

MARKET WATCH
NPL 

July 2022

The dynamics and riskiness of Eba-compliant moratoria loans.

Flash update

Key Messages and Numbers.

This Npe Market Watch flash update examines the characteristics and riskiness of Eba-compliant moratoria loans at European level. The data of important European banks were examined based on the Eba (European Banking Authority) requirements in order to use homogenous and comparable data.

**580
BN€**

The peak of Eba-compliant moratoria loans in the banks of the European Union. The temporal dynamics show a constant reduction in 2021, in both the Household and Business segments, with a decrease of 65% already in the first quarter of '21.

20%

The incidence of stage 2 of EU moratoria loans at the moment of the peak at (€ 580bn) in December 2020. The trend in non-performing shows, starting from the 2nd quarter of 2021, an increase in volumes still on moratorium (the figure of December '21 was referable only to 12 billion €).

**25% /
6,1%**

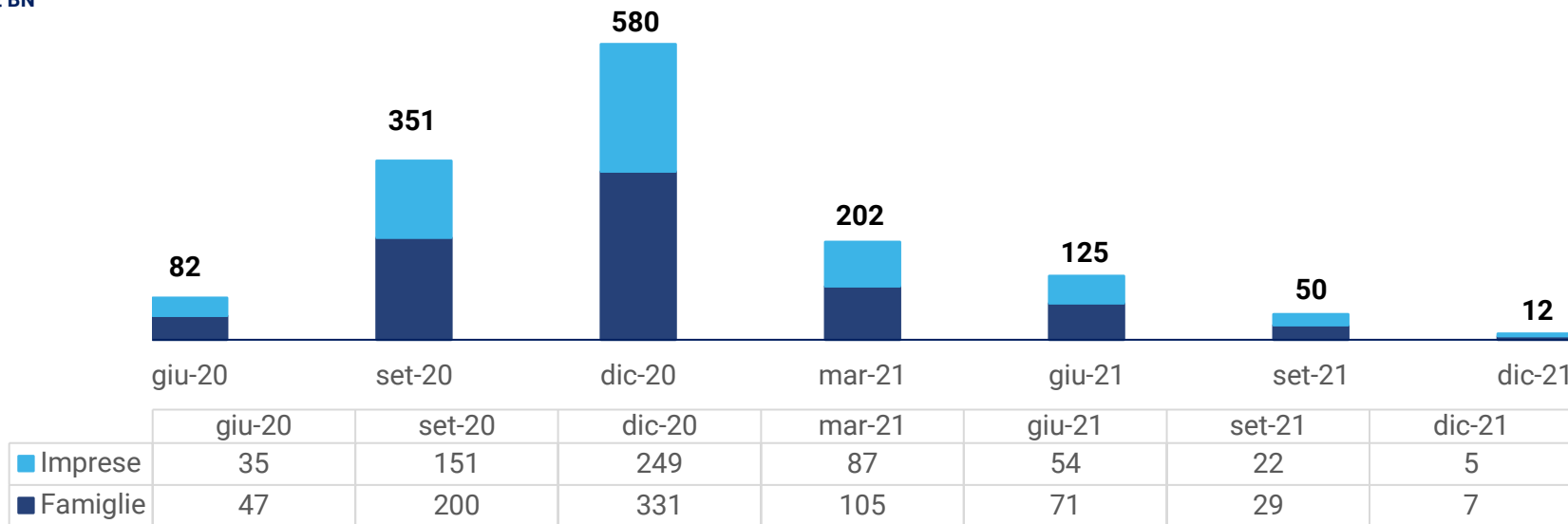
The stage 2 fee and the Npe ratio of the ex-moratoria credits at the end of the 1st quarter 2022 after the closure of the moratoria procedure, the credits that were subject to them show a higher riskiness than the average of EU loans, both in terms of stage 2 (25% vs 9%) and in the Npe ratio (6.1% vs 1.9%).

3,2%

The incidence of Eba-compliant moratoria loans on the total amount of loans is limited and equal to 3.2%. The limited weight makes the impact on the overall risk limited at the moment (Q1 2022): excluding the ex-moratorium the Npe ratio EU, for example, would go from 1.9% to 1.8%.

The dynamics of Eba-compliant moratoria loans in EU banks show a constant reduction in 2021, in both the Household and Company segments, with a drop of 65% already in the first quarter of '21.

EBA-COMPLIANT MORATORIA LOANS (SUPPORT MEASURES RELATED TO THE PANDEMIC CRISIS) IN THE EUROPEAN UNION - EBA PERIMETER: ONLY SIGNIFICANT BANKS - € BN

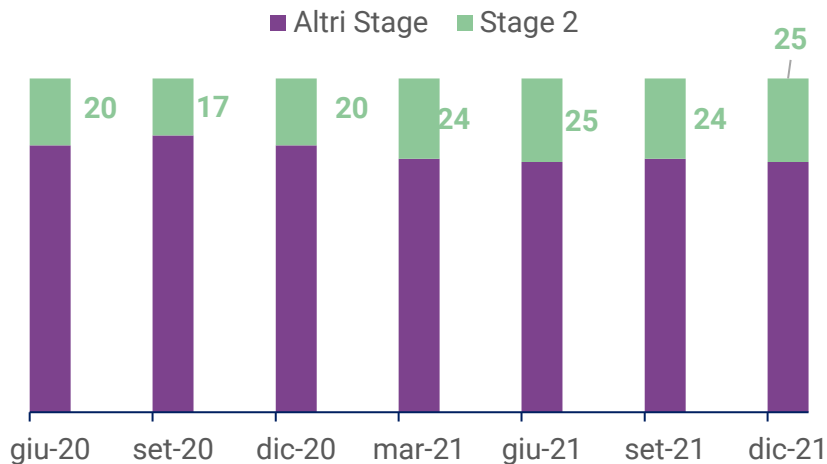


SOURCE: Banca Ifis Research Department elaborations on the EBA "Risk Dashboard" report.

20% the incidence of stage 2 of EU loans on Eba-compliant moratoria at the moment of the peak at (580 bn€) in December 2020. The trend of non-performing shows, starting from the 2nd quarter of 2021, an increase in the volumes remaining on the moratorium (the figure for December '21 was referable only to 12 bn€).

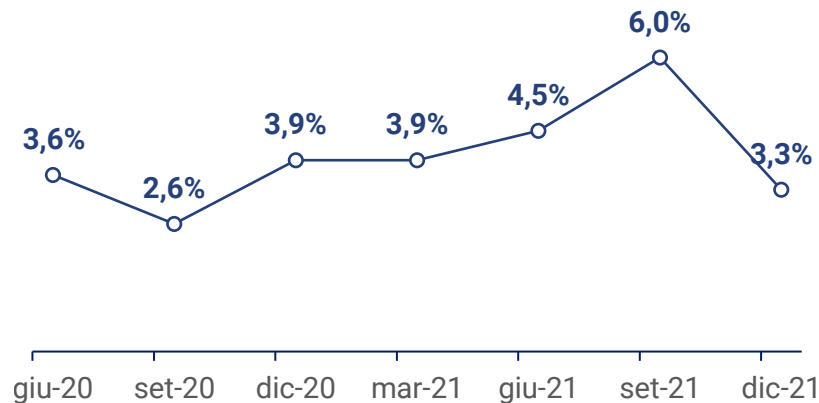
QUOTA STAGE 2

EBA-COMPLIANT MORATORIA LOANS (SUPPORT MEASURES RELATED TO THE PANDEMIC CRISIS) IN THE EUROPEAN UNION - EBA PERIMETER: ONLY SIGNIFICANT BANKS - PERCENTAGE



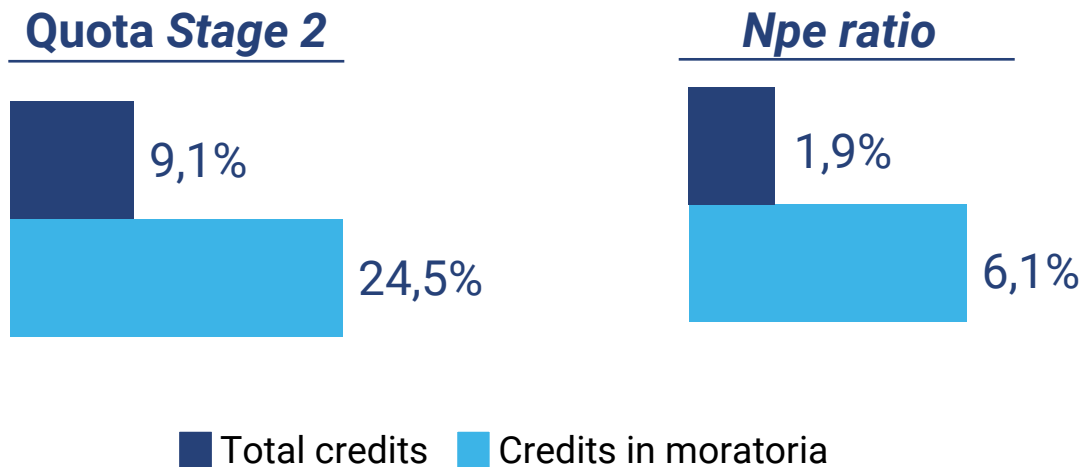
Npe RATIO

EBA-COMPLIANT MORATORIA LOANS (SUPPORT MEASURES RELATED TO THE PANDEMIC CRISIS) IN THE EUROPEAN UNION - EBA PERIMETER: ONLY SIGNIFICANT BANKS - PERCENTAGE



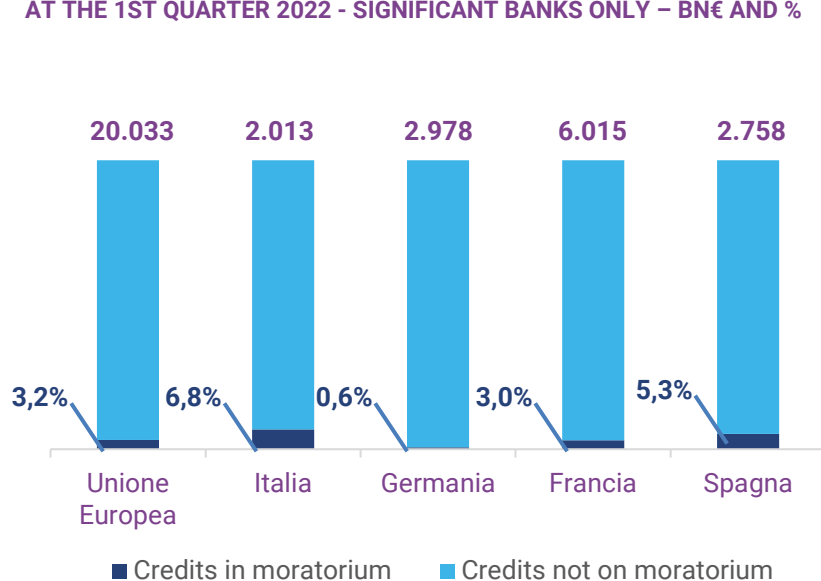
At the end of the 1st quarter of 2022 the loans that were subject to Eba-compliant moratoria show a higher riskiness than the average of EU loans, both in terms of quota stage 2 (25% vs 9%) and in the Npe ratio (6.1% vs 1.9%).

TOTAL LOANS AND EBA-COMPLIANT MORATORIA LOANS AT THE 1ST QUARTER 2022 - SIGNIFICANT BANKS ONLY - PERCENTAGES

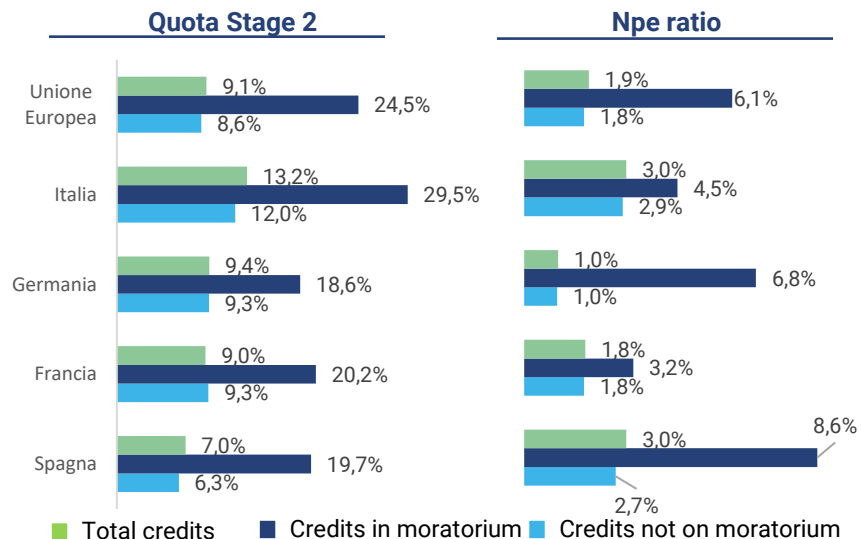


The limited incidence (3.2% EU average) of Eba-compliant moratoria loans, compared to the total amount of loans, makes the impact on overall risk limited almost at the moment (Q1 2022): excluding the Eba-compliant moratoria loans, the Npe ratio EU, for example, would go from 1.9% to 1.8%.

TOTAL LOANS AND INCIDENCE OF EBA-COMPLIANT MORATORIA LOANS AT THE 1ST QUARTER 2022 - SIGNIFICANT BANKS ONLY – BN€ AND %



STAGE 2 AND NPE RATIO TOTAL LOANS AND EBA-COMPLIANT MORATORIA LOANS AT THE 1ST QUARTER 2022 - SIGNIFICANT BANKS ONLY - %



General Statement.

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