

Italian CQS ABS

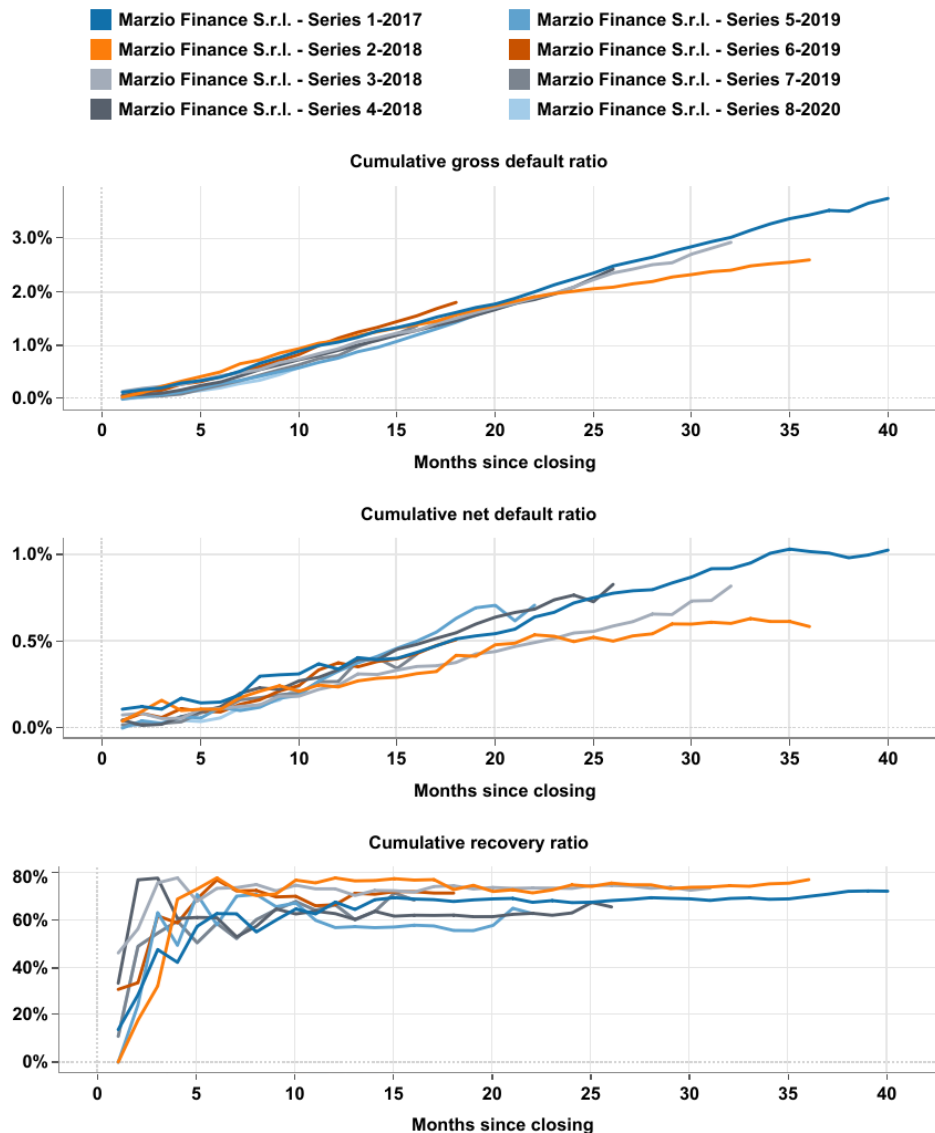
Marzio Finance S.r.l. performance snapshot



Scope
Ratings

Marzio Finance S.r.l. is a EUR 10bn securitisation programme of notes backed by 'cessione del quinto' and 'delegazione di pagamento' (CQS) loans originated by IBL Banca. This report provides an insight into the performance of the different series issued under the programme¹.

Figure 1: Defaults and recoveries



Cumulative gross default ratio = Outstanding balance of all defaulted receivables/Outstanding portfolio at closing
 Cumulative net default ratio = Outstanding balance of all defaulted receivables net of recoveries/Outstanding portfolio at closing
 Cumulative recoveries ratio = Cumulative recoveries/Outstanding balance of all defaulted receivables

Source: Investor and servicer reports by IBL Banca, Scope Ratings

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Related Research

Marzio Finance S.r.l.: annual monitoring review (February 2021)

Covid-19: household financial resilience put to the test (May 2020)

Italian CQS securitisation to remain stable as lower risk weights beckon (February 2020)

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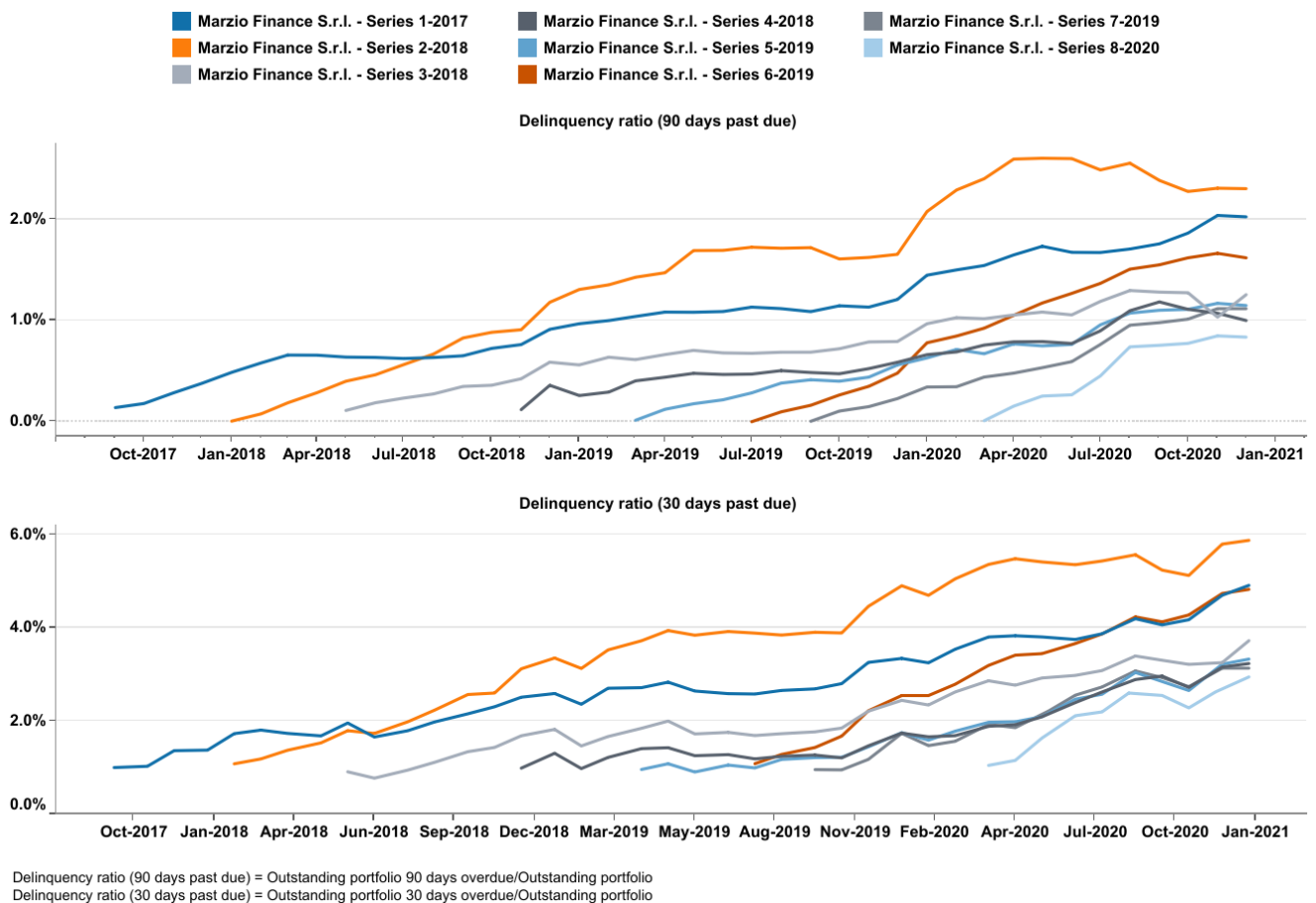
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Bloomberg: RESP SCOP

¹ This report shows performance of the series with at least six payment dates as of January 2021.

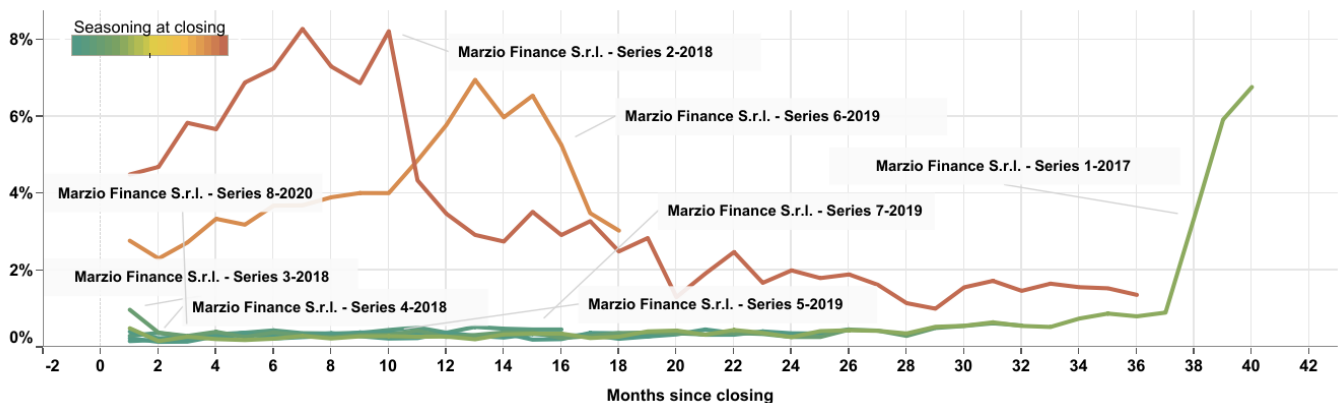
Figure 2: Delinquencies



Source: Investor and servicer reports by IBL Banca, Scope Ratings

Figure 3: Dynamic prepayment rate

- CQS loans can only be refinanced after 40% of the loan has been repaid. The high share of seasoned loans in Series 2 and Series 6 explains the higher prepayment rates compared to the other series.



Dynamic prepayment rate = Periodic prepayment amounts/Outstanding portfolio balance

Source: Investor and servicer reports by IBL Banca, Scope Ratings

Figure 4: Life insurance company exposure²

Insurance company	Marzio Finance S.r.l. - Series 1-2017	Marzio Finance S.r.l. - Series 2-2018	Marzio Finance S.r.l. - Series 3-2018	Marzio Finance S.r.l. - Series 4-2018	Marzio Finance S.r.l. - Series 5-2019	Marzio Finance S.r.l. - Series 6-2019	Marzio Finance S.r.l. - Series 7-2019	Marzio Finance S.r.l. - Series 8-2020
Aviva Life SpA	15.4%		25.7%	27.9%	29.1%		30.9%	26.1%
Axa France Vie SA	22.9%	10.0%	18.9%	5.8%	5.0%	22.9%	4.5%	4.8%
Axeria Prevoyance SA		0.0%		0.0%		0.1%	0.0%	0.0%
Cardif Assurance Vie SA	20.8%		13.3%	17.9%	17.9%	24.9%	15.9%	14.6%
Cattolica Previdenza				0.0%		0.5%	0.1%	
CF Assicurazioni SpA					1.8%		5.7%	7.6%
Ergo Previdenza SpA		18.2%	0.1%	0.0%		4.8%	0.4%	0.0%
Eurovita SpA	0.4%		4.4%	6.7%	4.8%		0.1%	
Generel Life Spa	10.3%		15.3%	16.4%	14.2%	2.7%	14.0%	13.9%
Harmonie Muruelle Italia								1.6%
Hdi Assicurazioni SpA	16.1%	24.4%	12.7%	11.5%	10.1%	18.3%	9.5%	9.3%
Italiana Assicurazioni SpA	9.7%	0.2%	5.5%	4.4%	2.8%	7.5%	3.3%	1.1%
Metlife Europe Limited	0.1%	11.8%	0.1%	0.0%	0.0%	9.0%	0.5%	0.0%
Net Insurance Life SpA	4.1%	22.8%	4.1%	9.4%	14.3%	6.1%	15.0%	20.9%
Società Cattolica di Assic.ni		1.8%						
Vittoria Assicurazioni SpA	0.1%	10.8%	0.1%	0.0%		3.1%	0.1%	0.0%

Change (%) since closing

Insurance company	Marzio Finance S.r.l. - Series 1-2017	Marzio Finance S.r.l. - Series 2-2018	Marzio Finance S.r.l. - Series 3-2018	Marzio Finance S.r.l. - Series 4-2018	Marzio Finance S.r.l. - Series 5-2019	Marzio Finance S.r.l. - Series 6-2019	Marzio Finance S.r.l. - Series 7-2019	Marzio Finance S.r.l. - Series 8-2020
Aviva Life SpA	2.1%		1.1%	0.9%	0.6%		1.0%	0.4%
Axa France Vie SA	1.1%	2.0%	0.1%	-0.5%	-0.4%	2.6%	-0.2%	-0.2%
Cardif Assurance Vie SA	-0.4%		0.0%	-0.2%	-0.3%	-3.2%	-0.4%	0.0%
Cattolica Previdenza				0.0%		0.0%	0.0%	
CF Assicurazioni SpA					0.0%		0.1%	-0.1%
Ergo Previdenza SpA		-3.9%	-0.2%	0.0%		1.0%	-0.1%	0.0%
Eurovita SpA	0.1%		0.4%	0.5%	0.4%		0.0%	
Generel Life Spa	0.3%		0.0%	-0.2%	-0.1%	0.1%	0.2%	-0.1%
Harmonie Muruelle Italia								0.1%
Hdi Assicurazioni SpA	-0.3%	0.3%	-0.2%	0.1%	0.2%	-0.7%	0.2%	0.1%
Italiana Assicurazioni SpA	-2.2%	-0.1%	-0.3%	-0.1%	0.1%	1.2%	-0.1%	0.0%
Metlife Europe Limited	-0.2%	0.0%	-0.2%	-0.2%	0.0%	-0.8%	-0.5%	0.0%
Net Insurance Life SpA	-0.4%	1.6%	-0.5%	-0.6%	-0.6%	-0.2%	-0.1%	-0.1%
Società Cattolica di Assic.ni		-0.3%						
Vittoria Assicurazioni SpA	-0.2%	0.4%	-0.2%	0.0%	0.0%	0.0%	-0.1%	-0.7%

Source: Investor and servicer reports by IBL Banca, Scope Ratings

Figure 5: Credit insurance company exposure³

Insurance company	Marzio Finance S.r.l. - Series 1-2017	Marzio Finance S.r.l. - Series 2-2018	Marzio Finance S.r.l. - Series 3-2018	Marzio Finance S.r.l. - Series 4-2018	Marzio Finance S.r.l. - Series 5-2019	Marzio Finance S.r.l. - Series 6-2019	Marzio Finance S.r.l. - Series 7-2019	Marzio Finance S.r.l. - Series 8-2020
Aviva Italia SpA			2.5%	7.3%	7.8%			6.7%
Axa France Iard SA	21.8%	9.9%	18.4%	5.5%	4.7%	21.9%	4.1%	4.2%
Cardif Assurances Risques Divers SA	11.6%		10.5%	12.0%	11.9%	12.1%	8.7%	9.5%
CF Assicurazioni SpA					1.8%		5.7%	7.6%
Generali Italia SpA	10.3%		15.2%	16.3%	14.1%	2.7%	13.8%	13.8%
Hdi Assicurazioni SpA	16.1%	24.4%	12.7%	11.5%	10.1%	18.3%	9.5%	9.3%
Net Insurance SpA	3.9%	20.2%	3.9%	9.2%	13.9%	5.5%	12.1%	15.1%
Vittoria Assicurazioni SpA	0.1%	7.4%	0.1%	0.0%		2.6%	0.0%	0.0%

Change (%) since closing

Insurance company	Marzio Finance S.r.l. - Series 1-2017	Marzio Finance S.r.l. - Series 2-2018	Marzio Finance S.r.l. - Series 3-2018	Marzio Finance S.r.l. - Series 4-2018	Marzio Finance S.r.l. - Series 5-2019	Marzio Finance S.r.l. - Series 6-2019	Marzio Finance S.r.l. - Series 7-2019	Marzio Finance S.r.l. - Series 8-2020
Aviva Italia SpA			0.0%	-0.1%	-0.2%		-0.1%	0.1%
Axa France Iard SA	1.4%	2.0%	0.1%	-0.5%	-0.4%	2.9%	-0.2%	-0.2%
Cardif Assurances Risques Divers SA	0.4%		0.1%	-0.1%	-0.2%	0.6%	0.1%	0.0%
CF Assicurazioni SpA					0.0%		0.1%	-0.1%
Generali Italia SpA	0.3%		0.0%	-0.1%	-0.1%	0.1%	0.2%	-0.1%
Hdi Assicurazioni SpA	-0.3%	0.3%	-0.2%	0.1%	0.2%	-0.7%	0.3%	0.1%
Net Insurance SpA	-0.3%	1.6%	-0.5%	-0.5%	-0.6%	-0.1%	-0.2%	-0.2%
Vittoria Assicurazioni SpA	-0.2%	-0.4%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%

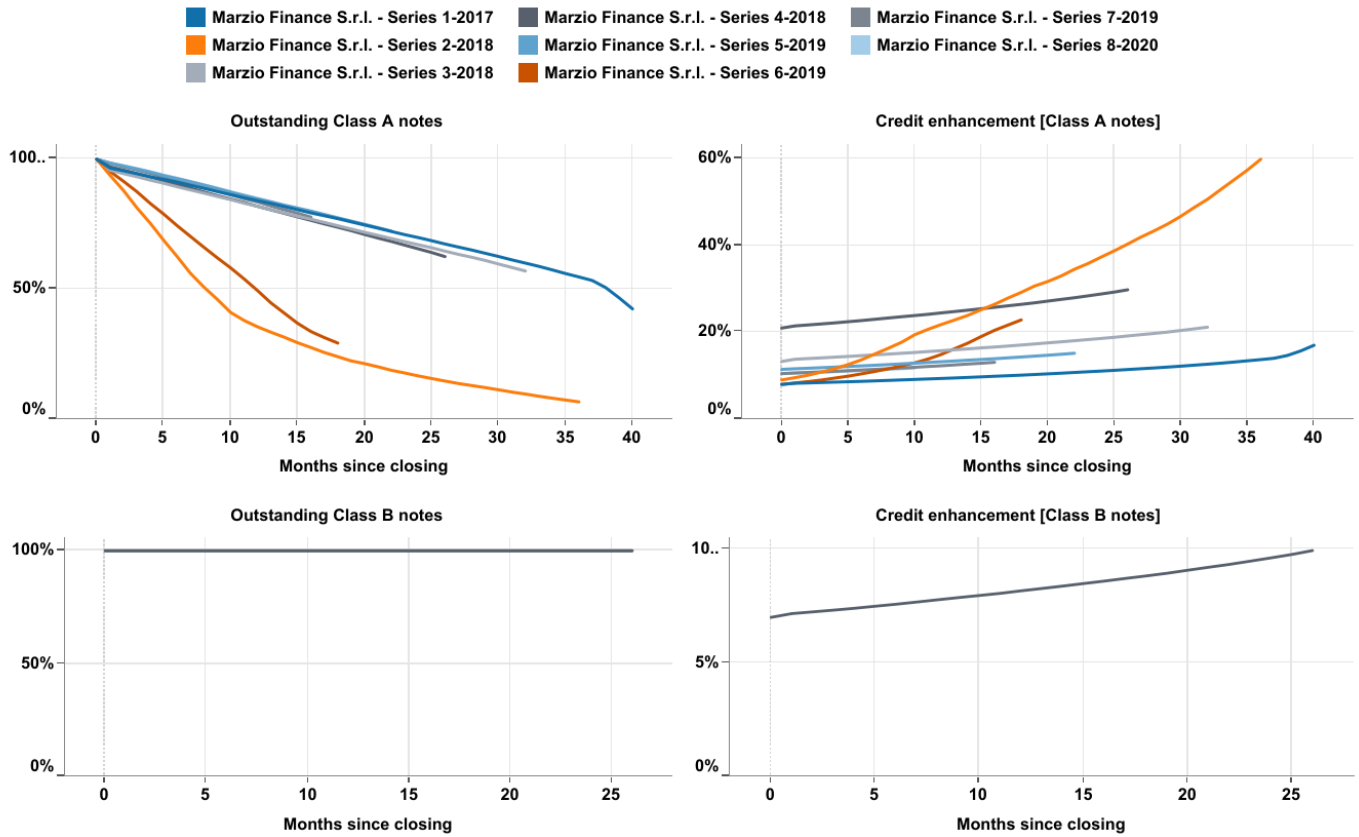
Source: Investor and servicer reports by IBL Banca, Scope Ratings

² Top exposures highlighted in red.

³ Numbers expressed as a percentage of outstanding portfolio balance. Pensioners are not covered under credit insurance.

Figure 6: Note amortisation and evolution of credit enhancement

- High prepayment rates in Series 2 and Series 6 have led to the faster amortisation of the Class A notes of these series.



Credit enhancement [Class A notes] = 1 - Outstanding balance of Class A notes/Total notes outstanding balance
 Credit enhancement [Class B notes] = Outstanding balance of Class J notes/Total notes outstanding balance
 Outstanding Class A notes = Current Class A outstanding balance/Class A outstanding balance at closing
 Outstanding Class B notes = Current Class B outstanding balance/Class B outstanding balance at closing

Source: Investor reports by IBL Banca, Scope Ratings

Figure 7: Reserve and Cash trap trigger status

	Marzio Finance S.r.l. - Series 1-2017	Marzio Finance S.r.l. - Series 2-2018	Marzio Finance S.r.l. - Series 3-2018	Marzio Finance S.r.l. - Series 4-2018	Marzio Finance S.r.l. - Series 5-2019	Marzio Finance S.r.l. - Series 6-2019	Marzio Finance S.r.l. - Series 7-2019	Marzio Finance S.r.l. - Series 8-2020
Cash reserve at target level	Yes	Yes	Yes	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Liquidity reserve at target level	Not applicable	Not applicable	Not applicable	Yes	Yes	Yes	Yes	Yes
Additional reserve at target level	Not applicable	Not applicable	Not applicable	Yes	Yes	Yes	Yes	Yes
Cash trapping trigger breached?	No	No	No	No	No	No	No	No

Source: Investor reports by IBL Banca, Scope Ratings



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