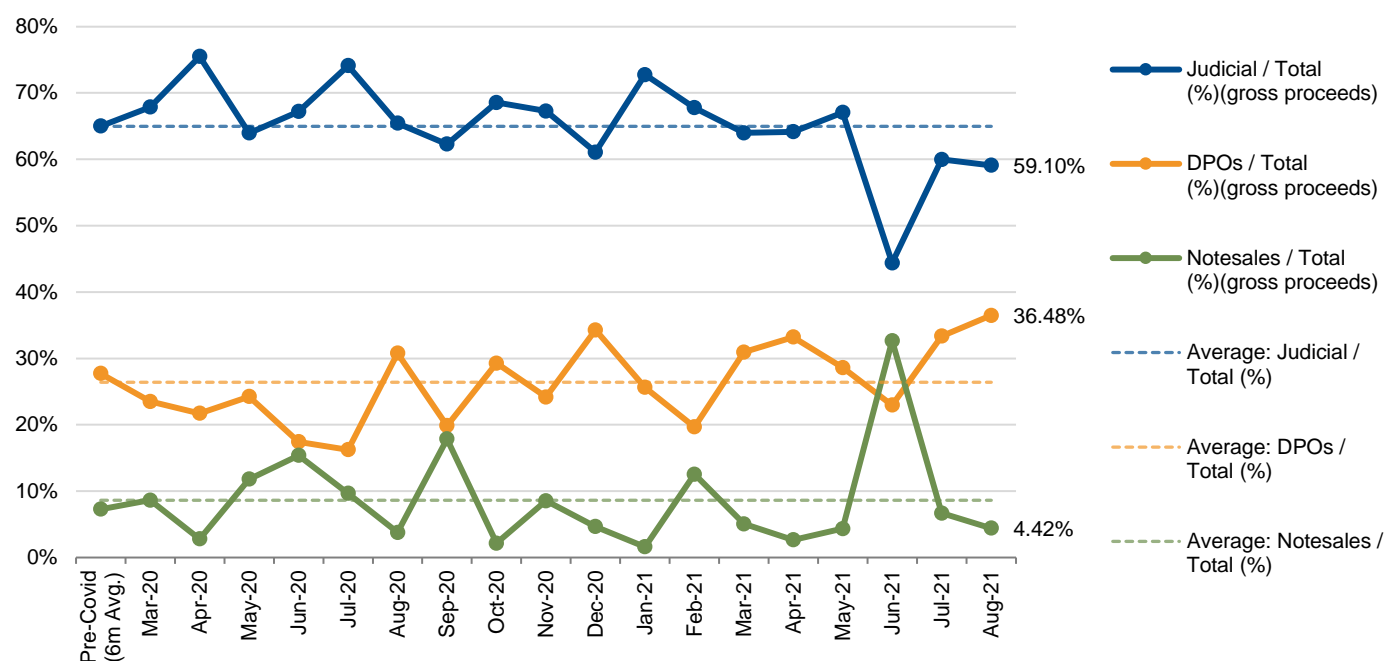
Figure 6. Share of August 2021 note sales proceeds in total gross proceeds



Source: Scope calculations on servicing reports

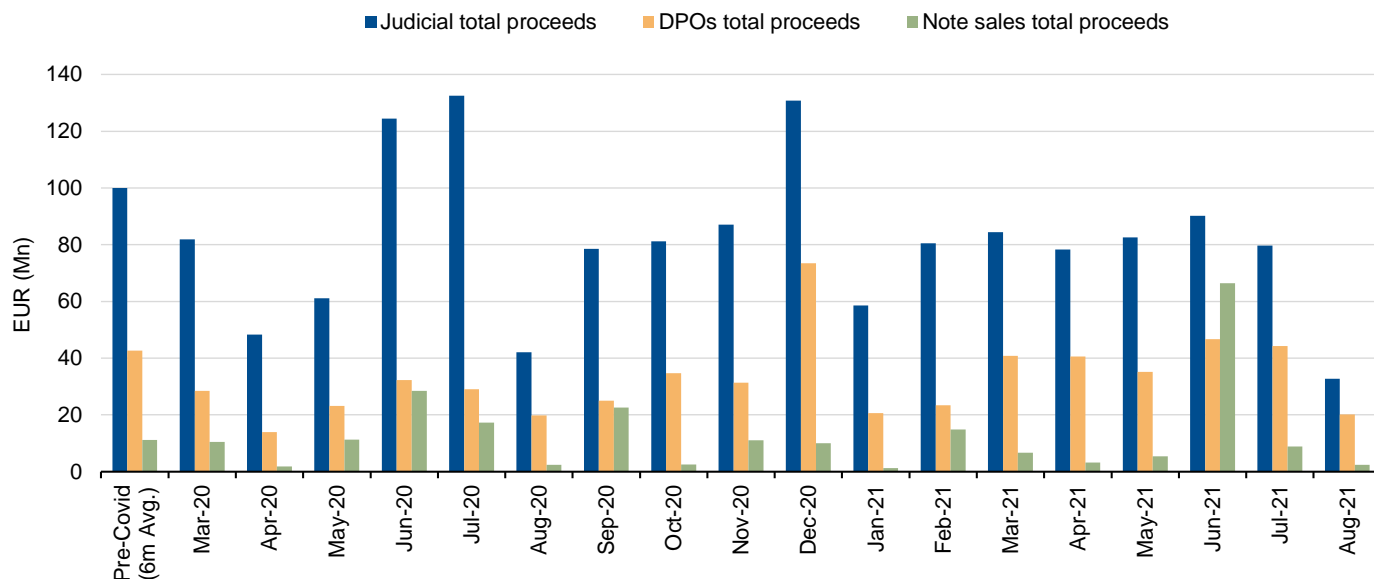
| | | | | | | | | | | |
|---------------------|-----------------------|----------------------|---------------------|------------------------|------------------------|-------------------|---------------------|-----------------------|--------------------|-------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| Juno 1 S.r.l. | 4Mori Sardegna S.r.l. | Aqui SPV S.r.l. | Bari NPL 2, S.r.l., | BCC NPLS 2018 S.r.l. | BCC NPLS 2018 2 S.r.l. | Maggese S.r.l. | Maior | 2Worlds S.r.l. | Red Sea SPV S.r.l. | Juno 2 S.r.l. |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| POP NPLs 2019 Sr.l. | Aragorn NPL 2018 Srl | Leviticus SPV S.r.l. | Riviera NPL Srl CF | ELROND NPL 2017 S.r.l. | POP NPLs 2018 | Belvedere NPL Srl | Marathon SPV S.r.l. | Siena NPL 2018 S.r.l. | IBLA S.R.L | Prisma SPV S.r.l. |

Figure 7. Share of collections per recovery strategy



Source: Scope calculations on servicing reports.

Figure 8. Judicial and extra-judicial proceeds



Source: Scope calculations on servicing reports.

Footnotes:

Figure 1: 6m Average (pre-Covid) refers to the average volumes registered from Sep-19 to Feb-20.

Figure 2: The % variation is computed comparing collections between March 2021 and August 2021 with average volumes registered pre-Covid (i.e. the six months from Sep-19 to Feb-20). Based on their closing dates, the average was computed only for the period Dec-19-Feb-20 for transactions nos.19,12 and for the period Oct-19-Feb-20 for transaction no. 22. The variation in total gross proceeds was computed on a set of 22 transactions, while the variation in judicial, extra-judicial and note sale proceeds was computed on a set of 20 transactions (excluding transactions nos. 21, 22), based on the availability of collections per type of recovery strategy.

Figure 3: The variations in total proceeds (%) were computed comparing August 2021 collections with average volumes pre-Covid (i.e. the six months from Sep-19 to Feb-20). Based on their closing dates, the average was computed only for the period Dec-19-Feb-20 for transactions nos. 12 and 19. The average drop was computed only considering those transactions with a negative variation, while the average increase was computed only considering transactions with a positive variation.

Figure 4: The chart refers to a sample of 20 transactions out of the 22, since monthly collections by recovery strategy were not available for transactions nos. 21, 22. The variation in judicial proceeds (%) was computed comparing August 2021 collections with average pre-Covid volumes (i.e. the six months from Sep-19 to Feb-20). Based on their closing dates, the average was computed only for the period Dec-19-Feb-20 for transactions nos. 12 and 19. The average drop was computed only for transactions showing a negative variation, while the average increase was computed only considering those transactions with a positive variation.

Figure 5: DPO refers to discounted payoff strategies. The chart refers to a sample of 20 transactions out of the 22, since monthly collections by recovery strategy were not available for transactions nos. 21, 22. The decrease and increase in DPO proceeds (%) were computed comparing August 2021 collections with average pre-Covid volumes (i.e. the six months from Sep-19 until Feb-20). Based on their closing dates, the average was computed only for the period Dec-19-Feb-20 for transactions nos. 12 and 19. The average drop was computed only considering transactions with a negative variation, while the average increase was computed only considering transactions with a positive variation. Transaction no. 19 does not report DPOs as collection type.

Figure 6: The chart refers to a sample of 20 transactions out of the 22, since monthly collections by recovery strategy were not available for transactions nos. 21, 22.

Figure 7: The chart refers to a sample of 20 transactions out of the 22, since monthly collections by recovery strategy were not available for transactions nos. 21, 22. "Pre-Covid (6m Avg.)" refers to the average pre-Covid collections registered from Sep-19 until Feb-20.

Figure 8: The chart refers to a sample of 20 transactions out of the 22, since monthly collections by recovery strategy were not available for transactions nos. 21, 22. "Pre-Covid (6m Avg.)" refers to average pre-Covid collections Sep-19 until Feb-20.

Figures 2, 4 to 8: These charts have been updated based on the availability of transaction no.20 data per recovery strategy.

Figures 5 and 8: The term extra-judicial strategy refers to both DPO and note sales strategies.



Italian NPL collections: seasonality effects explain 56% plunge vs July

I. Appendix – NPL securitisations rated by Scope

| Deal name/Link to Rating report | Issuance | Seller | Servicer (master and special) | GBV (mn) | Scope class A rating | | Scope class B rating | | Coupon A/B | GACS (Y/N) |
|---|-------------|---|---|---------------|----------------------|---------|----------------------|--------------------|----------------------------|------------|
| | | | | | At closing | Current | At closing | Current | | |
| Elron NPL 2017 Srl | 17-Jul-17 | Credito Valtellinese SpA, Credito Siciliano SpA | Cerved Credit Management SpA, Securitisation Services SpA | 1,422 | BBB- | B+ | B+ | CCC | 6mE+0.5%/6mE+6% | Y |
| Bari NPL 2017 Srl | 17-Dec-17 | Banca Popolare di Bari Scpa, Cassa di Risparmio di Orvieto SpA | Prelios Credit Servicing SpA | 345 | BBB | B- | B+ | C | 6mE+0.3%/6mE+6% | Y |
| GBV of GACS eligible securitisations rated by Scope 2017 (EUR million) | | | | 1,767 | | | | | | |
| Siena NPL 2018 Srl | 18-May-18 | Monte dei Paschi di Siena SpA, MPS Capital Services Banca per le Imprese SpA, MPS Leasing & Factoring SpA | Juliet SpA, Italfondario SpA, Credito Fondiario SpA, Prelios Credit Servicing SpA | 24,070 | BBB+ | BBB+ | Not Rated | Not Rated | 3mE+1.5%/3mE+8% | Y |
| Aragom NPL 2018 Srl | 18-Jun-18 | Credito Valtellinese SpA, Credito Siciliano SpA | Credito Fondiario SpA, Cerved Credit Management SpA | 1,671 | BBB- | B | B | CC | 6mE+0.5%/6mE+7% | Y |
| Red Sea SPV Srl | 18-Jun-18 | Banco BPM SpA and Banca Popolare di Milano SpA | Prelios Credit Servicing SpA | 5,097 | BBB | BBB- | Not Rated | Not Rated | 6mE+0.6%/6mE+6% | Y |
| 4Mori Sardegna Srl | 18-Jun-18 | Banco di Sardegna SpA | Prelios Credit Servicing SpA | 1,045 | A- | BBB+ | BB- | B | 6mE+0.9%/6mE+8% | Y |
| 2Worlds Srl | 18-Jun-18 | Banco di Desio e della Brianza SpA, Banca Popolare di Spoleto SpA | Cerved Credit Management SpA, Cerved Master Services SpA | 1,002 | BBB | BB+ | B | CCC | 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 | BB | Not Rated | Not Rated | 6mE+0.5%/6mE+6% | Y |
| Maior SPV Srl | 18-Aug-18 | Unione di Banche Italiane SpA and IW Bank SpA | 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 SpA | Italfondario SpA | 349 | BBB | BBB | B | B | 6mE+0.6%/6mE+8% | Y |
| AQUI SPV Srl | 18-Nov-18 | BPER Banca SpA, Cassa di Risparmio di Saluzzo SpA and Cassa di Risparmio di Bra SpA | Prelios Credit Servicing SpA | 2,082 | BBB- | BB+ | Not Rated | Not Rated | 6mE+0.5%/6mE+7% | Y |
| POP NPLs 2018 Srl | 18-Nov-18 | 17 banks | Cerved Credit Management SpA, Cerved Master Services SpA | 1,578 | BBB | BB | B | CCC | 6mE+0.3%/6mE+6% | Y |
| Riviera NPL Srl | 18-Dec-18 | Banca Carige SpA and Banca del Monte di Lucca SpA | Italfondario SpA, Credito Fondiario SpA | 964 | BBB- | BB+ | B+ | CCC | 6mE+0.65%/6mE+7% | Y |
| BCC NPLs 2018-2 Srl | 18-Dec-18 | 73 co-operative banks | Italfondario SpA | 2,004 | BBB | BBB- | B+ | B- | 6mE+0.3%/6mE+6% | Y |
| Belvedere SPV Srl | 21-Dec-18 | Gemini SPV Srl, Sirius SPV Srl, Antares SPV Srl, 1702 SPV Srl, Adige SPV Srl | Bayview Italia S.r.l., Prelios Credit Servicing S.p.A. | 2,541 | BBB | BB+ | Not Rated | Not Rated | 6mE+3.25%/6% | N |
| GBV of GACS eligible securitisations rated by Scope 2018 (EUR million) | | | | 45,311 | | | | | | |
| GBV of securitisations rated by Scope 2018 (EUR million) | | | | 47,852 | | | | | | |
| Leviticus SPV Srl | 19-Feb-19 | Banco BPM SpA | Credito Fondiario SpA | 7,385 | BBB | BBB- | Not Rated | Not Rated | 6mE+0.6%/6mE+8% | Y |
| Juno 2 Srl | 19-Feb-19 | Banca Nazionale del Lavoro SpA | Prelios Credit Servicing SpA | 968 | BBB+ | BBB+ | Not Rated | Not Rated | 6mE+0.6%/6mE+8% | Y |
| Prisma | 18-Oct-19 | Unicredit SpA | Italfondario SpA, doValue SpA | 6,057 | BBB+ | BBB | B- | B- | 6mE+1.5%/6mE+9% | Y |
| Marathon SPV Srl | 05-Dec-19 | Marte SPV Srl, Pinzolo SPV Srl | Hoist Italia Srl, Securitisation Services SpA | 5027 | BBB+ | BBB+ | BB | BB | 1.8%/8% | N |
| Iseo SPV Srl | 16-Dec-19 | UBI Banca SpA | Italfondario SpA, doValue SpA | 858 | BBB | BBB | Not Rated | Not Rated | 6mE+0.5% | Y |
| Futura 2019 Srl | 16-Dec-19 | Futura SPV Srl | Guber Banca SpA | 1,256 | BBB | BBB | Not Rated | Not Rated | 6mE+3.0% | N |
| BCC NPLs 2019 S.r.l. | 19-Dec-19 | 68 banks | Italfondario SpA, doValue SpA | 1,324 | BBB+ | BBB+ | B- | B- | 6mE+0.3%/6mE+6.5% | Y |
| POP NPLs 2019 S.r.l. | 23-Dec-19 | 12 banks | Prelios Credit Servicing SpA, Fire SpA | 826.7 | BBB | BBB | CCC | CCC | 6mE+0.3%/6mE+9.5% | Y |
| GBV of GACS-eligible securitisations rated by Scope 2019 (EUR million) | | | | 17,419 | | | | | | |
| GBV of securitisations rated by Scope 2019 (EUR million) | | | | 23,702 | | | | | | |
| Diana SPV Srl | 20-Jun-20 | Banca Popolare di Sondrio ScPa | 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 | 90 banks | doValue SpA | 2,347 | BBB | BBB | CC | CC | 6mE+0.25%/6mE+8.0% | Y |
| Relais SPV S.r.l. | 11-Dec-20 | Unicredit Leasing S.p.A. | doValue SpA | 1,583 | BBB | BBB | Not Rated | Not Rated | 6mE+1.5%/6mE+9.5% | Y |
| Buonconsiglio 3 S.r.l. | 14-Dec-20 | 38 banks | Guber Banca SpA, Zenith Service S.p.A. | 679 | BBB | BBB | Not Rated | Not Rated | 6mE+0.5%/6mE+9.5% | Y |
| Sirio NPL S.r.l. | 16-Dec-20 | UBI Banca SpA | 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 | BBB | Not Rated | Not Rated | 6mE+0.5%/6mE+8.0% | Y |
| Summer SPV S.r.l. | 30-Dec-20 | BPER Banca SpA, Banco di Sardegna SpA | Fire SpA | 322 | BBB | BBB | Not Rated | Not Rated | 6mE+0.5%/6mE+12.0% | Y |
| GBV of GACS-eligible securitisations rated by Scope 2020 (EUR million) | | | | 15,824 | | | | | | |
| GBV of securitisations rated by Scope 2020 (EUR million) | | | | 15,824 | | | | | | |
| IFIS NPL 2021-1 SPV S.r.l. | 19-Mar-21 | Ifis NPL Investing SpA | Ifis Servicing SpA | 1,323 | A- | A- | B+ | B+ | 6mE+2.15%/6.0% | N |
| Aurelia SPV S.r.l. | 22-Jun-2021 | 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-2021 | Credito Fondiario SpA | Credito Fondiario SpA | 865 | BBB | BBB | Not Rated | Not Rated | 6mE+2.5%/6mE+3.5%/6mE+8.0% | N |
| Aporti SPV S.r.l. | 28-Jun-2021 | Aporti S.r.l. | Prelios Credit Servicing SpA | 356 | BBB | BBB | Not Publicly Rated | Not Publicly Rated | 6mE+2.8%/6mE+7.5% | N |
| GBV of GACS-eligible securitisations rated by Scope 2021 (EUR million) | | | | 1,510 | | | | | | |
| GBV of securitisations rated by Scope 2021 (EUR million) | | | | 4,054 | | | | | | |
| Total GBV of securitisations rated by Scope (EUR million) | | | | 93,198 | | | | | | |



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