

npl  
meeting

# STEP FORWARD

## NPL TRANSACTION MARKET AND SERVICING INDUSTRY

Forecast 2024-2026

# The key messages (1/2)

## The Npe trend in the European framework (EU significant banks)

- The Npe banks increased, both in terms of **stock (+16 €bn from the beginning of 2023 and Q2 2024)** and **Npe Ratio (+11 basis points)**
- The increase in Npe EU was mainly driven by the **German (+9,4 €bn) and French (+8,8 €bn)**
- Indications of a moderate increase in riskiness are provided by the increase in the average **cost of risk in the EU: during 2024, it presents the highest level since the end of 2020, standing at 0,51%**
- In this context **Italy, on the other hand, is bucking the trend with a reduction in the Npe stock (-5,1 €bn) and a decrease from 11,5% to 9,4% of the Stage 2 Ratio** which, now aligned with the EU average (9,3%), a positive trend also thanks to public policies to support businesses

## The trend of Npe in the Italian banking system

- **The Italian deterioration rate is estimated at a historically low level (1,01% forecast at the end of 2024), with a moderate increase expected in 2025 (1,29%) that will start to decline already in the 2026 forecast (1,15%)**
- **Npe volumes transacted in 2024 are expected to decrease (19 €bn Npls and 5 €bn Utps)** in line with the stabilisation of stocks on bank balance sheets. **The market will remain active and for the two-year period 2025-2026, Npl transaction volumes of ~18 €bn per year and ~5 €bn of UtP** are estimated, which will allow the banks' Npe ratio to be maintained at around 3%
- The historical analysis of Npe transactions allows us to identify **3 phases**:
  - **2017-2018 → intense de-risking** on the entire banking system;
  - **2019-2022 → pursuit of 5% Npe ratio target** driven mainly by banks;
  - **2023 onwards → maintenance/reduction of low stock (Npe ratio around 3%)**
- **Specialised Npl sector: since 2017, there have been 62 extraordinary transactions** structuring servicing machines that continue to be fed
- **The prices of Npl portfolios are generally increasing, albeit not significantly**, due to the increased competitiveness of a market with reduced volumes and the fresher credits of primary transactions

# The key messages (2/2)

## The Italian Npl industry

- The total stock (banks and investors) of NPEs in Italy is estimated to decrease by ~71 €bn from 2015 to 2024, a reduction that is estimated to become as much as 84 €bn in 2026 (277 €bn), equal to a 23% decrease at system level thanks to the management activity that has determined recoveries and closures of debt positions
- The 35 portfolios with DBRS ratings, securitised from 2016 to 2022, are a significant cluster (99 €bn in total GBV) of total Npl transactions, an analysis of which provides useful indications to assess the trend of collections
  - In the first quarter of 2024, **cumulative performance in respect of the original business plan targets was slightly below target, with an average value of 98,7%, down from 103,7% in the same period last year**
  - Target revisions of the original plans indicate an average reduction of 6,6%, providing a view on expected recovery
  - **The decline is estimated to be more significant in secured portfolios (-7,4% vs -5,6% average for unsecured portfolios)**. Confirmation also comes from the Marathon portfolio, which has no secured receivables and saw an increase - against the trend - of +5% in targets
  - **The variation of targets on receivables by geographical area** (-8,3% in the North vs -3,7% and -3,5% in the Centre and South respectively), **on Gacs** (-7,4% vs +1,3% on the No Gacs portfolios) and on the **portfolios with negative performance** (-7,9% vs -2,4% average on portfolios with positive performance) **is driven by the greater weight of secured and Corporate customers**
  - Market data show how the combined effect of rising prices and rising rates have affected the real estate market: in 2023, the number of judicial sale attempts fell by 10% and base auction prices fell by 26%
- The trend of current recoveries makes it possible to estimate the change in the recovery curve changes in performance measured on 46 portfolios (with DBRS and/or Scope ratings) until to the last interest payment period in 2024, imply an acquired **lengthening of the recovery curve of approximately 8 months on an average of 50 months already elapsed** since the closing

# THE NPE TREND IN THE EUROPEAN CONTEXT

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In the second quarter of 2024, the Npe ratio (ratio of impaired loans to stock of loans) of EU significant banks is essentially unchanged (1,86% vs 1,84% in Q4 2023). Compared to the beginning of 2023, however, both the Npe stock (in absolute value) and the Npe ratio show an increase, mainly due to a rise in impaired loans in German and French. Italy, by contrast, shows a reduction thanks also to public policies to support businesses

EU NON-PERFORMING LOANS (IMPAIRED LOANS) IN BANK FINANCIAL STATEMENTS, GROSS NPE RATIO - ONLY SIGNIFICANT EBA BANKS - €BN AND PERCENTAGES



Change in Npe stock Q2'24 vs Q1'23 - €bn

Countries	Q2'24 vs Q1'23
Italy	-5,1
Germany	+9,4
France	+8,8
Spain	+0,8



SOURCE: Banca Ifis Research Department elaborations on EBA "Risk Dashboard" report, Npl ratio based on a weighted average. NOTE\*: the figures exclude the values of the United Kingdom, which ceased to be a member of the European Union in 2020. Note that in the EBA report the terms impaired exposures (Npe) and impaired loans (Npl) are used interchangeably. The computation of the Npe ratio and Default rate of the Eurozone considers the significant banks according to EBA definition. The EU significant banks are large banks which have a high level of non domestic exposures characterised by lower Npe ratio values compared to domestic one. According to this rationale the EU indicators are always lower than those at country level or for specific customer segments.

Signs of tension on credit in the cost of risk for significant EU banks which, in 2024, presents the highest level since the end of 2020, standing at 0,51% in the second quarter of 2024, mainly due to German and French institutions

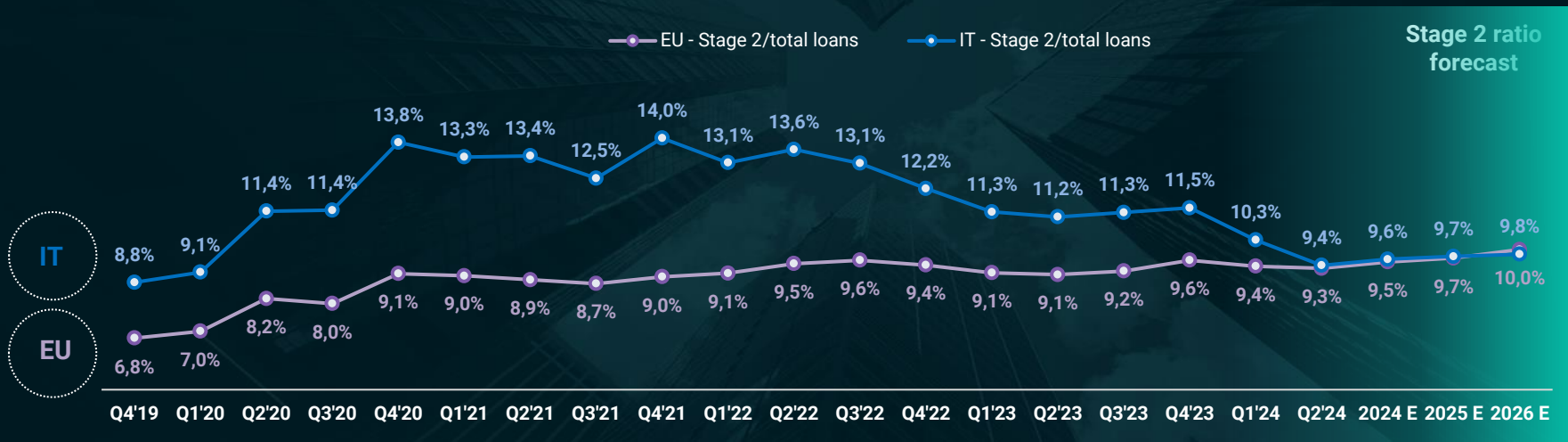
#### COST OF RISK - SIGNIFICANT EBA BANKS ONLY - PERCENTAGES



Countries	T4'23	T1'24	T2'24
Italy	0,38%	0,28%	0,32%
German	0,38%	0,62%	0,48%
France	0,47%	0,61%	0,54%
Spain	1,12%	1,15%	1,11%

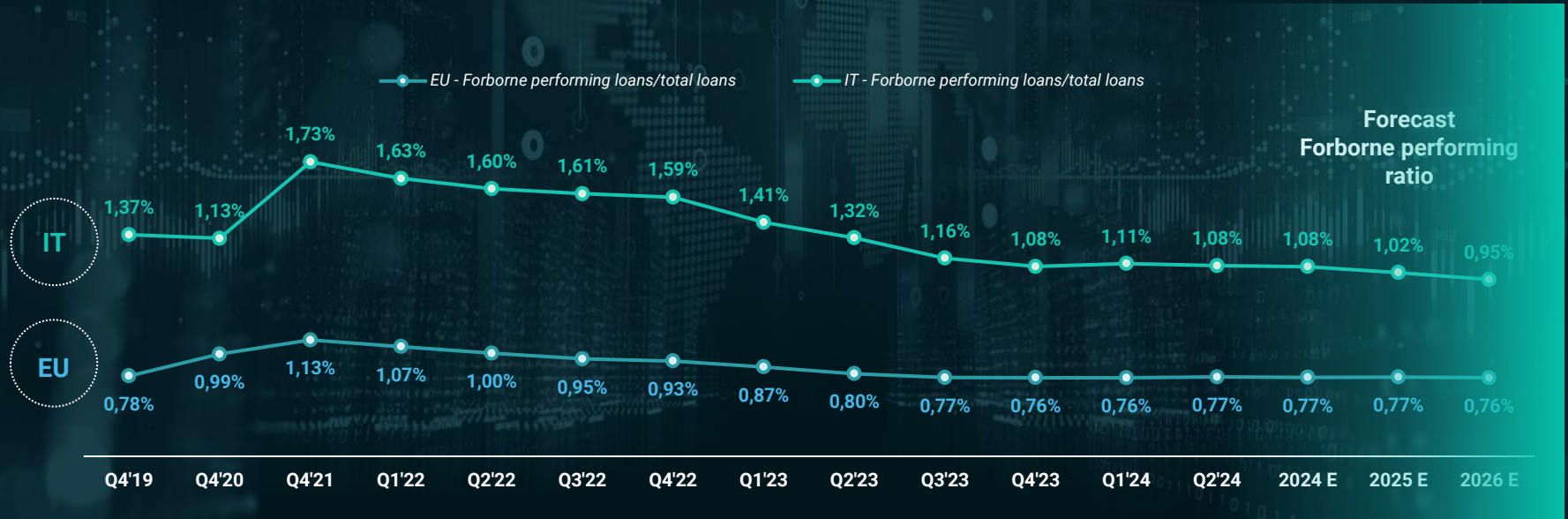
In Q2 2024, the incidence of Stage 2 financing of EU banks is substantially stable. However, the decline is significant for Italian banks, which have eliminated the gap with the European Union average. The Stage 2 Ratio is expected to moderately increase between the end of this year and 2026

CREDITS IN BANK BALANCE SHEETS CLASSIFIED AS STAGE 2 AND INCIDENCE OF CREDITS IN STAGE 2 RATIO OF RECEIVABLES DUE FROM CUSTOMERS - ONLY SIGNIFICANT BANKS EBA - PERCENTAGES



The downward trend of the Forborne performing Ratio of significant Italian banks continues in 2024/2026 forecasts too, while remaining above the European average which, instead, shows essential stability

INCIDENCE OF PERFORMING FORBORNE LOANS ON RECEIVABLES DUE FROM CUSTOMERS - EU-SIGNIFICANT BANKS ONLY - PERCENTAGES





# In the second quarter of 2024, EU banks moderately increased overall lending, mainly to households

**EU LOANS (EXCLUDING THE UK) IN BANK BALANCE SHEETS - EBA SIGNIFICANT BANKS ONLY - BASE 100 = Q2 2019 - ROLLING PERCENTAGE CHANGE OVER PREVIOUS 12 MONTHS**



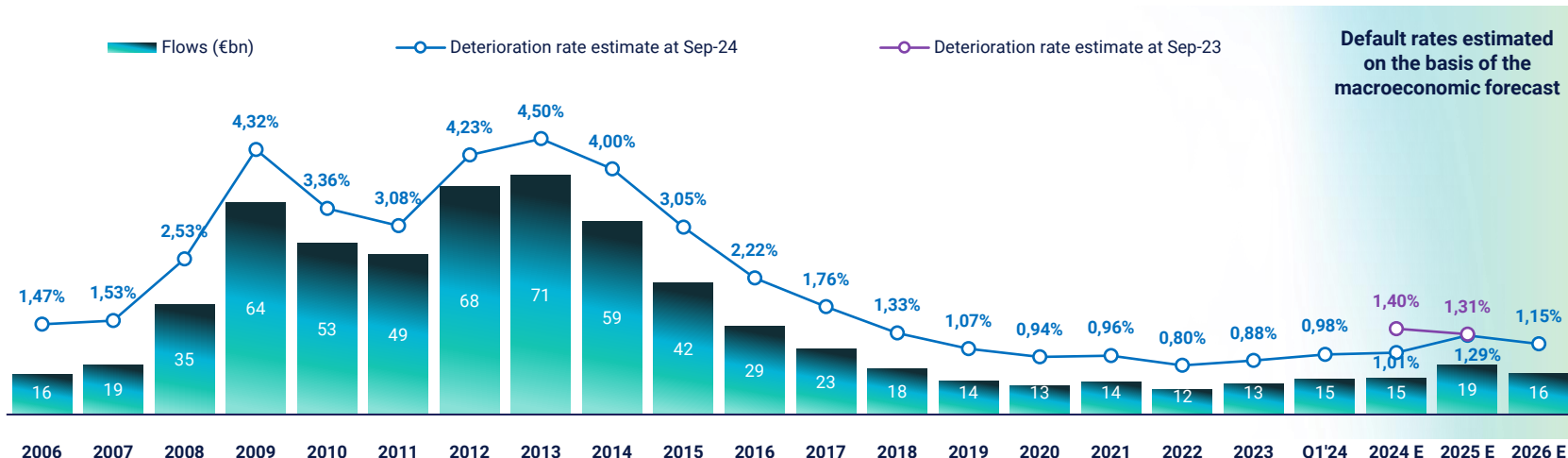
# THE TREND OF NPE IN THE ITALIAN BANKING SYSTEM

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In Italy, the rate of credit deterioration is estimated to remain at an all-time low, with a moderate increase in 2025 that will start to decline already in the 2026 forecast. The new forecasts are lower than estimated in the September 2024 Npl Market Watch for falling interest rates and improving employment

### ANNUAL FLOWS OF NEW DEFAULTING LOANS AND LOAN DETERIORATION RATE (DEFAULT RATE) RESIDENTS ONLY - €BN AND PERCENTAGES

Default rates estimated on the basis of the macroeconomic forecast



% GDP	1,8	1,5	-1,0	-5,3	1,7	0,7	-3,0	-1,8	-0,9	0,8	1,3	1,7	0,9	0,5	-8,9	6,9	3,7	0,9	-	0,6	0,9	1,1
% unemployment	6,8	6,1	6,7	7,8	8,4	8,4	10,6	12,2	12,7	11,9	11,7	11,2	10,6	9,9	9,2	9,5	8,3	7,6	-	7,5	7,5	7,4



DETERIORATION RATE: annual flow of new loans in default adjusted/stock of loans not in default adjusted previous year.  
 NPE FLOW: annual flow of new loans in default adjusted.  
 SOURCE: Banca Ifis Research Department elaborations on data: Bank of Italy, ISTAT and the MEF. Economic Bulletin Bank of Italy, European Commission, European Economic Eurostat, World Bank, IMF and European Mortgage Federation.  
 ESTIMATION METHODOLOGY: The forecast estimation model is multivariate regression, with goodness of fit  $R^2 = 94\%$

In the first quarter of 2024, the trend in loans to Households and Corporates recorded a significant decrease of 2,8% compared to the previous 12 months, almost entirely attributable to the Corporate sector, also as a result of the resorption of loans granted during the two-year pandemic

**STOCK OF ITALIAN RESIDENT-ONLY LOANS ADJUSTED FOR SECURITISATIONS, OTHER DISPOSALS, RECLASSIFICATIONS, VALUE ADJUSTMENTS AND EXCHANGE RATE CHANGES - BASE 100 = Q1 2019 - ROLLING PERCENTAGE CHANGE OVER PREVIOUS 12 MONTHS**

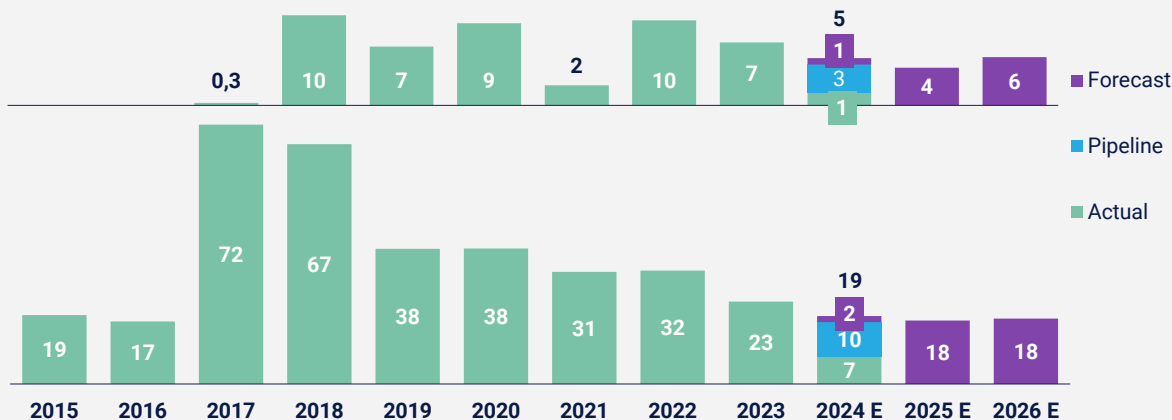


Npe transaction volumes are expected to decrease in 2024, consistently with the stabilisation of the stock of impaired loans on bank balance sheets. The market will remain active and for the two-year period 2025-2026, Npl transaction volumes of ~18 €bn per year and ~5 €bn of UtP are estimated, which will allow the banks' Npe ratio to be maintained at around 3%

NPL, UTP TRANSACTION MARKET TREND - €BN OF GBV AND PERCENTAGES

UtP €bn

Npl €bn



% GACS on Npl

0% 3% 44% 58% 27% 42% 36% 34% 0% 0% 0% 0%

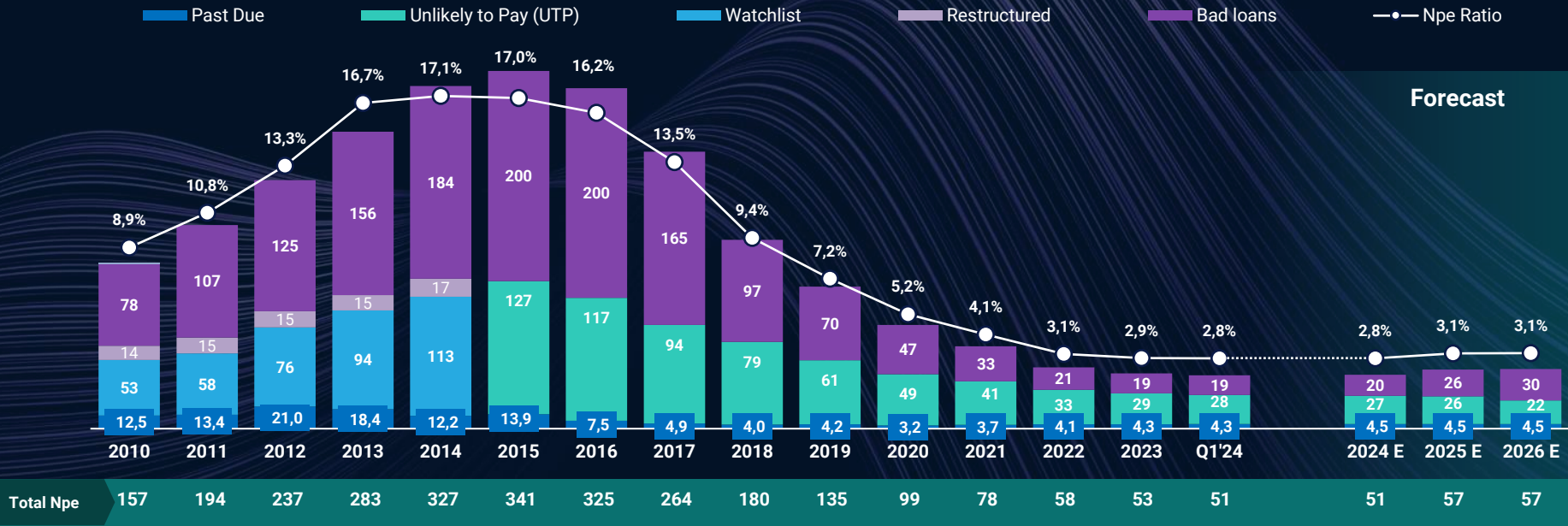
% Secondary market on Npl

31% 51% 4% 2% 24% 23% 32% 28% 67% 53% 57% 55%

- **The primary market** on Npl portfolios will be increasingly competitive due to lower volumes than in the past
- **The secondary market** was driven by the optimisation of portfolios under management with divestments of non core and divestments related to changes in strategy and repositioning

The moderate dynamics of new Npl flows together with the continued disposals of Npe portfolios (see previous page) will keep the Npe ratio essentially stable in a range between 2,8% in 2024 and 3,1% in 2025 and 2026

GROSS BANK'S NPE OF RESIDENT AND NON-RESIDENT DEBTORS AND NPE RATIO - €BN AND PERCENTAGES - CLASSIFICATION OF BAD LOANS UPDATED IN 2015

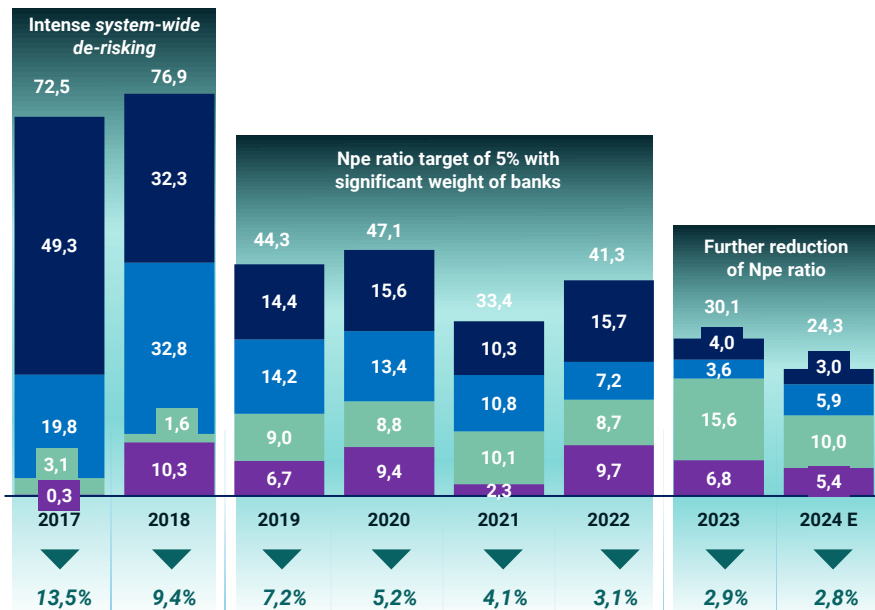


SOURCE: Banca Ifis Research Department elaborations on the Bank of Italy statistical database; 2023-2025 Banca Ifis internal estimates. NOTES: Normalised data. The new definition of default harmonised at European level has been in force since January 2021. The data includes transactions with resident and non-resident entities, excluding interbank relations. Bad loans are carried forward at carrying amount. Npe ratio calculated as the ratio of gross non-performing loans to total loans to customers.

NPE TRANSACTIONS BY MARKET TYPE - TOP SELLER TREND - €BN AND PERCENTAGES

% top 3 banks of total

68% 42% 32% 33% 31% 38% 13% 12%



The historical analysis of Npe transactions allows us to identify 3 phases: 2017-2018 intense de-risking across the banking system; 2019-2022 pursuit of 5% Npe ratio target with significant contribution from banks; 2023 onwards maintenance/reduction of low stock (Npe ratio around 3%)

Specialised Npl sector: since 2017, there have been 62 extraordinary transactions structuring servicing machines that continue to be fed

EXTRAORDINARY OPERATION ON NPE SECTOR - NUMBERS

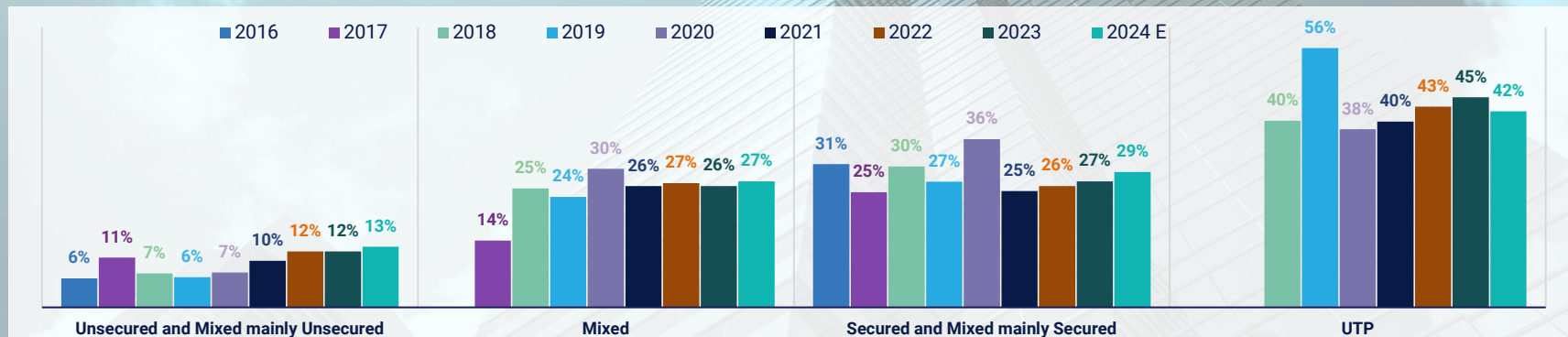
M&A - Number	8	9	4	2	2	6	7	2
J&V - Number	2	4	2	1	1	4	3	5

62

Total M&A and J&V

# The prices of Npl portfolios are generally increasing, due to the increased competitiveness of a market with reduced volumes and the fresher credits of primary transactions

## NPL AND UTP TRANSACTIONS: ESTIMATED AVG PRICES BY PORTFOLIO TYPE - PERCENTAGES



**Unsecured:** trend reflecting rising prices on the primary market due to competition on reduced volumes and, conversely, falling values on the secondary market. The increase in unsecured was also affected by the introduction of SME Guarantee loans among the transacted asset classes, albeit with still low volumes

**Secured and Mixed:** increase due to more recent credits and smaller volumes than in the past. Demand matching is realised through increased servicer efficiency, achieved through cost optimisation and expansion to recovery strategies

**UtP:** UtP portfolios show variability related to the specific characteristics of individual transacted portfolios



From January to September 2024, Npl transactions for 7,5 €bn were completed.  
The estimated Npl volume still to be finalised in 2024 is 11,4 €bn

#### DETAILS OF NPL TRANSACTIONS FINALISED AT SEPTEMBER 2024 AND PIPELINE 2024

### NPL

#### Transactions concluded in

Seller (Originator)	€BN GBV	Market	Investor	Servicer
Multi-originator	1,3	Primary	Hoist Finance	Hoist Finance
Hoist Finance	0,8	Secondary	Cherry Bank	Cherry Bank
Hoist Finance	0,4	Secondary	SOREC S.r.l.	SOREC S.r.l.
Multi-originator	0,4	Primary	Intrum, Cerberus	Intrum
Multi-originator	0,3	Primary	P&G sgr and Fire	Fire
Multi-originator	0,3	Secondary	ISCC Fintec	ISCC Fintech
Confidential	0,2	Secondary	Kruk Group	Kruk Group
Confidential	0,2	Secondary	Phinance Partners	130 Servicing; Euro Service
Confidenziale and other minor	3,6	Primary/Secondary	n.a.	n.a.
<b>Total transactions</b>	<b>7,5</b>			

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#### Pipeline

Seller (Originator)	€BN GBV	Market	Potential investor	Status
BPER	0,7	Primary	Gardant	Ongoing
Banco BPM	0,5	Primary	n.a.	Ongoing
Banche popolari (Luzzati)	0,5	Primary	n.a.	Ongoing
Monte dei Paschi di Siena	0,4	Primary	n.a.	Ongoing
Multi-Originator	0,4	Primary	Persefone fund	On plan
Iccrea Banca	0,3	Primary	n.a.	Ongoing
Algebris	0,1	Secondary	Fortress, Lcm, Illimity and Bayview	Ongoing
Cassa Centrale Bank	0,1	Primary	n.a.	On plan
Confidenziale and other minor	8,4	Primary/Secondary	n.a.	Ongoing/On plan
<b>Total pipeline</b>	<b>11,4</b>			

1,4 €bn GBV of UTP deals concluded in 2024. Another 4,0 €bn of transactions in the pipeline and in progress for the year.

#### DETAILS OF UTP TRANSACTIONS FINALISED AT SEPTEMBER 2024 AND PIPELINE 2024

**UTP**  
Transactions concluded

Seller (Originator)	€BN GBV	Market	Investor	Servicer
Multi-originator	0,3	Primary	Efesto Credit Fund	DoValue
Multi-originator	0,3	Primary	Sagitta (UTP Restructuring Corporate)	Zenit Global
Multi-originator	0,2	Primary	Kryalos (Keyston fund)	Kryalos
Colt spv	0,1	Primary	Illimity	Illimity
Confidenziale and other minor	0,5	Primary	n.a.	n.a.
<b>Total transactions</b>	<b>1,4</b>			

**UTP**  
Pipeline

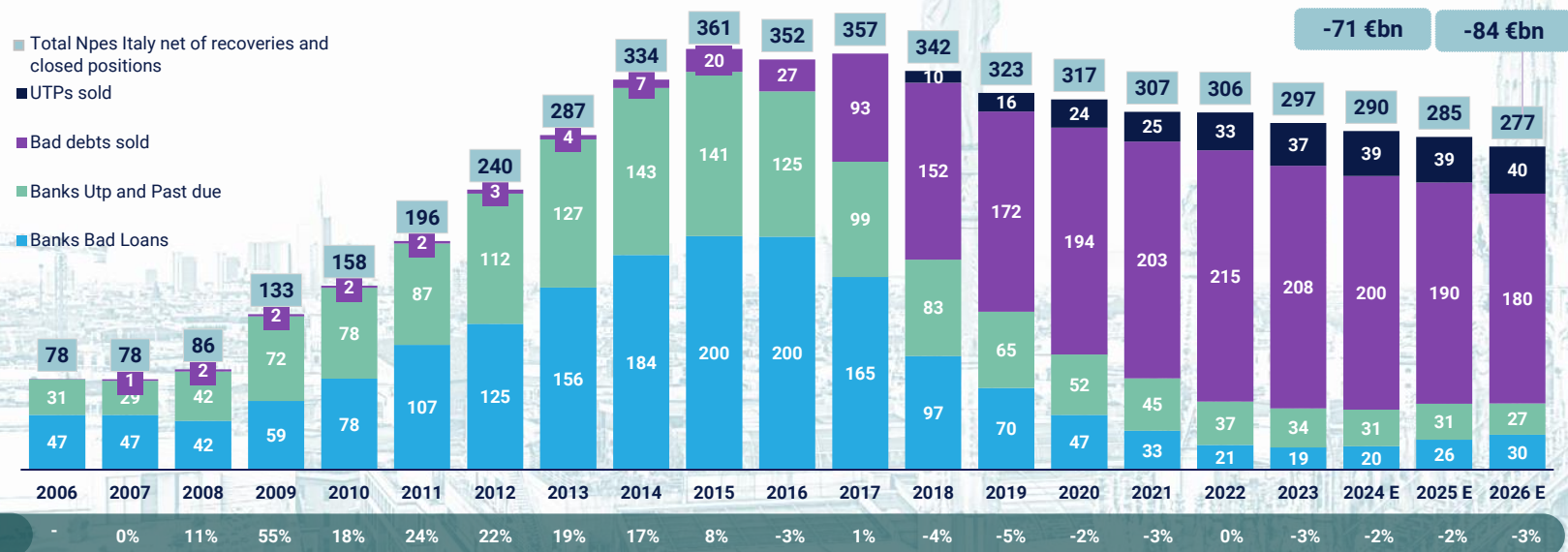
Seller (Originator)	€BN GBV	Market	Potential investor	Status
BPER	1,0	Primary	Gardant	<i>On plan</i>
Multi-Originator	<b>1,0</b>	Primary	Olympus funds	<i>On plan</i>
Multi-Originator	0,7	Primary	Back2Bonis fund	<i>Announced</i>
Iccrea Banca	0,3	Primary	n.a.	<i>On plan</i>
Multi-Originator	0,2	Primary	UTP Restructuring Corporate fund	<i>Ongoing</i>
Confidenziale and other minor	0,7	Primary	Confidential	<i>On plan</i>
<b>Total pipeline</b>	<b>4.0</b>			

# NPL INDUSTRY

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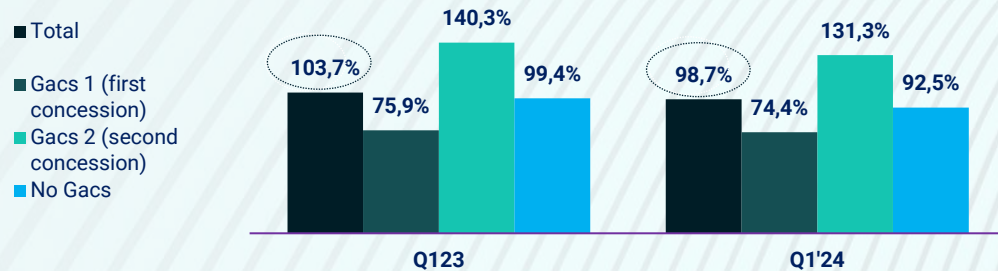
The stock of NPEs in Italy is estimated to decrease by ~71 €bn from 2015 to 2024, a decrease that is expected to be as much as 84 €bn in 2026, equal to a 23% decrease at system level thanks to recoveries that have determined the reduction or closure of debt positions.

**ESTIMATED AMOUNT OF TOTAL NPE IN ITALY (RESIDENTS AND NON-RESIDENTS IN BANK FINANCIAL STATEMENTS + PORTFOLIOS SOLD NET OF COLLECTIONS AND POSITIONS CLOSED) – €BN**



An analysis of the 35 DBRS-rated portfolios shows that in the first quarter of 2024, cumulative performance towards the original business plan targets was slightly below expectations (98,7% of target), down from 103,7% in the same period last year

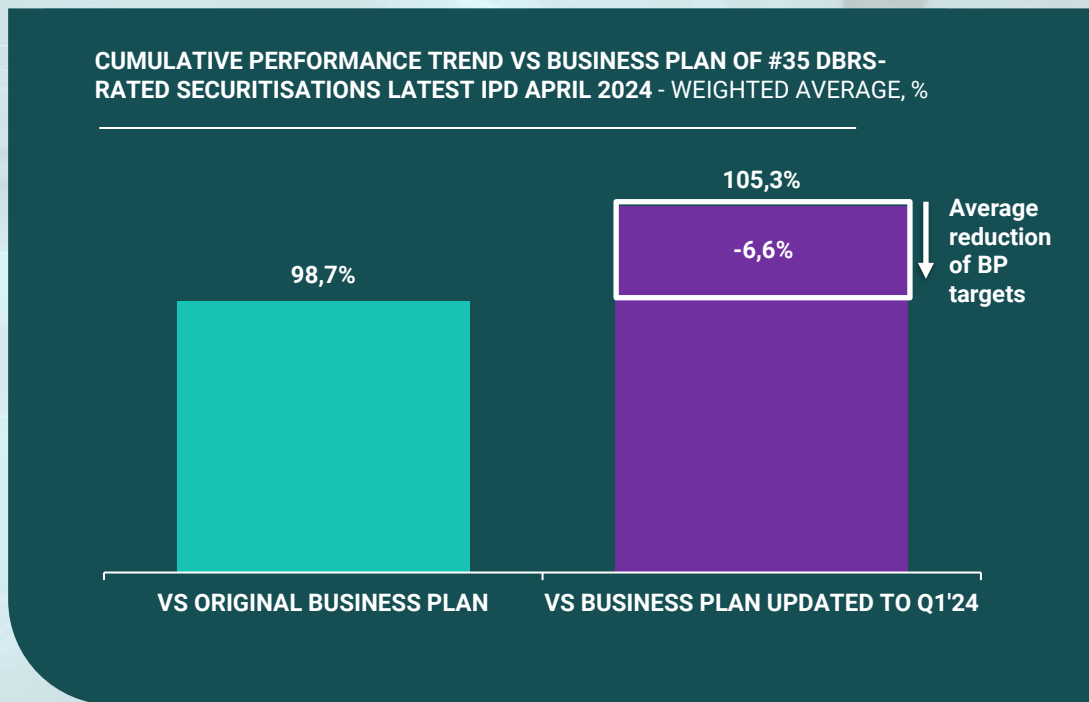
**PERFORMANCE AGAINST ORIGINAL BUSINESS PLAN OF #35 DBRS-RATED SECURITISATIONS**  
**(DETAILS ON PAGES 31-32)**  
 LATEST IPD APRIL 2024, WEIGHTED AVERAGE PERCENTAGE



- **GACS 1.0:** the performance at Q1'24 against the target is **74,4%**
- **GACS 2.0:** despite the performance of recovery remains well above expectations in Q1'24 (**131,3%**), compared to last year (Q1'23 at 140,3%), a slowing is noted
- **NO GACS:** this type of portfolio also fell short of expectations in Q1'24, coming in at **92,5%**, whereas the previous year's performance of 99,4% (Q1'23) was more in line with the business plan targets

	#35 Total	GACS 1.0	GACS 2.0	NO GACS
# portfolios	35	15	16	4
GBV €bn	99	50	39	10
% secured	54%	58%	55%	26%
% corporate	78%	80%	79%	62%

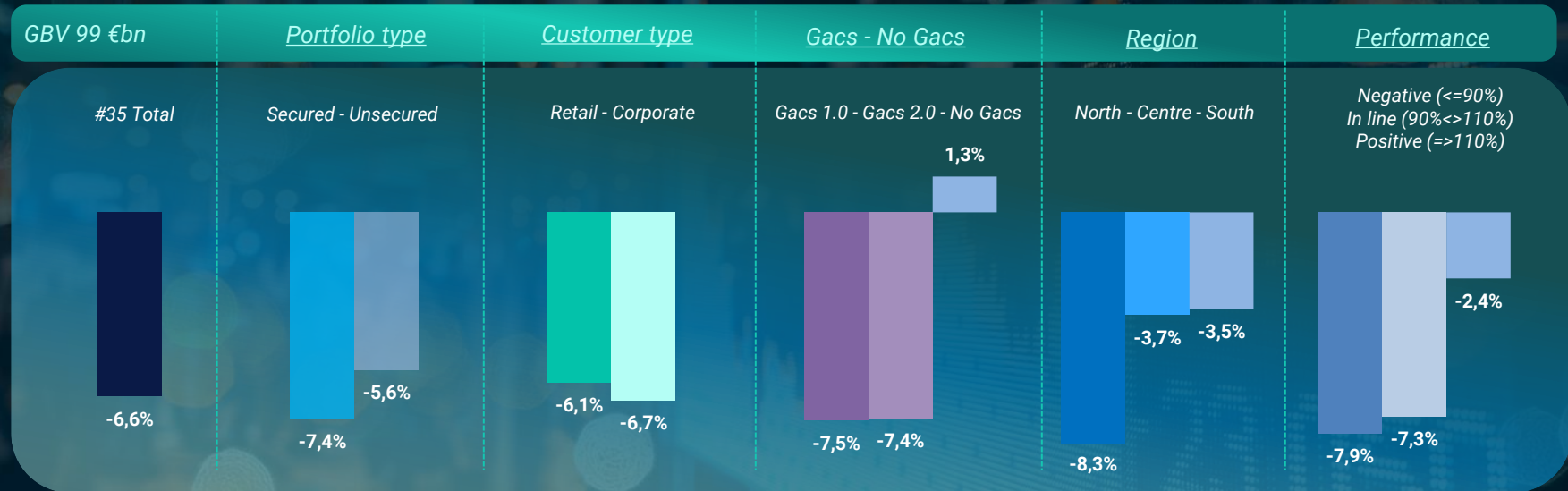
## Changes in performance from the original plans provide a useful indication of the reduction in recovery expectations: on average -6,6% on the business plans of the 35 portfolios under analysis



- The changes made to the recovery plans of the portfolios examined are related to the managers' view based on performance to date
- Business plan reviews bring average performance from 98,7% to 105,3%, indicating a forward-looking expectation on the collection recovery 6,6% lower than initially planned

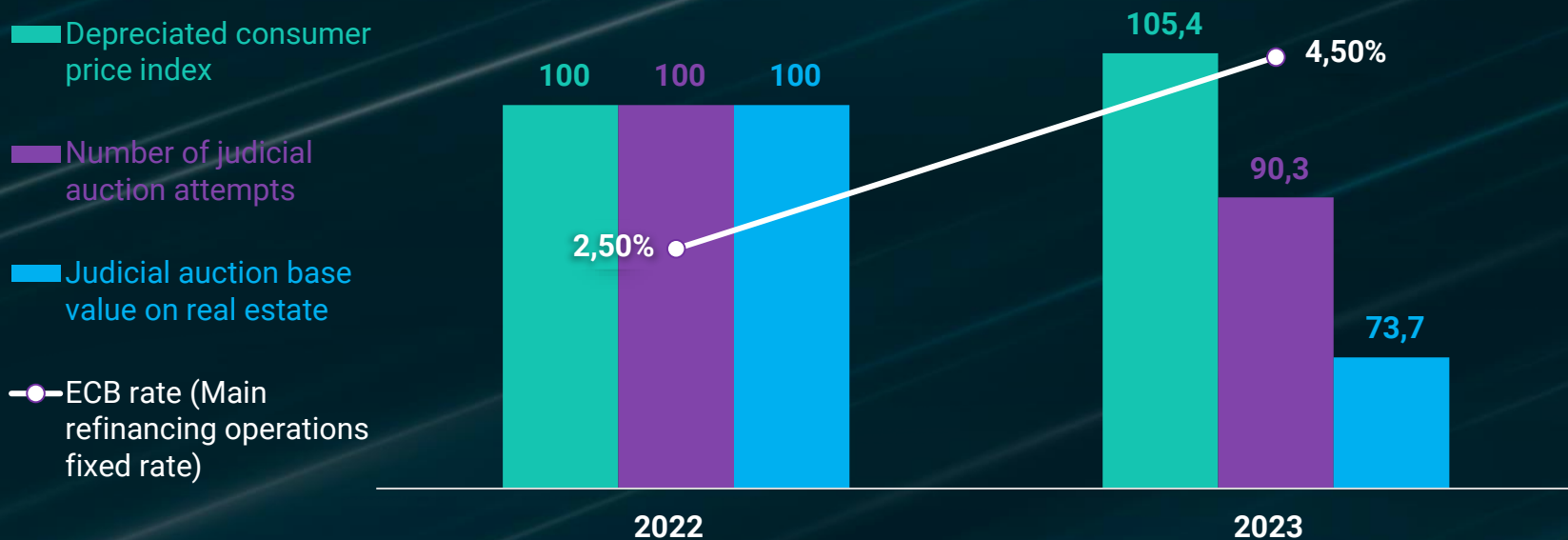
The breakdown by portfolio type of the business plan review shows us that the decline is expected to be more significant in secured portfolios (an indirect confirmation is the Marathon portfolio, which has no secured loans and saw a 5% increase in targets). The variation of targets on Northern credits, Gacs and negative-performing portfolios is driven by the high weight of secured credits and corporate customers

LATEST BUSINESS PLAN REVISION VS. INITIAL BUSINESS PLAN AT Q1'24 OF #35 DBRS RATED SECURITISATIONS - PERCENTAGE



The macro-economic problems of recent years - rates and prices in the first place - have had an impact on the real estate market: in 2023, the number of judicial sale attempts fell by 10% and base auction prices fell by 26%

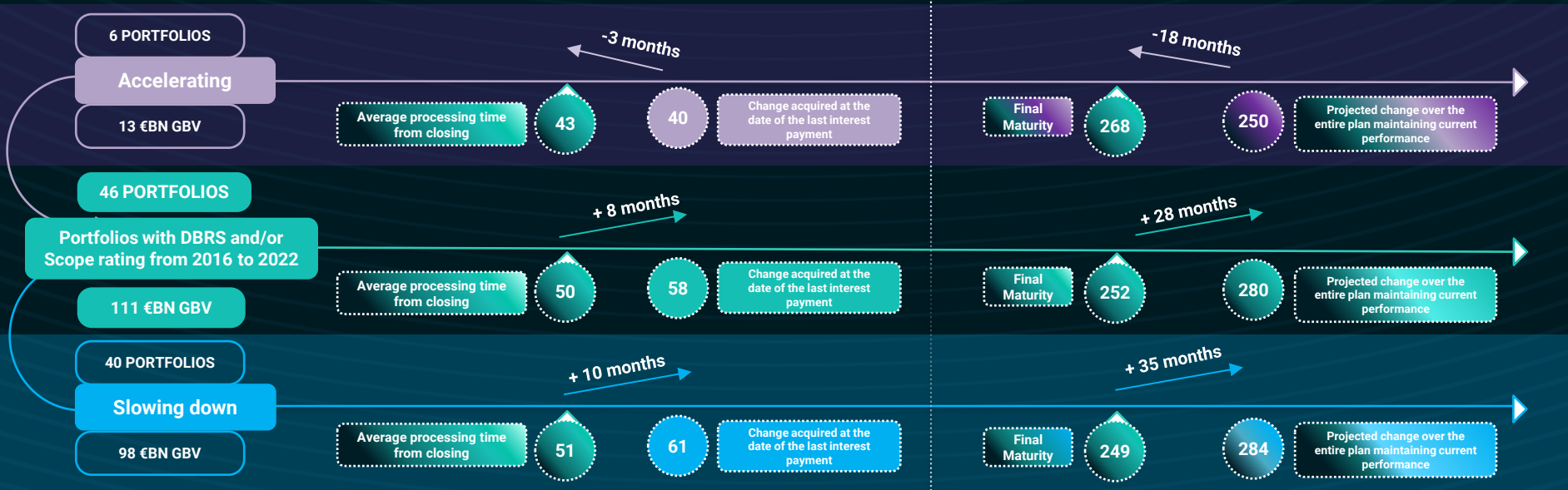
TREND 2022-2023: ECB RATE (PERCENTAGE VALUES) AND IPCA, JUDICIAL AUCTION ATTEMPTS, AUCTION BASIS NEW REAL ESTATE (BASE 100 = 2022)





# The development of current recoveries allows an estimation of the change in the recovery curve: based on the findings up to the last interest payment date in 2024, it is estimated that 8 months more processing time is required than originally planned

ESTIMATED RECOVERY CURVE ACQUIRED AT Q1'24 AND PROJECTED TO THE MATURITY DATE OF THE 46 SECURITISATIONS WITH DBRS RATING AND SCOPE – NUMBER MONTHS



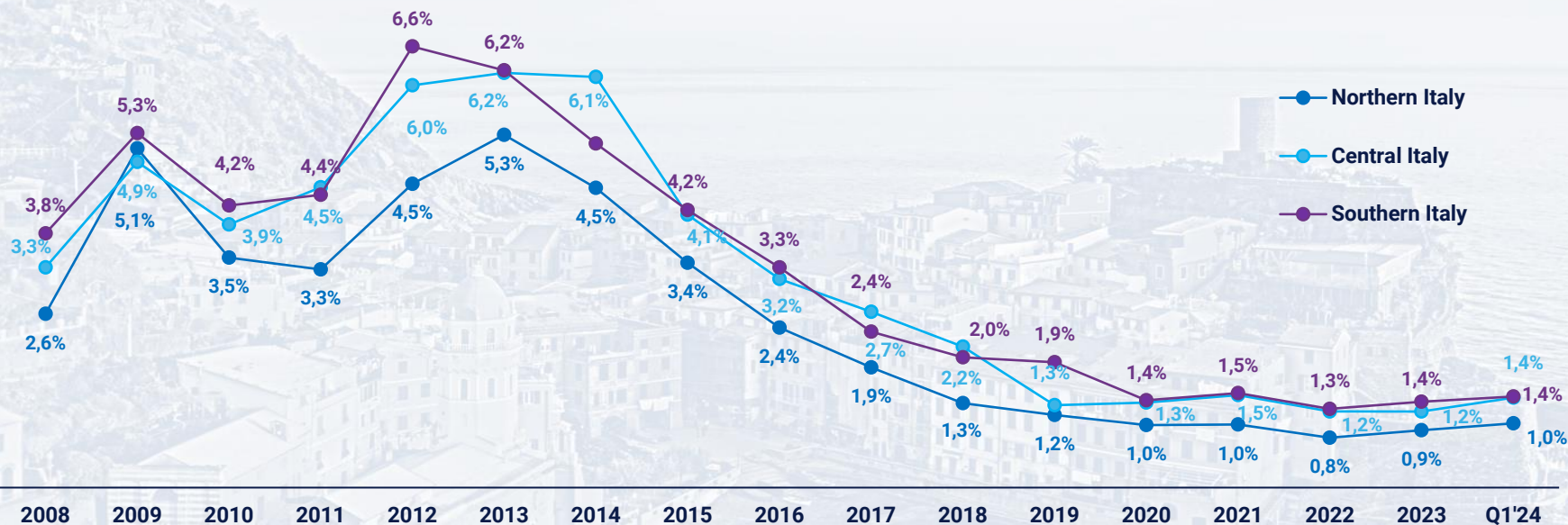
The change in the recovery curve changes in performance measured on 46 portfolios (with DBRS and/or Scope ratings) at the last interest payment period imply an acquired lengthening of the recovery curve of approximately 8 months on an average of 50 months. In particular, 6 portfolios have accelerated recovery by approximately 3 months out of 43 processing time already elapsed and 40 portfolios have implicitly lengthened recovery by around 10 months out of 51 processing time already elapsed

# IN-DEPTH TABLES



The positive trend in the rate of deterioration was also reflected in the different macro-areas: since 2020, differences have decreased significantly between the regions of the North and those of the Centre and the South, with a substantial convergence of deterioration rates

DETERIORATION RATE OF LOANS TO RESIDENT HOUSEHOLDS AND CORPORATES BY GEOGRAPHICAL AREA - PERCENTAGES

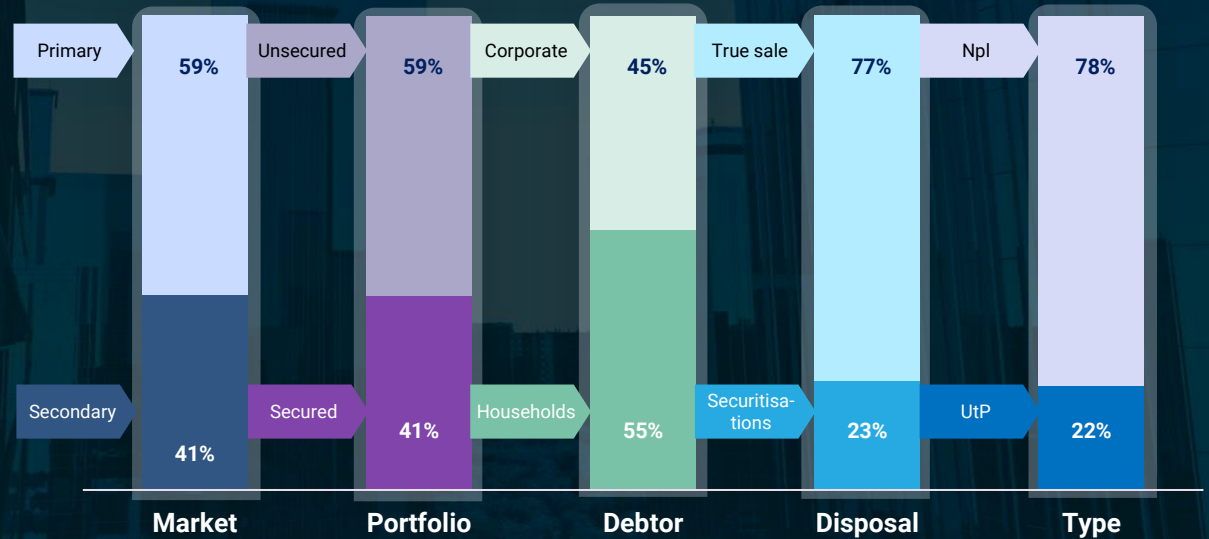


It is estimated that in 2024, Npl transactions will account for 78% of the total volume, with UtP accounting for the remaining 22%. Households will contribute more than half of the total transacted amount, while the predominant assets will be unsecured portfolios, which will account for 59% of the total

24  
€bn

Estimated Npe  
transacted in  
2024

ESTIMATED TOTAL NPE TRANSACTIONS: FROM JANUARY TO 31 DECEMBER 2024 BY MARKET TYPE, PORTFOLIO, DEBTOR AND TYPE OF DISPOSAL AND TYPE OF IMPAIRMENT - €BN GBV AND PERCENTAGES



Over the 2024-2026 forecast horizon, the composition of assets transacted on the secondary market will maintain a high weight high weight of mixed and unsecured, assuming the continuation, firstly, of the disposals of units of non-core portfolios

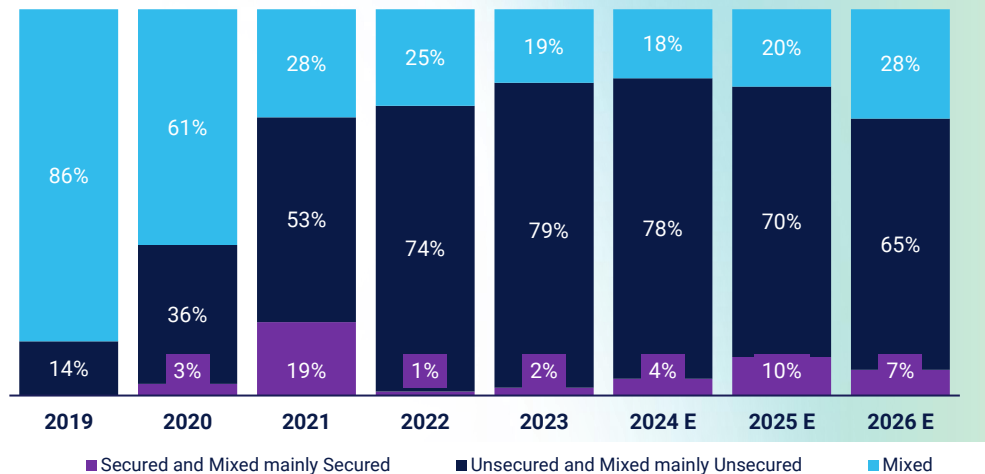


In the secondary market, the following drivers are expected in 2024 and 2025 and 2026:

- disposals of shares in non-core portfolios (including those backed by GACS)
- sales related to changes in asset class strategy

**NPL TRANSACTIONS ON THE SECONDARY MARKET BY PORTFOLIO TYPE - €BN AND PERCENTAGES**

GBV - €BN	9	9	10	9	16	9	8	8
% of total Npl transactions	4%	23%	32%	28%	67%	53%	57%	55%



# Since 2017, with as many as 62 M&A transactions, the market for Npl servicing has undergone a major rationalisation, with the aim of optimising structures and results

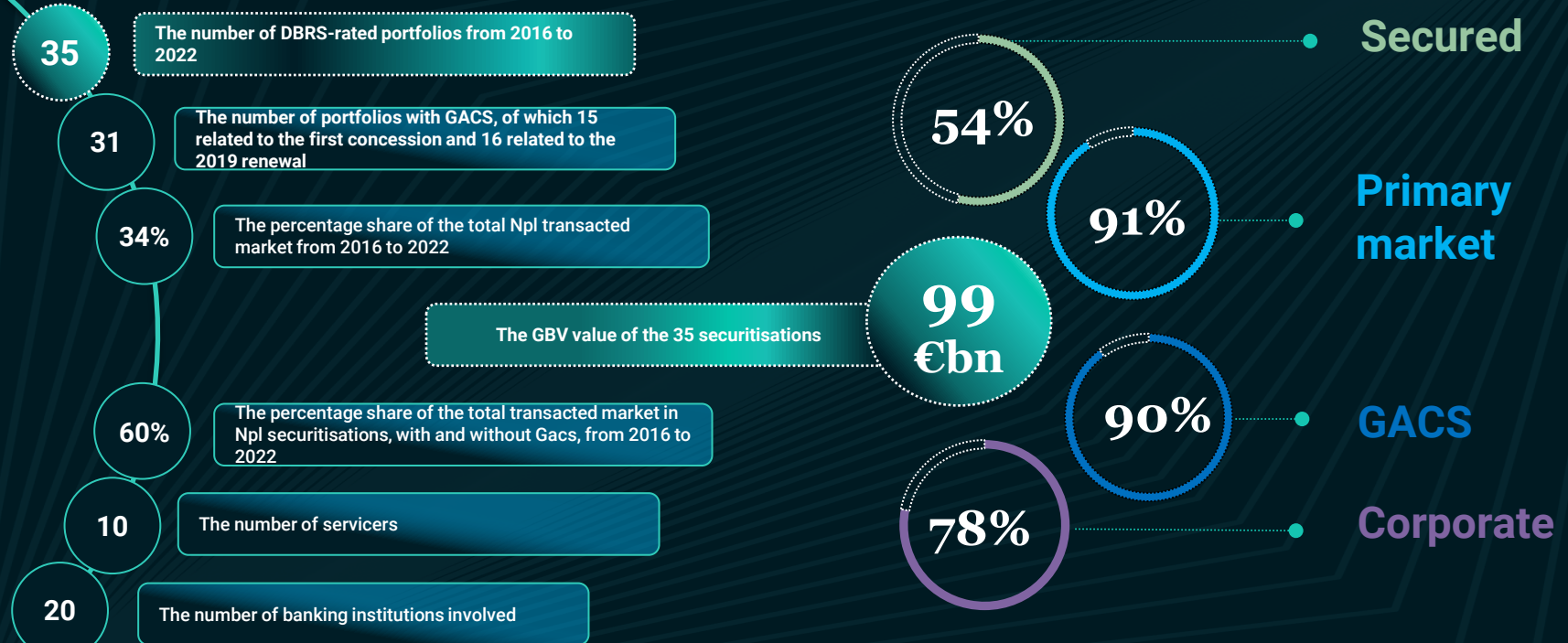
	2017	2018	2019	2020	2021	2022	2023	2024			
<b>Acquisitions</b>	<p><b>Kkr</b> Acquisition of Sisternia</p> <p><b>Varde</b> Acquisition of 33% of Guber</p> <p><b>Credito Fodniario</b> Acquisition of Carige's NPL servicing platform</p> <p><b>Cerved</b> Acquisition of a NPL platform of Banca Popolare di Bari.</p>	<p><b>Lindorff</b> Acquisition of Gextra, a small ticket player from doValue</p> <p><b>Bain Capital</b> Acquisition of 100% of HARIT, a servicing platform specialising in secured loans.</p> <p><b>Intrum / Lindorff</b> Acquisition of 100% of CAF</p> <p><b>Davidson Kempner</b> Acquisition of 44,9% of Prelios and launch of a mandatory tender</p>	<p><b>Lindorff / Intrum</b> Acquisition of 100% of Mass Credit Collection (MCC) department.</p> <p><b>Anacap + Pimco</b> Acquisition of the majority of Phoenix Asset Management.</p> <p><b>Cerberus</b> Acquisition of 57% of Officine CST</p> <p><b>MCS - DSO</b> (BC Partners company) Acquisition of 80% by Serfin</p>	<p><b>Arrow</b> Acquisition of 100% Parr Credit and Europe Investments</p> <p><b>Financial Group</b> Acquisition of Generale Gestione Crediti Se.Tel. Servizi</p> <p><b>Banca Ifis</b> Acquisition of 90% of FBS.</p> <p><b>Kruk</b> Acquisition of the 51% of Agecredit.</p> <p><b>Hoist Finance</b> Acquisition of 100% of Maran</p>	<p><b>iQera</b> BC Partners company Acquisition of Sisternia.</p> <p><b>IBL Banca</b> Acquisition of 9,9% of Frontis NPL.</p> <p><b>Banca Ifis</b> Acquisition of the remaining 10% of FBS</p> <p><b>DeA Capital</b> Acquisition of 38,8% of Quaestio Holding and the Npl branch of Quaestio</p>	<p><b>Cerved Credit Management</b> Acquisition of 100% of Quaestio Cerved Credit Management.</p> <p><b>Bain Capital Credit</b> Acquisition of Hypo Alpe Adria rebranded in Julia Portfolio Solutions</p>	<p><b>Hipoges</b> Acquisition of majority stake in AXIS.</p> <p><b>Axactor</b> Acquisition of 100% Credit Recovery Service S.r.l.</p>	<p><b>Cerved Credit Management</b> Acquisition of REV Gestione Credit.</p> <p><b>Illimity Bank S.p.A.</b> Acquisition of 100% by Aurora Recovery Capital S.p.A.</p> <p><b>Intrum Italy</b> Acquisition of a part of i-law, a law firm specialising in NPL servicing.</p> <p><b>Zolva</b> Acquisition of 100% of Euro Service Spa.</p> <p><b>Collexion</b> Acquisition of Whitestar (formerly Parr Credit).</p> <p><b>Team Evolution (Exacta Group)</b> Acquisition of 100% of Creden</p>	<p><b>Covisian Credit Management</b> Acquisition of 100% of Credires</p> <p><b>Ion - Prelios</b> Acquisition of Prelios by Ion</p> <p><b>Banca Ifis</b> <b>Acquisition of 100% of Revalea S.p.a.</b></p> <p><b>A-Zeta</b> <b>Acquisition of the legal BU of Officine CST (Cerberus)</b></p>	<p><b>iQera</b> Acquisition of 33% of MFLaw (STA)</p> <p><b>Sesa</b> Acquisition of 51% of Centrotrenta Servicing S.p.a</p> <p><b>Guber Banca</b> <b>Acquisition of 100% of Fintech's Reperform.com platform</b></p>	<p><b>Cherry Bank</b> <b>Acquisition of Banca Macerata</b></p> <p>doValue Signing the acquisition of 100% of Gardant</p>
<b>Joint Venture</b>	<p><b>Cerved + BHW Bausparkasse</b> Long-term industrial partnership extension for the management of a loan portfolio of 1,5 billion Euro originated by the Italian branch of BHV Bausparkassen AG</p> <p><b>Cerved + Quaestio</b> Acquisition of the credit servicing platform (aka 'Juliet') of MPS.</p>	<p><b>IBL Banca + Europa Factor</b> Joint venture for the creation of the Credit Factor Servicer (106 vehicle)</p> <p><b>Cerved + La Scala law firm</b> Law firm specialised in the management and in the judicial and extrajudicial recovery of banking credits.</p> <p><b>Npl Re Solutions + Axactor</b> Joint venture to manage Npl and Utp</p> <p><b>Intesa + Lindorff/ Intrum</b> Joint venture for the Npl platform by Intesa Sanpaolo</p>	<p><b>Gardant + Banca BPM</b> Joint venture to manage BPM's NPL transfers</p> <p><b>doValue + Aurora RE</b> Real estate Utp management platform</p>	<p><b>Strocchi family + Tinexta</b> Launch of FBS Next a new NPL servicer</p>	<p><b>Europa Factor and Connecta's lawyers</b> partnership on the management di NPLs</p>	<p><b>Gardant + BPER</b> Joint venture for the strategic management di NPLs and UTPs.</p> <p><b>Prelios + Luzzatti</b> Partnership for the creation of a fund for the strategic management of UTPs.</p> <p><b>Luzzatti + Prelios</b> Creation of UTP Management Fund</p> <p><b>Unicredit + Prelios</b> Partnership for the management of UTPs</p>	<p><b>Cherry Bank</b> Merger of Banca Popolare Valconca</p> <p><b>IPV Investing SpA</b> a new player in the secondary market of non-performing exposures</p> <p><b>Fire</b> creation of Effe46, special situation vehicle</p>	<p><b>SagittaSGR and Europa Investments</b> Creation of a new UTP restructuring fund</p> <p><b>doValue + Thistle AI</b> Strategic partnership for stage 2 credit management</p> <p><b>Persephone + P&amp;G Sgr, Fire</b> Creation of a new fund</p> <p><b>Gardant Investor Sgr S.p.a. establishes Caesar</b> Creation of a new fund for real estate financing in Italy</p> <p><b>Tyche and Banca di Credito Peloritano</b> Reverse merger between bank approved</p>			



# The 35 DBRS-rated portfolios, securitised from 2016 to 2022, are a significant cluster of the transacted Npls which is useful for assessing the recovery performance compared to the original business plans

## DBRS-RATED PORTFOLIOS WITH LATEST IPD APRIL 2024

## TYPE OF ASSETS IN THE 35 PORTFOLIOS VALUED - €BN AND PERCENTAGES



SOURCE: Banca Ifis Research Department processing of DBRS Italian NPL Securitisations Performance - Q1 2024 Update (May 2024) - Italian NPL Securitisations - Business Plans Evolution (May 2024) - The NPL securitisations under analysis are 35 with at least one final interest payment date (IPD) at April 2024. Note: "Penelope spv" refers to a securitisation carried out by Intesa Sanpaolo in 2018, whose securities were restructured at the end of 2021 (with GBV of 9,72 billion Euro, not taken into account for the purposes of the 2022 figures, but in 2018).

The analysis of the 35 portfolios with DBRS rating highlights several significant characteristics. In particular, Northern Italy shows a predominance of secured portfolios, which account for 47% of the total composition. In addition, the Corporate component is very significant, covering 65% of the portfolios always in Northern Italy

#### DBRS-RATED 35 PORTFOLIOS WITH LATEST IPD APRIL 2024 - €BN, PERCENTAGE

	<i>Total 35#</i>	<i>North Italy</i>	<i>Central Italy Italy</i>	<i>South Italy</i>	<i>Negative (≤90%)</i>	<i>In line (90%&lt;110%)</i>	<i>Positive (≥110%)</i>	<i>GACS 1.0</i>	<i>GACS 2.0</i>	<i>No GACS</i>
<b>GBV €BN</b>	99	49	24	25	22	21	56	50	39	10
<b>% secured</b>	54%	47%	26%	27%	61%	41%	48%	58%	55%	26%
<b>% corporate</b>	78%	65%	37%	38%	79%	73%	81%	80%	79%	62%
<b>Performance vs original BP at Q1'24</b>	98,7%	99,9%	99,7%	94,2%	69,5%	97,3%	176,8%	74,4%	131,3%	92,5%
<b>Average reduction vs original BP at Q1'24</b>	-6,6%	-8,3%	-3,7%	-3,6%	-7,9%	-7,3%	-2,4%	-7,5%	-7,4%	+1,3%



# General Statement.

This publication is edited by Banca Ifis.

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