

Aurelia SPV S.r.l.

Italian Non-Performing Loan ABS


 Scope
Ratings

Ratings

Tranche	Rating	Size (EUR m)	% of notes	% of GBV	Coupon	Final maturity
Class A	BBB _{SF}	342.0	86.8	22.7	6m Euribor + 0.5%	Jul 2047
Class B	NR	40.0	10.1	2.6	6m Euribor + 8.0%	Jul 2047
Class J	NR	12.0	3.1	0.8	6m Euribor + 10% + VR*	Jul 2047
Total		394.0	100.0	26.1		

*VR stands for variable return.

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	22 June 2021
Issuer	Aurelia SPV S.r.l.
Seller	Banco BPM S.p.A.
Master servicer	Credito Fondiario S.p.A.
Special servicer	CF Liberty Servicing S.p.A.
ReoCo ¹	Aurelia ReoCo S.r.l.
Gross-book value ('GBV')	EUR 1,510m
Cut-off date	31 December 2020
Transfer date	3 June 2021
Key portfolio characteristics	The securitised pool is composed of comparable shares of senior secured and unsecured loans (44.3% and 49.7%, respectively), remaining exposures are junior secured (6.0%). Loans were granted mainly to corporate debtors (85.4%). Properties are mainly concentrated in the north of Italy (70.5%) and are residential assets (42.6%), commercial real estate assets (27.8%), industrial properties (14.1%), land (8%) and other type of assets (7.5%). The issuer is entitled to all portfolio collections received since the portfolio cut-off date.
Payment frequency	Semi-annual (January and July)
Key structural features	The notes have been structured in compliance with requirements of the GACS scheme. The transaction structure comprises three tranches of sequentially amortising notes, an amortising liquidity reserve equal to 4.5% of the class A outstanding balance, and an interest rate cap spread agreement on the class A notes. The transaction envisages a ReoCo structure, operative upon certain financing conditions.
Arrangers	Banca Akros S.p.A., Deutsche Bank A.G., London Branch
Hedging provider	UniCredit Bank AG, Banco Santander S.A.
Other key counterparties	Credito Fondiario S.p.A. (corporate servicer, ReoCo corporate servicer, ReoCo servicer, calculation agent, paying agent) Banca Finanziaria Internazionale S.p.A. (noteholders' representative, monitoring agent back-up servicer) Intesa Sanpaolo S.p.A. (account bank) Banco BPM S.p.A. (limited recourse loan provider)

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Related Research

[Italian NPL collections: poor April volumes upset positive trend set in Q1, June 2021](#)

[Italian NPL collections: volumes rising but lost ground still needs to be recovered, May 2021](#)

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Bloomberg: RESP SCOP

¹ Real Estate Owned Company, pursuant to article 7.1 paragraph 4 of Law 130 of 1999.

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 Scope's economic outlook for Italy and its assessment of the special servicer's capabilities. The rating is supported by the structural protection provided to the notes, the absence of equity leakage provisions, the liquidity protection, and the interest rate hedging agreement. The rating also addresses exposures to the key transaction counterparties.

We performed specific analyses to determine recoveries, using different approaches for secured and unsecured exposures. For senior secured exposures, we mainly derived expected collections from the most recent property appraisal values, which we stressed to account for: appraisal type, liquidity, and market value risks. We derive recovery timing assumptions 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 exposures, we used market-wide historical line-by-line data on defaulted loans between 2000 and 2019, also considering the special servicer's capabilities along with servicer-specific historical data. The analysis also accounted for the current macro-economic environment and our forward-looking view on relevant macro-economic expectations.

Rating drivers and mitigants

Positive rating drivers

Credito Fondiario is already servicing the portfolio. Credito Fondiario is already in charge of managing the portfolio, through its servicing platform Liberty. Part of the portfolio has been serviced since 2018. The servicer has therefore performed most of the portfolio take-over activities, including the set-up of servicing strategies.

Low seasoning. The weighted average time since default is around 2 years for the unsecured and junior secured portfolio, which is moderately short in comparison with other peer NPL transactions rated by Scope.

Portfolio concentrated in the north of Italy. The portfolio is mostly concentrated in the north of Italy (71% of property value), which benefits from the country's most dynamic economic conditions and, in general, the most efficient tribunals.

High share of recent valuations. 91% of the properties were valued from 2019 onwards.

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 positively affect the rating, enhancing transaction's performance on collection volumes.

Negative rating drivers and mitigants

Below-average collateralization. A significant share of the portfolio (around 47% of the secured loans) has a loan-to-value higher than 100%.

Top borrowers' concentration. The top 10 and 100 borrowers represent around 15% and 40% of total gross book value, which is above the average concentration of Italian NPL transactions rated by Scope.

Significant portion of legal proceedings in initial stages. Around 77% of the secured loans 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.

Full and drive-by valuations. The portfolio has a lower-than-average share of full and drive-by valuations (27%) that are expected to be more accurate than desktop valuations (67%).

Downside rating-change drivers

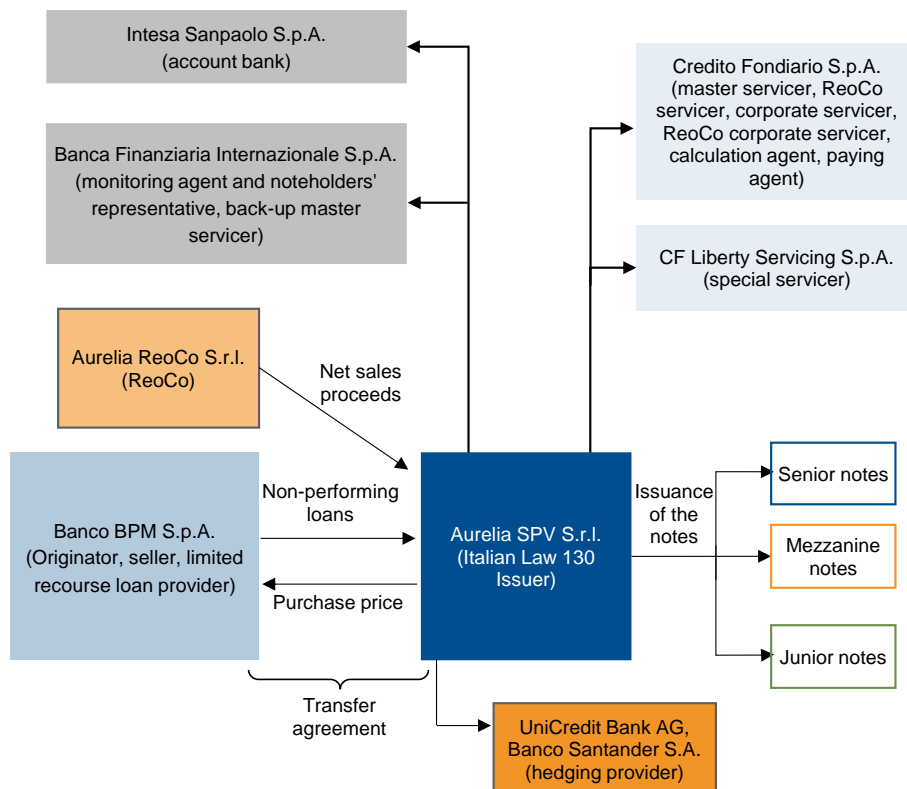
Long-lasting pandemic crisis. Recovery rates are highly dependent on the macroeconomic environment. Scope baseline scenario foresees GDP growth of 5.6% in 2021 after a contraction in 2020. If the current crisis lasts beyond Scope's baseline scenario, borrowers' affordability and real estate market liquidity could deteriorate, reducing servicer performance on collection volumes. This could negatively impact the rating.

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1. Transaction diagram

Figure 1: Transaction diagram



Sources: Transaction documents, Scope Ratings.

2. Macroeconomic environment

Our estimate of the Italian economy's medium-run growth potential is a tepid 0.7% (by comparison, pre-crisis output growth averaged a more modest 0.3% over 2010-19), supported nonetheless by growth-enhancing fiscal spending to address economic and public-health consequences of this crisis, as well as by accommodative borrowing and investment conditions anchored by the extraordinary interventions of the European Central Bank (ECB). While 10-year yields have risen over 2021 to 0.9%, as global central banks consider normalisation of crisis-era policies, rates remain exceptionally low under an historical perspective.

After a severe 8.9% economic contraction in 2020, we expect Italy's economy to recover in 2021, with an above-consensus estimate of 5.6% growth, unchanged on December 2020 projections, followed by 3.8% growth next year, as vaccination advances and the economy reopens. The government led by Prime Minister Mario Draghi enjoys a strong parliamentary majority, underpinning expectation of greater reform momentum. Nevertheless, the expansionary budget policy, including increased investment spending in complementing EUR 192bn in Next Generation EU (NGEU) funds allocated to Italy, should translate into higher growth and wider budget deficits (the latter of 11.7% of Gross Domestic Product (GDP) in 2021 before 7.1% in 2022). Public debt remains on the rise medium term, surpassing 160% of GDP over the coming period, challenging debt sustainability.

Over this crisis, unemployment increases have been mitigated by job-market support measures. The unemployment rate stood at 10.7% as of April 2021, compared with 9.8%

shortly before the crisis (February 2020). This year, we expect an increase in the average rate of unemployment over the year to 10.8% before moderation to 9.3% in 2022.

3. Special servicer and ReoCo servicer review

3.1. Introduction

We conducted an operational review of the special servicer, CF Liberty Servicing S.p.A., and the ReoCo servicer, Credito Fondiario S.p.A. In our view, servicers' servicing capabilities and processes to manage the securitised portfolio and the awarded assets are adequate.

Portfolio recovery assumptions factor in our assessment of the servicers' capabilities.

Our assessment of the special servicer's capabilities addresses, among other aspects, its: corporate structure, business processes, collateral valuation procedures, servicing IT systems, business continuity risks and transaction-specific elements, such as asset manager allocation and asset disposal strategies (i.e., business plan).

Our assessment of the ReoCo servicer's capabilities addresses, among other aspects: its ability to execute due diligence activities and market analysis in respect of real estate assets for the ReoCo's bidding activity, its ability to manage each real estate asset purchased by the ReoCo and perform maintenance and refurbishment activities as per the ReoCo's asset business plans.

The special servicer's assessment was considered when deriving our recovery rate and recovery timing assumptions for the portfolio, while the ReoCo servicer's assessment was considered with reference to the secured exposures assumptions.

In addition, we conducted a virtual property tour on a small sample of properties from the securitised portfolio. This contributed to our assessment of collateral appraisals and secured recovery expectations, primarily reflected through our haircuts based on property-type and valuation method.

3.2. Corporate overview

Credito Fondiario acquired Banca Carige S.p.A.'s NPL servicing platform in 2017 and established itself as a major Italian special and master servicer in early 2018, after onboarding EUR 26bn in assets as part of the Siena NPL 2018 S.r.l. securitisation. In December 2018, Credito Fondiario acquired a NPL portfolio from Banco BPM, which resulted in the creation of CF Liberty Servicing S.p.A. (CF Liberty) as a joint venture between Credito Fondiario and Banco BPM, to manage the portfolio and future flows of new NPLs.

The Credito Fondiario Banking Group is currently undergoing an internal reorganisation that will result in the separation of its banking business from its debt servicing business. Following this reorganisation, the activities related to the performance of the master servicing and special servicing will be transferred from Credito Fondiario S.p.A. to Credito Fondiario Master Servicer and Credito Fondiario Special Servicer, two newly incorporated companies. The new prospective servicing setup will keep the current servicing structure unchanged (inclusive of CF Liberty), including management, employees, and IT systems, to assure a full business continuity.

3.3. Servicing model

Credito Fondiario is a full-suite servicer, offering master servicing, primary servicing, special servicing solutions, along with Reoco and LeaseCo servicing solutions. This is enabled by multiple branches across Italy and a network of external agents supporting collection, appraisal and brokering functions.

Credito Fondiario acquired Banco BPM's servicing platform (today CF Liberty) back in 2018

Through CF Liberty, Credito Fondiario started to service part of Banco BPM's NPLs inflows back in 2018, among which is Aurelia's securitised portfolio. As a result, the servicer has already performed most of the portfolio's take-over activities.

The securitised portfolio will be managed by a dedicated team accounting for approximately 20 asset managers.

CF Liberty classifies portfolios by size and geographical area, with the largest positions managed by experienced dedicated managers. Medium and small sized positions are rotated among asset managers (ca. 20% of the portfolio) to refresh the approach, if necessary.

4. Portfolio characteristics

4.1. Representations and warranties

The securitised pool comprises secured and unsecured Italian NPLs originated and sold by Banco BPM S.p.A. The representations and warranties on the receivables provided by the originator (with reference to the transfer date) are not fully aligned with those of peer transactions we rate, as the representation on the residency of individual borrowers does not apply to all individual borrowers. The provided representations and warranties include the following:

- All loans are denominated in euros and governed by Italian law.
- All receivables are valid for transfer without any limitations, free of encumbrances, and enforceable to the extent of their GBV.
- All receivables have been reported as defaulted by the Credit Bureau of the Bank of Italy.
- All real estate assets secured by voluntary mortgages exist and are located in Italy.
- Bankruptcy proceedings related to bankrupt debtors are ongoing as of the cut-off date, except for third-party guarantees that are valid and effective as of the cut-off date.
- At least 90% of the individual borrowers were resident in Italy.
- All corporate borrowers had a registered office in Italy.
- Borrowers are not employees or directors of the seller.
- Each voluntary mortgage with an economic first lien has the lien indicated in the datatape.
- The information provided in the following datatape fields are truthful, complete and accurate: "GBV", "flag pool", "%pool", "collections", "mortgage lien", "mortgage amount", "type of guarantee", "guarantee maturity date", "default date", "property sold" and "property sale amount".

4.2. Key portfolio stratifications

Figure 2 provides a high-level view of portfolio characteristics as of the cut-off date. Detailed loan-level portfolio stratifications are provided in Figures 3-12.

Figure 2: Portfolio summary

	All	Senior secured	Junior secured	Unsecured
Number of loans	10,411.0	2,466.0	294.0	7,651.0
Number of borrowers	3,304.0			
Gross book value (EUR m)	1,509.5	668.9	90.4	750.2
% of gross book value		44.3	6.0	49.7
Cash in court (% of GBV)	0.4			
Collections since cut-off date (% of GBV)	1.6			
Weighted average seasoning	2.2	2.2	2.9	2.0
Collateral values (EUR m)		904.0	84.7	

Sources: Transaction data tape, Scope Ratings

We adjusted the pool's gross book value using information on collections and sold properties since the cut-off date. The analysis, which excluded loans we assumed to be closed, accounts for estimated cash-in-court amounting to EUR 6.3m relative to first-lien property value.

These adjustments reduced the portfolio's gross book value from EUR 1,510m to EUR 1,437m. Collections received since the cut-off date will be part of the issuer's available proceeds at the first payment date. We assumed cash-in-court would be received within three years after the closing date.

Our analysis is performed at the loan-level, considering all 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 3: Distribution by borrower type (% of GBV)

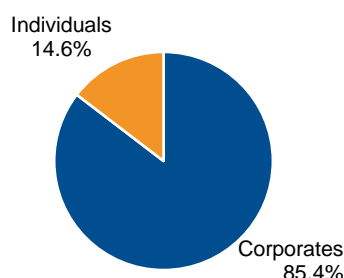


Figure 4: Distribution by loan type (% of GBV)

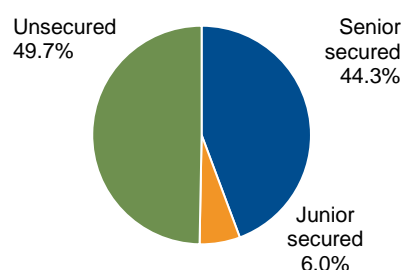


Figure 5: Distribution by recovery procedure (% of GBV)

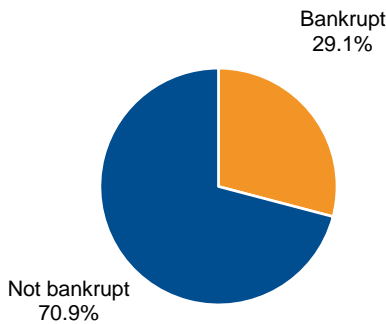


Figure 6: Distribution by recovery stage for secured loans (% of GBV)

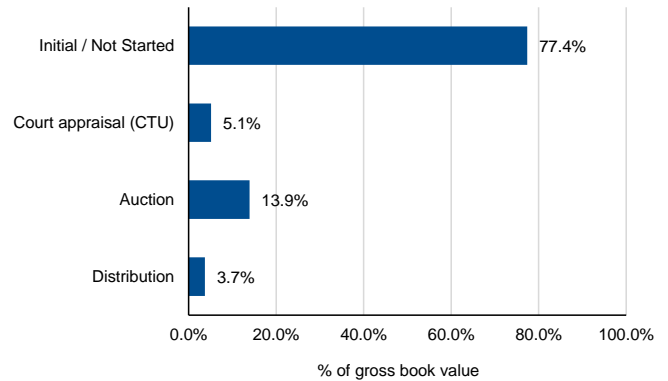


Figure 7: Distribution by court bucket (% of GBV)

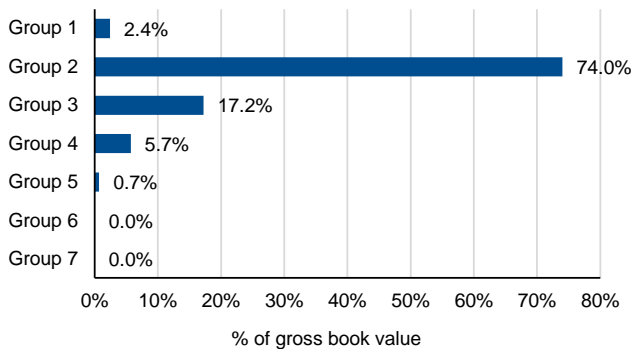


Figure 8: Unsecured and junior secured seasoning (% of GBV)

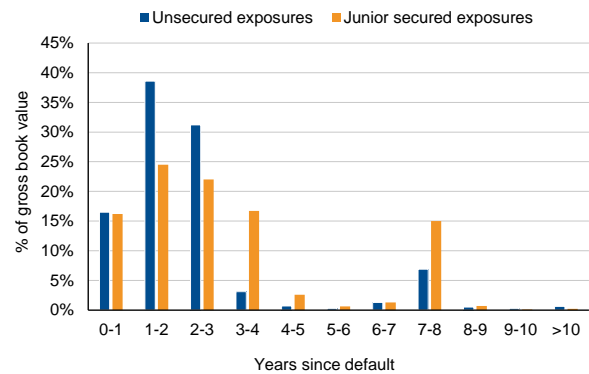


Figure 9: Distribution by collateral type (% of appraisal value)

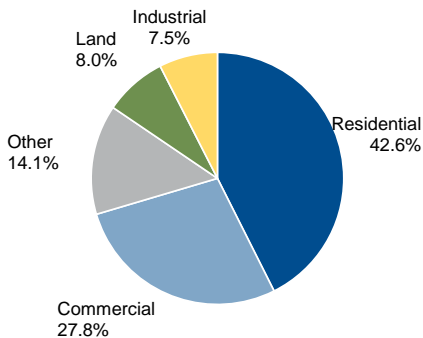


Figure 10: Distribution by valuation type (% of appraisal value)

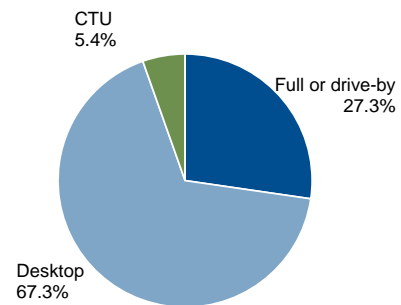


Figure 11: Distribution by collateral location (% of appraisal value)

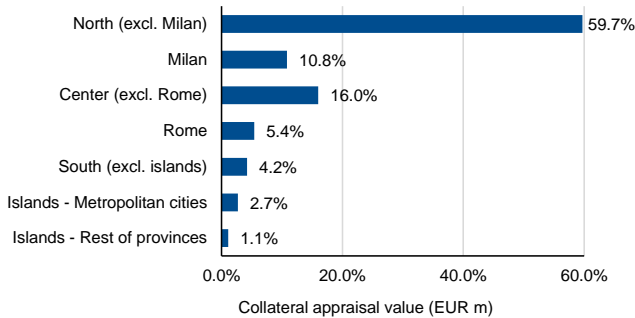
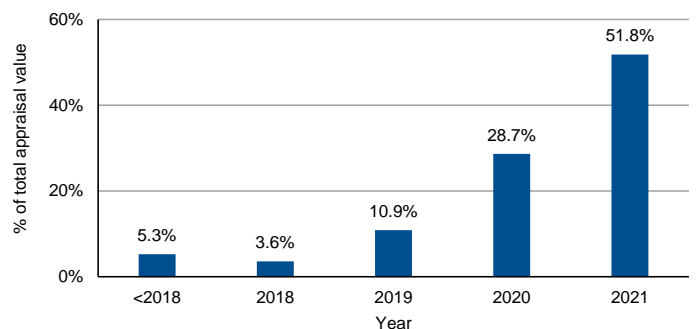


Figure 12: Distribution by valuation date (% of appraisal value)



Sources: transaction data tape, calculations by Scope Ratings

5. Portfolio analysis

Under 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 13 summarises the recovery rate assumptions applied in the analysis of the class A notes.

Figure 13: Summary of assumptions

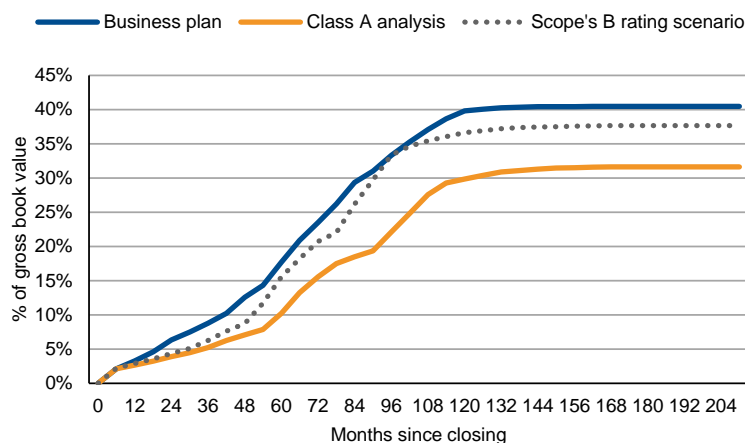
	Class A analysis
Secured recovery rate (% of secured GBV)	54.1
Unsecured recovery rate (% of unsecured GBV)	13.8
Total recovery rate (% of total GBV)	31.6
Secured collections, weighted average life (WAL in years)	7.0
Unsecured collections, WAL (years)	4.0
Total collections, WAL (years)	6.3

Sources: Transaction data tape, Scope Ratings

Class A recovery rate assumptions are about 22% below business plan target

Figure 14 compares our lifetime gross collections and recovery timing assumptions for the entire portfolio with the servicer business plan, for class A and our base case scenario (B rating 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 22% below the business plan target. Our calculation of the expected life is longer than the servicer's projections (6.3-year WAL for the class A notes analysis versus 5.5-year WAL in the business plan).

Figure 14: Scope's assumptions² vs. business plan's gross cumulative recoveries



Sources: Servicer business plan, Scope Ratings

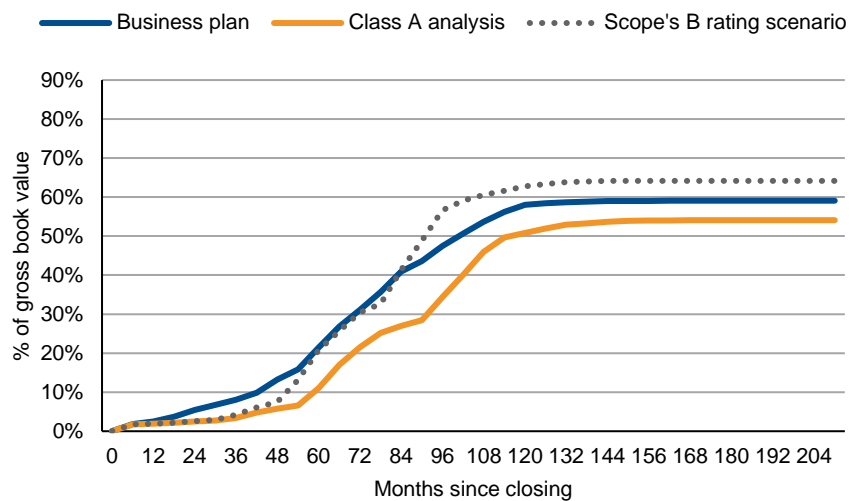
² Scope's and the servicer's recovery rates are reported on a gross level and include cash-in-court and ad-interim collection amounts.

Valuation haircuts address forward-looking market value and liquidity risks

5.1. Analysis of secured portfolio segment

Figure 15 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 proceeding. Our analysis also considers concentration risk, the servicer's business plan and the available workout options.

Figure 15: Scope's assumptions³ vs. business plan's gross cumulative recoveries - secured loans

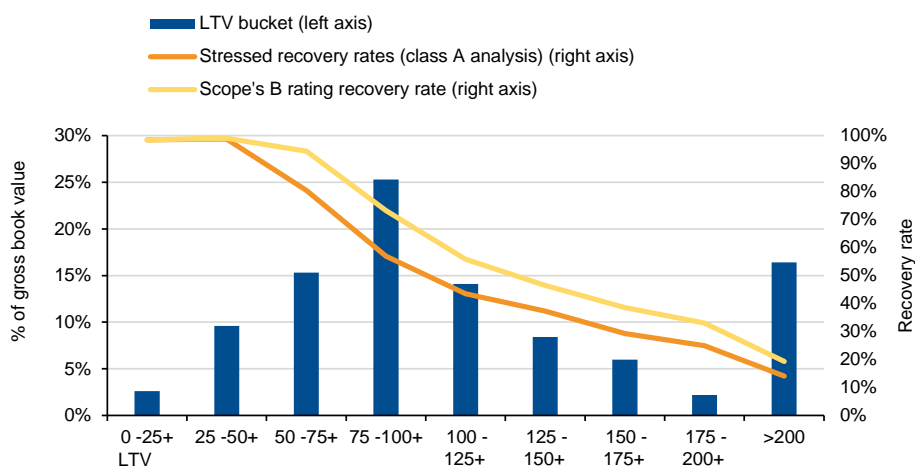


Sources: Servicer business plan, Scope Ratings

Figure 16 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 base case scenario (B rating scenario). The portfolio's share of under-collateralised secured exposures is material, as 47% of the loans has an LTV above 100%.

³ Scope's and the servicer's recovery rates are reported on a gross level and include cash-in-court and ad-interim collection amounts. 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. Therefore, the chart displays Scope's expected collections in relation to a secured portfolio of EUR 670mn, 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 828mn, resulting from servicer's borrower-by-borrower classification of the exposures.

Figure 16: Secured loans' distribution by LTV and Scope's expected secured recoveries



Sources: Transaction data tape, calculation by Scope Ratings

Appraisal type haircuts range between 7% and 10% for the class A analysis

5.1.1. Appraisal analysis

We applied rating-conditional haircuts ranging from 7% to 10% for the class A analysis, reflecting our view on the quality and accuracy of the underlying appraisals. Full or drive-by valuations are generally more accurate than desktop or CTU valuations.

Figure 17: Scope's transaction-specific valuation haircuts

Valuation type	% of collateral value	Class A analysis haircut
Drive-by and full	27.3%	-
Desktop	67.3%	7%
CTU	5.4%	10%

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

5.1.2. Property market value assumptions

Figure 18 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 18: Scope's transaction-specific price change assumptions

Region	North						Centre			South			Islands	
	Milan	Turin	Genoa	Bologna	Venice	Others	Rome	Florence	Others	Naples	Bari	Others	Metropolitan cities	Rest of provinces
Class A analysis	-13%	-11%	-11%	-11%	-13%	-13%	-17%	-15%	-15%	-13%	-13%	-15%	-13%	-15%
Portfolio distribution (%)	10.8	1.8	2.1	0.8	0.9	54.1	5.4	0.5	15.5	1.0	0.2	3.0	2.7	1.1

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

5.1.3. Collateral liquidity risk

Asset liquidity risk is captured through additional fire-sale haircuts applied to collateral appraisals. Figure 19 shows the rating-conditional haircuts applied for the class A analysis. These transaction specific assumptions are based on historical distressed market-wide

Fire-sale discounts range between 35% and 45% for class A analysis

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 19: Scope's transaction-specific fire-sale discount assumptions

Collateral type	% of collateral value	Class A analysis haircut
Residential	42.6%	35%
Non-residential	57.2%	40% - 45%

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

5.1.4. Concentration risk

The portfolio presents a higher-than-average concentration risk: the largest 10 and 100 borrowers account for 14.6% and 39.8% of the portfolio's GBV, respectively. We addressed borrower concentration risk by applying a 15.0% rating-conditional recovery haircut to the 20 largest borrowers for the class A notes analysis.

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 20). We applied rating-conditional timing stresses to bankruptcy and non-bankruptcy procedures: 3.3 years and 1.6 year were respectively added to the total legal procedures' length for the class A analysis.

Figure 20: Total length of the recovery process by court group in years*

Court group	Bankruptcy proceedings	Non-bankruptcy proceedings	Percentage of courts**
1	4	2	2.7%
2	6	3	70.2%
3	8	4	16.6%
4	10	5	9.6%
5	12	6	0.9%
6	14	7	0.0%
7	18	9	0.0%

*The total length of the recovery process does not include the rating-conditional timing stresses per proceeding type.

**Percentages incorporate our assumptions on courts not included in available information.

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

Unsecured portfolio analysis is based on statistical data

5.2. Analysis of unsecured portfolio segment

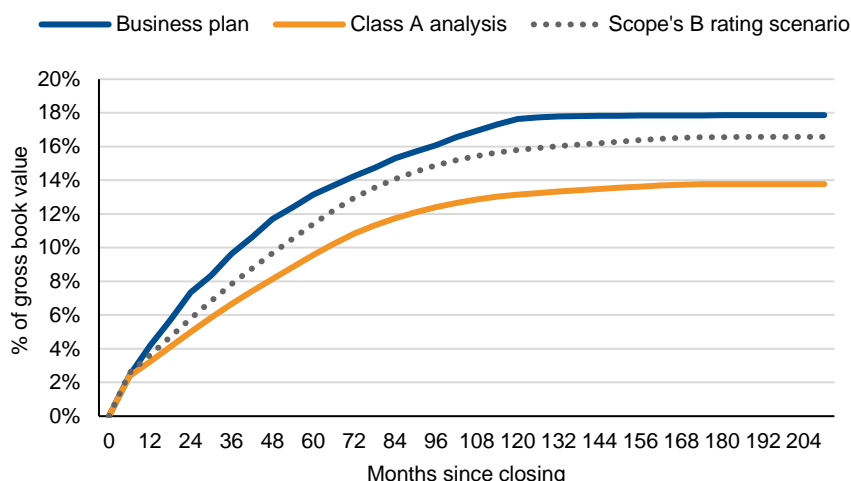
Our unsecured recovery assumptions are primarily based on market-wide historical data on unsecured recovery rates. We also factor in servicer-specific historical recovery data, as well as our view on the quality of the servicer's recovery procedures.

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) 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 below average considering peer transactions rated by Scope

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 2.1 years, which is below the average of transaction peer levels.

Figure 21: Scope's assumptions⁴ vs. business plan's recoveries – unsecured loans



Sources: Servicer's business plan, Scope Ratings

⁴ Scope's and the servicer's recovery rates are reported on a gross level and include ad-interim collection amounts. 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. Therefore, the chart displays Scope's expected collections in relation to an unsecured portfolio of EUR 841mn, resulting from Scope's loan-by-loan classification of the exposures. The chart displays servicer's expected collections in relation to an unsecured portfolio of EUR 681mn, resulting from servicer's borrower-by-borrower classification of the exposures.

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 0.5%. Class B will pay a floating rate indexed to six-month Euribor plus a margin of 8.0%. The variable component of the class B interest, if positive, is subordinated to class A principal payments. The margin of class B interest (and a portion of the special servicer fees) will be subordinated to class A principal payments if certain under-performance events are triggered.

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. If the GACS guarantee is in place, the non-timely payment of interest on the senior notes will entitle the Representative of the Noteholders to enforce the GACS Guarantee. The Ministry of the Economy and Finance as GACS guarantor will be required to guarantee the payments of interest and principal on the class A notes, in accordance with the terms and conditions set forth in the GACS Regulation.

Non-timely payment of class A interest would trigger an accelerated waterfall

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 indemnity provider) will be used in the following simplified order of priority:

Figure 22: Simplified priority of payments and available funds

Pre-enforcement priority of payments	
1)	Senior fees (master and special servicer senior fees), other senior expenses
2)	Expenses account replenishment
3)	Senior expenses
4)	Limited-recourse loan interest
5)	GACS guarantee premium
6)	Recovery expenses reserve account
7)	Class A interest
8)	Any amount due and payable under GACS scheme (if not paid in item 5)
9)	Cash reserve replenishment
10)	Limited-recourse loan principal
11)	Class B interest* (provided that no interest subordination event has occurred)
12)	Class A principal
13)	Class B interest* (upon occurrence of the interest subordination event)
14)	Class B principal and servicer mezzanine fees (provided that a servicer underperformance event has occurred)
15)	Payments due under the Subscription agreement
16)	Class J interest
17)	Class J principal and servicer junior fees (provided that a servicer underperformance event has occurred)
18)	Any residual amount as class J variable return

* Euribor component, if positive, is paid under item 13 of the priority of payments.

Sources: Transaction documents and Scope Ratings

Class B interest subordination event is aligned with the GACS requirements

6.2. Interest subordination events

The occurrence of an interest subordination event results in class B interest being paid under item 13 of the waterfall above. An interest subordination event occurs if i) the cumulative net collection ratio⁵ (CCR) falls below 90% of the servicer's business plan targets; ii) the NPV cumulative profitability ratio⁶ (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 to 100% or above, all due and unpaid class B interest is paid senior to class A principal under item 11 of Figure 22.

6.3. Servicing fee structure and alignment of interests

6.3.1. Servicing fees

The servicing fee structure links the level of servicer fees with the portfolio's performance, mitigating potential conflicts of interest between the servicer and the noteholders. Since Aurelia SPV S.r.l. is part of Credito Fondiario VAT group, servicing fees are VAT exempt.

The special servicer will be entitled to a performance fee. The exact level of fees is subject to the debtor type: secured borrowers (with at least 80% of their GBV guaranteed by a first lien mortgage) or mixed borrowers (with 20-80% of their GBV guaranteed by a first lien mortgage) bear lower performance fees compared to unsecured borrowers.

The occurrence of a servicer underperformance event results in 5% up to 25% of servicer performance fees being subordinated to class A principal payments. This portion is paid under items 14 and 17 of the above simplified priority of payments, as mezzanine or junior servicing fees, respectively. A servicer underperformance event occurs if the CCR falls below 95% or if the NPVPR falls below 90%. A GACS servicer underperformance event occurs if the CCR falls below 90%.

An underperformance event is curable if on any subsequent payment date, the CCR and NPVR return above 95% and 90%, respectively. If, on any subsequent payment date, the CCR returns above 100%, all mezzanine and junior servicer fees accrued and unpaid in previous periods will be paid under item 1 of the simplified priority of payments.

6.3.2. Special servicer monitoring

An overview of the servicer's activities and calculations, conducted by the monitoring agent, Banca Finanziaria Internazionale S.p.A., mitigates operational risks and moral hazard that could negatively impact noteholder interests.

The servicer is 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 perform controls based on a random sample of loans.

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

Monitoring function protects noteholders' interests

⁵ '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. Collections are computed since the portfolio's cut-off date, they include the ReoCo deposit amounts only upon adjudication of the asset by the ReoCo.

⁶ '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.

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 the 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. The Representative of the Noteholders, responsible for implementing the decisions of the committee, shall be consulted when applicable.

6.3.3. 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) failure to pay any amount due to the issuer within two business days from the collection reconciliation date, except where such non-payment is due to technical reasons, iii) an unremediated breach of obligations that is not remediated within 15 business days from the request of fulfilment sent by the issuer, iv) an unremediated breach of representation and warranties; v) loss of legal eligibility to perform obligations under the servicing agreement; vi) after 24 months since closing, the CCR being below 85% or the NPVPR being below 80% on two consecutive interest payment dates.

The back-up master servicer will step in the event of a master servicer termination event. This mitigates master servicer disruption risk.

6.4. Liquidity protection

A cash reserve will be funded at closing with a limited recourse loan originated by Banco BPM S.p.A., bearing an interest of 1.75%. The initial cash reserve amounts to EUR 15.39m, its target amount at each payment date will be equal to 4.5% of the total outstanding balance of the 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.

6.5. Interest rate hedge

Due to the non-performing nature of the securitised portfolio, the issuer will receive irregular 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 senior notes, defined as six-month Euribor plus a 0.5% margin.

An interest rate cap spread partially mitigates the risk of increased liabilities on the class A notes due to a rise in Euribor (Figure 23). The base rate on the class A notes will be capped with an upper bound rate ranging from 0% at the issue date to 3.0% in January 2035, while it will be floored with a lower bound rate ranging from 0% at the issue date to 1.0% in January 2035. 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 strike of the cap spread, until notes' maturity.

The notional schedule of the cap spread on class A notes is aligned with our expected class A amortisation profile (see Figure 24). A delay in recoveries beyond our class A recovery timing vector would increase interest rate risk exposure, as it would widen the gap between the transaction's cap spread notional amount and the class A notes' outstanding principal.

Cash reserve provides liquidity protection to class A notes

Interest rate risk on class A notes is partially mitigated through an interest rate cap spread structure

Figure 23: Interest rate cap spread on class A notes

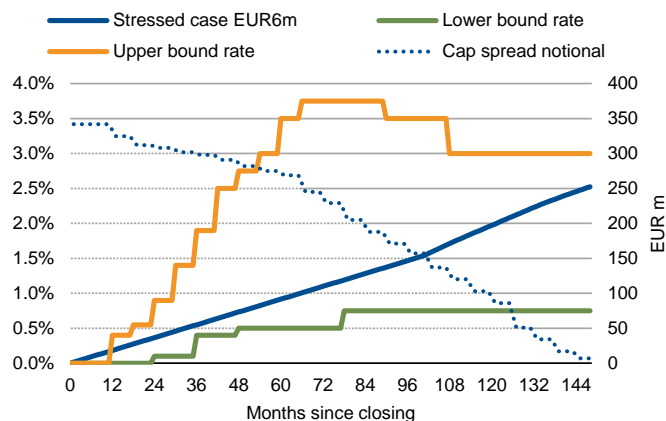
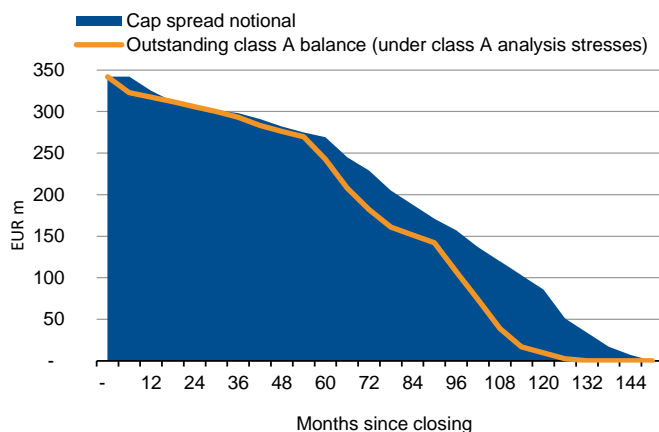


Figure 24: Interest rate cap spread notional vs outstanding class A notes



Sources: Transaction documents, Bloomberg and Scope Ratings

6.6. ReoCo structure

The transaction foresees the set-up of a Real Estate Owned Company pursuant to article 7.1 paragraph 4 of Law 130 of 1999 ('ReoCo'): Aurelia ReoCo S.r.l.

The ReoCo will become operative subject to two conditions: i) the ReoCo having executed a credit facility agreement with a third-party lender (on a revolving basis, in case of a revolving facility); and ii) the ReoCo having funded the ReoCo cash reserve via the financing granted under i). The facility granted under i) shall also fund the ReoCo's activity costs (i.e., assets' costs and purchases).

The ReoCo servicer will carry out all the technical and operating support and the strategic advisory required to ensure the full operation of the ReoCo.

The ReoCo may purchase assets, in the context of auctions, via i) debt assumption; or ii) full cash payments. Under the debt assumption, the ReoCo pays 10% of the asset's bid price (via a down payment or deposit) and pays the remainder 90% upon asset's re-sale. In case debt assumption is denied by the competent court, the ReoCo shall pay the full asset's bid price when the asset is awarded. The maximum assumed debt that can be owed by the ReoCo and during the transaction lifetime is limited to EUR 60m (18% of class A notional). At any time and before class A amortises below 50% of its original notional, the ReoCo maximum revolving exposure (in term of assumed debt) will be EUR 30m. After class A amortised more than 50% of its original notional, the ReoCo maximum revolving exposure will be EUR 15m.

The ReoCo's activity will be financed by: i) the ReoCo cash reserve, ii) third party financings and iii) the ReoCo provisioning account. The financings can be used to fund assets' costs, ReoCo corporate expenses, ReoCo servicing fees and new purchases. Given the limited size of the ReoCo cash reserve, third-party financings are necessary to support its activity.

A replenishable ReoCo cash reserve of EUR 400,000 will fully amortise at the end of its availability period, the fifth year following the issuance date. The ReoCo cash reserve will be replenished with the profits of the ReoCo under item 4) of Figure 25.

The ReoCo can enter into third party financing agreements up to a maximum outstanding amount that ranges between 27% and 53% of the maximum revolving ReoCo's assumed debt exposure, depending on the level of amortisation of class A notes.

A ReoCo provisioning account, replenished on each ReoCo payment date with 50% of the ReoCo excess spread (if any) under item 5) of Figure 25, can be withdrawn by the ReoCo, during the ReoCo cash reserve availability period, only in case the ReoCo cash reserve is not sufficient to cover the ReoCo liquidity needs. After the ReoCo cash reserve availability period, the ReoCo provisioning account will be available to finance any ReoCo expenses and purchases.

When the ReoCo sells an asset, its proceeds are first used to cover the asset management variable fees, costs, expenses and taxes for property's management and sale. Additionally, sales proceeds are used to repay any third-party financing amount used to fund the asset's costs and expenses (the resulting proceeds being "net assets' proceeds").

The ReoCo's available funds (i.e. net assets' proceeds, assets' instalment proceeds, insurance proceeds, deposit payments) will be used in the following simplified order of priority and at each ReoCo payment date (every six months, starting from January 2022):

Figure 25: Simplified ReoCo priority of payments

ReoCo priority of payments	
1)	ReoCo corporate expense and servicing fees, asset management base fees and taxes (pari passu and pro-rata)
2)	Repayment of any third-party financing amount used to fund assets' purchase prices and repayment to the issuer of any due assumed debt amount (pari passu and pro-rata)
3)	Incentive fees
4)	Replenishment of the ReoCo cash reserve
5)	Replenishment of the ReoCo provisioning account with 50% of the proceeds and payment of the remainder 50% as excess spread to the issuer (pari passu and pro-rata)

Sources: Transaction documents and Scope Ratings

Our cash flow analysis considers the structural features of the transaction

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

7. Cash flow analysis and rating stability

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.

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 notch.

No mechanistic cap linked to sovereign risk

8. 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.

Counterparty risk does not limit the transaction's rating

9. Counterparty risk

None of the counterparty exposures constrain the rating achievable by this transaction. We considered counterparty substitution provisions in the transaction and, when available, our 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) Banco BPM S.p.A. as originator, limited recourse loan provider and representations and warranties provider; ii) Credito Fondiario S.p.A. as master servicer, corporate servicer, ReoCo servicer, ReoCo corporate servicer, calculation agent and paying agent; iii) CF Liberty Servicing S.p.A. as special servicer; iv) Banca Finanziaria Internazionale S.p.A. as back-up master servicer, noteholders' representative and monitoring agent; v) Intesa Sanpaolo S.p.A. as account bank, vi) UniCredit Bank AG and Banco Santander S.A. as cap counterparties.

9.1. Servicer disruption risk

A special servicer or master servicer disruption event may have a negative impact on the transaction's performance. The transaction incorporates servicer-monitoring, a back-up master servicer appointed at closing and servicer replacement arrangements that mitigate operational disruption.

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 servicer receives payments from a debtor, the servicer will transfer the amounts within two business days from the payment reconciliation. In case the originator receives payments from debtors, it will transfer these amounts into the collection account within five business days from the payment reconciliation.

9.3. Claw-back risk

Limited claw-back risk

The originator has 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.

Representations and warranties limited in time and amount

9.4. Enforcement of representations and warranties

The issuer will rely on the representations and warranties, limited in time and amount, provided by the originator in the transfer agreement. If a breach of a representation and warranty materially and adversely affects a loan's value, the originator will be obliged to indemnify the issuer for damages.

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 EUR 750,000; it 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.

Transaction documents governed by Italian and English Law

10. Legal structure

10.1. Legal framework

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.

Ongoing rating monitoring

11. 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.



Aurelia SPV S.r.l.

Italian Non-Performing Loan ABS

Appendix I – Deal comparison

Transaction	Aurelia SPV Srl	Ifis NPL 2021-1 SPV	Sirio NPL	POP NPLS 2020	Yoda SPV	Spring SPV	Diana SPV	BCC NPLS 2019	Marathon	Junio 2	Leviticus SPV	Riviera NPL
Closing	Jun-21	Mar-21	Dec-20	Dec-20	Dec-20	Jun-20	Jun-20	Dec-19	Dec-19	Feb-19	Feb-19	Dec-18
GACS	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Originators/Sellers	Banco BPM SpA	Ifis NPL Investing	UBI Banca	15 Banks	Intesa Sanpaolo	BPER, Banco di Sardegna, CR Bra	BPS	68 Banks	17 Fin. Inst.	BNL	BPM	Carige & Lucca
Master servicer	Credito Fondiario	Ifis Servicing	Prelios	Credito Fondiario	Intrum	Prelios	Prelios	Italfondario	Securitisation Services	Prelios	Credito Fondiario	Credito Fondiario
Special servicer	Credito Fondiario Liberty	Ifis Servicing	Prelios	Credito Fondiario & Fire	Intrum	Prelios	Prelios	doValue	Hoist Italia	Prelios	Credito Fondiario	Credito Fondiario, Italfondario
General portfolio attributes												
Gross book value (EUR m)	1,510	1,323	1,228	919.9	6,033	1377.3	999.7	1,324	5,027	968	7,385	964
Number of borrowers	3,304	47,127	14,313	3,978	22,282	2,544	2,981	8,596	324,282	1,120	19,747	3,606
Number of loans	10,411	69,384	22,471	8,128	74,312	11,669	4,813	15,944	412,795	3,609	49,404	9,776
WA seasoning (years)	2.2	7.0	3.4	3.4	5.5	4.6	4.0	3.4	7.5	3.5*	3.8*	2.0*
WA seasoning (years) - unsecured portfolio	2.1	4.0	3.5	3.8	5.9	4.9	4.4	4.2	7.5	3.9*	4.4*	2.5*
WA LTV buckets (% of secured portfolio)												
bucket [0-25]	2.6	3.4	4.5	4.6	3.9	5.2	2	3.4	N/A	1.8	3.5	3.8
bucket [25-50]	9.6	4.5	12.2	9	8.9	13.4	7.4	9.9	N/A	8	9.2	11.7
bucket [50-75]	15.3	7.3	17.2	12.9	15.6	18.2	11.4	11.9	N/A	15.4	12.6	12.9
bucket [75-100]	25.3	7.5	18.6	19.2	13.8	15	19	14.6	N/A	15.6	14.8	10.7
bucket [100-125]	14.1	5.1	12.7	16.7	13.9	12.8	10.2	13.6	N/A	11.2	9.5	12
bucket [125-150]	8.4	5.2	6.7	10.2	6.9	6.2	7.5	8.5	N/A	10.9	6.9	8
bucket [150-175]	6	5.6	4.4		6.5	3.9	8.6	8.8	N/A	3.7	6.9	8.3
bucket [175-200]	2.2	4.4	6	27.4	3.3	3.9	3.7	6.7	N/A	7.8	4.7	3.3
bucket > 200	16.4	57	17.6		27.1	21.1	30.2	22.6	N/A	25.5	31.9	29.5
Cash in court (% of total GBV)	0.4	1.3	1.4	0.3	0.9	3.0	3.3	1.1	N/A	5.9	2.0	1.2
Loan types (% of total GBV)												
Secured first-lien	44.3	30.3	53.7	55.9	41.2	52.5	64.7	65.9	0	57.7	50.5	39.4
Secured junior-lien	6.0	0.4	7.6	9.0	3.7	42.4	3.4	7.9	0	3	5.6	9.0
Unsecured	49.7	69.3	38.7	35.1	55.1	5.1	31.9	26.2	100	39.3	43.9	51.6
Syndicated loans	0.8	1.5	3.2	1.1	1.3	14.0	0.0	5.2	0	7.5	0	0
Debtors (% of total GBV)												
Individuals	14.6	80	7	25.3	10.6	11.1	21.5	20.7	57.4	7.7	14.7	13.2
Corporates or SMEs	85.4	20	93	74.7	89.4	88.9	78.5	79.3	42.6	92.3	85.3	86.8
Procedure type (% of total GBV)												
Bankrupt	29.1	15.6	53.2	55.1	49.8	52.8	22	60.5	N/A	69.9	71.7	72.7
Non-bankrupt	70.9	84.4	46.8	44.9	50.2	47.2	78	39.5	N/A	30.1	28.3	27.3
Borrower concentration (% of GBV)												
Top 10	14.6	5.1	7.8	9.1	5.2	11.5	8.7	5.3	0	19	5.4	22.6
Top 100	39.8	14.9	30.3	35.3	19.6	39.7	34.7	26	0	56.2	20.3	45.5
Collateral distr. (% of appraisal val.)												
North	70.5	18.3	51.6	62.2	36.6	39.2	83.8	38.1	N/A	32.8	71.1	79.3
Centre	21.5	13.3	25.2	12.4	24.3	8.3	9.7	35.6	N/A	38.9	17.4	12.3
South	8.1	68.4	23.2	25.4	39.1	52.5	6.5	26.3	N/A	28.3	11.4	8.3
Collateral type (% of appraisal val.)												
Residential	42.6	60.8	35.3	46.6	38	32.8	46.6	43.8	N/A	34.8	41.6	40.6
Commercial	27.8	6.6	23.5	22.3	16.7	22.1	17.9	18.8	N/A	21.1	9.5	7.2
Industrial	14.1	16.7	16.5	9.9	26.3	12.4	11.5	15.3	N/A	16	5.3	17.3
Land	8	9.3	12.4	9.5	14.5	14.7	12.5	14.2	N/A	9	16.2	14.7
Other or unknown	7.5	6.6	12.3	11.7	4.5	18.0	11.6	7.9	N/A	19.1	27.5	20.2
Valuation type (% of appraisal val.)												
Full or drive-by	27.3	31	16.9	46.1	31.1	74.3	62	57.7	N/A	56.8	32.3	21.4
Desktop	67.3	51.3	36.8	22.5	23.4	11.4	9.8	19.9	N/A	24.8	31.7	35.7
CTU	5.4	0	17.7	20	23.2	13.4	19.1	9	N/A	10.4	5.5	7.7
Other	0	17.7	28.6	11.4	22.3	0.9	9.1	13.4	N/A	8	30.5	35.2
Secured ptf proc. stage (% of GBV)												
Initial	77.4	37.5	65.2	57.7	64.2	67.4	63.5	55.7	N/A	29.5	65.5	68.5
CTU	5.1	14.2	14.7	22.6	15.5	4.2	2.5	22.4	N/A	17	10.0	5.7
Auction	13.9	33.7	14.1	12.8	15.2	13.7	22.3	17.2	N/A	35.4	16.6	22.9
Distribution	3.7	14.6	6.0	7	5.1	14.6	11.8	4.8	N/A	18.1	8.0	2.4
Summary of assumptions (BBB rating conditional stress)												
Remaining lifetime recovery rate (%)												
Secured (=net LTV after all stresses)	54.1	20.5	50.2	48.9	45.4	53.1	47.7	54.7	N/A	61.2	51.8	52
Unsecured	13.8	50.6	12.9	8.7	6.3	9.5	8.9	16	9.1	8.6	10.2	13.2
Total	31.6	41.5	32.9	31.2	22.4	32.4	34	41.5	9.1	38.8	31.2	28.3
Weighted average life of collections (yrs)												
Secured	7.0	6.3	7.6	7.6	7.2	6.0	3.8	7.1	N/A	5.7	8	7.1
Unsecured	4.0	5.4	4.3	4.7	3.3	3.6	4.4	4.5	3.08	3.6	4.5	4.6
Total	6.3	5.6	6.8	7.2	6.6	5.4	5.1	6.8	3.1	5.5	7.5	6.4
Structural features												
Liquidity reserve (% of class A notes)	4.5	4.5	4	4	4	5	4.5	3	3	4	4	4
Class A Euribor cap strike	0.0%-3.0%	0.2%-3.0%	0.6%-3.75%	0.2%-1.6%	0%-0.75%	0.2%-1.6%	0.6%-3.75%	0.3% - 2.5%	N/A	0.4% - 2.5%	0.25%-1.5%	0.3%
Class A												
% of GBV	22.7	27.6	23.6	26.3	16.7	23.2	23.5	26.8	5.7	21.1	19.5	18.2
Credit enhancement	77.3	72.4	76.4	73.7	83.3	76.8	75.5	73.2	94.3	78.9	80.5	81.8
Class B												
% of GBV	2.7	5.6	2.9	2.72	3.5	1.5	3.5	4	0.7	4.9	3	3.1
Credit enhancement	74.7	66.8	73.5	70.98	79.9	75.3	73	77.2	99.3	74	77.5	78.7
Final rating at closing												
Class A	BBB	A-	BBB	BBB	BBB	BBB	BBB	BBB+	BBB+	BBB+	BBB	BBB-
Class B	NR	B+	NR	CC	NR	NR	NR	B-	BB	NR	NR	B+

* Weighted average seasoning includes Scope's qualitative adjustment driven by the special servicer's superior capacity to treat unsecured loans compared to an originator.



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