

MARKET WATCH
NPL 

May 2026

Npl Transaction Market and Servicing Industry

*Actual Report 2025 and
Forecast 2026–2027*

 Banca Ifis

Reference Scenario - Overview

Focusing on 2025, non-performing credit continues to exhibit significant heterogeneity across EU countries. At the European Union level, the stock of Npls at year-end 2025 amounts to €371 billion (+€14 billion compared with Q1 2023), with an Npl ratio of 1,82%, showing a slight downward trend. Credit deterioration affects both corporates and households; however, only the corporate segment shows a worsening when measured against outstanding exposures. Polarization remains pronounced: Italy and Spain continue to reduce Npl levels, while France and Germany record further increases. Stage 2 exposures indicate higher forward-looking credit risk in Germany and relative stability in the other countries.

In Italy, credit deterioration is in a containment phase. Compared with the September 2025 edition, the year-end credit deterioration rate stands at 1.04%, showing a marginal improvement (-4 bps versus Q3 2025). A general decline in deterioration rates is observed across all sectors, with the exception of Trade, Agriculture and Professional Services. The stock of Npls reaches €49 billion at the end of 2025, with an Npl ratio of 2,6%, expected to further decline to 2,5% by 2027.

The Npl transaction market remains dynamic: in 2025, total transactions amounted to €22 billion, in line with previous forecasts. Transactions are increasingly focused on granular and unsecured portfolios, while the secondary market, although still relevant, declines to 47% of total volumes (-10 p.p. compared with 2024). Deal analysis highlights a compression in average ticket size, driven by the concentration of secondary market volumes in small-ticket unsecured retail exposures, efficiency gains in the primary market on the same target segment, and an increase in single-name transactions. Overall, more than €100 billion has been invested in the Npl market between 2015 and 2025, with a significant increase in the market value-to-GBV ratio, signaling an industry that has consistently believed in the long-term potential of this asset class.

The distressed credit industry shows an improvement in recovery performance. Final 2025 data indicate an increase in recoveries from 3,1% to 3,8%, alongside a reduced reliance on judicial procedures (from 74% to 71%). The structural reduction of the Npl stock continues: between the 2015 peak and 2027, the expected cumulative decline amounts to €108 billion, confirming the effectiveness of the management, restructuring and disposal strategies implemented in recent years.

Finally, the adoption of Artificial Intelligence continues to accelerate. Compared with the September 2025 monitoring exercise, both the number of operators involved (+7) and the number of active projects (+20) have increased. The main areas of application include predictive analytics, documentation and compliance, and credit management, further consolidating AI's role as a strategic lever for efficiency and competitiveness.

The Key Messages (1/3)

Non-performing exposures in the banking sector of the European Union

An increasingly polarized continental market

- From the trough recorded in Q1 2023, the stock of Npls has increased by €14 billion, with the Npl ratio rising by 7 bps. In Q4 2025, non-performing exposures declined again (-€3 billion), following the increase recorded in Q3 2025. In terms of the Npl ratio, the figure remains broadly stable, with a slight improving trend
- Compared with early 2023, both Corporate (+6%) and Household (+3%) non-performing exposures have increased in absolute terms. However, when measured against total lending, the Npe ratio rises only for the Corporate segment (+7 bps compared with Q1 2023)
- Looking at the four main EU countries by Npl stock, impaired exposures have decreased over the past two years in Italy and Spain, while they have increased in France and Germany. Data for the latest available quarter (Q4 2025) confirm the continuation of this trend
- Compared with Q3 2025, the Spanish Npl stock declined driven by the corporate segment (-€0,2 billion), while France and Germany recorded an increase in corporate Npls (+€1,0 billion and +€0,8 billion, respectively). Real Estate remains a critical segment in Germany, accounting for 50% of total non-performing exposures of German corporates, while in France deterioration also worsened in the Trade sector
- Stage 2 dynamics show a decline across all EU countries compared with 2024. Germany continues to display the highest forward-looking risk among performing exposures, with levels remaining historically elevated at the end of 2024
- The European banking system continues to support the strengthening of Households and Corporates: the overall loan index increased by 3 percentage points over the past 12 months. Growth has been driven by both Households (+2,7% at end-2025) and Corporates (+2,6%)

The Key Messages (2/3)

Deterioration in a phase of containment

The dynamics of non-performing exposures in the Italian banking system

- In Italy, the credit deterioration rate stood at 1,04% at end-2025, showing a slight improvement (-4 bps) compared with the September figure. On a forward-looking basis, the forecast for the 2026–2027 period points to a moderate increase, based on Bank of Italy estimates released on 3 April 2026
- At end-2025, the breakdown by borrower type shows a more pronounced improvement for the Corporate segment (-8 bps), while the rate for Households remains broadly stable. The outlook for the 2026–2027 period points to a slight increase for both segments
- A broad-based improvement in credit deterioration rates is observed across most sectors, with the exception of Trade, Agriculture and Professional Services. In particular, the Construction sector records a very pronounced decline
- Despite stable expectations for inflows, the stock of non-performing exposures at end-2025 amounts to €49 billion, with an Npe ratio of 2.6%, indicating an improvement in the quality of banking assets. Over the next two years, a further reduction to 2.5% is expected

Granular and unsecured portfolios

The Npl and UtP transaction market

- In 2025, Npe transaction volumes reached 22 €billion, in line with the estimates published last September. The secondary market continues to play a significant role, although its share has decreased by around 10 p.p., accounting for 47% of total volumes compared with 57% in 2024
- The analysis of the deals shows a compression of the average ticket, driven by the consolidation of secondary-market volumes in small-ticket retail unsecured portfolios, by efficiency gains in the primary market targeting the same segment, and by the increase in single-name transactions
- Between 2015 and 2025, more than 100 €billion was invested in the Npe market through both primary and secondary transactions, demonstrating the sector's commitment to de-risking. In recent years, the ratio between market value and GBV has increased significantly, driven by operators adopting a medium- to long-term industrial approach

The Key Messages (3/3)

The Npl industry

Recovery effectiveness and shift toward out-of-court solutions

- In line with the September 2025 edition, the cumulative reduction of Npe stock—estimated at 108 €billion between the 2015 peak and 2027—is confirmed, reflecting the long-term effectiveness of the management, restructuring and disposal strategies implemented by market participants
- Compared with previous projections, the 2025 actual data show an improvement in collection capacity, with the recovery rate increasing from 3,1% to 3,8%. This indicates greater effectiveness of recovery processes. At the same time, reliance on judicial actions continues to decline, with their incidence falling from 74% to 71%, highlighting a progressive shift toward out-of-court workout solutions

AI adoption continues to accelerate

The Adoption of AI in the European Npl sector

- At the beginning of 2026, the adoption of Artificial Intelligence (AI) within the European Npl sector continues to accelerate. Compared with the September 2025 monitoring exercise, both the number of operators investing in AI (+7) and the number of announced projects (+20) have increased
- AI is being deployed to enhance operational effectiveness in the market, with predictive analytics emerging as the primary application area. This is followed using AI technologies in documentation and compliance processes, as well as its application in credit management and content generation

01

Non-performing
exposures in the
banking sector of
the European
Union



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From the trough recorded in Q1 2023, the stock of Npls has increased by €14 billion, with the Npl ratio rising by 7 bps. In Q4 2025, non-performing exposures declined again (-€3 billion), following the increase recorded in Q3 2025. In terms of the Npl ratio, the figure remains broadly stable, with a slight improving trend

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

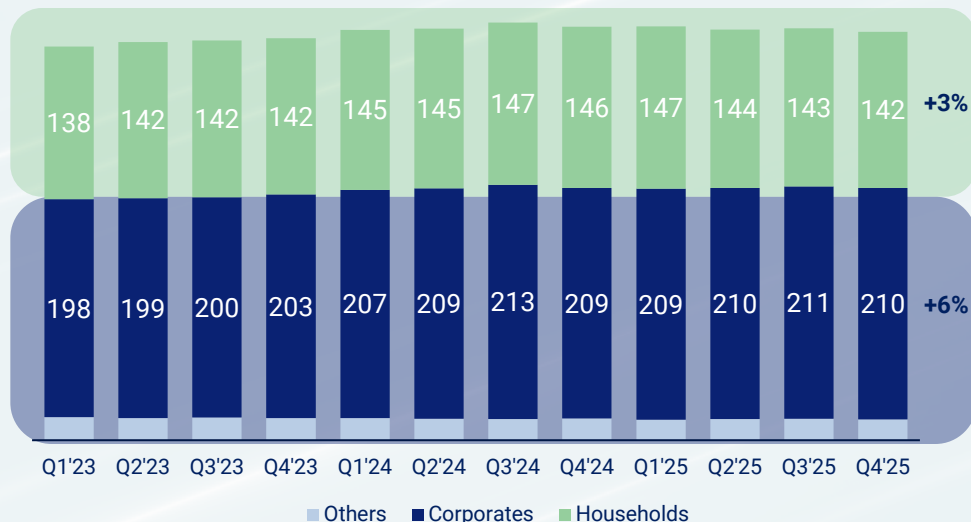


SOURCE: Banca Ifis Research Department elaborations on EBA "Risk Dashboard" report, Npl ratio based on a weighted average.

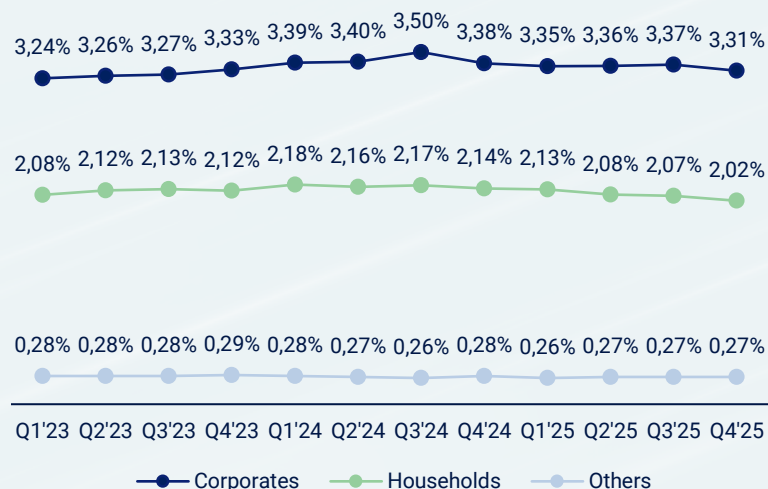
NOTE*: the figures exclude the values of the United Kingdom, which ceased to be a member of the European Union in 2020. Note that in the EBA report the terms impaired exposures (Npe) and impaired loans (Npl) are used interchangeably. The computation of the Npe ratio and Default rate of the Eurozone considers 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

Compared with early 2023, both Corporate (+6%) and Household (+3%) non-performing exposures have increased in absolute terms. However, when measured against total lending, the Npe ratio rises only for the Corporate segment (+7 bps compared with Q1 2023)

EU NON-PERFORMING LOANS (NPE) IN BANK FINANCIAL STATEMENTS, HOUSEHOLDS AND CORPORATES – ONLY SIGNIFICANT EBA BANKS - €BLN, %

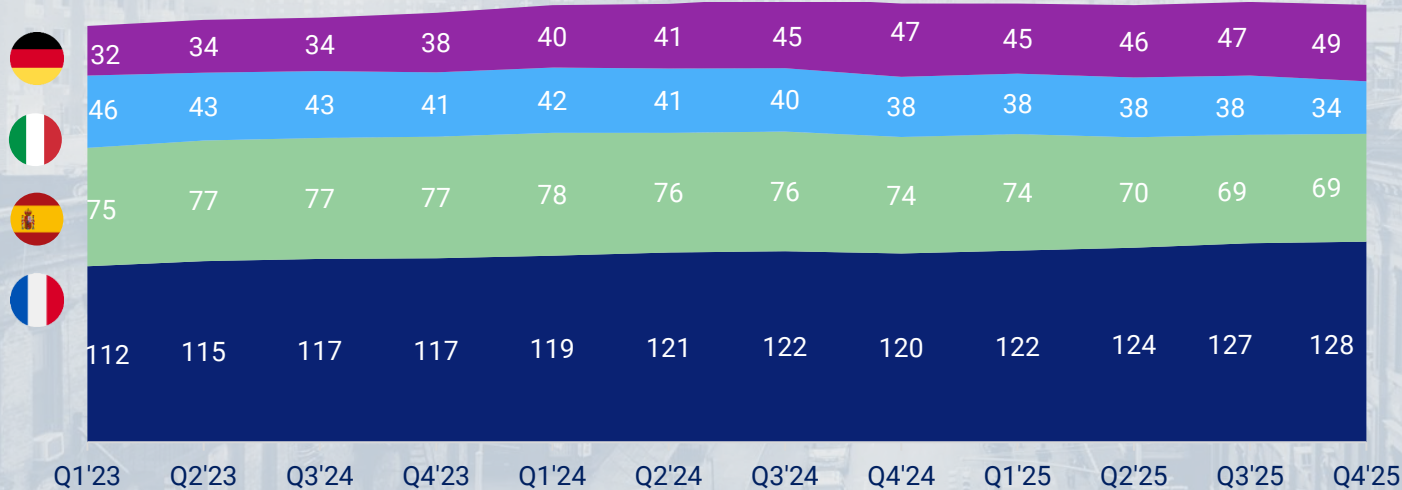


EU GROSS NPE RATIO IN BANK FINANCIAL STATEMENTS, HOUSEHOLDS AND CORPORATES – ONLY SIGNIFICANT EBA BANKS - €BLN, %



Looking at the four main EU countries by Npl stock, impaired exposures have decreased over the past two years in Italy and Spain, while they have increased in France and Germany. Data for the latest available quarter (Q4 2025) confirm the continuation of this trend

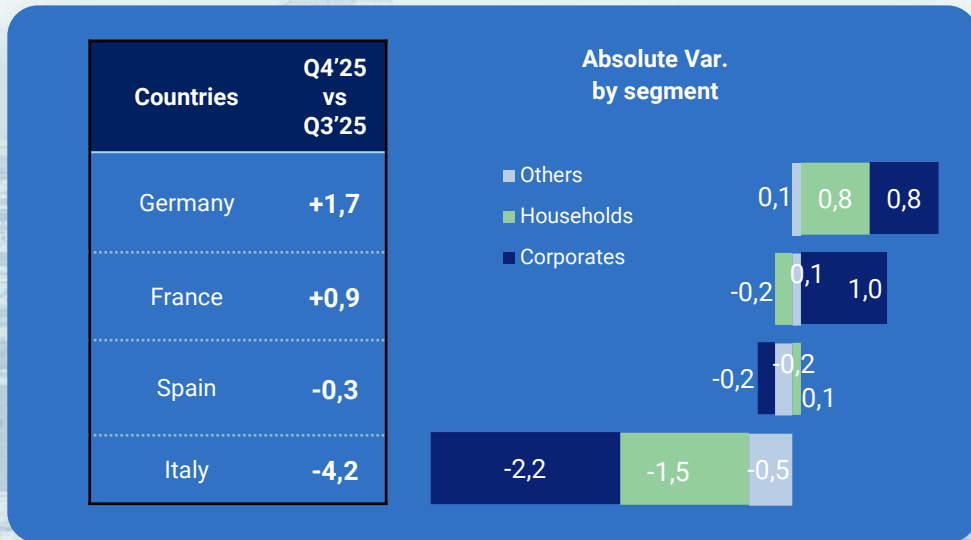
EU NON-PERFORMING LOANS (IMPAIRED LOANS) IN BANK FINANCIAL STATEMENTS, GROSS NPE RATIO - ONLY SIGNIFICANT EBA BANKS - €BLN, %




Change in Npe stock Q4'25 vs Q1'23 e Q3'25 - €bln		
Countries	Q4'25 vs Q1'23	Q4'25 vs Q3'25
Germany	+16,9	+1,7
France	+15,6	+0,9
Spain	-6,8	-0,3
Italy	-12,5	-4,2
Others Countries	+0,2	-1,4
Europe	+13,4	-3,3

Compared with Q3 2025, the Spanish Npl stock declined driven by the corporate segment (-€0,2 billion), while France and Germany recorded an increase in corporate Npls (+€1,0 billion and +€0,8 billion, respectively). Real Estate remains a critical segment in Germany, accounting for 50% of total non-performing exposures of German corporates, while in France deterioration also worsened in the Trade sector

CHANGE IN NPE STOCK, Q4'25 VS Q3'25, HOUSEHOLDS AND CORPORATES – €BLN, %



Driver sectors of Npe stock variation for corporates by country

 The increase in the German Npl stock is mainly attributable to the **Real Estate** sector (+21% compared with Q3 2025), which accounts for 50% of total non-performing corporate exposures in the country

 The increase in total non-performing exposures in France is mainly attributable to the **Trade** sector (+51%) and the **Real Estate** sector (+43%)

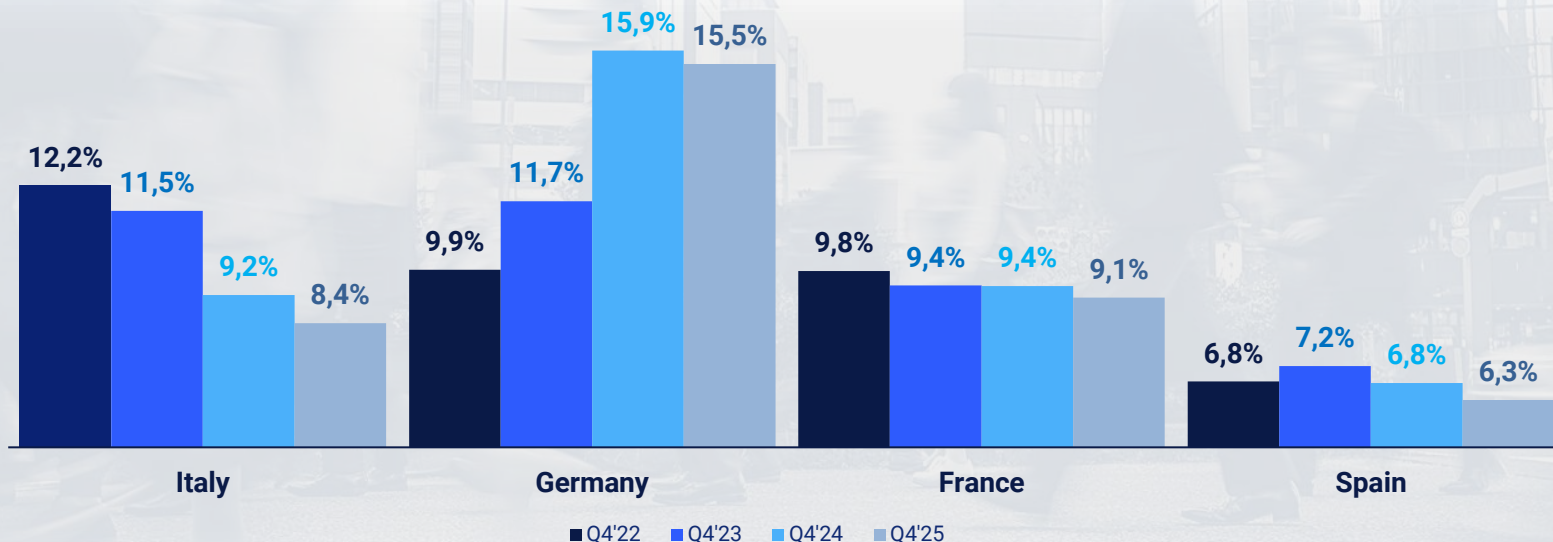
Corporate share of total variation

-----> 47%

-----> 100%*

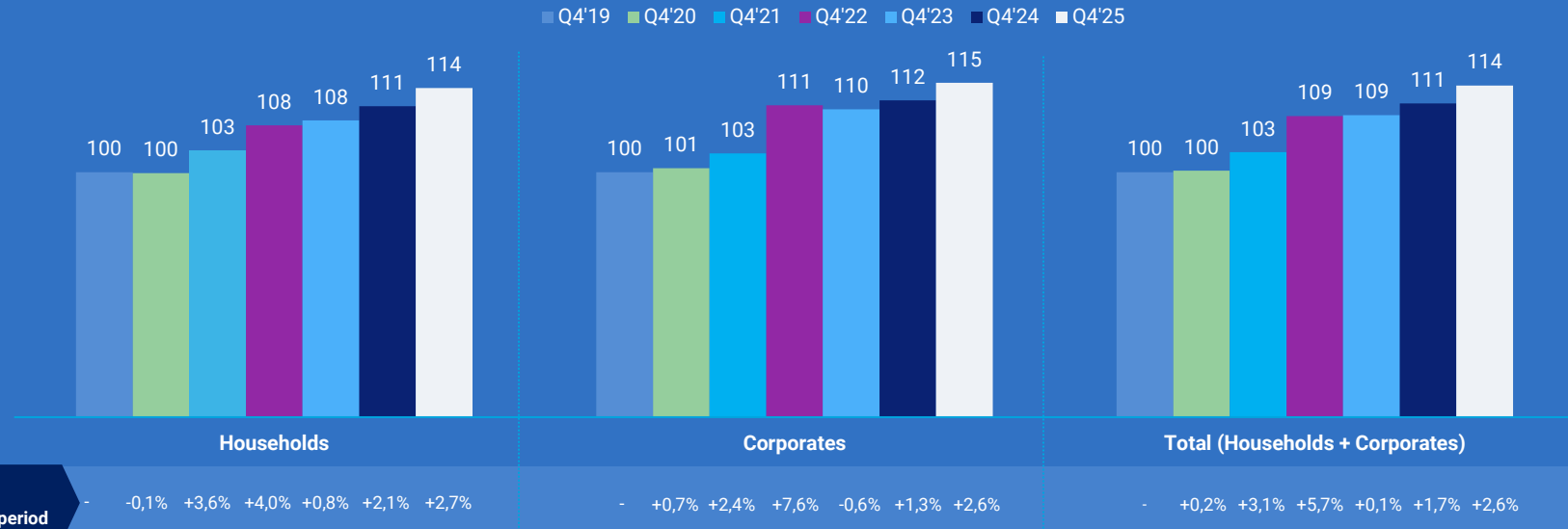
Stage 2 dynamics show a decline across all EU countries compared with 2024. Germany continues to display the highest forward-looking risk among performing exposures, with levels remaining historically elevated at the end of 2024

INCIDENCE OF STAGE 2 LOANS ON CUSTOMER LOANS – EBA SIGNIFICANT BANKS – PERCENTAGE VALUES



The European banking system continues to support the strengthening of households and corporates: the overall loan index increased by 3 percentage points over the past 12 months. Growth has been driven by both Households (+2,7% at end-2025) and Corporates (+2,6%)

EU LOANS (EX. UK) IN BANK FINANCIAL STATEMENTS - EBA SIGNIFICANT BANKS ONLY - BASE 100 = Q3 2019 - ROLLING PERCENTAGE CHANGE OVER PREVIOUS 12 MONTHS



02

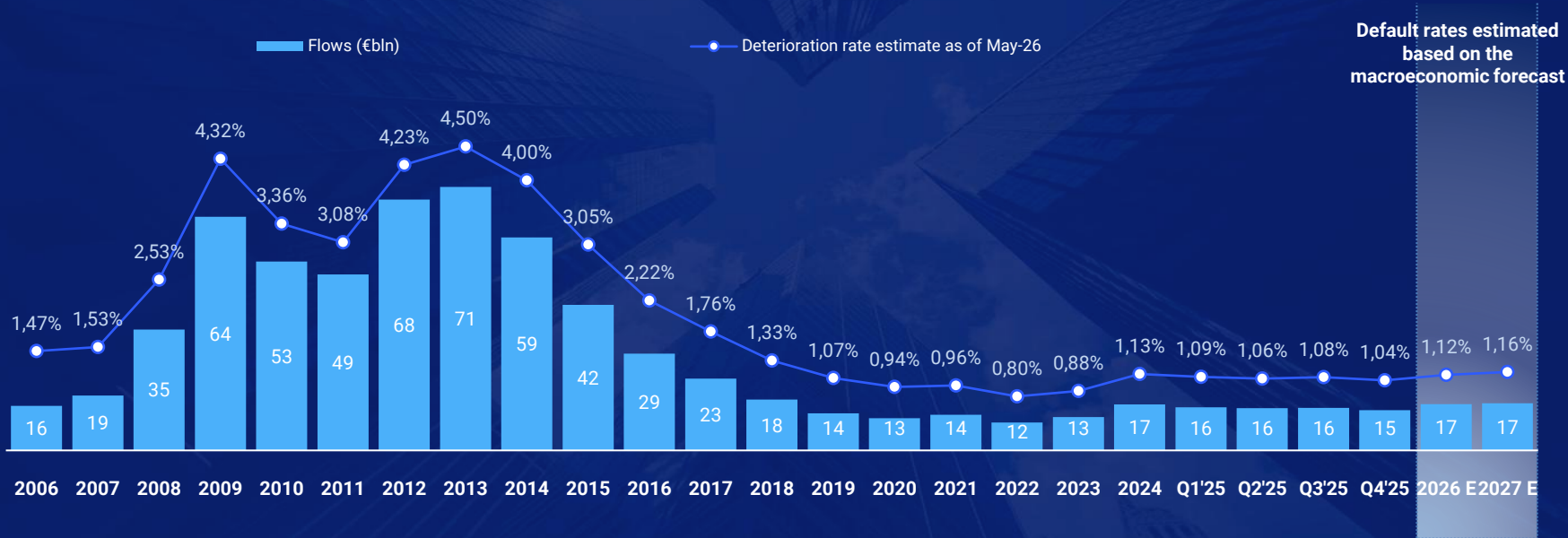
The dynamics of
non-performing
exposures in the
Italian banking
system

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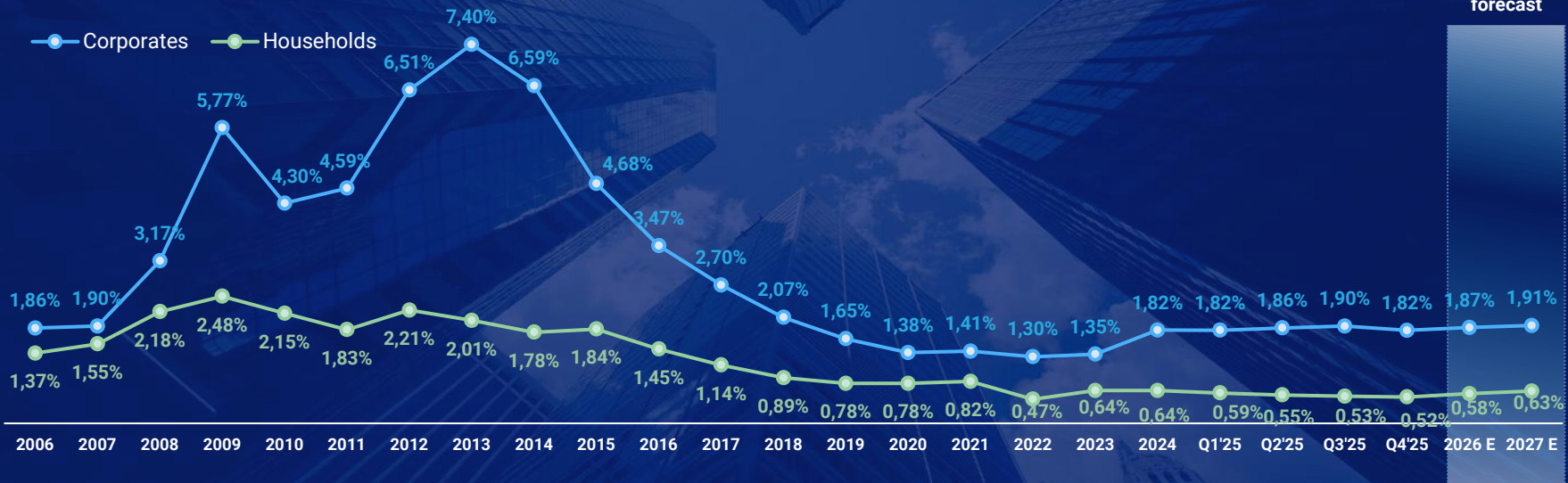
In Italy, the credit deterioration rate stood at 1,04% at end-2025, showing a slight improvement (-4 bps) compared with the September figure. On a forward-looking basis, the forecast for the 2026–2027 period points to a moderate increase, based on Bank of Italy estimates released on 3 April 2026

➤ ANNUAL FLOWS OF NEW DEFAULTING LOANS AND LOAN DETERIORATION RATE (DEFAULT RATE) RESIDENTS ONLY - €BLN, %



At end-2025, the breakdown by borrower type shows a more pronounced improvement for the Corporate segment (-8 bps), while the rate for Households remains broadly stable. The outlook for the 2026–2027 period points to a slight increase for both segments

DETERIORATION RATE BY DEBTOR CATEGORY - RESIDENTS ONLY - %



Default rates estimated based on macroeconomic forecast

A broad-based improvement in credit deterioration rates is observed across most sectors, with the exception of Trade, Agriculture and Professional Services. In particular, the Construction sector records a very pronounced decline

LOANS AND DETERIORATION RATE OF CORPORATES BY PRODUCTIVE SECTOR, RESIDENT ONLY – €BLN, %

Deterioration rate 2023 - %

1,3

2,0

2,0

1,7

1,4

1,6

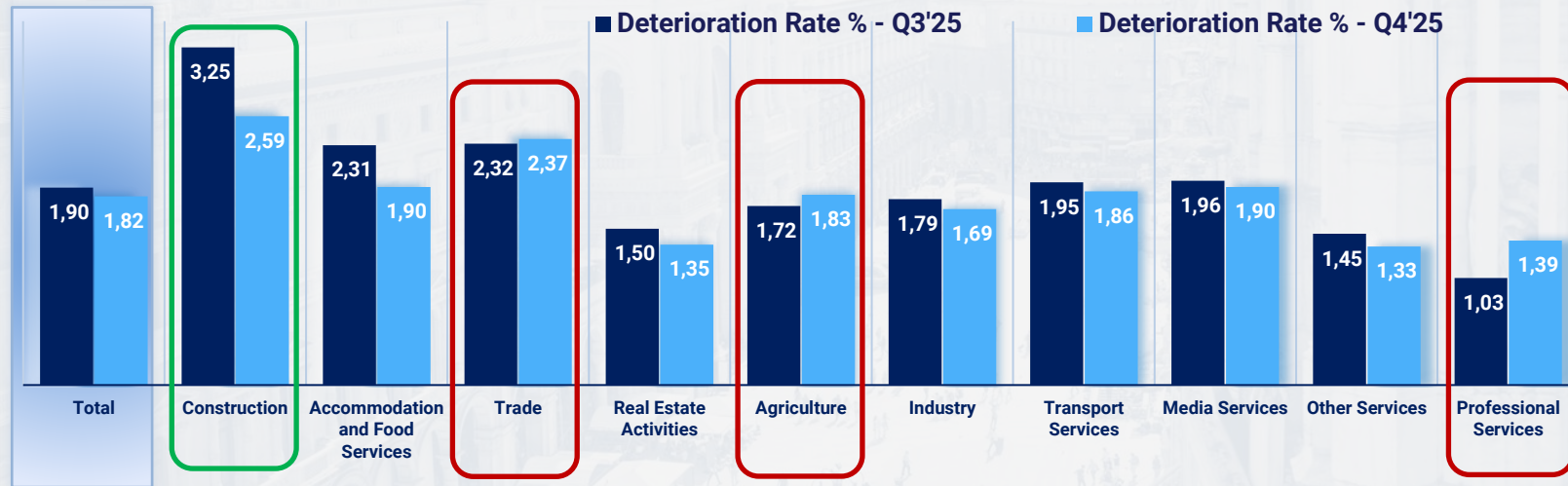
1,1

1,1

0,8

1,2

0,8



Loans Q4'25

670,4 €bln

8%

4%

18%

8%

5%

33%

5%

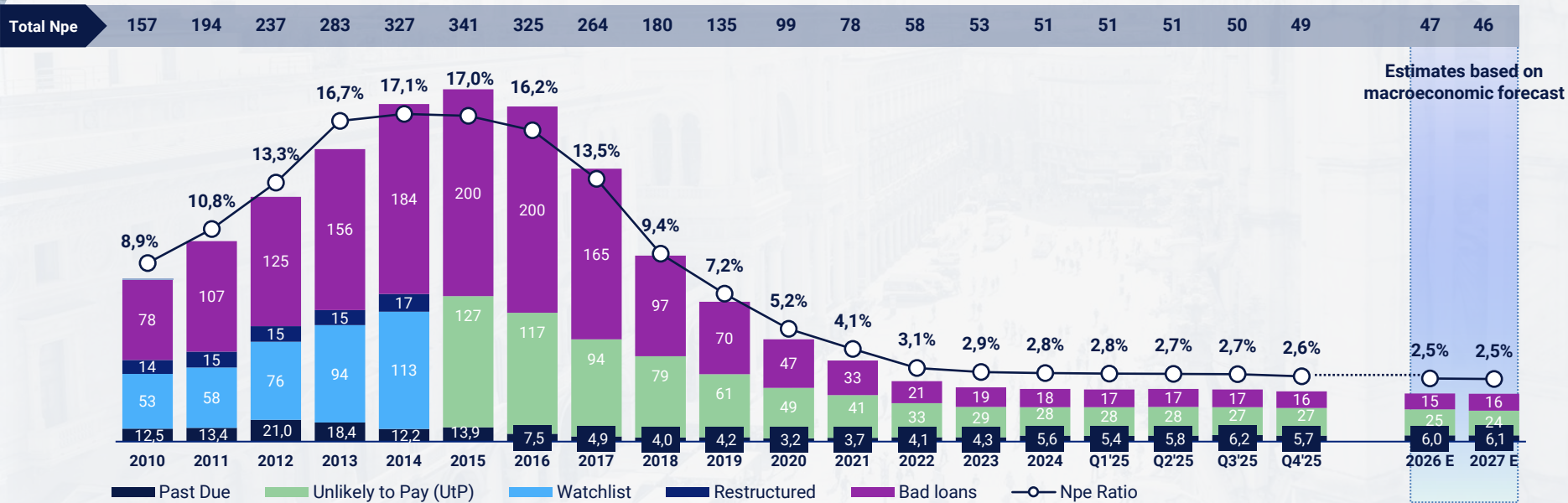
3%

7%

8%

Despite stable expectations for inflows, the stock of non-performing exposures at end-2025 amounts to €49 billion, with an Npe ratio of 2.6%, indicating an improvement in the quality of banking assets. Over the next two years, a further reduction to 2.5% is expected, thanks to the substantial stability of new Npe inflows and the continued activity of the Npl transaction market

GROSS BANK'S NPE OF RESIDENT AND NON-RESIDENT DEBTORS AND NPE RATIO - CLASSIFICATION OF BAD LOANS UPDATED IN 2015 - €BLN, %



Estimates based on macroeconomic forecast

After two years of contraction, lending to Corporates has resumed growth, while Household loans have continued the positive trend observed since 2024. Looking over a longer horizon, while Household lending has been on a sustained upward trajectory since 2021, Corporate lending has experienced a significant decline

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



03

The Npl and UtP transaction market

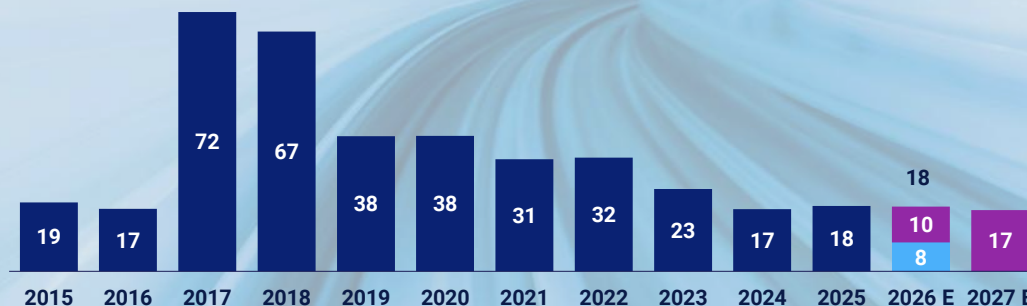
In 2025, Npe transaction volumes reached 22 €bln, in line with the estimates published last September. The significant role of the secondary market is confirmed, although its share has decreased by around 10 percentage points (47% compared with 57% in 2024)

NPL & UTP TRANSACTION MARKET TREND - €BLN, %

UtP €bln



Npl €bln



% GACS on Npl

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

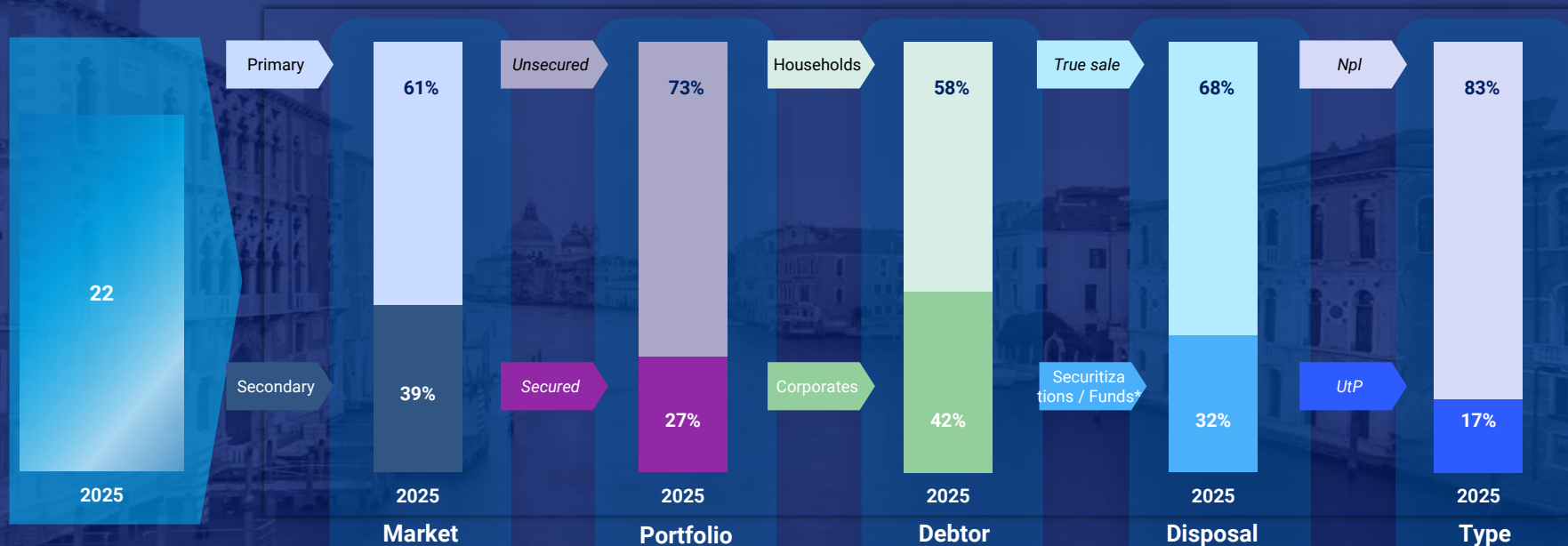
% Secondary market on Npl

31% 51% 4% 2% 24% 23% 32% 28% 67% 57% 47% 52% 53%

In final terms, 2025 Npl transaction volumes in the Italian market are supported by unsecured loans and by the Households segment

NPE TRANSACTIONS
- €BLN

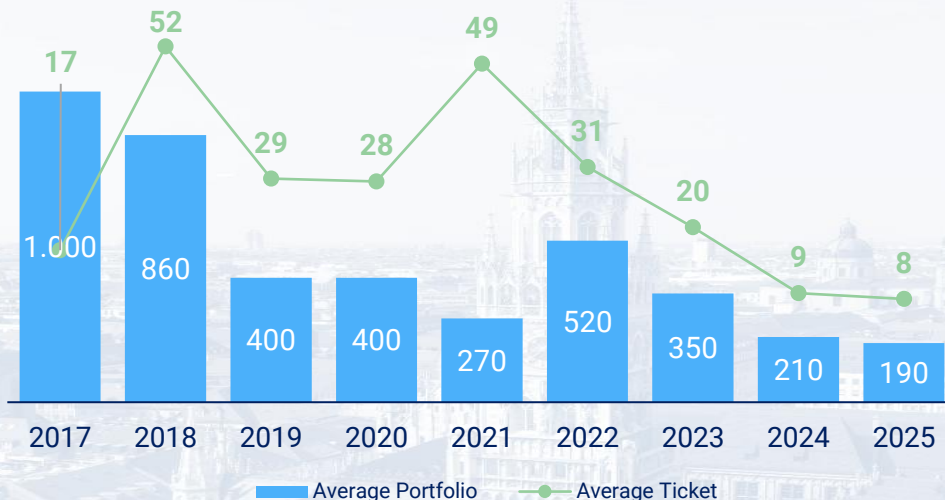
ESTIMATED TOTAL NPE TRANSACTIONS IN 2025 BY MARKET TYPE, PORTFOLIO, DEBTOR, TYPE OF DISPOSAL
AND TYPE OF IMPAIRMENT - €BLN, %



The progressive reduction in portfolio sizes is consistent with the decline of non-performing exposures on bank balance sheets and with the disappearance of jumbo transactions.

The analysis of the deals shows a compression of the average ticket, driven by the consolidation of secondary-market volumes in small-ticket retail unsecured portfolios, by efficiency gains in the primary market targeting the same segment, and by the increase in single-name transactions

OVERALL NPE MARKET – AVERAGE PORTFOLIO SIZE AND AVERAGE TICKET – €MLN



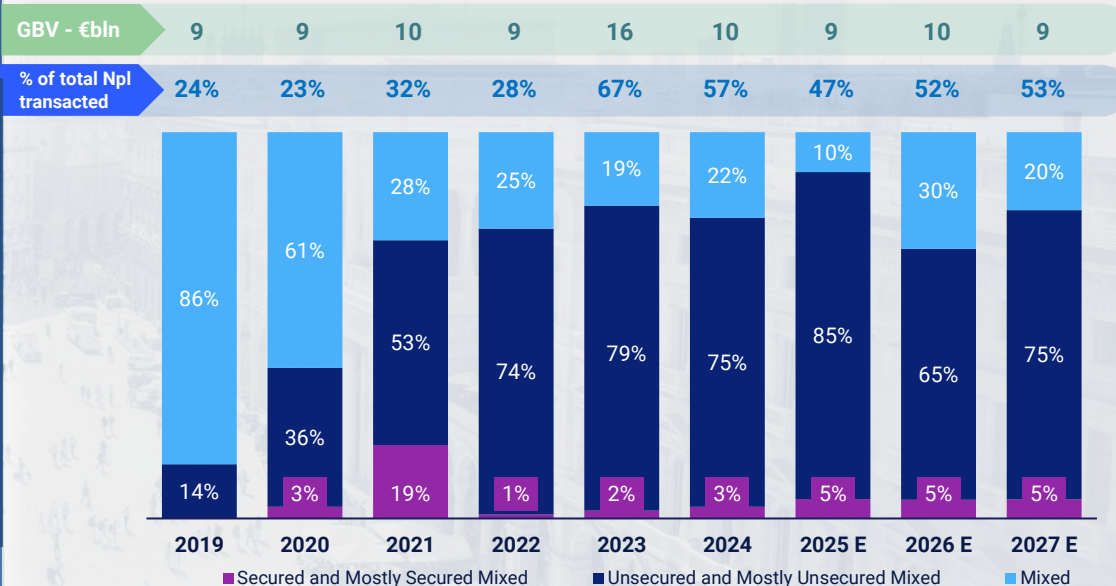
- **Reduction in deal size:** the average GBV of transacted portfolios has decreased from approximately **1 €bln** to around **190 €mln**, marking a shift from jumbo deals to more granular, higher-quality portfolios
- **Compression of the average ticket:** a structurally declining trend, driven by the growing prevalence of Retail **Unsecured portfolios** with lower unit values

In the secondary market as well, the predominance of unsecured portfolios emerges in terms of transacted volumes

The market has shown active management and portfolio repositioning strategies among the main operators.

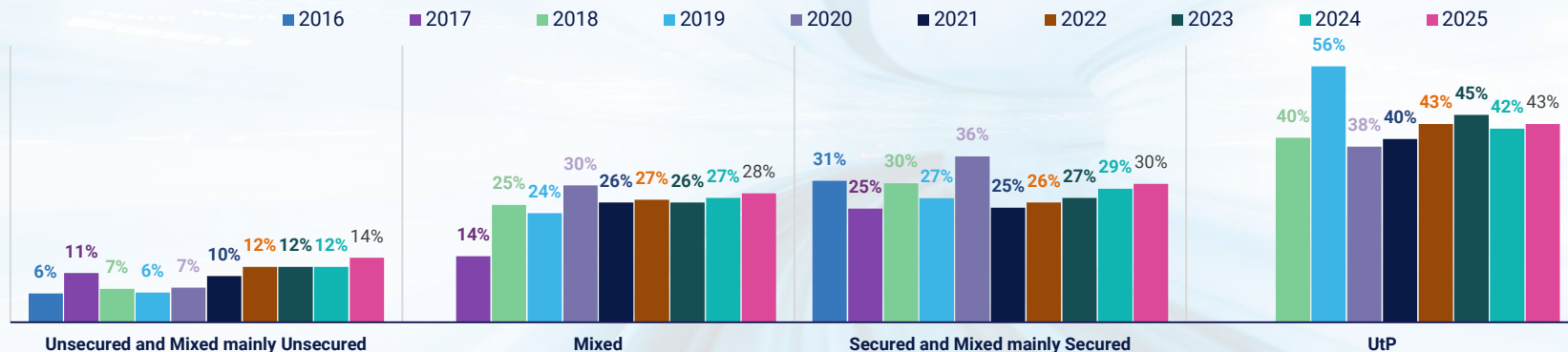
Looking ahead, the continuation of these transactions appears likely, supported by the gradual strengthening of a base of buyers specialized in the secondary segment

NPL TRANSACTIONS ON THE SECONDARY MARKET BY PORTFOLIO TYPE – €BLN, %



Portfolio prices are generally increasing, driven by the heightened competitiveness of a market characterized by lower volumes and by fresher assets compared to transactions on the primary segment. No changes compared with the previous forecast

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



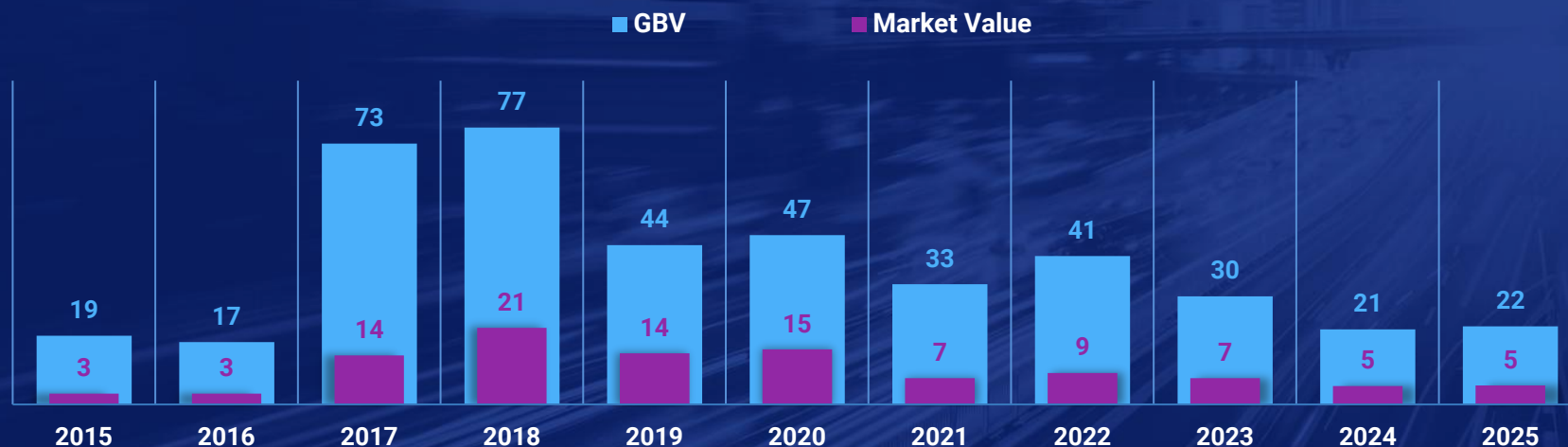
Unsecured: The increase in average values reflects a structural improvement in the underlying asset mix. On one hand, the growing weight of more recent exposures—often included in forward-flow programs—supports recovery potential; on the other, the presence of loans guaranteed by the MCC, although residual in terms of volumes, positively influences overall pricing levels

Secured and mixed portfolios: The increase in values is primarily attributable to a mix of more recent exposures and to operating sizes that are smaller than in the past. The rebalancing between supply and demand has been made possible by improvements in servicers' operational efficiency, achieved through cost-containment measures and the expansion of both judicial and out-of-court recovery strategies

UtP: Price dynamics show a high degree of heterogeneity, reflecting the specific characteristics of each portfolio involved in the transaction

Between 2015 and 2025, more than 100 €bln was invested in the Npe transaction market through both primary and secondary deals, demonstrating the sector's strong commitment to de-risking. In recent years, the ratio between market value and GBV has increased significantly, driven by operators adopting a medium- to long-term industrial approach

GBV OF NPE PORTFOLIOS AND ESTIMATED MARKET VALUE – €BLN



SOURCE: Banca Ifis Npl Market Database – Press Releases and News – Banca Ifis Internal Estimates

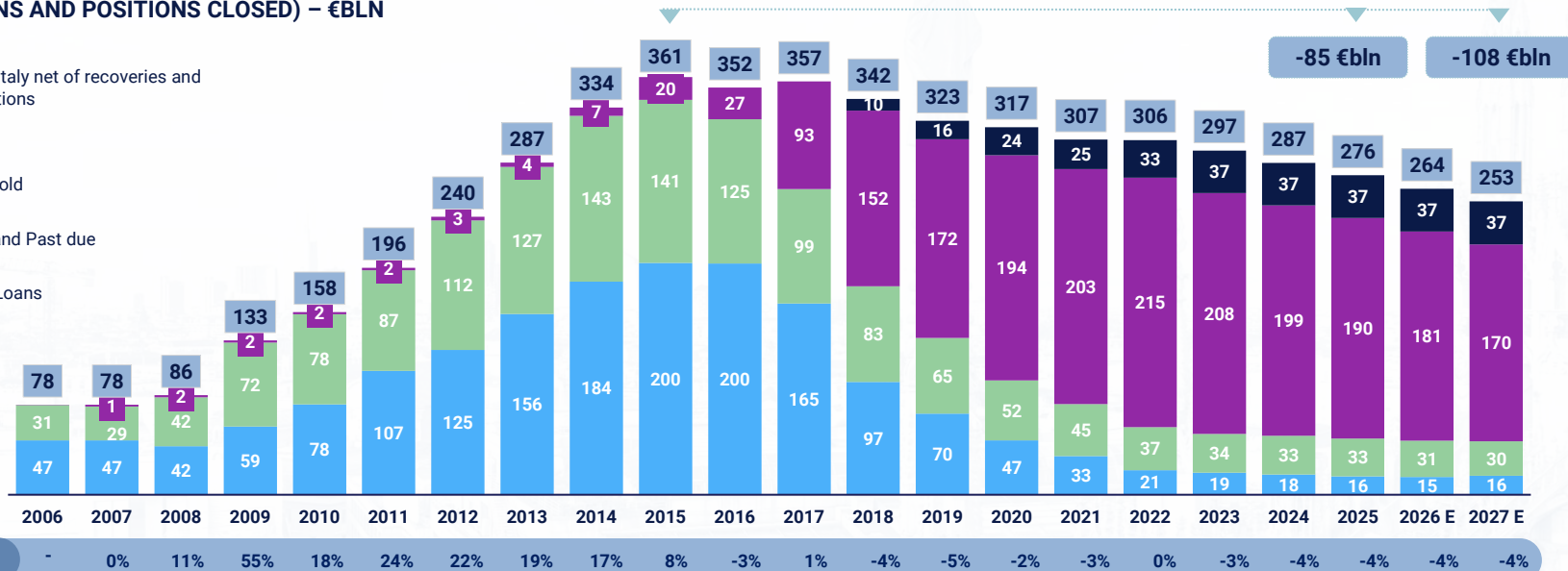
04

The Npl industry

In line with the September 2025 edition, the cumulative reduction of Npe stock—estimated at 108 €billion between the 2015 peak and 2027—is confirmed, reflecting the long-term effectiveness of the management, restructuring and disposal strategies implemented by market participants

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

- Total Npes Italy net of recoveries and closed positions
- UtPs sold
- Bad debts sold
- Banks UtP and Past due
- Banks Bad Loans



SOURCE: Banca Ifis Research Department internal estimates from Banca Ifis's Npl Market Database, the Bank of Italy, Unirec and service budgets
 NOTES: Normalised data. The new definition of default harmonised at European level has been in force since January 2021. The data includes transactions with total customers of resident and non-resident subjects, excluding interbank relations

Compared with the forecasts published last September, the final 2025 data show an improvement in cash-collection capacity, with the recovery rate rising from 3,1% to 3,8%, indicating greater effectiveness of recovery processes. At the same time, the incidence of judicial actions has decreased, with their incidence falling from 74% to 71%, signaling a progressive shift toward out-of-court solutions

TREND IN GROSS COLLECTION INCIDENCE AND RECOVERY RATE OF 44 SECURITIZATIONS RATED BY SCOPE – %

#44

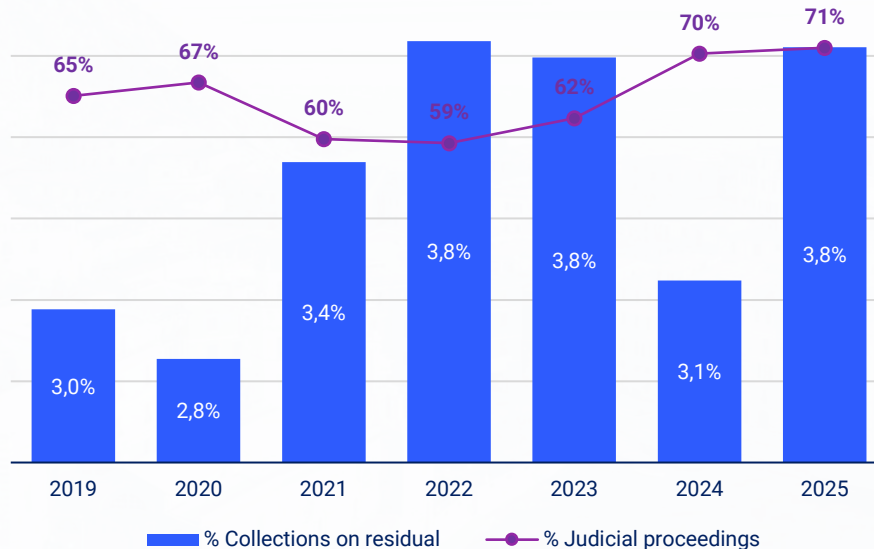
Number of securitizations rated by Scope since 2017

95 €bln

The total GBV of the 44 portfolios

19%

Estimated impact of cumulative collections on GBV



Possible reasons for the decline in judicial recoveries

- **Delays in the courts**
 - Slowdowns due to delays in the Italian judicial system, caused by workload pressures, judicial recesses, or strikes
 - The progressive digitalization of the courts is still ongoing
- **Exhaustion of the "easier" cases**
 - The older securitizations have already recovered the simpler positions, including through out-of-court resolutions
 - The portfolios currently under management consist of the more complex positions, which require longer execution timelines
- **Regulatory or procedural changes**
 - Legislative changes or new judicial interpretations may slow down enforcement processes

SOURCE: Banca Ifis Research Department elaboration based on Scope Report 'Italian Npl Collections – November 2025'

05

The adoption of
AI in the
European Npl
sector



Banca Ifis



At the beginning of 2026, the adoption of Artificial Intelligence (AI) within the European Npl sector continues to accelerate. Compared with the September 2025 assessment, both the number of operators investing in AI (+7) and the number of announced projects (+20) have increased

AI IN THE NPL MARKET- KEY FIGURES

24 **+7** vs. September 2025 monitoring

Number of European Npl operators (servicers, banks, and providers) with active AI initiatives

67 **+20** vs. September 2025 monitoring

Number of AI initiatives announced by Npl operators

~3

Number of AI projects per Npl operator

KEY APPLICATION AREAS OF AI

Predictive analytics



Forecasting the **evolution of Non-performing loans** using Machine Learning models

Documentation /Compliance



Administer and verify **document compliance** in accordance with applicable legal and regulatory frameworks

Chatbot / Virtual Assistant



Streamline debtor engagement through automated, **real-time response and support systems**

Early warning



Detect early risk indicators to proactively mitigate credit deterioration

Credit management/scoring



Assess creditworthiness by leveraging financial and behavioral data

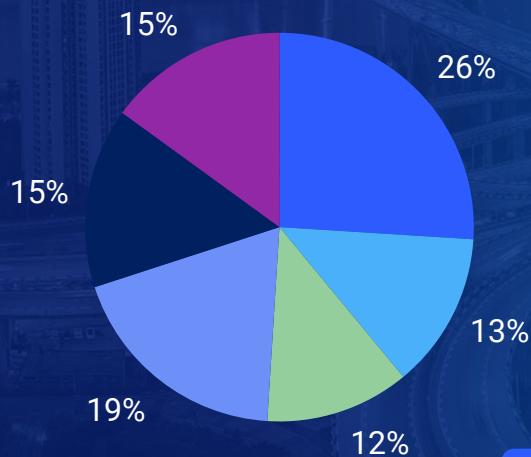
Generative content



Automate analysis and content generation for presentations on business activities

AI is being deployed to enhance operational effectiveness in the market, with predictive analytics representing the primary area of application. This is followed using the technology in documentation and compliance activities, as well as its adoption as a tool for credit management and content generation

➤ AI INVESTMENT APPLICATION AREAS AND TYPE OF IMPACT, %



51%

EXTERNAL IMPACT

AI investments focus on improving the **effectiveness** of customer- and market-facing activities

49%

INTERNAL IMPACT

AI investments are focused on enhancing internal **efficiency** through process optimization

EXTERNAL IMPACT

Predictive analytics

Chatbot / Virtual Assistant

Early Warning

INTERNAL IMPACT

Documentation / Compliance

Credit management / scoring

Generative content

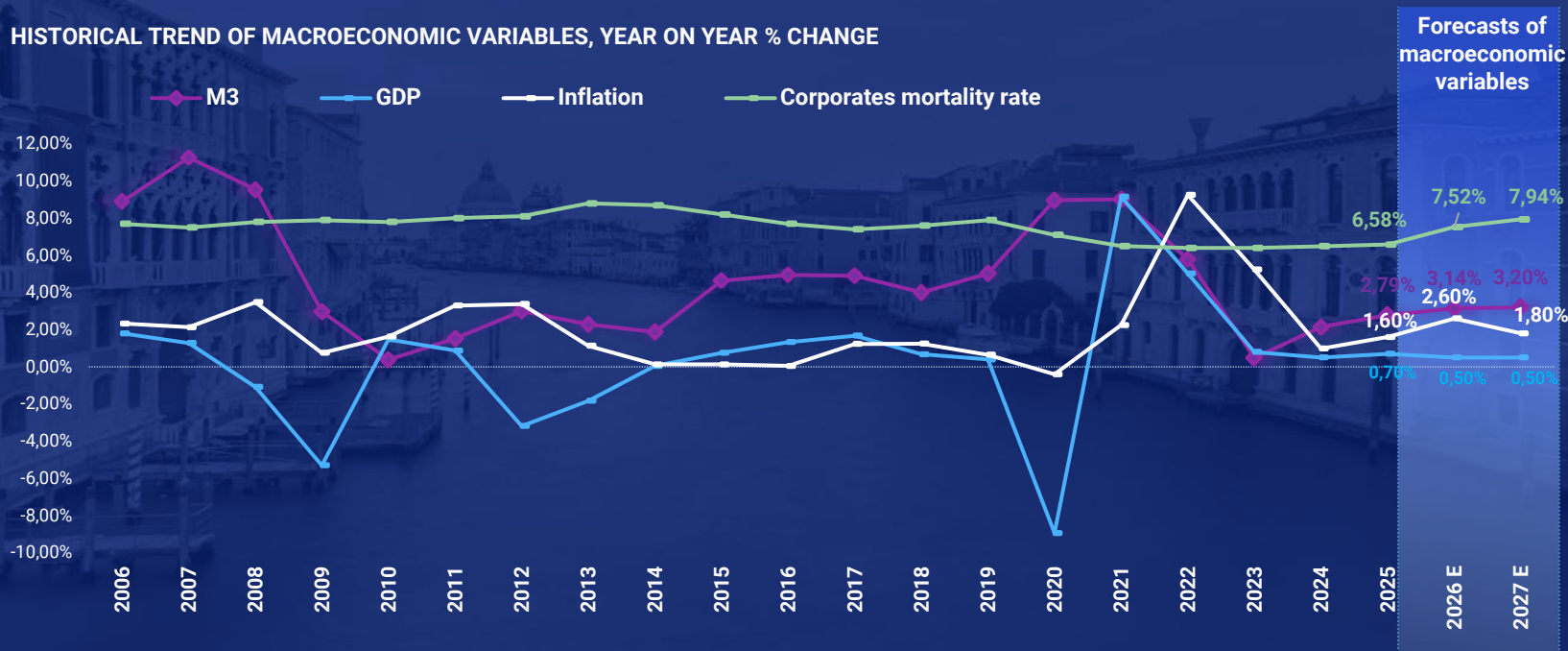
06

In-depth tables

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The macroeconomic scenario stemming from the conflict in the Middle East explains the slight upward revision of the estimated variables: GDP remains weak and is expected to deteriorate marginally, while inflation is projected to increase in 2026 and recover in 2027. The M3 monetary aggregate (Europe) is expected to remain on a growth path throughout the entire forecast horizon

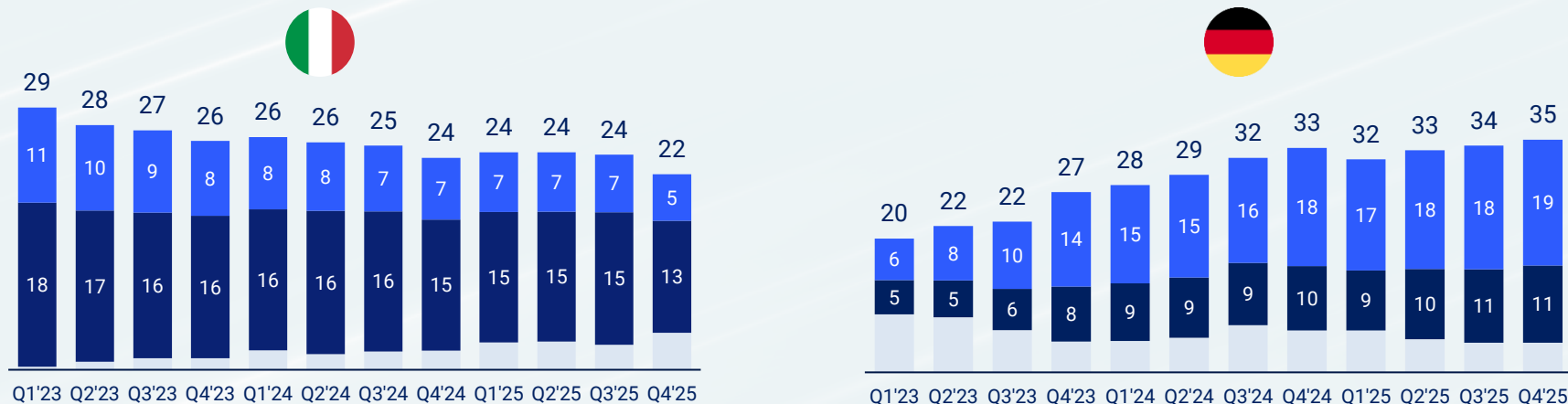
➤ HISTORICAL TREND OF MACROECONOMIC VARIABLES, YEAR ON YEAR % CHANGE



In Germany, deteriorated corporate loans have increased significantly, particularly in the Commercial Real Estate sector, where volumes have tripled since early 2023 due to the contraction in manufacturing and mounting pressures in corporate lending.

In contrast, Italy has recorded a reduction in Npls, supported by early de-risking strategies that enabled banks to lighten their balance sheets

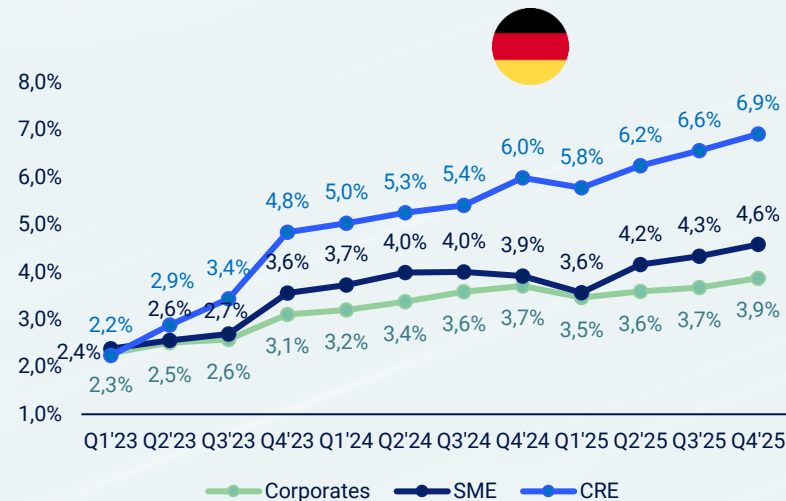
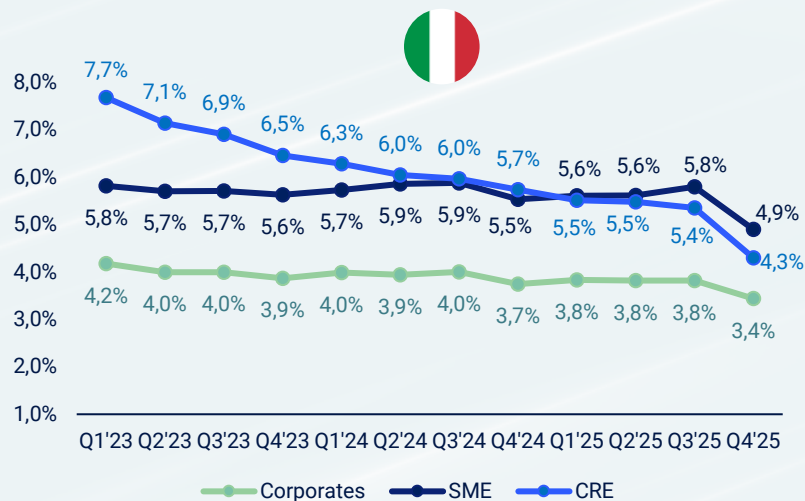
NON-PERFORMING CORPORATE LOANS (NPEs) IN EU BANK BALANCE SHEETS – ONLY SIGNIFICANT EBA BANKS - €BLN



Others SME CRE

In Germany, the Corporate credit deterioration rate increased sharply, driven by the Commercial Real Estate (CRE) segment, rising from 2,2% in early 2023 to 6,9% at end-2025. Italy, by contrast, shows an opposite trend: the ratio declined from 7,7% to 4,3% over the same period

GROSS NPE RATIO IN EU BANK BALANCE SHEETS, HOUSEHOLDS AND CORPORATES – ONLY SIGNIFICANT EBA BANKS - €BLN, %

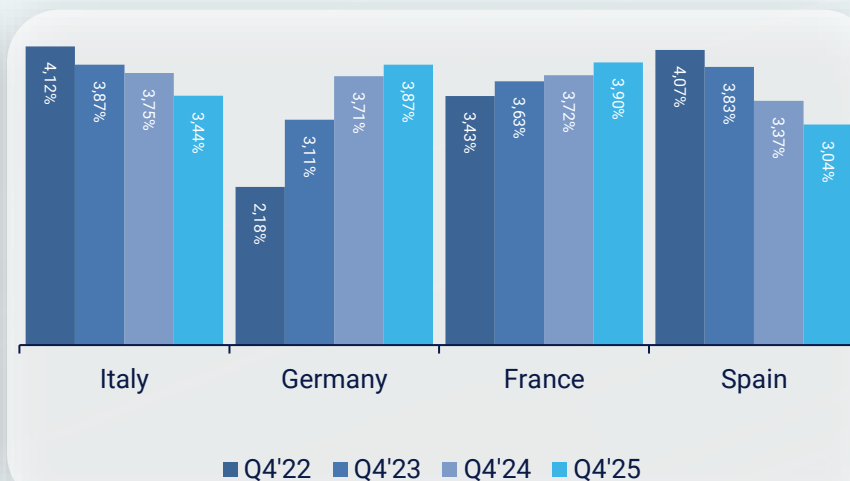


Alongside the increase in overall stock, France and Germany are seeing a continuously growing share of deteriorated assets in the Corporates segment. Conversely, Italy and Spain show year-on-year improvement. In the Households segment, Spain is the country most exposed to credit deterioration, although this exposure has decreased over the past year

EU GROSS NPE RATIO IN BANK BALANCE SHEETS, HOUSEHOLDS – ONLY SIGNIFICANT EBA BANKS - €BLN, %

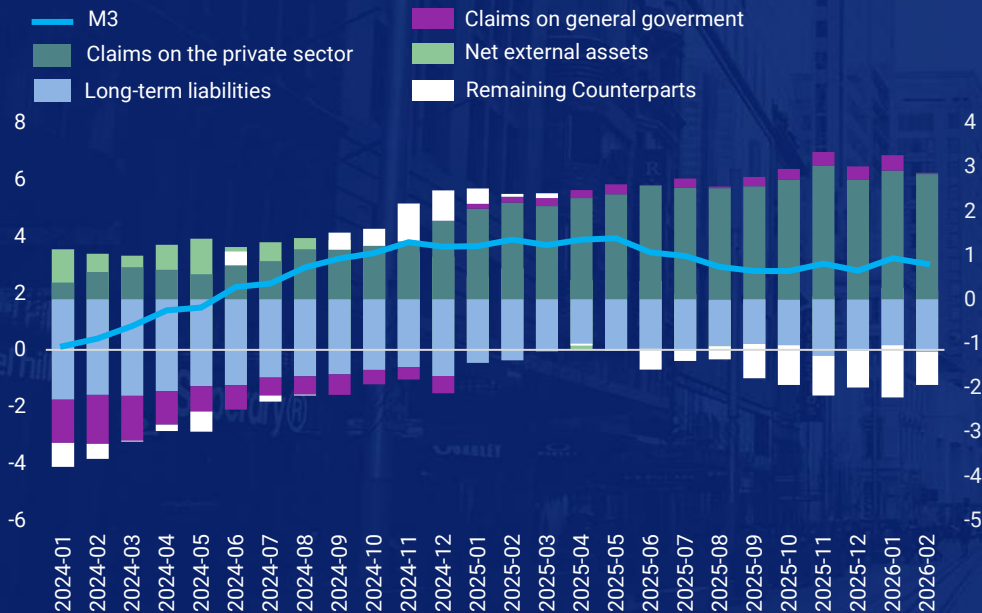


EU GROSS NPE RATIO IN BANK BALANCE SHEETS, CORPORATES – ONLY SIGNIFICANT EBA BANKS - €BLN, %



In 2025, the strengthening of the monetary aggregate M3 is supported primarily by credit to the private sector, which becomes the main driver of monetary expansion. Long-term liabilities, although more moderate, continue to exert a dampening effect

CONTRIBUTIONS TO MONTHLY M3 GROWTH (IN PERCENTAGE POINTS) IN EUROPE



Private Sector Credit

Loans and investments by MFIs to the euro area private sector; their increase can expand M3 through new deposits. Contribution is steadily growing (from +0,38 to +2,83), indicating an increasingly important role in M3 expansion

Credit to Public Administrations

Loans and government securities held by MFIs; purchases can increase M3 through deposit creation. Initially negative but improving in 2025 (from -0,9 to +0,29), suggesting a return of public support for liquidity.

Long-Term Financial Liabilities

Less liquid funding sources for MFIs; their increase can reduce M3. Negative effect is easing (from -2,30 to -1,18), indicating a rebalancing toward more liquid instruments.

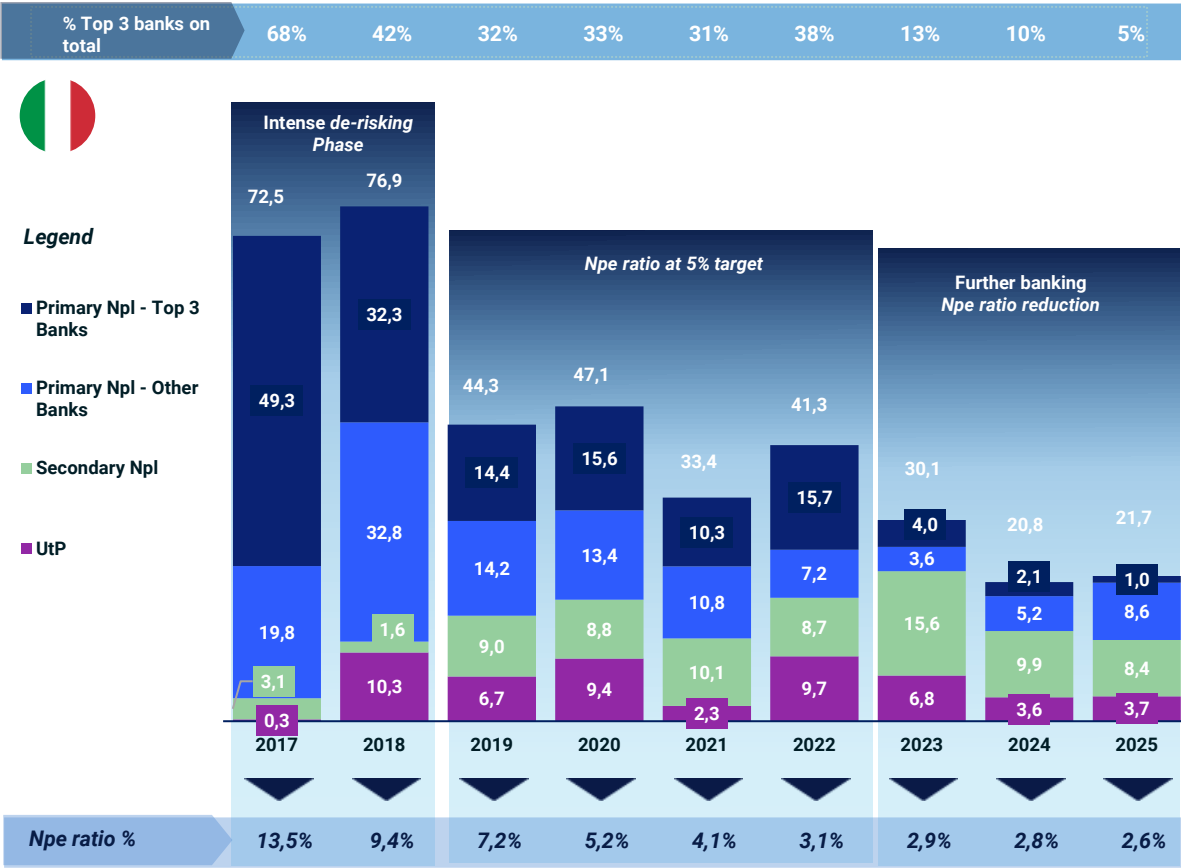
Net Foreign Assets

Difference between foreign assets and liabilities of MFIs; an increase reflects money inflows and can expand M3. Strong and stable positive contribution, though slightly declining (from +3,54 to +2,09), reflecting capital inflows from abroad.

Remaining Counterparts

Residual items not included in M3; they serve as accounting offsets and can variably influence M3. Volatile component, with fluctuations between negative and positive values, functioning as an accounting balance

NON-PERFORMING LOAN TRANSACTIONS BY MARKET TYPE AND LEADING SELLER TRENDS – €BLN , %



- Considering the top three sellers of each year, 2025 shows a sharp reduction in their share (around 5%), signaling a market that has now become fully granular. Following the extraordinary transactions of previous years—characterized by large-scale jumbo deals—banks, supported by the decline in bad loans, are now disposing of smaller and higher-quality portfolios.
- The Npe ratio continues to fall, standing at 2.6%, more than five times lower than in 2017

Over the past eight years, the Npl servicing market has completed 61 M&A and joint-venture transactions, highlighting a strong rationalisation trend aimed at optimising organisational structures and performance




Acquisitions

Joint Venture

	2018	2019	2020	2021	2022	2023	2024	2025		
Acquisitions	<p>Lindorff / Intrum Acquisition of 100% of Mass Credit Collection (MCC) department</p> <p>Anacap + Pimco Acquisition of the majority of Phoenix Asset Management</p> <p>Cerberus Acquisition of 57% of officine CST</p> <p>MCS - DSO (BC Partners company) Acquisition of 80% by Serfin</p>	<p>Arrow Acquisition of 100% Parr Credit and Europe Investments</p> <p>Financial Group Acquisition of Generale Gestione Crediti Se.Tel. Servizi</p> <p>Banca Ifis Acquisition of 90% of FBS</p> <p>Kruk Acquisition of the 51% of Agecredit</p> <p>Hoist Finance Acquisition of 100% of Maran</p>	<p>iQera BC Partners company Acquisition of Sistemia</p> <p>IBL Banca Acquisition of 9,9% of Frontis Npl</p> <p>Banca Ifis Acquisition of the remaining 10% of FBS</p> <p>DeA Capital Acquisition of 38,8% of Quaestio Holding and the Npl branch of Quaestio</p>	<p>Cerved Credit Management Acquisition of 100% of Quaestio Cerved Credit Management</p> <p>Bain Capital Credit Acquisition of Hypo Alpe Adria rebranded in Julia Portfolio Solutions</p>	<p>Hipoges Acquisition of majority stake in AXIS</p> <p>Axactor Acquisition of 100% Credit Recovery Service S.r.l.</p>	<p>Cerved Credit Management Acquisition of REV Gestione Credit</p> <p>Illimity Bank S.p.A. Acquisition of 100% by Aurora Recovery Capital S.p.A.</p> <p>Intrum Italy Acquisition of a part of iLaw, a law firm specialising in Npl servicing.</p> <p>Zolva Acquisition of 100% of Euro Service Spa</p> <p>Collexion Acquisition of Whitestar (formerly Parr Credit)</p> <p>Team Evolution (Exacta Group) Acquisition of 100% of Credem</p>	<p>Covisian Credit Management Acquisition of 100% of Credires</p> <p>Ion - Prellos Acquisition of Prellos by Ion</p> <p>Banca Ifis Acquisition of 100% of Revalea S.p.a.</p> <p>A-Zeta Acquisition of the legal BU of Officine CST (Cerberus)</p>	<p>iQera Acquisition of 33% of MFLaw (STA)</p> <p>Sesa Acquisition of 51% of Centrotrenta Servicing S.p.a</p> <p>Guber Banca Acquisition of 100% of Fintech's Reperform.com platform</p>	<p>Cherry Bank Acquisition of Banca Macerata</p> <p>doValue Signing for the acquisition of 100% of Gardant</p> <p>Arrow Global Agreement to become the controlling shareholder of iQera through a partial capitalization of the Notes</p>	<p>Banca Ifis Opas Illimity</p> <p>BPER Opas Sondrio</p> <p>doValue Acquisition of coeo, a German AI company</p> <p>Green Arrow Acquisition of DeA Capital Alternative Funds SGR</p> <p>Investire SGR Acquisition of Natissa SGR from Bain Capital</p>
Joint Venture	<p>IBL Banca + Europa Factor Joint venture for the creation of the Credit Factor Servicer (106 vehicle)</p> <p>Cerved + Studio legale La Scala Law firm specialised in the management and in the judicial and extrajudicial recovery of banking credits</p> <p>Npl Re Solutions + Axactor Joint venture to manage Npl and UTP</p> <p>Intesa + Lindorff/ Intrum Joint venture for the Npl platform by Intesa Sanpaolo</p>	<p>Gardant + Banco BPM Joint venture to manage BPM's Npl transfers</p> <p>doValue + Aurora RE Real estate UTP management platform</p>	<p>Famiglia Strocchi + Tinexta Launch of FBS Next a new Npl servicer</p>	<p>Europa Factor e Connecta's lawyers Partnership on the management of Npls</p>	<p>Gardant + BPER Joint venture for the strategic management di Npls and UTPs</p> <p>Prellos + Luzzatti Partnership for the creation of a fund for the strategic management of UTPs</p> <p>Luzzatti + Prellos Creation of UTP Management Fund</p> <p>Unicredit + Prellos Partnership for the management of UTPs</p>	<p>Cherry Bank Merger of Banca Popolare Valconca</p> <p>IPV Investing Spa Player in the secondary market of non-performing exposures</p> <p>Fire Creation of Effe46, special situation vehicle</p>	<p>Sagitta SGR ed Europa Investimenti Creation of a new UTP restructuring fund</p> <p>doValue + Cardo AI Strategic partnership for stage 2 credit management</p> <p>Persefone + P&G Sgr, Fire Creation of new fund</p> <p>Gardant Investor Sgr S.p.a. creates Caesar Creation of a new fund for real estate financing in Italy</p> <p>Tyche e Banca di Credito Peloritano Reverse merger between bank approved</p>	<p>Unicredit + Prellos Strategic partnership for Npl management</p> <p>Debitos + OneOSix Strategic partnership aligned with the new Secondary Market Directive</p> <p>AB CarVal + Cedarline Lending Strategic partnership to strengthen commercial real-estate credit capabilities</p>		

Starting from the top 15 Npl servicers in Italy by assets under management in 2018, it is evident that M&A activity has accelerated the consolidation of the sector: by 2025, the number of operators has decreased by four compared with 2018, while average AUM per operator has increased by 44%

TOP NPL SERVICERS BY AUM MANAGED IN THE ITALIAN MARKET, 2018–2025



	2018	2019	2020	2021	2022	2023	2024	2025
Servicers by ownership groups - numbers	15	14	14	14	14	13	11	11*
Total AUM - €Bln**	~275	~ 285	~ 295	~ 275	~ 295	~ 275	~ 275	~ 280
AUM per capita - €Bln	~18	~20	~21	~20	~21	~21	~25	~26

Annotations: A blue oval highlights a change of -4 in the number of servicers from 2018 to 2025. Another blue oval highlights a +44% increase in AUM per capita from 2018 to 2025.

General Statement

This publication is edited by Banca Ifis.

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